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., AND LI-CYCLE NORTH AMERICA HUB, INC.

SEVENTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

JANUARY 6, 2026

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1.0 INTRODUCTION

1.1 On May 14, 2025, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made an initial order (the "**Initial Order**") granting Li-Cycle Holdings Corp. ("**Holdings**"), Li-Cycle Corp. ("**Global HQ**"), Li-Cycle Americas Corp. ("**Canada SpokeCo**"), Li-Cycle U.S. Inc. ("**North America OpCo**"), Li-Cycle Inc. ("**US SpokeCo**"), and Li-Cycle North America Hub, Inc. ("**US HubCo**") (collectively, the "**Initial Applicants**") certain relief pursuant to 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**". Among other things, the Initial Order appointed Alvarez & Marsal Canada Inc. ("**A&M**") as monitor of the Initial Applicants in the CCAA Proceedings (in such capacity, the "**Monitor**").

1.2 On May 22, 2025, the Initial Applicants obtained an amended and restated Initial Order (the "**A&R Initial Order**") which, among other things, approved the credit facility (the "**DIP Facility**") from Glencore International AG (the "**DIP Lender**") and the DIP Term Sheet dated May 14, 2025, as amended pursuant to the First Amendment to the DIP Term Sheet dated May 22, 2025 (as amended, the "**DIP Term Sheet**").

1.3 Also on May 22, 2025, the Initial Applicants obtained a sale and investment solicitation process order (the "**Sale Process Order**") which, among other things: (i) approved the stalking horse sale process (the "**SISP**"); and (ii) authorized and approved the execution by the Initial Applicants of the equity and asset purchase agreement dated May 14, 2025 (as amended, the "**Stalking Horse Agreement**") among all of the Initial Applicants except

US SpokeCo and Glencore Canada Corporation, and approved the Stalking Horse Agreement for the purposes of acting as the "stalking horse bid" in the SISP.

1.4 On August 1, 2025, the Court issued an approval and vesting order (the "**Approval and Vesting Order**") approving the sale transactions (collectively, the "**Transaction**") contemplated by the Stalking Horse Agreement, vesting the Purchased Assets and Transferred Equity Interests in the Buyers (each as defined in the Stalking Horse Agreement), and granting certain related relief.

1.5 The Transaction closed on August 7, 2025 (the "**Closing Date**"). By virtue of the closing of the Transaction (the "**Closing**") and pursuant to the Approval and Vesting Order, US SpokeCo ceased to be an applicant in these CCAA Proceedings, such that Holdings, Global HQ, Canada SpokeCo, North America OpCo and US HubCo (collectively, the "**Remaining Applicants**") are the current and remaining applicants in these CCAA Proceedings.

1.6 On November 4, 2025, the Court issued an order, among other things: (i) terminating the CCAA Proceedings and discharging A&M as Monitor on the date (the "**CCAA Termination Time**") on which the Monitor serves a certificate (the "**Monitor's Termination Certificate**") on the Service List; (ii) authorizing the Remaining Applicants to make an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and authorizing and empowering the Monitor to file any such assignment in bankruptcy for and on behalf of the Remaining Applicants and to take any steps incidental thereto; and (iii) authorizing and empowering, but not requiring, A&M

to act as trustee in bankruptcy (the "**Trustee**") in respect of any of the Remaining Applicants.

1.7 The Initial Applicants were comprised of the North American entities of the broader Li-Cycle group of companies (the "**Li-Cycle Group**"). The Li-Cycle Group includes the European and Asian subsidiaries of Holdings (collectively, the "**Foreign Subsidiaries**"); the Foreign Subsidiaries are non-applicant subsidiaries and are not part of the CCAA Proceedings. The Li-Cycle Group was a global lithium-ion battery resource recovery company headquartered in Toronto, Ontario.

1.8 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 Chief Restructuring Officer (the "**CRO**"), in its capacity as foreign representative (the "**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**").

1.9 On May 23, 2025, the Foreign Representative also sought and obtained orders, on a final basis, from the US Bankruptcy Court, among other things, recognizing the CCAA Proceedings as "foreign main proceedings" and giving full force and effect to the CCAA Proceedings, the A&R Initial Order and the Sale Process Order in the United States under Chapter 15 of the United States Bankruptcy Code (together with the CCAA Proceedings, the "**Restructuring Proceedings**").

1.10 On August 4, 2025, the U.S. Bankruptcy Court granted an order, among other things, recognizing and giving effect to the Approval and Vesting Order in the United States.

1.11 In connection with the CCAA Proceedings, A&M, then in its capacity as proposed monitor, filed and served the Pre-Filing Report of the Proposed Monitor dated May 13, 2025. The Monitor has since also provided the Court with the six additional reports and two supplemental reports (collectively and with the Pre-Filing Report, the "**Prior Reports**"). The Prior Reports 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**").

1.12 The purpose of this seventh report of the Monitor (this "**Seventh Report**") is to provide the Court with information, and where applicable, the Monitor's views on:

(i) certain post-Closing matters;

(ii) the relief sought by the Remaining Applicants pursuant to the proposed Order (the "**Distribution Approval and Ancillary Relief Order**"), among other things:

a) authorizing and directing the Remaining Applicants to make one or more distributions of cash on hand to Glencore Canada Corporation ("**Glencore**"), subject to any necessary or desirable reserves maintained as may be determined by the Remaining Applicants, in consultation with the Monitor, in an aggregate amount not to exceed the outstanding Glencore Secured Debt (as defined below); and

b) approving this Seventh Report and the activities and conduct of the Monitor referred to herein;

(iii) the Remaining Applicants' cash flow results for the eleven-week period ended December 31, 2025;

(iv) the activities of the Monitor since the date of the Sixth Report of the Monitor dated October 31, 2025 (the "**Sixth Report**"); 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 Seventh 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 Remaining Applicants, and has held discussions with management of the Remaining Applicants, the CRO, and the CFO (each as defined in the First Report of the Monitor dated May 21, 2025 (the "**First Report**")), and the Remaining Applicants' legal counsel (collectively, the "**Information**"). Except as otherwise described in this Seventh Report in respect of the Cash Flow Forecast (as defined below):

(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 Seventh 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 Seventh Report was prepared based on the Remaining 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 Seventh Report should be read in conjunction with the affidavit of William E. Aziz, sworn January 5, 2026 (the "**Seventh Aziz Affidavit**"), filed in support of the relief sought by the Remaining Applicants under the CCAA. Capitalized terms used but not defined in this Seventh Report shall have the meanings given to such terms in the Seventh 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 POST-CLOSING MATTERS

Transition Services

3.1 As described in the Sixth Report, in connection with the Closing the Buyer, or an affiliate of a Buyer (the "**Payor**") and Global HQ entered into a transition services agreement (the "**Transition Services Agreement**") substantially in the form approved by the Court in the

Approval and Vesting Order for a term of five weeks from the Closing, with the option for the Payor to extend for up to an additional five weeks.

3.2 Pursuant to the Transition Services Agreement, the Remaining Applicants provided the Payor with certain services (the "**Seller Transition Services**") and were paid certain fees and out-of-pocket expenses reasonably incurred for providing such services, and the Payor provided the Remaining Applicants with certain services at no cost.

3.3 On August 7, 2025, in accordance with the Transition Services Agreement, the Buyers advanced approximately $1.25 million to the Remaining Applicants (the "**Transition Services Expenses**") to fund the Seller Transition Services during the first five weeks of the Transition Services Agreement.

3.4 The Payor did not exercise its option to extend the term of the Transition Services Agreement which was therefore terminated as of September 11, 2025. Upon termination, the Transition Services Agreement required that the Remaining Applicants refund any remaining balance of the Transition Services Expenses (the "**TSA Remaining Funds**").

3.5 On December 19, 2025, the Applicants refunded the TSA Remaining Funds, amounting to $537,808.24. The Transition Services Expenses include the fees incurred by the CRO and CFO during the term of the Transition Services Agreement, the fees of the Initial Applicants' Canadian and U.S. legal counsel, the Monitor and its legal counsel related to the Seller Transition Services, and certain software related costs, all as summarized in the table below:

Summary of Transition Services Expenses	
(USD $000's, Unaudited)	
Funding Received for Transition Services Expenses	**1,252**
Transition Services Expenses paid by Remaining Applicants	
Professional Fees	(467)
Salaries and Benefits	(232)
Operating and Holding Costs	(15)
Total Transition Services Expenses Paid	**(714)**
TSA Remaining Funds	**538**

Wind Down Amount

3.6 As described in the Supplement to the Fifth Report of the Monitor dated July 31, 2025 (the "**Fifth Report Supplement**") and as contemplated under the DIP Term Sheet, the Initial Applicants, in consultation with the Monitor and Glencore, established the Wind Down Budget (as defined in the Fifth Report Supplement) of approximately $1.7 million which was funded through the Initial Applicants' final draw under the DIP Facility (the "**Wind Down Amount**") and which, in accordance with the Approval and Vesting Order, was paid to the Monitor to fund the costs of the Remaining Applicants after Closing (such expenses being the "**Wind Down Expenses**").

3.7 The Approval and Vesting Order provides a mechanism for the release of funds by the Monitor to satisfy the Wind Down Expenses. A summary of the Wind Down Expenses paid by the Remaining Applicants from amounts transferred by the Monitor to the Remaining Applicants from the Wind Down Amount, as at December 22, 2025, are summarized in the table below:

Summary of Wind Down Amount	
(USD $000's, Unaudited)	
Funding Received for Wind Down Expenses	**1,697**
Deposit Interest	**17**
Wind Down Expenses paid by Remaining Applicants	
Professional Fees	(142)
Pre-Closing Hub-Related Costs	(80)
Other Costs	(31)
Total Wind Down Expenses Paid	**(253)**
Remaining Wind Down Amount	**1,461**

3.8 The Approval and Vesting Order authorizes the Monitor to return any portion of the Wind Down Amount that is not used or reserved as at the completion of the CCAA Proceedings, as determined by the Monitor, to the DIP Lender. Accordingly, with no further expected material Wind Down Expenses remaining to be paid from the Wind Down Budget, on December 22, 2025, the Monitor returned $1,460,931.54 to the DIP Lender. The Monitor expects that the fees and disbursements associated with administering the completion of these CCAA Proceedings and the contemplated bankruptcies will be paid from a combination of future collections and funds currently held by the Remaining Applicants.

The Wind Down Activities

3.9 In the Sixth Report, the Monitor described certain remaining wind-down activities (the "**Wind Down Activities**") following the completion of which the termination of the CCAA Proceedings were anticipated to be effected. Since that time, in addition to the activities described above, the Remaining Applicants have, among other things:

(i) completed certain of their corporate income tax filings in both Canada and the United States;

(ii) dissolved certain of the Foreign Subsidiaries and continued to advance the steps required to dissolve and complete other matters in relation to the remaining Foreign Subsidiaries;

(iii) collected certain HST refunds;

(iv) completed certain statutory and administrative duties and filings; and

(v) taken other steps as necessary to facilitate the orderly termination of the CCAA Proceedings and the U.S. Proceedings and to prepare for the assignment of the Remaining Applicants into bankruptcy.

3.10 The Monitor notes that in addition to the contemplated bankruptcy assignments, the Remaining Applicants continue to take steps, and wait for responses from third parties, in connection with their efforts to wind-down and dissolve the European Subsidiaries and the Foreign Subsidiaries in Asia that are also direct subsidiaries of Holdings, as set out in greater detail in the Seventh Aziz Affidavit. The Applicants' preference was to complete as many of the Wind Down Activities as possible prior to the bankruptcy assignments of the Remaining Applicants so that they could be completed most efficiently. However, in balancing this preference against the professional and other costs associated with the CCAA Proceedings remaining active, in consultation with the Monitor and Glencore, the Remaining Applicants have determined that the Wind Down Activities are sufficiently advanced and expect to proceed with the bankruptcy of the Remaining Applicants later in January or early in February, 2026. Any of the Wind Down Activities remaining to be completed at that time will be completed as part of the administration of the bankruptcies. As noted above, the Monitor expects that the fees and disbursements associated with

administering the completion of the CCAA Proceedings and the contemplated bankruptcies will be paid from a combination of future collections and funds currently held by the Remaining Applicants.

4.0 CASH FLOW RESULTS

4.1 Receipts and disbursements of the Remaining Applicants for the eleven-week period ended December 31, 2025 (the "**Reporting Period**") are summarized in the table below.

Summary of Receipts and Disbursements for the Period October 18, 2025 to December 31, 2025	
(USD $000's, Unaudited)	
Cash Balance at October 17, 2025	**2,395**
Receipts	**906**
Disbursements	
Professional Fees	1,061
Operating and Holding Costs	215
Salaries and Benefits	111
Total Disbursements	**1,387**
Net Cash Flow	**(480)**
Cash Balance at December 31, 2025	**1,914**

4.2 During the Reporting Period, the Remaining Applicants had receipts of approximately $900,000 comprised of: (i) $692,000 of HST refunds collected following the completion of an HST audit conducted by CRA; (ii) $69,000 transferred from foreign subsidiaries that were wound up; (iii) $117,000 of professional fee retainers returned to the Remaining Applicants; and (iv) other miscellaneous refunds and interest of $28,000.

4.3 Disbursements of approximately $1.38 million during the Reporting Period included: (i) professional fees paid to the Applicants' Canadian and U.S. legal counsel and tax advisors, the Monitor and its Canadian and US legal counsel, and the CRO and the CFO in respect

of services for the period November 2025 through January 2026; (ii) employee and benefits related amounts; and (iii) other operating and holding costs including $74,000 transferred to the Purchaser in respect of accounts receivable collected on the Purchaser's behalf.

4.4 As of December 31, 2025, the Remaining Applicants had approximately $2.1 million of cash on hand.

Proposed Distribution

4.5 In the First Report, the Monitor provided an overview of the Glencore Secured Convertible Note and the First A&R Note (both as defined in the First Report) (together, the "**Secured Notes**"), both issued by Holdings pursuant to an Amended and Restated Note Purchase Agreement dated March 25, 2024 between Holdings, Glencore Ltd., Glencore and Glencore, as Collateral Agent. As of May 21, 2025, the total outstanding indebtedness under the Secured Notes was approximately $205.6 million, inclusive of payment-in-kind interest.

4.6 The purchase price pursuant to the Stalking Horse Agreement (the "**Purchase Price**") was comprised of, among other things, $43,579,000 including a credit bid of all amounts outstanding under the DIP Facility at Closing (the "**Closing DIP Amount**") (being approximately $12.71 million), and an assumption by a designee of Glencore of an amount outstanding under the Glencore Secured Convertible Note representing the difference between $43,579,000 and the Closing DIP Amount (being approximately $30.87 million).

4.7 As described in the Second Report of the Monitor dated June 6, 2025 (the "**Second Report**"), the Monitor's Canadian and US legal counsel have conducted a review of the security granted by the Initial Applicants to Glencore (in its capacities as collateral agent

and noteholder) in respect of Glencore Prefiling Security Documents (as defined in the First Report) and confirmed to the Monitor that, subject to qualifications, assumptions, limitations and discussions customary in rendering opinions of this nature and applicable in these circumstances, the Monitor's Canadian and US legal counsel are of the view that the security constitutes valid and enforceable security in the Province of Ontario and the State of New York in accordance with such security's respective terms, and that the necessary registrations have been made in the Province of Ontario and the State of New York in order to perfect or evidence such security.

4.8 The Secured Notes represent the only secured debt of the Remaining Applicants, aside from the charges created pursuant to the Initial Order which have been or will be satisfied prior to any distributions being made to Glencore.

4.9 The Remaining Applicants are seeking approval to make one or more distributions to Glencore from cash on hand prior to the termination of the CCAA Proceedings, which distributions shall not exceed the amount outstanding under the Secured Notes which, as of the Closing Date, totaled approximately $188 million (the "**Glencore Secured Debt**").

4.10 After accounting for remaining potential receipts and disbursements up to the CCAA Termination Time including the return of certain unapplied professional retainers, as well as amounts required to fund the costs associated with the bankruptcy proceedings, and any necessary or desirable reserves, the Remaining Applicants estimate there may be up to approximately $2.1 million available to be distributed to Glencore as a partial repayment of the Secured Notes, an amount that is far less than the Glencore Secured Debt.

4.11 Accordingly, the Monitor supports the request by the Remaining Applicants to seek approval to make on or more distributions to Glencore from cash on hand, but subject to any necessary or desirable reserves maintained as may be determined by the Remaining Applicants, in consultation with the Monitor.

5.0 ACTIVITIES OF THE MONITOR SINCE THE DATE OF THE SIXTH REPORT

5.1 Since the date of the Sixth Report, the activities of the Monitor have included:

(i) engaging in discussions with the Initial Applicants and their legal counsel, the Financial Advisor, the CFO and the CRO regarding the Restructuring Proceedings, including the Transition Services Agreement, the wind-down process, and planning related to the bankruptcy of the Remaining Applicants;

(ii) overseeing and assisting the Financial Advisor and the Initial Applicants with the administrative and reporting activities related to the Transition Services Agreement and the wind-down process;

(iii) assisting the Remaining Applicants with various administrative matters in association with the wind-down of the CCAA Proceedings;

(iv) assisting the Remaining Applicants with communications to employees, suppliers, and other stakeholders;

(v) preparing for and attending the Court hearing held on November 4, 2025;

(vi) responding to inquiries from stakeholders, including addressing questions or concerns of parties who contacted the Monitor on the toll-free number and email account established by the Monitor for the CCAA Proceedings;

(vii) monitoring receipts, disbursements, and intercompany transfers, including the review of payments made, and weekly cash flow reporting;

(viii) liaising with the Remaining Applicants in respect of communications from CRA regarding HST related matters;

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

(x) with the assistance of the Monitor's legal counsel, preparing this Seventh Report.

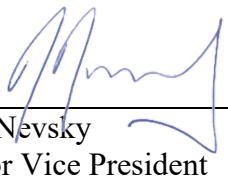
5.2 The Monitor respectfully submits that the activities of the Monitor, as described in this Seventh Report have been diligently carried out in good faith and in accordance with the provisions of the CCAA and the Orders issued in the CCAA Proceedings and should therefore be approved.

6.0 MONITOR'S CONCLUSIONS AND RECOMMENDATION

6.1 For the reasons set out in this Seventh Report, the Monitor respectfully recommends that the Court grant the relief sought pursuant to the proposed Distribution Approval and Ancillary Relief Order.

All of which is respectfully submitted to this Court this 6th day of January, 2026.

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., and Li-Cycle North America Hub, Inc. and in no other capacity

Per: 

Josh Nevsky
Senior Vice President

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SEVENTH REPORT OF THE MONITOR

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