Court File No. CV-25-00743053-00CL

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.

FIRST REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

MAY 21, 2025

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APPENDICES

1.0 INTRODUCTION

1.1 On May 14, 2025 (the "**Filing Date**"), Li-Cycle Holdings Corp. ("**Holdings**"), Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle U.S. Inc. ("**North America OpCo**"), Li-Cycle Inc. ("**US SpokeCo**"), and Li-Cycle North America Hub, Inc. ("**US HubCo**") (collectively, the "**Applicants**") sought and obtained an initial order (the "**Initial Order**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The proceedings commenced thereby are referred to herein as the "**CCAA Proceedings**".

1.2 The Applicants are comprised of the North American entities of the broader Li-Cycle group of companies (the "**Li-Cycle Group**") which includes the European and Asian subsidiaries of Holdings, which are non-Applicant subsidiaries and are not part of the CCAA Proceedings. The Li-Cycle Group is a global lithium-ion battery resource recovery company headquartered in Toronto, Ontario.

1.3 The CCAA Proceedings were commenced as part of a larger coordinated restructuring of the Li-Cycle Group. On May 14, 2025, following the granting of the Initial Order, the CRO (as defined below), in its capacity as foreign representative, obtained an Order granting provisional relief from the United States Bankruptcy Court for the Southern District of New York (the "**US Bankruptcy Court**"), and will be seeking recognition of the CCAA Proceedings as "foreign main proceedings" and the giving full force and effect to the CCAA Proceedings, the Initial Order, the ARIO and the Sale Process Order (each as defined below) in the United States under Chapter 15 of the United States Bankruptcy Code

(the "**Chapter 15 Proceedings**", and together with the CCAA Proceedings, the "**Restructuring Proceedings**").

1.4 Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as proposed monitor, filed the Pre-Filing Report of the Proposed Monitor dated May 13, 2025 (the "**Pre-Filing Report**"). The Pre-Filing Report and other Court-filed documents in the Restructuring Proceedings are available on the Monitor's case website at: www.alvarezandmarsal.com/licycle (the "**Case Website**"). A copy of the Pre-Filing Report (without appendices) is also attached hereto as **Appendix "A"**.

1.5 The Initial Order, among other things:

(i) appointed A&M as monitor of the Applicants (in such capacity, the "**Monitor**");

(ii) granted a stay of proceedings in respect of the Applicants until and including May 22, 2025 (the "**Stay Period**");

(iii) approved the engagements of the CRO, the CFO, Maplebriar and the Financial Advisor (each as defined in the Initial Order and described in the Pre-Filing Report);

(iv) granted the Administration Charge, the Directors' Charge and the Intercompany Charge (each as defined in the Initial Order);

(v) authorized the Applicants to incur no further expenses for the duration of the Stay Period in relation to any Securities Filings (as defined in the Initial Order); and

(vi) authorized the CRO to act as the foreign representative in connection with the Chapter 15 Proceedings.

1.6 The purpose of this first report of the Monitor (this "**First Report**") is to provide this Court with information, and where applicable, the Monitor's view on:

(i) the relief sought by the Applicants pursuant to the proposed Amended and Restated Initial Order (the "**ARIO**"), which, among other things:

(a) extends the Stay Period to and including July 7, 2025;

(b) authorizes the Applicants to obtain and borrow under a debtor-in-possession credit facility (the "**DIP Facility**") provided by Glencore International AG (in such capacity, the "**DIP Lender**"), in an amount not to exceed $10.5 million, on the terms and subject to the conditions set forth in the DIP Term Sheet between the Applicants and the DIP Lender dated May 14, 2025 (the "**DIP Term Sheet**");

(c) grants a charge on the Property (as defined in the ARIO) as security for the Applicants' obligations to the DIP Lender under the DIP Term Sheet;

(d) grants a charge on the Property as security for the CRO Restructuring Fee and the Maplebriar Restructuring Fee (each as defined and described in the Pre-Filing Report);

(e) approves a key employee retention plan (the "**KERP**"), and grants a charge over the KERP Funds as security for payments to be made for the benefit

of the KERP Participants and for the Maplebriar Work Fee (each as defined below);

(f) seals Confidential Exhibit "H" to the Aziz Affidavit subject to further order of the Court;

(g) increases the quantum of the Administration Charge to $2.5 million, and removes the $1 million limit on the Intercompany Charge imposed in the Initial Order; and

(h) authorizes the Applicants to pay certain pre-filing amounts, with the consent of the Monitor and in accordance with the terms of the DIP Term Sheet;

(ii) the relief sought by the Applicants pursuant to the proposed Sale and Investment Solicitation Order (the "**Sale Process Order**"), which, among other things:

(a) approves the sale and investment solicitation process (the "**SISP**"), and authorizes the Applicants to implement the SISP, with the assistance of the Financial Advisor and under the oversight of the Monitor;

(b) authorizes and approves the Applicants' execution of the equity and asset purchase agreement dated May 14, 2025 (the "**Stalking Horse Agreement**") among all of the Applicants except Li-Cycle Inc. (collectively, the "**Sellers**") and Glencore Canada Corporation (the "**Stalking Horse Bidder**"), and approves the Stalking Horse Agreement solely for the purposes of acting as the "stalking horse bid" in the SISP (the "**Stalking Horse Bid**"); and

(c) approves the payment of the Expense Reimbursement and the Break Fee (each as defined below) (collectively, the "**Bid Protections**") to the Stalking Horse Bidder as contemplated by the Stalking Horse Agreement in the event that another transaction is selected as the highest or best bid (the "**Successful Bid**") in the SISP, and grants a Court-ordered Bid Protections Charge (as defined below) as security for payment of the Bid Protections;

(iii) the Chapter 15 Proceedings;

(iv) the activities of the Monitor since its appointment; and

(v) the Monitor's conclusions and recommendations in connection with the foregoing.

2.0 TERMS OF REFERENCE AND DISCLAIMER

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

(i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the 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 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 First 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 First 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 may vary from the projections, even if the assumptions materialize, and the variations could be significant.

2.3 This First Report should be read in conjunction with the affidavit of Ajay Kochhar, sworn May 12, 2025 (the "**Kochhar Affidavit**") and the affidavit of William E. Aziz, sworn May 16, 2025 (the "**Aziz Affidavit**"), each filed in support of the relief sought by the Applicants under the CCAA. Capitalized terms used but not defined in this First Report shall have the meanings given to such terms in the Kochhar Affidavit and the Aziz Affidavit, as applicable.

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

3.0 UPDATE ON CHAPTER 15 PROCEEDINGS

3.1 A hearing is scheduled before the US Bankruptcy Court on May 23, 2025, at which the CRO, in its capacity as foreign representative, shall seek an Order of the US Bankruptcy Court, among other things, recognizing the CCAA Proceedings as "foreign main proceedings" and the giving full force and effect to the CCAA Proceedings, the Initial Order, the ARIO and the Sale Process Order in the United States under Chapter 15 of the United States Bankruptcy Code.

3.2 The Monitor understands that, as of the date of hereof, objections have been filed with the US Bankruptcy Court that remain unresolved, including from the United States Trustee. The Monitor understands that the United States Trustee objects to the recognition of the CCAA Proceedings as either a "foreign main proceeding" or a "foreign nonmain proceeding" with respect to North America OpCo., US SpokeCo and US HubCo. The Monitor's US counsel will attend the hearing, and the Monitor will provide a further update to the Court as part of its next report.

4.0 DIP FACILITIES

4.1 As described in the Aziz Affidavit, the Applicants require financing during the CCAA Proceedings to provide the liquidity necessary to maintain their business as a going concern, preserve value of their assets for their stakeholders and pursue and implement any transactions resulting from the SISP.

4.2 To obtain access to such liquidity, the Applicants negotiated the terms set out in the DIP Term Sheet. The DIP Facility and the process undertaken by the Applicants to secure the

DIP Facility are described in greater detail in the Aziz Affidavit to which the DIP Term Sheet is attached as Exhibit "D".

4.3 The key terms and components of the DIP Term Sheet[1] include the following:

DIP Term Sheet *(Capitalized terms have the meaning ascribed thereto in this First Report or in the DIP Term Sheet, as applicable)*	
Agreement	• Debtor-In-Possession Financing Term Sheet, dated as of May 14, 2025
Borrower	• Li-Cycle Holdings Corp. (Ontario) (the "**Borrower**")
Guarantors	• Li-Cycle Corp. (Ontario) • Li-Cycle Americas Corp. (Ontario) • Li-Cycle U.S. Inc. (Delaware) • Li-Cycle Inc. (Delaware) • Li-Cycle North America Hub, Inc. (Delaware) (collectively, the "**Guarantors**", and together with the Borrower, the "**DIP Loan Parties**")
DIP Lender	• Glencore International AG
Commitment and Use of Proceeds	• Available borrowings in aggregate amount of $10.5 million, made up of: (i) $9 million (increased by up to $1.25 million if the Rochester Option (as defined in the Stalking Horse Agreement) is exercised by Glencore Capital Corporation pursuant to the Stalking Horse Agreement), to: (a) fund the operations of the North American business; (b) facilitate the CCAA Proceedings, including the SISP; and (c) make intercompany loans to Li-Cycle U.S. Inc. and Li-Cycle APAC Pte. (the "**Asian Parent**") (a non-Applicant); (ii) $1.5 million, to fund the operations of Li-Cycle Europe AG (Switzerland) (the "**European Parent**") and Li-Cycle Germany GmbH (Germany) (the "**German Spoke**") (each, a non-Applicant) pursuant to Intercompany Loans
Interest	• 11.3% *per annum* • Additional default interest of 2.0%
Maturity Date	• The earlier of: (i) July 18, 2025; (ii) the closing of a sale of all or any part of the Transferred Assets; (iii) the termination of the CCAA Proceedings; and (iv) the date of acceleration of the DIP Loans pursuant to the DIP Term Sheet.
Cash Flow Covenant	• Tested weekly, on a rolling four-week basis (ending two weeks after the previously ended four-week period), the DIP Loan Parties shall not permit: (i) total disbursements to exceed the Budget by more than 10%; (ii) total professional fees and expenses to exceed the Budget by 10%; and (iii) total collections to be less than 90% of the Budget.

[1] Capitalized terms used in this section and not otherwise defined in the First Report have the meanings given to them in the DIP Term Sheet.

Financial Covenants	• Weekly compliance with the Budget, tested on an aggregate cumulative basis, subject to the Permitted Variance • Minimum unrestricted cash of $0.5 million, tested weekly
Affirmative Covenants	• Affirmative covenants include to: (i) deliver financial statements on a monthly basis, the Budget and the Variance Reports, and other information reasonably requested by the DIP Lender; (ii) participate in weekly calls with legal and financial advisors and relevant members of management and representatives of the Monitor; (iii) provide the DIP Lender with any material information requested by the DIP Lender, acting reasonably and subject to privilege, confidentiality and any restrictions imposed by the SISP Order or any other order of the Court; (iv) maintain the insurance currently in existence with respect to the Collateral; (v) materially comply with all existing commercial arrangements with Glencore Canada Corporation and any affiliate thereof; and (vi) ensure that all disbursements under the Intercompany Loan to the German Subsidiary and Swiss Subsidiary will be paid to Bank Accounts which are pledged as security under the Original Convertible Note.
Negative Covenants	• Negative covenants include not to: (i) transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking except in the ordinary course of their businesses or pursuant to any Intercompany Loans; (ii) create or permit to exist indebtedness for borrowed money other than: (a) indebtedness for borrowed money currently existing; (b) debt contemplated by this DIP Term Sheet; and (c) post-filing trade credit obtained in the ordinary course of business, in accordance with the Budget; (iii) permit any new liens to exist on any Collateral other than the DIP Charge, the Administration Charge, the Directors' Charge, the KERP Charge, the Bid Protections Charge, the Intercompany Charge and Permitted Liens (as defined in the Original Convertible Note (other than liens that are permitted under Section 2(n) of the Original Convertible Note)), or as otherwise permitted pursuant to the Court Orders; (iv) take any action (or support the taking of any action by another person) that has, or may have, a material adverse impact on the rights and interests of the DIP Lender, including, without limitation, any action in furtherance of challenging the validity, enforceability or amount of the obligations owing in respect of the DIP Facility; and (v) except in accordance with the Purchase Agreement or the Sale Process Order, commence, continue or seek any stakeholder or court approval for any sale, restructuring transaction or plan without the prior written consent of the DIP Lender in its sole and absolute discretion.
DIP Collateral	• To be secured by the DIP Charge which shall rank ahead of all other Encumbrances (provided that with respect to the DOE Collateral, the DIP Charge shall rank behind the DOE Security), subject to the Administration Charge, the Directors' Charge, and the KERP Charge (solely as against the KERP Funds).
Events of Default and Remedies	• Events of Default include: (i) the issuance of an order terminating the CCAA Proceedings or the Chapter 15 Proceedings or lifting the stay in the CCAA Proceedings or the Chapter 15 Proceeding to permit the enforcement of any security against the DIP Loan Parties; (ii) the issuance of an order granting a lien of equal or superior status to that of the DIP Charge, other than the Administration Charge, the Directors' Charge and the KERP Charge;

	(iii) failure of any DIP Loan Party to pay any principal, interest, fees or any other amounts, in each case when due and owing under the DIP Term Sheet; (iv) any adverse deviation of more than the Permitted Variance from the amount set forth in the Budget for any Budget Period; (v) failure of any DIP Loan Party to perform or comply in any material respect with any negative covenant or financial covenant in the DIP Term Sheet; (vi) any change of control of any DIP Loan Party, except in accordance with the Purchase Agreement; and (vii) any of the Sellers rescinds or purports to rescind or repudiates or purports to repudiate the Purchase Agreement. • Upon the occurrence and during the continuance of an Event of Default, and subject to the Court Orders, whether or not there is availability under the DIP Facility: (i) without any notice to the Borrower, the Borrower shall have no right to receive any additional DIP Loans or other accommodation of credit from the DIP Lender except in the sole and absolute discretion of the DIP Lender; and (ii) the DIP Lender may immediately terminate the DIP Facility and demand immediate payment of all DIP Obligations (other than contingent indemnification obligations) by providing such a notice and demand to the Borrower, with a copy to the Monitor. • With not less than five (5) Business Days' notice to the Borrower after the occurrence and during the continuance of an Event of Default, the DIP Lender shall have the right to enforce the DIP Charge and to exercise all other rights and remedies in respect of the DIP Obligations and the DIP Charge, including the right to apply for the appointment of a Court-appointed receiver.

4.4 The Monitor notes the following with respect to the DIP Facility:

(i) the terms of the DIP Facility are the result of extensive negotiations between the Applicants, the DIP Lender and their respective advisors, and represent the best terms that the Applicants could negotiate in the circumstances to seek a going concern outcome for their business;

(ii) the Monitor understands that although the Applicants sought alternative debtor-in-possession financing proposals, the Applicants were unable to obtain any proposals that were on terms more favourable than those reflected in the DIP Facility;

(iii) the DIP Facility is conditional upon, among other things, the issuance of the proposed ARIO approving the DIP Facility and granting of the DIP Lender's Charge;

(iv) the DIP Facility, together with the Intercompany Loans contemplated thereby, are projected to provide the Applicants with sufficient liquidity during the CCAA Proceedings to allow the Applicants to stabilize their business while they implement the proposed SISP and will provide liquidity to fund the ongoing operations of the European Parent and the Germany Spoke (both non-Applicants) to allow those entities to remain solvent and avoid a domestic insolvency filing and liquidation, which would be value-destructive for the Applicants and their stakeholders;

(v) the Permitted Variance threshold for the Budget under the DIP Term Sheet is 10%, which is tested weekly on a rolling four-week basis (ending two weeks after the previously ended four-week period). The Monitor intends to closely track the Applicants' receipts, disbursements and professional fee expenses, as against the Budget, to ensure that all parties are aware of any deviations from forecast that could trigger a covenant breach; and

(vi) a portion of the DIP Facility funds are contemplated to be on-lent by Holdings to the European Parent, the Germany Spoke and Li-Cycle APAC Pte. on an unsecured basis. The funds on-lent to the European Parent and the German Spoke are governed by separate DIP Proceeds Intercompany Loan Agreements, the forms of which are attached as Schedule "A" to the DIP Term Sheet. The Monitor understands that the funds being on-lent to the European Parent and the German Spoke will be utilized to fund ongoing operations. The Monitor also understands that the funds being on-lent to Li-Cycle APAC Pte. are expected to be used to pay

employees of Li-Cycle APAC Pte. that perform services that benefit the broader Li-Cycle Group.

4.5 Attached as **Appendix "B"** is a summary of select DIP financing facilities that have recently been approved by this Court in similar CCAA proceedings, including a number of comparable proceedings that included a stalking horse sale process. The Monitor notes that these comparable DIP loans have ranged in size from approximately CAD$1.2 million to CAD$55.0 million, with an average interest rate of 12.5% and incremental fees of 1.7% (commitment fees, exit fees, etc.).

4.6 In comparison, the proposed DIP Facility has an interest rate of 11.3% and contains no other incremental fees. Based on the experience of the Monitor and on the information available to it, the Monitor is of the view that the interest rate and other terms set out in the DIP Term Sheet are reasonable in the circumstances.

4.7 The Monitor understands that the Applicants and the DIP Lender are engaged in negotiations with respect to potential amendments to the DIP Term Sheet. If the parties reach an agreement, a revised DIP Term Sheet will be circulated to the Service List and the Monitor will comment on same in a supplementary report to Court if necessary.

5.0 SISP AND STALKING HORSE AGREEMENT

Stalking Horse Agreement[2]

5.1 The Monitor understands that the Applicants view entering into the Stalking Horse Agreement as beneficial to the objective of the CCAA Proceedings – which is to stabilize and maintain the Applicants' business and to conduct a Court-supervised marketing and sale process for the business and assets of the Li-Cycle Group – as it provides a level of certainty that the Applicants' restructured business can be preserved as a going concern and also sets a "floor" price that bidders in the SISP must bid against.

5.2 The Sellers entered into the Stalking Horse Agreement with the Stalking Horse Bidder, as purchaser, to acquire: (i) substantially all of the assets and business operations of the Applicants, other than US SpokeCo and the other Excluded Assets (as defined below); (ii) the shares of US SpokeCo held by North America OpCo; and (iii) the shares of the European Parent held by Holdings, all on the terms and conditions set forth in the Stalking Horse Agreement. A copy of the Stalking Horse Agreement is attached as Exhibit "E" to the Aziz Affidavit.

5.3 Pursuant to the Sale Process Order, the Applicants seek, among other things: (i) authorization and approval, *nunc pro tunc*, to enter into the Stalking Horse Agreement; (ii) that the Stalking Horse Agreement be approved and recognized as the Stalking Horse Bid under the SISP; and (iii) approval of the Bid Protections in the event the Stalking Horse Bidder is not the Successful Bid under the SISP.

[2] Capitalized terms used in this section and not otherwise defined in the First Report have the meanings given to them in the Stalking Horse Agreement.

5.4 Key terms of the Stalking Horse Agreement are summarized in the table below:

Stalking Horse Agreement *(Capitalized terms have the meaning ascribed thereto in the First Report or in the Stalking Horse Agreement, as applicable)*	
Term (Agreement Citation)	**Detail**
Sellers (Schedule I)	• Asset Sellers are: (i) Li-Cycle North America Hub, Inc. (Delaware); (ii) Li-Cycle Corp. (Ontario); (iii) Li-Cycle Americas Corp. (Ontario); (iv) Li-Cycle U.S. Inc. (Delaware); and (v) Li-Cycle Holdings Corp. (Ontario) • Equity Sellers are: (i) Li-Cycle U.S. Inc. (Delaware); and (ii) Li-Cycle Holdings Corp. (Ontario) • Intellectual Property Seller is: Li-Cycle Corp. (Ontario)
Buyer (Recitals)	• Glencore Canada Corporation (the "**Buyer**")
Transaction, Transferred Equity Interests and Transferred Assets (Section 1.1)	• 100% of the outstanding equity interests of Li-Cycle Inc. and Li-Cycle Europe AG[3] (the "**Transferred Equity Interests**") and substantially all of the assets of the Asset Sellers except for the Excluded Assets (the "**Transferred Assets**"), and the assumption of the Assumed Liabilities
Purchase Price (Section 3.2)	• Purchase Price comprised of: (i) $40,000,000 (the "**Credit Bid Amount**"), *plus* (ii) the assumption by Buyer of the other Assumed Liabilities, *plus* (iii) the Purchase Price Cash Component[4], *plus* (iv) the Carve-out Condition Amount[5]. • The Credit Bid Amount shall be paid by means of a credit against, first, all amounts owing under the DIP Term Sheet and, second, the principal amount of the Glencore Secured Convertible Note

[3] Prior to Closing, the equity interests of Li-Cycle Norway AS, Li-Cycle United Kingdom Ltd. and Li-Cycle Frans SARL, Li-Cycle Hungary Kft, all non-Applicants will be transferred to Holdings and will not be transferred to the Buyer.

[4] "**Purchase Price Cash Component**" means an amount of cash sufficient to satisfy all accrued but unpaid amounts, as of the time of Closing, that are secured by a charge provided by the Initial Order, the Amended and Restated Initial Order or the Sale Process Order.

[5] "**Carve-out Condition Amount**" means the amount determined in accordance with Section 8.1(i) of the Sellers' Disclosure Schedule. The amount has not yet been determined.

Excluded Assets (Section 2.4)	• Excluded Assets include: (i) the Excluded Contracts; (ii) accounts receivable to the extent arising out of any Excluded Asset; (iii) all Claims that the Sellers may have against any Person (other than Buyer and its Affiliates) with respect to any Excluded Assets; (iv) the Sellers' directors and officers liability insurance policies, if any; (v) all executive or incentive compensation, bonus, deferred compensation, pension, profit sharing, severance, retirement, savings, retirement, stock option, stock purchase, group life, health or accident insurance or other Benefit Plan; and (vi) all cash, commercial paper, treasury bills and other cash equivalents and liquid investments. • At any time prior to the Closing Date, Buyer may, by written notice to the Sellers and the Monitor, designate any of the Transferred Assets as additional Excluded Assets, with no change to the Purchase Price • The Purchase Price may be increased as follows if Buyer designates as Excluded Assets: (i) substantially all of the assets in or at the Rochester Hub (the "**Total Rochester Option**"), then the Purchase Price shall be increased by $1.25 million; or (ii) any portion of the Owned Real Property on (a) the lands subject to the Ground Lease Agreement, or (b) located on the lands subject to that certain Amended and Restated Ground Sublease Agreement (the "**Partial Rochester Option**"), then the Purchase Price shall be increased by the reasonable, out-of-pocket costs of Sellers associated with the liquidation of the excluded assets up to a maximum of $1,250,000, (together referred to as the "**Rochester Option**").
Assumed Liabilities (Section 2.5)	• Assumed Liabilities include: (i) all liabilities arising under the Assumed Contracts following Closing; (ii) the Cure Amounts; (iii) all Debt set forth on the Sellers' Disclosure Schedule; (iv) the Assumed Debt Obligations; and (v) all Accrued Wages with respect to Hired Employees.
Expense Reimbursement and Break Fee (Section 7.2)	• In the event that an Alternative Transaction is selected as the Successful Bid in accordance with the SISP, Buyer shall be entitled to: (i) the Break Fee of $1,000,000; and (ii) the Expense Reimbursement of $200,000 • The Monitor also notes that there is a $500,000 minimum overbid amount included in the SISP
Mutual Release (Section 3.1)	• Buyer and the Sellers shall execute a mutual release agreement whereby the Buyer, on the one hand, and the Sellers, on the other hand, agree to waive, release and discharge, effective at the time of Closing, all Claims against the other and their respective Representatives and related parties (other than those claims for repayment under the Glencore Secured Convertible Note, the First A&R Note or the Second A&R Note and subject to certain other customary exceptions)
Outside Date (Section 9.1)	• July 18, 2025

Closing Conditions (Article VIII)	• Closing conditions include: (i) the DIP Term Sheet shall have been approved by the CCAA Court in form and substance acceptable to Buyer; (ii) there shall be no pending challenge or contest to the validity, amount, perfection or priority of the Credit Documents or other Claims of Buyer thereunder that would prevent or otherwise limit Buyer's ability to credit bid; (iii) the SISP shall have been conducted in accordance with its terms and the terms of the SISP Order; (iv) no event of default shall have occurred under the DIP Facility; (v) all shares or other equity interests in all Carve-Out Entities shall have been validly transferred to Li-Cycle Holdings Corp.; (vi) the Court shall have granted the Approval and Vesting Order by no later than July 7, 2025; (vii) the U.S. Court shall have entered the AVO Recognition and Section 363 Order by no later than July 16, 2025; and (viii) the ICA Approval shall have been received.
Termination (Section 9.1)	• The Stalking Horse Purchase Agreement may be terminated at any time prior to the Closing: (i) by mutual agreement of the Sellers and Buyer; (ii) there shall have been a breach by the Sellers of any of their representations, warranties, covenants or agreements contained in the Stalking Horse Purchase Agreement, which shall not have been cured by the earlier of (a) July 18, 2025, or (b) five (5) Business Days after written notice thereof shall have been received by the Sellers from Buyer; (iii) there is a breach or event of default under the DIP Term Sheet; (iv) if the CCAA Proceedings are terminated; or (v) if Li-Cycle Holdings Corp., or any other Seller, enters into a definitive agreement with respect to an Alternative Transaction or the Court or the Bankruptcy Court otherwise approves an Alternative Transaction.

5.5 The Monitor notes that the Stalking Horse Agreement provides for a potential increase of the Purchase Price by up to $1.25 million (the "**Incremental Winddown Amount**"), if the Buyer elects to exercise the Rochester Option (thereby designating certain material assets as additional Excluded Assets under the Stalking Horse Agreement), with the intention that such funds be used to wind down all or part of the Rochester Hub and the Restructuring Proceedings. The Monitor notes that the Budget also includes $500,000 (anticipated to be funded to the Applicants at the end of the Budget forecast period), which amount the Monitor understands is intended to be used to wind down the Restructuring Proceedings

(the "**Winddown Reserve**"). The Monitor also notes that the Stalking Horse Agreement contemplates that the Buyer may designate any Purchased Asset (not limited to those relating to the Rochester Hub) as an Excluded Asset prior to Close, which may result in an increase in the costs to wind down the Restructuring Proceedings.

5.6 The Monitor is reviewing the sufficiency of these proposed wind down amounts and will provide an update to the Court at the appropriate time if necessary.

5.7 The Monitor understands that the Applicants and the Buyer are engaged in negotiations with respect to potential amendments to the Stalking Horse Agreement. If the parties reach an agreement, a revised Stalking Horse Agreement will be circulated to the Service List and the Monitor will comment on same in a supplementary report to Court if necessary.

Pre-Filing Marketing Process

5.8 The SISP has been developed as a re-canvassing of the market following a broad pre-filing marketing process conducted by the Applicants with the assistance of Moelis & Company ("**Moelis**"), an investment banking firm previously engaged by the Li-Cycle Group to identify additional funding or strategic alternatives (the "**Pre-Filing Marketing Process**").

5.9 As described in the Aziz Affidavit, the Pre-Filing Marketing Process was commenced by the Applicants and Moelis in late November, 2023 under the guidance of a Special Committee of independent directors of Holdings, and consisted of two marketing processes:

(i) during the initial process from November 2023 to February 2024, 144 potential strategic and financial investors were contacted, 57 of whom executed non-

disclosure agreements (each, an "**NDA**") and were granted access to a data room. The Li-Cycle Group and Moelis conducted over 50 management presentations and facilitated extensive due diligence. The Applicants determined to proceed with the $75 million secured advance from Glencore at the conclusion of this initial process; and

(ii) during the period from November 2024 to February 2025, the Li-Cycle Group and Moelis conducted a second process, during which 149 parties were contacted (including parties that participated in the initial process, together with a group of new parties), of which 52 executed an NDA and were granted access to the data room which had continued to be updated by Moelis and the Li-Cycle Group. During this second marketing process, the Li-Cycle Group conducted an additional 22 management presentations.

5.10 The Monitor understands that notwithstanding the lengthy Pre-Filing Marketing Process, and the extensive efforts of Moelis and the Li-Cycle Group, the Li-Cycle Group was ultimately not able to execute a viable transaction or obtain sufficient additional investment, and efforts with Moelis were paused in late February 2025.

Overview of the SISP[6]

5.11 Pursuant to the Sale Process Order, the Applicants are also seeking, among other things, approval of the SISP.

[6] Capitalized terms used in this section of the First Report and not otherwise defined herein have the meanings ascribed to them in the proposed SISP.

5.12 The SISP contemplates a two-phase process that will be administered by the Applicants and the Financial Advisor, under the supervision of the Monitor, with Phase 1 and Phase 2 being a combined 46 days. The SISP commenced on May 12, 2025 in order to maximize the marketing period given the Applicants' limited liquidity. It is proposed that the Stalking Horse Agreement will act as the Stalking Horse Bid and will be subject to better and higher offers that may be received during the SISP.

5.13 The SISP is intended to solicit interest in opportunities to acquire all, substantially all, or a portion of the Property (each, a "**Sale Proposal**"), or a recapitalization, arrangement, or other form of investment in or reorganization of the Business (each, an "**Investment Proposal**") from Qualified Bidders, as a going concern or otherwise (the "**Opportunity**").

5.14 The key terms and milestones contemplated by the SISP are set out in **Appendix "C"**.

5.15 The Financial Advisor, with the assistance of the Applicants and the Monitor, has contacted 157 potential bidders, including 88 strategic buyers and 69 financial sponsors (collectively, the "**Known Potential Bidders**") to whom it has sent a Teaser Letter describing the Opportunity and an NDA. As of May 20, 2025, 23 parties have executed an NDA and have been provided with a confidential information memorandum (the "**CIM**") and granted access to an electronic data room (the "**Data Room**"). The Monitor has assisted and supervised the Financial Advisor on the launch of the SISP and will continue to do so throughout the process.

<u>General Comments Regarding the SISP and the Stalking Horse Agreement</u>

5.16 The SISP timeline was negotiated among the Applicants, the Financial Advisor, and the Stalking Horse Bidder in consultation with the Monitor with consideration to the

efficiencies that can be leveraged from the Pre-Filing Marketing Process. The SISP and its timeline is a requirement of the DIP Lender providing the DIP Facility.

5.17 The SISP provides the flexibility for the Monitor to modify, amend, vary or supplement the provisions, terms or conditions of the SISP, in order to give effect to the substance of the SISP or the Sale Process Order, without the need for obtaining an order of the Court. Subject to any order of the Court, the dates set out in the SISP may be extended by the Applicants in consultation with the Financial Advisor, with the consent and approval of the Monitor and the Stalking Horse Bidder.

5.18 The Monitor has considered and supports the relief sought by the Applicants pursuant to the proposed Sale Process Order for the following reasons:

(i) the Monitor is of the view that the SISP is commercially reasonable and has been designed to maximize value through a competitive bidding process, and to provide greater certainty of a going concern outcome for the business should the SISP not produce a superior result to the Stalking Horse Agreement;

(ii) although the timelines included in the proposed SISP are condensed, the Monitor is of the view, given the Pre-Filing Marketing Process and the steps that have been taken to date, that SISP participants will have been provided sufficient time to review the Opportunity and submit a non-binding LOI (25 days) or a binding Bid (46 days in aggregate). Of note, the Financial Advisor commenced the SISP on May 12, 2025 with fully prepared materials supporting the SISP (i.e., the Teaser Letter, the NDA, the list of Known Potential Bidders, and a populated Data Room);

(iii) the Monitor has compared the Bid Protections, which represent 3% of the Purchase Price (excluding the value of assumed liabilities) to other stalking horse break fees and expense reimbursements approved by this Court in similar proceedings, and based on the Monitor's review, the Bid Protections appear to be reasonable in the circumstances and typical for a transaction of this size and complexity; and

(iv) the Monitor does not believe the creditors of the Applicants would be materially prejudiced by the Stalking Horse Agreement or the SISP.

5.19 The Monitor understands that the Applicants are engaged in negotiations with respect to potential amendments to the SISP. If the Applicants revise the SISP, the revised version will be served on the Service List and the Monitor will comment on same in a supplementary report to Court if necessary.

Glencore Prefiling Debt and Security

5.20 The Monitor notes that the Stalking Horse Agreement contemplates a credit bid of a portion of the Glencore Secured Convertible Note (as defined below) (in addition to the DIP Facility).

5.21 As further described in the Kochhar Affidavit and the Pre-Filing Report, Holdings issued to Glencore Ltd. ("**Glencore Intermediate**") an unsecured convertible note in the aggregate principal amount of $200 million (the "**Original Convertible Note**"), pursuant to a Note Purchase Agreement dated May 5, 2022. Holdings paid interest due and payable in-kind under the Original Convertible Note through the issuance of three additional unsecured convertible notes in the aggregate principal amount of $25,357,584.66 (the "**PIK Notes**").

5.22 On March 21, 2024, Glencore Intermediate assigned the Original Convertible Note and PIK Notes to Glencore Canada Corporation (in such capacity, the "**Noteholder**"), pursuant to a Master Assignment and Assumption Agreement dated as of March 21, 2024.

5.23 On March 25, 2024, Holdings issued to the Noteholder a secured convertible note in the aggregate principal amount of $75 million (as amended and restated, the "**Glencore Secured Convertible Note**"), pursuant to the Amended and Restated Note Purchase Agreement dated March 25, 2024 (as amended and restated, the "**Note Purchase Agreement**"). The Glencore Secured Convertible Note is guaranteed by the Canadian Note Parties[7], the U.S. Note Parties[8] and Li-Cycle Europe AG and Li-Cycle Germany GmbH.

5.24 As security for the Glencore Secured Convertible Note, among other things: (i) the Canadian Note Parties granted to Glencore Canada Corporation, as collateral agent (in such capacity, the "**Glencore Collateral Agent**"), for the benefit of itself and the Noteholder, a general security interest in all of their present and after acquired personal property, subject to certain exclusions, pursuant to the Canadian Security Agreement dated March 25, 2024 (the "**Canadian Glencore Secured Convertible Note GSA**"); and (ii) the U.S. Note Parties granted to the Glencore Collateral Agent, for the benefit of itself and the Noteholder, a general security interest in all of their present and after acquired personal property, subject to certain exclusions, pursuant to the U.S. Pledge and Security Agreement dated March 25, 2024 (the "**U.S. Glencore Secured Convertible Note GSA**", and together

[7] "**Canadian Note Parties**" means Holdings, Li-Cycle Corp. and Li-Cycle Americas Corp.

[8] "**U.S. Note Parties**" North America OpCo, US SpokeCo and US HubCo.

with the Canadian Glencore Secured Convertible Note GSA, the "**Glencore Secured Convertible Note Security Documents**").

5.25 Also on March 25, 2024, pursuant to the Note Purchase Agreement, the Original Convertible Note, the PIK Notes, and a fourth additional unsecured convertible note issued on March 25, 2024 in the aggregate principal amount of $5,809,217.74, were amended and restated into an unsecured convertible note in the aggregate principal amount of $116,551,170.40 (as amended and restated, the "**First A&R Note**") and an unsecured convertible note in the aggregate principal amount of $114,615,632.00 (as amended and restated, the "**Second A&R Note**").

5.26 The First A&R Note and the Second A&R Note each provide that, on the occurrence of certain trigger events (each, a "**Modification Date**"), among other things, they shall become secured by a general security interest in all of the present and after acquired personal property of the Canadian Note Parties and the U.S. Note Parties, subject to certain exclusions.

5.27 On December 9, 2024, the Modification Date under the First A&R Note occurred and: (i) the Canadian Note Parties granted to the Noteholder a general security interest in all of their present and after acquired personal property, subject to certain exclusions, pursuant to the Canadian Security Agreement dated December 9, 2024 (the "**Canadian First A&R Note GSA**"); and (ii) the U.S. Note Parties granted to the Noteholder a general security interest in all of their present and after acquired personal property, subject to certain exclusions, pursuant to the U.S. Pledge and Security Agreement dated January 13, 2025 (the "**U.S. First A&R Note GSA**", and together with the Canadian First A&R Note GSA,

the "**First A&R Note Security Documents**", and together with Glencore Secured Convertible Note Security Documents, the "**Glencore Prefiling Security Documents**"). As of the date of this First Report, the Modification Date under the Second A&R Note has not yet occurred and, as a result, the Second A&R Note remains unsecured.

5.28 As further described in the Kochhar Affidavit, key terms and components of the Glencore Secured Convertible Note, the First A&R Note, and the Glencore Prefiling Security Documents include the following:

Glencore Prefiling Security Documents *(Capitalized terms have the meaning ascribed thereto in this First Report or in the applicable Glencore Prefiling Security Document, as applicable)*	
Notes	• Glencore Secured Convertible Note • First A&R Note
Issuer	• Li-Cycle Holdings Corp. (Ontario)
Guarantors	• Li-Cycle Corp. (Ontario), Li-Cycle Americas Corp. (Ontario), Li-Cycle U.S. Inc. (Delaware), Li-Cycle Inc. (Delaware), Li-Cycle North America Hub, Inc. (Delaware), Li-Cycle Europe AG (Switzerland) and Li-Cycle Germany GmbH (Germany)
Investors	• Glencore Canada Corporation, as Collateral Agent under the Glencore Secured Convertible Note (the "**Glencore Collateral Agent**") • Glencore Canada Corporation, as noteholder under the Glencore Secured Convertible Note and the First A&R Note (the "**Noteholder**")
Committed Securities	• $75,000,000 under the Glencore Secured Convertible Note • $116,551,170.40 under the First A&R Note
Interest	• SOFR + 5% if interest is cash paid • SOFR + 6% if interest is paid in kind
Maturity Date	• March 25, 2029 under the Glencore Secured Convertible Note • December 9, 2029 under the First A&R Note
Conversion Rights	• Convertible at the Noteholder's option at any time from time to time • Glencore Secured Convertible Note convertible at price of $0.53 per common share, subject to certain adjustments • First A&R Note convertible at price of 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	• In respect of the Glencore Secured Convertible Note: (i) the Canadian Note Parties granted liens to the Glencore Collateral Agent 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), pursuant to the Canadian Glencore Secured Convertible Note GSA; and (ii) the U.S. Note Parties granted liens to the Glencore Collateral Agent on a first priority basis on substantially all of the tangible and intangible assets of such U.S. Note Parties, including all equity interests of the U.S. Note Parties (other than Excluded Assets), pursuant to the U.S. Glencore Secured Convertible Note GSA • In respect of the First A&R Note: (i) the Canadian Note Parties granted liens to the Noteholder 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), pursuant to the Canadian First A&R Note GSA; and (ii) the U.S. Note Parties granted liens to the Noteholder on a first priority basis on substantially all of the tangible and intangible assets of such U.S. Note Parties, including all equity interests of the U.S. Note Parties (other than Excluded Assets), pursuant to the U.S. First A&R Note GSA
Excluded Assets	• In respect of the Canadian Glencore Secured Convertible Note GSA and the Canadian First A&R Note GSA, an Excluded Asset includes "Project Loan Collateral, in accordance with the terms of an applicable Project Financing Intercreditor Agreement" • In respect of the U.S. Glencore Secured Convertible Note GSA and the U.S. First A&R Note GSA, an Excluded Asset includes "from and after the closing of any Project Financing, (i) 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 Collateral Agent and the Issuer)"[9]
Subordination & Intercreditor Arrangements	• Pursuant to the Note Purchase Agreement, (i) upon the closing of Project Financing, the liens on any property of any Canadian Note Party or U.S. Note Party that constitutes Project Loan Collateral granted to, or held by, the Glencore Collateral Agent[10] shall automatically, unconditionally, immediately and irrevocably be subordinated to the liens on such Project Loan Collateral that are granted to or held by the Project Lender in connection with any Project Financing, subject to the proceeding clause (ii) and (iii); (ii) in the event that the Project Lender, the Glencore Collateral Agent and the Noteholder are unable to reach agreement on the terms of an intercreditor agreement that is acceptable to the Project Lender, the liens granted to or held by the Glencore Collateral Agent on the Project Loan Collateral shall be automatically, unconditionally, immediately and irrevocably released; and

[9] "**Project Loan Collateral**" includes any assets of the Canadian Note Parties or U.S. Note Parties that are required to be pledged pursuant to definitive documentation entered into with the U.S. Department of Energy or the Federal Financing Bank (each, a "**Project Lender**") in connection with any Project Financing.

[10] Pursuant to the First A&R Note Security Documents, notwithstanding anything in the First A&R Note Security Documents or the First A&R Note to the contrary, the Noteholder will release any lien granted to or held by the Noteholder upon any Collateral in accordance with the Note Purchase Agreement.

	(iii) if Li-Cycle Holdings Corp. determines in good faith that the Glencore Collateral Agent, the Noteholder and the Project Lender have not reached agreement on the terms of an intercreditor agreement that is acceptable to the Project Lender and that continued negotiation of such intercreditor agreement could reasonably be expected to delay or impede the ability of the U.S. Note Parties to obtain Project Financing, Li-Cycle Holdings Corp. may deliver written notice of such determination to the Glencore Collateral Agent and the Noteholder and unless a Project Financing Intercreditor Agreement is agreed between Glencore Canada Corporation and the Project Lender within five (5) Business Days of the date of such notice, the liens granted to, or held by, the Glencore Collateral Agent or the Noteholder on the Project Loan Collateral shall be automatically, unconditionally, immediately and irrevocably released • Pursuant to that certain intercreditor agreement dated as of December 9, 2024, the liens securing the obligations owing under the Glencore Secured Convertible Note shall rank *pari passu* with the liens securing the obligations owing under the First A&R Note[11]
Paramountcy	• Pursuant to the Note Purchase Agreement, in the event of any conflict or inconsistency between the Note Purchase Agreement and any other Transaction Document (other than an Intercreditor Agreement), the terms of the Note Purchase Agreement shall govern and control

5.29 As the Stalking Horse Purchase Agreement contemplates a credit bid of a portion of the Glencore Secured Convertible Note, the Monitor is in the process of obtaining customary legal opinions from Canadian and US counsel regarding the security granted by the Applicants in connection with the Glencore Prefiling Security Documents. The Monitor will provide a further update to the Court in a future report once such opinions have been rendered, but the Monitor is not currently aware of any material issues that would alter the Monitor's recommendations herein.

6.0 AMENDED AND RESTATED INITIAL ORDER

Pre-Filing Payments

6.1 The proposed ARIO permits the Applicants to pay, with the consent of the Monitor and in accordance with the DIP Term Sheet and the Updated Cash Flow Forecast, certain

[11] The Monitor understands that neither the closing with funding of the Project Financing nor the deadline for reaching agreement on the terms of an intercreditor agreement that is acceptable to the Project Lender, in each case as referred to in the Note Purchase Agreement, have occurred.

suppliers for expenses incurred prior to the Filing Date. The Monitor intends to work closely with the Applicants to ensure that only the most critical suppliers, if any, receive payments in respect of their pre-filing amounts.

6.2 The Monitor considered the following to assess the reasonableness of the above requested relief:

(i) the intended outcome of the CCAA Proceedings is to complete the sale transaction contemplated by the Stalking Horse Agreement, or an alternative transaction that may result from the SISP. As such, to stabilize and maintain the Applicants' business and to preserve the value of the Applicants' assets, which could potentially impact a going concern outcome, the Monitor is of the view that the payment of certain pre-filing amounts is reasonable in the circumstances; and

(ii) the Monitor's consent will be required before any such proposed payment may be made, with such payments conforming with the DIP Term Sheet.

Extension of the Stay Period

6.3 Pursuant to the Initial Order, the current Stay Period is set to expire on May 22, 2025. The Applicants are seeking an extension of the Stay Period to and including July 7, 2025, which coincides with the date for Court-approval of a Successful Bid, as set out in the SISP.

6.4 The Monitor supports the Applicants' motion to extend the Stay Period for the following reasons:

(i) it will provide the Applicants with the ability to continue to stabilize and maintain their business while running the proposed SISP through which the Applicants anticipate a going concern outcome for all or a large portion of their business;

(ii) the Applicants are projected to have sufficient liquidity through to the end of the proposed extended Stay Period; and

(iii) the Applicants continue to act in good faith and with due diligence.

7.0 UPDATED CASH FLOW FORECAST

7.1 The Applicants have prepared an updated cash flow forecast (the "**Updated Cash Flow Forecast**") for the ten-week period ending July 25, 2025 (the "**Cash Flow Period**"). A copy of the Updated 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 "D"** and **"E"**, respectively.

7.2 A summary of the Updated Cash Flow Forecast is set out in the following table:

Updated Cash Flow Forecast	*($000's USD)*
Receipts	**1,729**
Disbursements	
Operating and Holding Costs	2,702
Occupancy Costs	1,412
Salaries and Benefits	2,002
Professional Fees	7,073
KERP Pre-Funding	1,300
Wind Down Reserve	500
DIP Interest & Fees	72
Total Disbursements	**15,062**
Net Cash Flow	**(13,333)**
Cash Balance, Opening	4,887
Net Cash Flow	(13,333)
DIP Facility Draws, net	8,946
Ending Cash Balance	**500**
Ending DIP Facility	**8,946**

7.3 The Monitor notes the following with respect to the Updated Cash Flow Forecast:

(i) receipts include the collection of existing accounts receivable and forecast sales of on-hand black mass and shredded metal;

(ii) occupancy and holding costs include rent, security, maintenance and other disbursements required to maintain and secure the Applicants' facilities, which for the most part are in care and maintenance;

(iii) salaries and benefits include payroll, benefits and taxes for remaining employees in the U.S. and Canada;

(iv) professional fees include the fees of the Applicants' Canadian and US legal counsel, the Monitor, the Monitor's Canadian and US counsel, the Financial Advisor, the CRO, the CFO and other professionals; and

(v) the Applicants intend to transfer funds to a trust account held by the Monitor (should the Court grant the ARIO as sought) for the KERP Participants.

7.4 During the Cash Flow Period, net cash flows are projected to be approximately negative $13.3 million, which is projected to be sufficiently funded by: (a) cash-on-hand; and (b) draws on the DIP Facility, which is forecast to peak during the Cash Flow Period at approximately $8.9 million.

7.5 Based on the Monitor's review,[12] nothing has come to its attention that causes it to believe, in all material respects, that:

(i) the Cash Flow Assumptions are not consistent with the purpose of the Updated 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 Updated Cash Flow Forecast, given the Cash Flow Assumptions; or

(iii) the Updated Cash Flow Forecast does not reflect the Cash Flow Assumptions.

[12] The Monitor has reviewed the Updated 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 Monitor's review of the Updated 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 Monitor reviewed information provided by management for the Cash Flow Assumptions. Since the Cash Flow Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Updated Cash Flow Forecast.

7.6 The Updated 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.

8.0 INTERCOMPANY ARRANGEMENTS DURING THE CCAA PROCEEDINGS

8.1 In the ordinary course of their operations, certain of the Applicants are party to a number of intercompany transactions within the Li-Cycle Group (the "**Operating Intercompany Transactions**"). The Monitor understands that the Operating Intercompany Transactions consisted primarily of the following:

(i) prior to the pausing of the operations of North America Opco and US SpokeCo on May 1, 2025, North America Opco sourced and purchased the inventory that was then processed by US SpokeCo, the products of which were then, in turn, sold by North America Opco;

(ii) patents and patent applications owned by Li-Cycle Corp. have been licensed to North America Opco, as well as each of the European Parent and the Asian Parent pursuant to non-exclusive, revocable, royalty-bearing, non-assignable intellectual property license agreements. Each of North America OpCo, the European Parent, and the Asian Parent have, in turn, entered into separate non-exclusive, revocable, royalty-free, non-assignable intellectual property sub-license agreements with certain of their respective subsidiaries, in the case of North America OpCo, its subsidiaries being other Applicants;

(iii) the organization structure of the Li-Cycle Group is such that certain of the entities perform activities that benefit the other entities on a regional and global scale. To facilitate this structure, the Li-Cycle Group entities have entered into a series of

intercompany services transactions that align activities performed with the ultimate beneficiary of such activities. These intercompany services are comprised of engineering and other shared services that include labour related costs, overhead costs, and various third-party expenses; and

(iv) as described in the Kochhar Affidavit, the majority of the cash and cash equivalents of the Li-Cycle Group are held by Holdings. Accordingly, in the ordinary course, Holdings funds the operations and expenses of the other Applicants, as well as certain of the non-Applicant subsidiaries.

8.2 The Operating Intercompany Transactions are funded through intercompany accounts payable, loans and through equity contributions by Holdings from time to time, and the Li-Cycle Group utilizes a transfer pricing policy (the "**Transfer Pricing Policy**") to record the Operating Intercompany Transactions. The Monitor understands the Li-Cycle Group has engaged Deloitte as its advisor to conduct a transfer pricing analysis of the Operating Intercompany Transactions.

8.3 The following table sets out the intercompany balances of the Applicants, based on the books and records of the Applicants at April 30, 2025:

Li-Cycle Group Intercompany Balances (Excluding Intercompany Loans) at April 30, 2025		
Owed By	**Owed To**	**Net Amount ($)**
U.S. Applicants	Canadian Applicants	43,223,404
Canadian Applicants	Non-Applicant	4,852,403
U.S. Applicants	Non-Applicant	2,701,945

8.4 In addition to the above, Holdings has also made non-interest-bearing intercompany advances to the European Parent in the aggregate amount of $29.65 million based on the books and records of the Li-Cycle Group at April 30, 2025.

8.5 The 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 million. The proposed ARIO removes the $1 million limit on Intercompany Advances, requiring only that the Intercompany Advances be made on terms consistent with existing arrangements or past practice or otherwise approved by the Monitor.

8.6 The Monitor will monitor the Intercompany Advances that occur during the CCAA Proceedings and will provide regular updates to the Court in respect of same.

9.0 KEY EMPLOYEE INCENTIVE PLAN

9.1 In order to facilitate and encourage the continued participation of senior and operational management and other key employees during the CCAA Proceedings, the Applicants are seeking approval of: (i) the KERP, which includes 25 employees who are considered by the Applicants to be critical to the successful completion of the SISP and the CCAA Proceedings (the "**KERP Participants**"); and (ii) the granting of the KERP Charge (as defined below) to secure the payments anticipated to become due under the KERP.

9.2 The proposed KERP provides for retention bonuses calculated as a percentage of the KERP Participants' annual salary, totalling approximately $1.3 million in the aggregate across the

KERP Participants (comprised of CAD$869,973.92 and $672,075.46) (the "**KERP Employee Funds**")[13].

9.3 The individual KERP amounts (the "**KERP Amounts**") are earned by the KERP Participants upon the date that is the earliest of:

(i) July 31, 2025;

(ii) the KERP Participant's termination, without cause; or

(iii) the consummation of a transaction that: (a) effectuates a recapitalization or restructuring of a material portion of the Li-Cycle Group's outstanding indebtedness; or (b) involves an acquisition, merger, or other business combination pursuant to which a majority of the business, equity, or operating assets of the Li-Cycle Group is sold, purchased, or combined with another entity or company.

9.4 The KERP is attached (without Schedule A to the KERP) as Exhibit "G" to the Aziz Affidavit. An unredacted version of Schedule A to the KERP, which provides KERP Amounts by KERP Participant has been filed as Confidential Exhibit "H" to the Aziz Affidavit, which the proposed ARIO provides shall be sealed, kept confidential, and not form part of the public record pending further order of the Court.

9.5 As part of its review and consideration of the KERP, the Monitor examined key employee retention plans and key employee incentive plans that have previously been approved by the Court in similar proceedings. The Monitor supports the approval of the proposed

[13] In addition to the KERP, prior to the commencement of the CCAA Proceedings the Applicants paid approximately $83,000 in retention payments to seven employees who are KERP Participants as incentive to their continued participation to assist the Applicants in the preparation leading up to the Filing Date.

KERP, the granting of the KERP Charge and the filing of Confidential Exhibit "H" to the Aziz Affidavit under seal, as:

(i) the KERP will provide stability to the business and assist in facilitating the successful completion of the CCAA Proceedings by incentivizing the retention of the KERP Participants;

(ii) the KERP Participants are considered by the Applicants, in exercising their business judgement, to be crucial to maximizing realizations in the CCAA Proceedings for the benefit of the Applicants' stakeholders;

(iii) the terms of the KERP and the quantum of the payments expected to be made thereunder are reasonable both in the circumstances and when compared to other key employee retention plans previously approved by the Court; and

(iv) Confidential Exhibit "H" to the Aziz Affidavit contains personal and sensitive information including the names and remuneration of individual employees, which may cause harm to the applicable employees should such information be made available to the public.

10.0 COURT ORDERED CHARGES

10.1 The proposed ARIO and Sale Process Order provide for charges (the "**Charges**") on the Property, each as described below, in the following maximum amounts and order of priority:

Proposed Charges & Priorities		*$000's*
1.	Administration Charge	$2,500
2.	Directors' Charge	$450
3.	KERP Charge (solely as against the KERP Funds)	*as described below*
4.	DIP Lender's Charge	$10,500
5.	Transaction Fee Charge	$1,000
6.	Intercompany Charge	*as described below*
7.	Bid Protections Charge	$1,200

10.2 The ARIO and Sale Process Order, as applicable, provide that the Charges are to rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise in favour of any person; provided, however, the DIP Lender's Charge shall rank behind the DOE Security with respect to the DOE Collateral.

Administration Charge

10.3 The Initial Order provides for a first ranking charge over the Property in an amount not to exceed $2.0 million 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 as described in the CRO Engagement Letter, and the CFO. The Applicants are seeking an increase in the amount of the Administration Charge to $2.5 million in the ARIO.

10.4 The Monitor assisted the Applicants in the calculation of the Administration Charge and is of the view that it 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

10.5 The proposed ARIO provides for a charge on the Property in the amount of $450,000 as security for any such obligations or liabilities arising after the commencement of the CCAA Proceedings, which is consistent with that of the Initial Order.

10.6 Additional information regarding the Directors' Charge, including the Monitor's view of same are provided in the Pre-Filing Report.

KERP Charge

10.7 The proposed ARIO approves the payment to the Monitor by the Applicants of:

(i) the KERP Employee Funds, for the benefit of the KERP Participants; and

(ii) $113,000 (the "**Maplebriar Work Fee Funds**"), as security for the monthly work fee (the "**Maplebriar Work Fee**") contemplated by the Maplebriar Engagement Letter.

10.8 The proposed ARIO provides for a court-ordered charge (the "**KERP Charge**") solely over the KERP Employee Funds, for the benefit of the KERP Participants, and the Maplebriar Work Fee Funds (together with the KERP Employee Funds, the "**KERP Funds**"), for the benefit of Maplebriar, and authorizes the Applicants to pay the KERP Funds to the Monitor to be held for the benefit of the KERP Participants and Maplebriar as specified therein.

10.9 In the Monitor's view, the quantum of the KERP Charge is reasonable both in the circumstances and when compared to other key employee retention plans approved by this Court in the past. The Maplebriar Work Fee Funds are included in the KERP Charge to

reflect that Ajay Kochhar, who was the Applicants' President and CEO until May 14, 2025 is now a consultant to the Applicants. The Monitor supports the granting of the KERP Charge.

Transaction Fee Charge

10.10 The proposed ARIO provides for a charge (the "**Transaction Fee Charge**") on the Property, which shall not exceed an aggregate amount of $1 million. The Transaction Fee Charge is for the benefit of the CRO, in respect of the Restructuring Fee, and Maplebriar, in respect of the Maplebriar Restructuring Fee (each as described in the Pre-Filing Report). The Monitor supports the granting of the Transaction Fee Charge.

Intercompany Charge

10.11 Consistent with the Initial Order, the proposed ARIO also provides for the Intercompany Charge for the benefit of each Intercompany Lender on the Property of the applicable Intercompany Borrower, as security for the Intercompany Advances made to such Intercompany Borrower during the CCAA Proceedings. The proposed ARIO provides that the Applicants are not permitted to make an Intercompany Advance without the approval of the Monitor.

10.12 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.

Bid Protections Charge

10.13 The proposed Sale Process Order provides for a charge (the "**Bid Protections Charge**") on the Property, not to exceed $1.2 million, as security for the payment of the Bid Protections in the manner and circumstances described in the Stalking Horse Agreement.

10.14 The Monitor notes that the granting of the Bid Protections Charge is a condition of the Stalking Horse Agreement, and the Bid Protections are reasonable and consistent with comparable bid protections that have previously been approved by the Court. The Monitor supports the granting of the Bid Protections Charge.

11.0 ACTIVITIES OF THE MONITOR SINCE THE FILING DATE

11.1 Since the Filing Date, the activities of the Monitor have included:

(i) engaging in discussions with the Applicants and their legal counsel, the Monitor's legal counsel, the Financial Advisor, and the CRO regarding the Restructuring Proceedings, the SISP, the DIP Term Sheet, and the Stalking Horse Agreement;

(ii) assisting the Applicants with communications to employees, suppliers, landlords, and other stakeholders;

(iii) attending the Court hearing for the application of the CCAA Proceedings held on May 14, 2025;

(iv) activating the Case Website and coordinating the upload of Court-filed documents thereon;

(v) completing and coordinating noticing requirements pursuant to paragraph 55 of the Initial Order, including:

(a) arranging for publication of notice of the CCAA Proceedings, in the prescribed form, in The Globe and Mail (National Edition) on May 20, 2025, and May 27, 2025;

(b) posting the Initial Order to the Case Website on May 14, 2025; and

(c) arranging for notices of the CCAA Proceedings to be sent to all known creditors having a claim against the Applicant of more than CAD $1,000;

(vi) activating the Monitor's toll-free number and email account for the CCAA Proceedings, and responding to creditor and other inquiries received through those contact points;

(vii) attending update calls with the Applicants' management, the CFO, and the CRO regarding the CCAA Proceedings;

(viii) monitoring receipts, disbursements, purchase commitments and the Intercompany Transfers, including the review of payments made;

(ix) overseeing and assisting the Financial Advisor through the launch of the SISP;

(x) posting non-confidential materials filed with the Court to the Case Website;

(xi) completing the statutory filings pursuant to the CCAA, including filing the requisite forms (Form 1 and Form 2) with the Office of the Superintendent of Bankruptcy (Canada); and

(xii) with the assistance of its legal counsel, preparing this First Report.

12.0 MONITOR'S RECOMMENDATION

12.1 For the reasons set out in this First Report, the Monitor is of the view that the relief requested by the Applicants is reasonable, appropriate and necessary having regard to the current circumstances of the Applicants. As such, the Monitor supports the relief sought by the Applicants and respectfully recommends that the Court grant the ARIO and the Sale Process Order in the form sought by the Applicants.

All of which is respectfully submitted to this Court this 21st day of May, 2025.

ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as 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

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

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APPENDICES

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:

(USD in millions)	**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	• Loan Arrangement and Reimbursement Agreement dated November 7, 2024 (as amended) and Note Purchase Agreement dated November 7, 2024 (as amended)
Borrower	• Li-Cycle U.S. Inc. (Delaware)
Guarantors	• Li-Cycle North America Hub, Inc. (Delaware) • Li-Cycle Inc. (Delaware)
Lender Parties	• 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	• USD$475,000,000
Conditions Precedent to First Advance Approval	• 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 others[2]: (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.

	(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; (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; (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 (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.
Interest	• 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	• March 15, 2040
Security & Intercreditor Arrangements	• 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 Assets[3]), 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	• 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	• Li-Cycle Holdings Corp. (Ontario)
Guarantors	• 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	• Glencore Canada Corporation, as Collateral Agent (the "**Glencore Collateral Agent**") • Glencore Canada Corporation, as noteholder
Committed Securities	• USD$75,000,000 Convertible Senior Secured Note
Interest	• SOFR + 5% if interest is cash paid • SOFR + 6% if interest is paid in kind
Maturity Date	• March 25, 2029
Conversion Rights	• 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	• 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 Assets[5]); 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[6]); 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.).

	• Pursuant to that certain intercreditor agreement dated as of December 9, 2024 (the "**Pari Passu Intercreditor Agreement**"), the liens securing the obligations owing under the Glencore Secured Convertible Note shall rank *pari passu* with the liens securing the obligations owing under the First A&R Note
First A&R Note (Glencore)	
Note	• 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	• Li-Cycle Holdings Corp. (Ontario)
Guarantors	• 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	• Glencore Canada Corporation, as noteholder
Committed Securities	• USD$116,551,170.40 Amended and Restated Convertible Note
Interest	• SOFR + 5% if interest is cash paid • SOFR + 6% if interest is paid in kind
Maturity Date	• December 9, 2029
Conversion Rights	• 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 & Intercreditor Arrangements	• 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 Intercreditor Agreement, the liens securing the obligations owing under the First A&R Note shall rank *pari passu* 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	*($000's USD)*
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 SISP. 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	*as described below*

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

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

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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

APPENDIX B

Overview of DIP Facilities

Debtor	DIP Lender	Filing Date	Industry	Jurisdiction	DIP Loan (C$)[1]	Fees as a % of Loan[2]	Interest Rate[3]
Pelican International Inc. et al.	NBC, BMO, Desjardins, TD Bank	Mar-25	Manufacturing	QC	6,800,000	1.2%	12.0%
Joriki Inc.	BNS and TD Bank	Jan-25	Food Manufacturing	ON	1,200,000	2.5%	12.5%
Comark Holdings Inc.	CIBC	Jan-25	Retail	ON	18,000,000	1.5%	10.0%
KMC Mining	ATB Financial	Jan-25	Mining	AB	6,000,000	5.7%	10.5%
The Lion Electric Company	NBC, BMO, Desjardins	Dec-24	Manufacturing	QC	10,000,000	2.4%	12.5%
Earth Alive Clean Technologies Inc.	Nikolaus Sofronis	Oct-24	Cleantech	QC	1,720,000	0.0%	18.0%
Delta 9 Cannabis Inc. et al.	FIKA Herbal Goods	Jul-24	Cannabis	SK	16,000,000	0.0%	10.0%
Taiga Motors Corporation et al.	EDC	Jul-24	Manufacturing	QC	4,400,000	2.4%	14.0%
Humble & Fume Inc.	1000760498 Ontario Inc.	Jan-24	Cannabis	ON	3,475,000	0.0%	12.0%
Myra Falls Mine Ltd.	Trafigura US Inc.	Dec-23	Mining	BC	21,000,000	1.0%	11.0%
DCL Corporation	Wells Fargo	Dec-22	Manufacturing	QC	55,000,000	0.0%	7.9%
Athabasca Minerals Inc.	JMAC Energy Services LLC	Nov-23	Mining	AB	2,850,000	0.0%	18.0%
Datatax Business Services Limited	2872802 Ontario Inc.	Aug-23	Professional Services	AB	2,500,000	0.0%	12.0%
Quality Sterling Group	Ironbridge Equity Partners	Aug-23	Other	ON	7,000,000	0.0%	12.0%
Fire & Flower Inc. et al.	2707031 Ontario Inc.	Jun-23	Cannabis	ON	9,800,000	4.1%	12.0%
Gesco Industries Inc., Gesco GP ULC and Tierra Sol Ceramic Tile Ltd.	BNS	May-23	Manufacturing	ON	8,600,000	0.6%	12.7%
Forex Inc. et al.	Les Placements Al-Vi Inc.	Feb-23	Manufacturing	QC	10,630,000	0.0%	10.0%
BlackRock Metals Inc. et al.	OMF Fund II H Ltd. and Investissement Québec	Dec-21	Mining	QC	2,000,000	0.0%	12.0%
Urthecast Corp.[4]	HCP-FVL, LLC	Sep-20	Technology	BC	6,950,000	11.0%	18.0%
Max					**55,000,000**	**11.0%**	**18.0%**
Average					**10,210,000**	**1.7%**	**12.5%**
Min					**1,200,000**	**0.0%**	**7.9%**

Source: Insolvency Insider and Government of Canada Public CCAA Records

1. US dollar denominated loans are translated at 1.39 USD/CAD. Certain DIP Loans are presented as the maximum draw reported in the latest court materials.

2. Excludes amounts for "reasonable fees and expenses of the DIP Lender" if these are not specifically defined.

3. Interest rates that are determined by a benchmark rate (i.e. prime rate, SOFR) were calculated as of the respective filing date.

4. The figures listed herein represent the maximum terms of the second DIP loan provided to the Debtor.

APPENDIX C

SUMMARY OF SISP *(Certain capitalized terms below have the meanings ascribed in the proposed SISP)*		
Phase / Event	**Timeline**	**Description of Activities**
Approval and Commencement of SISP	May 12, 2025	• Marketing and solicitation of interest commenced May 12, 2025. • (i) The Financial Advisor in consultation with the Monitor and the Applicants, shall prepare a list of Known Potential Bidders; (ii) the Applicants will publish a notice (the "**Notice**") of the SISP in *The Globe and Mail (National Edition)* and any other newspapers or publications as the Applicants and the Financial Advisor, in consultation with the Applicants consider appropriate; (iii) the Applicants will issue a press release setting out the information contained in the Notice for dissemination in Canada and major financial centres in the United States; and (iv) the Financial Advisor and the Applicants, in consultation with the Monitor will distribute the Teaser Letter and the NDA to the Known Potential Bidders.
Phase 1	May 12 to June 6, 2025 (25 days)	• Any party who wishes to participate in the SISP (a "**Potential Bidder**") who has delivered an executed NDA will be deemed a "**Phase 1 Qualified Bidder**"[14]. • The Monitor and the Applicants will solicit non-binding letters of interest (each, an "**LOI**"). • Phase 1 Qualified Bidders will be provided with the CIM, and access to the Data Room.
Phase 1 Bid Deadline	5:00 pm (Eastern Time) on June 6, 2025	• Phase 1 Qualified Bidders wishing to pursue the Opportunity must deliver an LOI prior to the Phase 1 Bid Deadline. • To be considered a Phase 1 Qualified Bid, the LOI must specify whether the Phase 1 Qualified Bidder is making a Sale Proposal or an Investment Proposal and must meet certain criteria, dependent upon the type of proposal as set out in the SISP.
Assessment of Phase 1 Qualified Bids	Following the Phase 1 Bid Deadline	• Phase 1 Qualified Bids will be assessed by the Applicants and the Financial Advisor, in consultation with the Monitor, to determine whether any will be deemed a Phase 2 Qualified Bidder[15]. • The Applicants and the Financial Advisor, in consultation with and with the approval of the Monitor, may waive compliance with any one or more of the

[14] If a Potential Bidder has previously delivered an NDA and similar letter to the Applicants and the NDA remains in effect, the Potential Bidder is not required to deliver a new NDA or letter to the Financial Advisor and will be deemed a Phase 1 Qualified Bidder.

[15] The Stalking Horse Bidder is automatically considered to be a Phase 2 Qualified Bidder.

SUMMARY OF SISP ***(Certain capitalized terms below have the meanings ascribed in the proposed SISP)***		
Phase / Event	**Timeline**	**Description of Activities**
		requirements to otherwise qualify a Phase 1 Qualified Bid.
Phase 2	June 7 to June 27, 2025 (21 days)	• Phase 2 Qualified Bidders will be provided the opportunity to perform further due diligence and submit a final and binding offer (a "**Bid**") in accordance with the requirements set out in the SISP. • An offer will only be considered a Bid where it complies with certain criteria identified in the SISP including, among other things, the Bid: i. for any Sale Proposal must be accompanied by a redline to the Stalking Horse Agreement; ii. is irrevocable until the selection of the Successful Bidder, if selected as the Successful Bidder, until the closing of the transaction contemplated thereby; iii. includes duly authorized and executed transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in USD (the "**Purchase Price**"), together with all exhibits and schedules, and proposed order to approve the sale by the Court, together with blacklines to any model documents provided by the Applicants and uploaded to the Data Room; iv. provides for aggregate cash consideration, payable in full on closing, in an amount sufficient to fully satisfy all outstanding amounts secured by each of the Court-ordered charges granted in the CCAA Proceedings as of the date of closing (such amount, the "**Charge Payout Amount**"); v. includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Applicants, with the assistance of the Financial Advisor, and the Monitor to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction; vi. must include a commitment to provide a deposit in the amount of not less than 10% of the Purchase Price (the "**Deposit**") upon the Phase 2 Qualified Bidder being selected as the Successful Bidder or the Back-Up Bidder, which shall be promptly paid to the Monitor in trust following, and not later than two (2) days after, such selection; and vii. is not conditioned on the outcome of unperformed due diligence or obtaining financing.

SUMMARY OF SISP ***(Certain capitalized terms below have the meanings ascribed in the proposed SISP)***		
Phase / Event	**Timeline**	**Description of Activities**
Phase 2 Bid Deadline	5:00 pm (Eastern Time) on June 27, 2025	• Bids will be reviewed by the Applicants and the Financial Advisor, in consultation with the Monitor who will designate the most competitive Bids that qualify with the criteria set out in the SISP as "**Qualified Bids**".[16] • The Applicants and the Financial Advisor, in consultation with the Monitor may waive strict compliance with any one or more of the requirements specified in the SISP and deem such non-compliant Bids to be a Qualified Bid. • The Applicants may only designate a Bid as a Qualified Bid for the Stalking Horse Assets where the proposed Purchase Price is equal to or greater than that contained in the Stalking Horse Bid (including the amount of any Assumed Liabilities thereunder) plus the Charge Payout Amount (to the extent that such amount is not duplicative of the Purchase Price contained in the Stalking Horse Bid) plus the Break Fee of $1 million, the Expense Reimbursement of $200,000, and the overbid amount of $500,000. • In the event that no Qualified Bids (other than the Stalking Horse Bid) are received, the Stalking Horse Bid shall be deemed to be the Successful Bid, as relates to the Stalking Horse Assets, and the SISP shall not proceed to an Auction.
Evaluation and Selection of Successful Bid(s) and Back-Up Bidder(s) or Designation of Auction	5:00 pm (Eastern Time) on June 30, 2025	• A Qualified Bid will be valued by the Applicants with the assistance of the Financial Advisor and the Monitor based on several factors including: (i) the Purchase Price and net value provided by the Bid, (ii) the composition of the consideration proposed to be used to satisfy the Purchase Price (it being understood that cash is a superior form of consideration and that credit bid consideration shall be considered equivalent to cash for these purposes), (iii) the claims likely to be created by the Bid in relation to other Bids, (iv) the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions, (v) the proposed transaction documents, (vi) the effects of the Bid on the stakeholders of the Applicants, (vii) factors affecting the speed, certainty and value of the transaction (including any regulatory approvals or third-party contractual arrangements required to close the transactions), (viii) the assets included or excluded from the Bid, (ix) any related restructuring costs, and (x) the likelihood and timing of consummating such transactions.

[16] The Stalking Horse Bid is automatically considered to be a Qualified Bid.

SUMMARY OF SISP ***(Certain capitalized terms below have the meanings ascribed in the proposed SISP)***		
Phase / Event	**Timeline**	**Description of Activities**
		• In the event there is more than one Qualified Bid, in addition to the Stalking Horse Bid, the Applicants and the Financial Advisor, in consultation with the Monitor may determine the Successful Bid or may determine that the Successful Bid will be identified through an Auction. • The Applicants and the Financial Advisor may not designate a Bid providing for the purchase and sale of any of the Stalking Horse Assets that is not the Stalking Horse Bid without first holding the Auction. • If the Applicants and the Financial Advisor, in consultation with the Monitor do not designate an Auction, the Successful Bid(s) and the Back-Up Bid(s) will be selected no later than 5:00 pm (Eastern Time) on June 30, 2025. • The Applicants have no obligation to enter into a Successful Bid (provided that nothing in the SISP affects the Applicants' obligations under the Stalking Horse Agreement), and they reserve the right, after consultation with the Monitor and the Financial Advisor, to reject any or all Phase 2 Qualified Bids (except for the Stalking Horse Bid). If no other Phase 2 Qualified Bidder is chosen as the Successful Bid for the Stalking Horse Assets, the Stalking Horse Bid shall be the Successful Bid as it relates to the Stalking Horse Assets.
Auction Date (if designated)	July 2, 2025	• Any Auction will be conducted in accordance with procedures to be determined by the Applicants and the Financial Advisor, acting reasonably, and in consultation with the Monitor, and notified to the applicable Qualified Bidders no less than 24 hours prior to the commencement of the Auction. • Other than the Stalking Horse Bidder, in order to participate in the Auction in respect of the Stalking Horse Assets, all Qualified Bidders must satisfy the Monitor of their ability to deliver a deposit top-up equivalent to the Expense Reimbursement and Break Fee, in the event that such Qualified Bidder's Bid is the Successful Bid. • Any Auction will commence at a time to be designated by the Applicants and the Financial Advisor, no later than 12:00 pm (Eastern Time) on July 2, 2025, or such other date or time as may be determined by the Applicants and the Financial Advisor, in consultation with the Monitor.
Approval of Successful Bid(s)	5:00 pm (Eastern Time) on July 7, 2025	• The Applicants will bring one or more motions before the Court and the U.S. Court (each, an "**Approval Motion**") for one or more orders:

SUMMARY OF SISP ***(Certain capitalized terms below have the meanings ascribed in the proposed SISP)***		
Phase / Event	**Timeline**	**Description of Activities**
		i. approving the Successful Bid(s) and authorizing the taking of such steps and actions and completing such transaction as are set out therein or required thereby (and such order shall also approve the Back-Up Bid(s), if any, should the applicable Successful Bid(s) not close for any reason); ii. granting a vesting order and/or reverse vesting order to the extent that such relief is contemplated by the applicable Successful Bid(s) to vest title to any purchased assets in the name of the Successful Bidder(s) and/or vesting unwanted liabilities out of one or more of the Applicants; and iii. granting an order pursuant to section 363 of the U.S. Bankruptcy Code with respect to any Property in the United States (collectively, the "**Approval Orders**"). • The Approval Motion(s) will be held on date(s) to be scheduled by the Applicants and confirmed by the Court and the U.S. Court, as applicable.
Closing – Successful Bid(s)	5:00 pm (Eastern Time) on July 16, 2025	• Target date for closing of Successful Bid(s)
Outside Date – Closing	July 18, 2025	• The Successful Bid(s) must close no later than July 18, 2025 (the "**Outside Date**"). • If any Back-Up Bid is identified then such Back-Up Bid shall remain open until the date (the "**Back-Up Bid Outside Date**") on which the transaction contemplated by the respective Successful Bid is consummated or such earlier date as the Applicants and the Financial Advisor in consultation with the Monitor determines. • If the transactions contemplated by a Successful Bid have not closed by the Outside Date or a Successful Bid is terminated for any reason prior to the Outside Date, the Applicants and the Financial Advisor may elect, in consultation with the Monitor to proceed with completing the transactions contemplated by the Back-Up Bid and will promptly seek to close such transaction.

APPENDIX D

Li-Cycle Holdings Corp.
Ten-Week Cash Flow Forecast
(Unaudited, in 000s USD)

Cash Flow Week **Week Ending**	**Notes**	*Week 1* **23-May-25**	*Week 2* **30-May-25**	*Week 3* **6-Jun-25**	*Week 4* **13-Jun-25**	*Week 5* **20-Jun-25**	*Week 6* **27-Jun-25**	*Week 7* **4-Jul-25**	*Week 8* **11-Jul-25**	*Week 9* **18-Jul-25**	*Week 10* **25-Jul-25**	**10-Week Total**
Receipts	**[1]**	**28**	**239**	**229**	**387**	**540**	**-**	**27**	**-**	**3**	**276**	**1,729**
Disbursements												
Operating and Holding Costs	**[2]**	864	370	166	469	113	218	154	70	209	70	2,702
Occupancy Costs	**[3]**	81	333	-	333	-	333	-	-	333	-	1,412
Salaries and Benefits	**[4]**	241	111	241	111	241	111	241	111	241	352	2,002
Professional Fees	**[5]**	1,749	696	884	648	552	236	366	203	536	1,203	7,073
KERP Pre-Funding	**[6]**	1,300	-	-	-	-	-	-	-	-	-	1,300
Wind-Down Reserve	**[7]**	-	-	-	-	-	-	-	-	-	500	500
DIP Interest	**[8]**	-	-	2	5	7	8	10	12	12	15	72
Total Disbursements		**4,235**	**1,510**	**1,294**	**1,565**	**914**	**906**	**771**	**395**	**1,331**	**2,140**	**15,062**
Net Cash Flow		**(4,208)**	**(1,271)**	**(1,065)**	**(1,178)**	**(374)**	**(906)**	**(745)**	**(395)**	**(1,328)**	**(1,865)**	**(13,333)**
Opening Cash Balance		4,887	679	500	500	500	500	500	500	500	500	4,887
Net Cash Flow		(4,208)	(1,271)	(1,065)	(1,178)	(374)	(906)	(745)	(395)	(1,328)	(1,865)	(13,333)
DIP Draws / (Repayment)		-	1,092	1,065	1,178	374	906	745	395	1,328	1,865	8,946
Closing Cash Balance		**679**	**500**	**500**	**500**	**500**	**500**	**500**	**500**	**500**	**500**	**500**
DIP Financing												
Opening Balance		-	-	1,092	2,157	3,334	3,708	4,614	5,358	5,753	7,082	-
DIP Facility Draw	**[9]**	-	1,092	1,065	1,178	374	906	745	395	1,328	1,865	8,946
Ending DIP Financing		**-**	**1,092**	**2,157**	**3,334**	**3,708**	**4,614**	**5,358**	**5,753**	**7,082**	**8,946**	**8,946**

Li-Cycle Holdings Corp.
Ten-Week Cash Flow Forecast
Notes and Summary of Assumptions

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.

The Forecast is presented in thousands of U.S. dollars.

1) **Receipts**
   Includes collection of existing accounts receivable and sale of on-hand black mass, shredded metal and other materials that are anticipated to be collected during the Cash Flow Period.

2) **Operating and Holding Costs**
   Includes security, maintenance, equipment rentals, utilities, insurance, software and IT and other disbursements required to maintain and secure the Applicants' facilities, which are mostly in care and maintenance.

3) **Occupancy Costs**
   Occupancy costs include payments required to occupy the facilities during the Cash Flow Period, including third-party rents, property taxes, and common area maintenance ("**CAM**") charges. Payment of monthly rents, including property taxes and CAM, are forecast to be paid in equal instalments on the 1st and 15th of each month while the leases remain in effect.

4) **Salaries and Benefits**
   Salaries and Benefits for Canadian and U.S. based employees are forecast to be paid in the normal course.

5) **Professional Fees**
   Includes payments to Applicants' Canadian and U.S. legal counsel, the Monitor, the Monitor's Canadian and U.S. counsel, the Applicants' Financial Advisor, the CRO, the CFO, senior advisors and other professionals.

6) **KERP Pre-Funding**
   The Applicants intend to transfer funds to a trust account to be held by the Monitor (should the Court grant the ARIO as sought), to be held in trust for the benefit of the KERP Participants.

7) **Wind-Down Reserve**
   Represents a reserve of $500,000 intended to be used to wind down the Restructuring Proceedings.

8) **DIP Interest**
   DIP interest is forecast based on projected draws under the DIP Facility by the Applicants and is forecast to be paid weekly during the Cash Flow Period.

Li-Cycle Holdings Corp.
Ten-Week Cash Flow Forecast
Notes and Summary of Assumptions

9) DIP Facility Draw

Represents the forecast draws of approximately $8.9 million under the DIP Facility based on the anticipated cash requirements of the Applicants and the minimum unrestricted cash of $0.5 million required by the DIP Term Sheet. These amounts exclude draws on the European portion of the DIP Facility that would be drawn by Holdings and advanced to the European Parent or German Spoke.

APPENDIX E

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

Attention: Mr. Josh B. Nevsky

May 21, 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 America 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 ten-week cash flow forecast for the period May 17, 2025 to July 25, 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,

Signed by:
Michelle T. Faysal
596115AFB79F496...

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. CV-25-00743053-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

FIRST REPORT OF THE MONITOR

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