



PEOPLE, PLANET, PROFIT

Empowering a Sustainable Future



PEOPLE, PLANET, PROFIT



Health and Safety

Zero harm goal: Taking care of our employees, contractors and the community is our license to operate.



Environmentally Sustainable

Core to our culture: Our technology, operations and people support a global decarbonization and greener future.

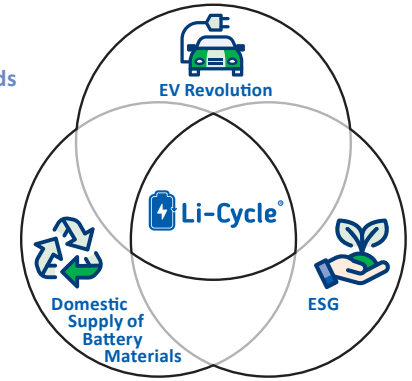


Profitable Growth

Accretive returns: Capture growth at value for our shareowners.

Our Vision and Strategy

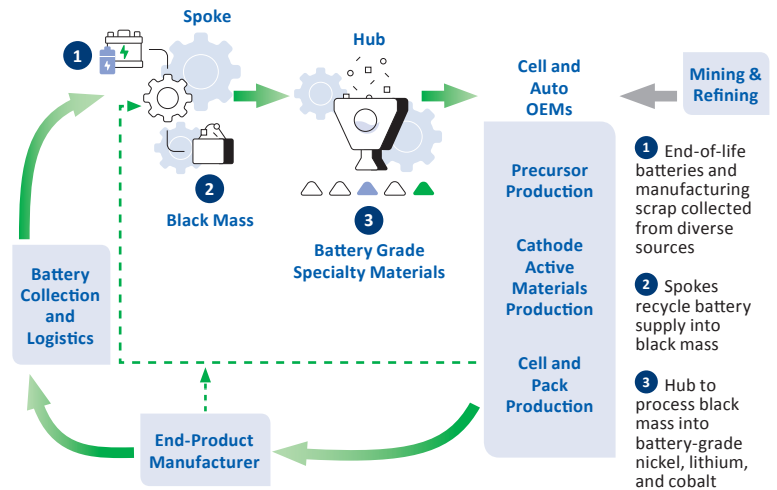
Li-Cycle is at the intersection of three broad and accelerating trends that we believe are key drivers for successful movement toward a zero-carbon economy: the electric vehicle revolution; sustainability with emphasis on a circular economy; and localized investments in battery production to establish and grow domestic supply of strategic battery materials.



Our vision is to leverage our innovative and scalable Spoke & Hub Technologies™ integrated network to provide a safer, customer-centric and economically viable solution, while creating an environmentally sustainable supply of critical battery materials.

Our strategy is to grow in lockstep with the electrification battery supply chain, primarily focused on North America and Europe and opportunistically in Asia Pacific. We have established key strategic and commercial supply and off-take partnerships with global leaders in the electric vehicle and lithium-ion battery ecosystem, including battery manufacturers and automotive and transportation original equipment manufacturers (OEMs).

Our Integrated Spoke & Hub Technologies™ Network



We have pioneered what we believe to be an innovative hydrometallurgical processing method with our IP-protected Spoke & Hub Technologies™, a sustainable and lower-cost alternative to energy-intensive pyrometallurgical processing and traditional mining methods. At our Spokes, we recycle battery manufacturing scrap and end-of-life batteries to produce black mass. At our Hubs, we will process black mass to produce critical battery-grade materials, including nickel sulphate, lithium carbonate, and cobalt sulphate.

Our Spoke & Hub Technologies™ two-part processing method is expected to enable up to a 95% recycling efficiency rate, as compared to what we believe is an industry average of 50% for traditional methods. We are deploying a network of Spokes strategically located close to key battery supply customers to reduce safety risk and costs associated with battery transport. We also have plans for centralized, large-scale Hubs to maximize economies of scale and efficiencies of an integrated pre- and post-processing network.

LICY At-A-Glance

2016

Founded by
Tim Johnston and
Ajay Kochhar

2021

Publicly listed
in August
(NYSE: LICY)

#1

Leading in lithium-ion battery
recycling and resource
recovery in North America¹

250+

Employees
Globally

Spoke & Hub Integrated Network²

7 Spokes and 1 Hub
in North America and Europe by 2023

¹ Based on installed permitted capacity for lithium-ion battery recycling measured in tonnes per year

² Spokes expected to total 65,000 tonnes of lithium-ion battery processing capacity/year including four operational in 2022 and three in 2023; Hub expected to be 35,000 tonnes black mass processing capacity/year or 90,000 lithium-ion battery tonnes equivalent/year or 18 gigawatt-hours, with commissioning in 2023

Investment Highlights



- Sustainable Closed Loop Recycling Solution
- Proven & Patented Technology
- Commercially Contracted & Ready to Scale
- Robust and Integrated Customer Network
- Growing Electrified Market
- Regulatory Tailwinds
- High Barriers to Entry
- Leadership Experience
- Compensation Tied to Execution

“

We expect to capture greater value for shareholders with sustainable technology and closing the circular economic loop for the expanding battery materials supply chain.”

Ajay Kochhar and Tim Johnston,
Co-Founders



DEAR SHAREOWNER:

We are pleased to provide you with our inaugural annual shareholder letter, following our listing as a public company on the New York Stock Exchange on August 11, 2021.

OUR STORY. By way of background, prior to founding Li-Cycle, we both worked as engineers supporting the development of lithium and associated battery material production facilities. Our time working in industry led us to the recognition of a glaring hole in the future of our increasingly electrified economy. That hole was the lack of an environmentally and economically sustainable solution for recycling lithium-ion batteries for the recovery of critical battery materials to ensure a sustainable future for our planet. We established Li-Cycle in 2016 with the mission of solving this growing global recycling and resource recovery dilemma, with the intent of generating a net positive environmental impact and financial success through a focus on **People, Planet, Profit**. At Li-Cycle, we are revolutionizing the battery supply industry through the implementation of a disruptive alternative to traditional mining and pyrometallurgical processing. Combining “urban mining” and Li-Cycle’s innovative, IP-protected **Spoke & Hub Technologies™**, we recover critical battery materials in an environmentally sustainable manner.

2021 WAS A LANDMARK YEAR FOR LI-CYCLE. We are extremely thankful for and proud of our team’s achievements and successful execution. Li-Cycle has emerged as a leading and sustainable solution provider of battery recycling and resource recovery, supporting the transition to a new energy economy, including electric vehicles (EVs).

OUR HSEQ VALUES. At the heart of Li-Cycle’s culture is a focus on Health, Safety, Environment and Quality (HSEQ). We successfully implemented and leveraged an Incident Management System across our rapidly growing operations. Sustainability is core to our business of battery recycling and resource recovery, using technology to ensure our network of Spoke & Hub operations will have minimal environmental footprint, while avoiding meaningful solid waste streams to landfill, wastewater discharge, and air emissions.

OUR ROLE IN THE ELECTRIFICATION ECOSYSTEM. The climate crisis is driving the acceleration of the adoption of electric vehicles and increased government regulations. To secure market share of future EV sales, incumbent and emerging global automotive original equipment manufacturers (OEMs)

are making significant capital investments in the lithium-ion battery mega-factory supply chain in both North America and Europe. In North America, mega-factory investments are now expected to surpass 500 gigawatt-hours (GWh) of capacity by 2025 from an estimated 45 GWh in 2021.¹ In Europe, EV penetration and battery manufacturing are also expected to accelerate from approximately 37 GWh to more than 900 GWh by 2030.¹ This acceleration of cell, module and pack manufacturing is increasing the need for battery scrap recycling. With 5% to 10% of lithium-ion battery manufacturing volumes typically rejected, the addressable market of manufacturing scrap in North America and Europe is expected to reach approximately 355,000 tonnes to 715,000 tonnes.

OUR GROWTH STRATEGY. We have strategically positioned our Spoke & Hub network to focus on customer needs in North America and Europe, while working opportunistically with key partners in the Asia Pacific region. We expect to be a leading provider of battery materials with our stated 2025 integrated Spoke & Hub network target. We are locating our sites close to battery production facilities and other demand centers, while also ‘baseloading’ with manufacturing scrap that will underpin returns on our capital investment. This year we have made progress toward a target annual processing capacity at our Spokes of at least 100,000 annual tonnes of lithium-ion battery equivalent input (~20 GWh of battery materials). As for our Hubs, we are planning on a global network with at least 220,000 annual tonnes of lithium-ion battery equivalent input (~45 GWh of battery materials).

OUR COMMERCIAL ADVANTAGE. In both North America and Europe, we have successfully secured key battery supply and off-take commercial agreements. On the supply side, our IP-protected processing technology is battery chemistry agnostic, allowing us to increase and diversify the number of battery supply sources to ~85 customers. Comprising end-of-life battery and manufacturing scrap sources, we have built key relationships across the supply chain including battery manufacturers, EV OEMs, service providers to EV OEMs and consumer electronics recyclers. On the off-take side, all of the black mass production at our existing Spokes is fully contracted, as are the key battery materials to be produced by our Rochester Hub.

¹ Source: December 2021 BMI, Company announcements and Li-Cycle estimates.



OUR OPERATIONAL PROGRESS. Li-Cycle's business model can scale efficiently with growth in customer demand. Our Spoke technology is capital-light, has a small footprint, and is replicable in a modular build fashion. We have made significant operational progress, with Spoke processing capacity currently totaling up to 65,000 tonnes in operation, construction or advanced development. Our Kingston and Rochester Spokes are fully operational, Arizona is currently being commissioned and Alabama is on track for operation in 2022. We are also in advanced development for three additional Spokes in 2023. The Ohio Spoke is to be co-located on Ultium Cells, LLC's battery manufacturing site, and the Norway and Germany Spokes are strategically planned close to demand centers. Importantly, we commenced construction of our Rochester Hub, the first hydrometallurgical facility for post-processing materials from lithium-ion batteries in North America. As compared with incumbent pyrometallurgical processing, we expect our Hub facility to have higher resource recovery, lower capital intensity, a smaller environmental footprint, and greater employee safety. On track for commissioning in 2023, our Rochester Hub facility will produce critical battery materials, including nickel sulphate, lithium carbonate, and cobalt sulphate.

OUR STRATEGIC PARTNERSHIPS. We have entered into long-term strategic partnerships with two leading global participants, validating the Li-Cycle business model and technology. The first, Koch Strategic Platforms (KSP), invested \$100 million through the purchase of a convertible note. KSP has been rapidly growing its investments related to energy transformation, specifically within the electrification ecosystem. In addition, Li-Cycle is deploying KSP's engineering prowess in the execution of our Spoke & Hub processes, through fabrication and operational readiness support. The second, LG Chem (LGC) and LG Energy Solution (LGES), have plans to invest a total of \$50 million in Li-Cycle, upon completion of commercial agreements for battery supply to our Spokes and off-take for nickel sulphate from our Rochester Hub. LGC is a leading global chemical company with expertise in active battery materials manufacturing. LGES is the largest global lithium-ion battery manufacturer for electric vehicles outside of China.

OUR FINANCIAL STRENGTH. We ended the year (October 31, 2021) with cash on hand of more than \$595 million. With this strong balance sheet position, we believe we are well funded for our current pipeline of growth projects.

2021 WAS A FOUNDATIONAL YEAR FOR LI-CYCLE. We advanced the strategy and execution on our integrated Spoke & Hub business model.

- We experienced a growth inflection point in the battery materials supply chain;
- We moved strategically and expeditiously with our customers and market demand;
- We established our business model and technology with leading global participants; and
- We strengthened our balance sheet for our pipeline of growth projects.

LOOKING AHEAD IN 2022. Our leadership team is directly aligned with shareholders. Our key objectives are:

- Prioritize HSEQ at all our locations from development through operation;
- Deliver on our black mass production target of 6,500 to 7,500 tonnes in fiscal year 2022;
- Progress execution of the Rochester Hub for commissioning in 2023; and
- Maintain a strong balance sheet position.

We appreciate and are thankful for the immense support from our employees, customers and shareholders as we are **Empowering a Sustainable Future** through a focus on **People, Planet, Profit**.

Ajay Kochhar
Co-Founder,
Board Director

Tim Johnston
Co-Founder,
Board Director

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

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

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

For the fiscal year ended October 31, 2021

OR

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

OR

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

Date of event requiring this shell company report: Not applicable.

Commission File Number: 001-40733

Li-Cycle Holdings Corp.

(Exact name of Registrant as specified in its charter)

Not applicable

Province of Ontario, Canada

(Translation of Registrant's name into English)

(Jurisdiction of incorporation or organization)

207 Queen's Quay West, Suite 590, Toronto, ON, M5J 1A7, Canada
(Address of principal executive offices)

Carl DeLuca

207 Queen's Quay West, Suite 590, Toronto, ON, M5J 1A7, Canada

(877) 542-9253

carl.deluca@li-cycle.com

(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares, without par value	LICY	New York Stock Exchange
Warrants to purchase common shares	LICY.WS	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 163,179,655 common shares issued and outstanding as of October 31, 2021.

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

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or an emerging growth company. See definition of “accelerated filer,” “large accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†] The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the Other
International Accounting Standards Board

If “Other” has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

LI-CYCLE HOLDINGS CORP.

TABLE OF CONTENTS

	<u>Page</u>
FORWARD-LOOKING STATEMENTS	iii
IMPORTANT INFORMATION ABOUT IFRS AND NON-IFRS FINANCIAL MEASURES	iii
FREQUENTLY USED TERMS	iv
PART I	1
Item 1. Identity of Directors, Senior Management and Advisers	1
Item 2. Offer Statistics and Expected Timetable	1
Item 3. Key Information	1
Item 4. Information on the Company	17
Item 4A. Unresolved Staff Comments	27
Item 5. Operating and Financial Review and Prospects	28
Item 6. Directors, Senior Management and Employees	28
Item 7. Major Shareholders and Related Party Transactions	44
Item 8. Financial Information	48
Item 9. The Offer and Listing	49
Item 10. Additional Information	49
Item 11. Quantitative and Qualitative Disclosures about Market Risks ...	61
Item 12. Description of Securities Other than Equity Securities	61
PART II	62
Item 13. Defaults, Dividend Arrearages and Delinquencies	62
Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds	62
Item 15. Control and Procedures	62
Item 16A. Audit Committee Financial Expert	63

Item 16B. Code of Ethics	63
Item 16C. Principal Accountant Fees and Services	63
Item 16D. Exemptions from the Listing Standards for Audit Committees.....	64
Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.....	64
Item 16F. Change in Registrant’s Certifying Accountant.....	64
Item 16G. Corporate Governance	64
Item 16H. Mine Safety Disclosure.....	65
PART III.....	65
Item 17. Financial Statements	65
Item 18. Financial Statements	65
Item 19. Exhibits	65

FORWARD-LOOKING STATEMENTS

Some of the statements in this annual report on Form 20-F (this “annual report”) constitute forward-looking statements that do not directly or exclusively relate to historical facts. You should not place undue reliance on such statements because they are subject to numerous uncertainties and factors relating to our operations and business environment, among other things, all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements are often, but not always, made through the use of words or phrases such as “believe,” “anticipate,” “could,” “may,” “would,” “should,” “intend,” “plan,” “potential,” “predict,” “forecast,” “will,” “expect,” “believe,” “estimate,” “continue,” “project,” “positioned,” “strategy,” “outlook” and similar expressions. You should read statements that contain these words carefully because they:

- discuss future expectations;
- contain projections of future results of operations or financial condition; or
- state other “forward-looking” information.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. We believe it is important to communicate our expectations to our security holders. However, there may be events in the future that we are not able to predict accurately or over which we have no control. The risk factors and cautionary language discussed in this annual report provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations described by us in such forward-looking statements, including among other things:

- changes adversely affecting the industry in which we operate;
- our ability to achieve our business strategies or to manage our growth;
- general economic conditions;
- the effects of the COVID-19 pandemic on the global economy, on the markets in which we compete and on our business;
- our ability to maintain the listing of our securities on NYSE;
- our ability to retain our key employees;
- our ability to recognize the anticipated benefits of the Business Combination; and
- the outcome of any legal proceedings or arbitrations that may be instituted against us or in which we may be involved.

These and other factors are more fully discussed in the “Risk Factors” section and elsewhere in this annual report. These risks could cause actual results to differ materially from those implied by the forward-looking statements contained in this annual report.

All forward-looking statements included herein attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable laws and regulations, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events.

IMPORTANT INFORMATION ABOUT IFRS AND NON-IFRS FINANCIAL MEASURES

Our financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and referred to in this annual report as “IFRS.” The Company makes references to certain non-IFRS measures, including Adjusted EBITDA. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of the Company’s results of operations from management’s perspective. Accordingly, they should not be considered in isolation nor as a substitute for the analysis of the Company’s financial information reported under IFRS.

FREQUENTLY USED TERMS

As used in this annual report, unless the context otherwise requires or indicates otherwise, references to “we,” “us,” “our,” or the “Company” refer to Li-Cycle Holdings Corp., an Ontario corporation, and its consolidated subsidiaries; references to “Li-Cycle” refer to our wholly-owned subsidiary Li-Cycle Corp., an Ontario corporation.

In this annual report:

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

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

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

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

“Closing Date” means the closing date of the Business Combination.

“common shares” means the common shares of the Company, without par value.

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

“EV” means electric vehicles.

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

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

“Investor Agreement” means the Investor and Registration Rights Agreement, dated as of August 10, 2021, by and among the Company, the Peridot Class B Holders and the Li-Cycle Holders.

“LGC” means LG Chem, Ltd.

“LGES” means LG Energy Solution, Ltd.

“Li-Cycle Holders” means the prior shareholders of Li-Cycle that entered into the Li-Cycle Transaction Support Agreements in connection with the Business Combination.

“Li-Cycle Shares” means the issued and outstanding common shares of Li-Cycle prior to the Business Combination.

“Li-Cycle Transaction Support Agreements” means the Transaction Support Agreements, each dated as of February 15, 2021, among Peridot and the Li-Cycle Holders, entered into in connection with the Business Combination Agreement.

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

“Note Purchase Agreement” means the Note Purchase Agreement, dated as of September 29, 2021, between the Company and Spring Creek Capital, LLC.

“NYSE” means the New York Stock Exchange.

“OBCA” means the Ontario Business Corporations Act.

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

“Peridot Class B Holders” means the holders of Peridot Class B Shares immediately prior to the Business Combination.

“Peridot Class B Shares” means the Class B common shares of Peridot.

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

“PIPE Financing” means the issuance and sale to the PIPE Investors, following the Amalgamation and prior to Closing, of an aggregate of 31,549,000 common shares for a purchase price of \$10.00 per share, for aggregate gross proceeds of \$315,490,000.

“PIPE Investors” means those certain investors, including an affiliate of Peridot’s Sponsor, who entered into Subscription Agreements to purchase common shares in the PIPE Financing.

“private placement warrants” means 8,000,000 warrants to purchase common shares that were issued to the Sponsor in exchange for outstanding warrants of Peridot in connection with the Business Combination, which were exercised or surrendered for common shares of the Company or redeemed on January 26, 2022 pursuant to the notice of redemption dated December 27, 2021.

“Product Recovery Percentage” means (a) the quantity of a given constituent in the feed lithium-ion battery materials (e.g., lithium, nickel, cobalt, other constituents) that is returned from the process and is available for sale after the process has taken place, divided by (b) input quantity of the given constituent, measured as a percentage.

“public warrants” means 15,000,000 warrants to purchase common shares that were issued in exchange for outstanding warrants of Peridot that were issued in Peridot’s initial public offering, which were exercised or surrendered for common shares of the Company or redeemed on January 26, 2022 pursuant to the notice of redemption dated December 27, 2021.

“Recycling Efficiency Rate” means (a) the mass of recycled materials exiting the recycling process and returned to the economy, divided by (b) the mass of materials entering the recycling process, measured as a percentage.

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

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

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

"Spoke Capital Projects" means the Spoke facilities presently under development and construction by Li-Cycle.

“Sponsor” means Peridot Acquisition Sponsor, LLC, a Delaware limited liability company.

“Spring Creek Capital Convertible Note” means the unsecured convertible note issued to Spring Creek Capital, LLC pursuant to the Note Purchase Agreement on September 29, 2021.

“Subscription Agreements” means the subscription agreements entered into with the PIPE Investors, in connection with the PIPE Financing.

"Traxys" means Traxys North America LLC

“warrants” means the public warrants and the private placement warrants.

“Warrant Redemption” means the redemption of all our outstanding warrants on January 26, 2022 as described in the notice of redemption dated December 27, 2021.

"Ultium" means Ultium Cells LLC

References to “dollar,” “USD,” “US\$” and “\$” are to U.S. dollars and references to “CA\$” and “Cdn. \$” are to Canadian dollars.

This Annual Report includes certain trademarks, service marks and trade names that we own or otherwise have the right to use, such as “Li-Cycle” and “Spoke & Hub Technologies”, which are protected under applicable intellectual property laws. This Annual Report also contains additional trademarks, service marks and trade names belonging to other companies, which are the property of their respective owners. Solely for convenience, trademarks, service marks and trade names referred to in this Annual Report may appear without the (®), (SM) or (TM) symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks, service marks and trade names.

We do not intend our use or display of other parties' trademarks, service marks or trade names to imply, and such use or display should not be construed to imply, a relationship with or endorsement or sponsorship of us by these other parties.

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PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not Applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

An investment in our securities carries a significant degree of risk. You should carefully consider the following risks and other information in this annual report, including our consolidated financial statements and related notes included herein, in connection with your ownership our securities. If any of the events described below occur, our business and financial results could be materially adversely affected. This could cause the trading price of our securities to decline, perhaps significantly, and you therefore may lose all or part of your investment. The risks set out below are not exhaustive and do not comprise all of the risks associated with an investment in the Company. Additional risks and uncertainties not currently known to us or which we currently deem immaterial may also have a material adverse effect on our business, financial condition and results of operations.

References in this section to “we,” “us” or “Li-Cycle” refer to Li-Cycle Corp. and its subsidiaries prior to the consummation of the Business Combination and the Company and its subsidiaries subsequent to the Business Combination, unless the context otherwise requires or indicates otherwise.

Summary of Risk Factors

The following summarizes some, but not all, of the risks provided below. Please carefully consider all of the information discussed in this Item 3.D. “Risk Factors” for a more thorough description of these and other risks:

Risks Relating to Li-Cycle’s Business

- Li-Cycle’s success will depend on its ability to economically and efficiently source, recover and recycle lithium-ion batteries and lithium-ion battery manufacturing scrap, as well as third-party black mass, and to meet the market demand for an environmentally sound, closed-loop solution for manufacturing waste and end-of-life lithium-ion batteries.
- Li-Cycle may not be able to successfully implement its global growth strategy, on a timely basis or at all, and may be unable to manage future global growth effectively. Expanding internationally involves risks that could delay our expansion plans and/or prohibit us from entering markets in certain jurisdictions, which could have a material adverse effect on results of operations.
- The development of Li-Cycle’s Rochester Hub, Spoke Capital Projects and other future projects is subject to risks and Li-Cycle cannot guarantee that these projects will be completed in a timely manner, that costs will not be significantly higher than estimated, or that the completed projects will meet expectations with respect to productivity or the specifications of their end products, among others.
- Li-Cycle may engage in strategic transactions that could disrupt its business, cause dilution to its shareholders, reduce its financial resources, result in the incurrence of debt or other liabilities, or prove not to be successful.
- Failure to materially increase recycling capacity and efficiency could have a material adverse effect on Li-Cycle’s business, results of operations or financial condition. Li-Cycle is and will be dependent on its recycling facilities. If one or more of its current or future facilities become inoperative, capacity constrained or if operations are disrupted, Li-Cycle’s business, results of operations or financial condition could be materially adversely affected.
- Li-Cycle may in the future need to raise additional funds to meet its capital requirements and such funds may not be available to Li-Cycle on commercially reasonable terms or at all, which could materially adversely affect Li-Cycle’s business, results of operations or financial condition.

- Li-Cycle has a history of losses and expects to incur significant expenses for the foreseeable future, and there is no guarantee it will achieve or sustain profitability.
- Problems with the handling of lithium-ion battery cells that result in less usage of lithium-ion batteries or affect Li-Cycle's operations could materially affect Li-Cycle's revenues and business.
- Li-Cycle's business is subject to operational risks that could disrupt our business, some of which may not be insured or fully covered by insurance.
- Li-Cycle's revenue depends on maintaining and increasing feedstock supply commitments as well as securing new customers and off-take agreements.
- A decline in the adoption rate of EVs, or a decline in the support by governments for "green" energy technologies, could materially harm Li-Cycle's financial results and ability to grow its business.
- Decreases and fluctuations in benchmark prices for the metals contained in Li-Cycle's products could significantly impact Li-Cycle's revenues and results of operations. In addition to commodity prices, Li-Cycle's revenues are primarily driven by the volume and composition of lithium-ion battery feedstock materials processed at its facilities (including manufacturing scrap, spent batteries and third-party purchased black mass) and changes in the volume or composition of feedstock processed could significantly impact Li-Cycle's revenues and results of operations.
- The development of an alternative chemical make-up of lithium-ion batteries or battery alternatives could adversely affect Li-Cycle's revenues and results of operations.
- Li-Cycle's projected revenues for the Rochester Hub are derived significantly from a single customer.
- Li-Cycle's heavy reliance on the experience and expertise of its management may cause adverse impacts on it if a management member departs.
- Li-Cycle relies on third-party consultants for its regulatory compliance and Li-Cycle could be adversely impacted if the consultants do not correctly inform Li-Cycle of the legal changes. Further, Li-Cycle is subject to the risk of litigation or regulatory proceedings which could impact its financial results.
- Li-Cycle may not be able to complete its recycling processes as quickly as customers may require, which could cause it to lose supply contracts and could harm its reputation. Li-Cycle operates in an emerging, competitive industry and if it is unable to compete successfully its revenue and profitability will be adversely affected.
- Increases in income tax rates, changes in income tax laws or disagreements with tax authorities could adversely affect Li-Cycle's business, financial condition or results of operations.
- Li-Cycle's operating and financial results may vary significantly from period to period due to fluctuations in its operating costs and other factors.
- Fluctuations in foreign currency exchange rates could result in declines in reported sales and net earnings.
- Unfavorable economic conditions, including the consequences of the global COVID-19 pandemic, may have a material adverse effect on Li-Cycle's business, results of operations and financial condition.
- Natural disasters, unusually adverse weather, epidemic or pandemic outbreaks, cyber incidents, boycotts and geo-political events could materially adversely affect Li-Cycle's business, results of operations or financial condition.
- Failure to protect or enforce Li-Cycle's intellectual property could adversely affect its business, and Li-Cycle may be subject to intellectual property rights claims by third parties, which could be costly to defend, could require us to pay significant damages and could limit the Company's ability to use certain technologies.
- Li-Cycle has identified material weaknesses in its internal control over financial reporting. If its remediation of such material weaknesses is not effective, or if it fails to develop and maintain a proper and effective internal control over financial reporting, its ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired.

Risks Relating to Ownership of Our Securities

- Our by-laws provide, subject to limited exceptions, that the Superior Court of Justice of the Province of Ontario and the appellate courts therefrom are the sole and exclusive forum for certain shareholder litigation matters, which could limit shareholders' ability to obtain a favorable judicial forum for disputes.
- Our common shares have only recently become publicly traded, and the market price of our common shares may be volatile. The trading price of our common shares could be subject to wide fluctuations. Further, a significant portion of our outstanding common shares are restricted from immediate resale. Sales of substantial amounts of our common shares after the expiration of applicable lock-up periods,

or the perception that such sales will occur, could adversely affect the market price of our common shares.

- NYSE may delist our securities, which could limit investors' ability to engage in transactions in our securities and subject us to additional trading restrictions. Because Li-Cycle has historically operated as a private company, we have limited experience complying with public company obligations and fulfilling these obligations is expensive and time consuming and may divert management's attention from the day-to-day operation of our business.
- As a "foreign private issuer" under the rules and regulations of the SEC, we are permitted to, and will, file less or different information with the SEC than a company incorporated in the United States or otherwise subject to these rules, and will follow certain home country corporate governance practices in lieu of certain NYSE requirements applicable to U.S. issuers.
- Failure to develop and maintain effective internal control over financial reporting could have a material adverse effect on our business, operating results and stock price.
- As an "emerging growth company," the Company cannot be certain if reduced disclosure and governance requirements applicable to "emerging growth companies" will make its shares less attractive to investors.
- We may issue additional shares or other equity securities without shareholder approval, which would dilute the ownership interests of existing shareholders and may depress the market price of our shares. The issuance of our common shares in connection with the conversion of the Spring Creek Capital Convertible Note would cause substantial dilution, and could materially affect the trading price of our common shares. Further, exercise of warrants by our warrant holders could result in dilution to our shareholders. The Company becoming a PFIC could also have adverse consequences for U.S. holders.
- The Company's ability to meet expectations and projections in any research or reports published by securities or industry analysts, or a lack of coverage by securities or industry analysts, could result in a depressed market price and limited liquidity for its shares.
- The Company may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on its financial condition, results of operations and share price, which could cause you to lose some or all of your investment.

Risks Relating to Li-Cycle's Business

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

Li-Cycle's future business depends in large part on its ability to economically and efficiently recycle and recover lithium-ion battery materials (including end-of-life batteries, manufacturing scrap and third-party black mass), and to meet the market demand for an environmentally sound, closed-loop solution for manufacturing waste and end-of-life lithium-ion batteries. Although it currently recycles and recovers using its Spoke facilities in Ontario and New York State, Li-Cycle will need to scale its recycling capacity in order to successfully implement its global growth strategy and plans to do so in the future by, among other things, successfully building and developing additional Spoke and Hub facilities, including its first commercial Hub facility in Rochester, New York (the "Rochester Hub") and Spoke facilities in Gilbert, Arizona (the "Arizona Spoke"), near Tuscaloosa, Alabama (the "Alabama Spoke") and in Warren, Ohio (the "Ohio Spoke"), and the Company's recently announced two European Spokes, in Norway (the "Norway Spoke") and Germany (the "Germany Spoke").

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

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

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

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

There can be no assurance that Li-Cycle can successfully achieve any or all of the above initiatives in the manner or time period that it expects. Further, achieving these objectives will require investments that may result in both short-term and long-term costs without generating any current revenue and therefore may be dilutive to earnings. Li-Cycle cannot provide any assurance that it will realize, in full or in part, the anticipated benefits it expects to generate from its growth strategy. Failure to realize those benefits could have a material adverse effect on Li-Cycle's business, results of operations or financial condition.

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

Even if it can successfully implement its global growth strategy, any failure to manage its growth effectively could materially and adversely affect Li-Cycle's business, results of operations and financial condition. Li-Cycle intends to expand its operations globally, which will require it to hire and train new employees across all divisions; accurately forecast supply and demand, production and revenue; control expenses and investments in anticipation of expanded operations; establish new or expand current design, production, and sales and service facilities; and implement and enhance administrative infrastructure, systems and processes. Future growth may also be tied to acquisitions, and Li-Cycle cannot guarantee that it will be able to effectively acquire other businesses or integrate businesses that it acquires. Failure to efficiently manage any of the above could have a material adverse effect on Li-Cycle's business, results of operations or financial condition.

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

Li-Cycle's Rochester Hub, Spoke Capital Projects and other future projects are subject to development risks, including with respect to engineering, permitting, procurement, construction, commissioning and ramp-up. Because of the uncertainties inherent in estimating construction and labor costs and the potential for the scope of a project to change, it is relatively difficult to evaluate accurately the total funds that will be required to complete the Rochester Hub, Spoke Capital Projects or other future projects. Further, Li-Cycle's estimates of the amount of time it will take to complete the Rochester Hub, Spoke Capital Projects or other future projects are based on assumptions about the timing of engineering studies, permitting, procurement, construction, commissioning and ramp-up, all of which can vary significantly from the time an estimate is made to the time of completion. Li-Cycle cannot guarantee that the costs of the Rochester Hub, Spoke Capital Projects or other future projects will not be higher than estimated, or that it will have sufficient capital to cover any increased costs, or that it will be able to complete the Rochester Hub, Spoke Capital Projects or other future projects within expected timeframes. Any such cost increases or delays could negatively affect Li-Cycle's results of operations and ability to continue to grow, particularly if the Rochester Hub, Spoke Capital Projects or any other

future project cannot be completed. Further, there can be no assurance that the Rochester Hub or the Spoke Capital Projects will perform at the expected production rates or unit costs, or that the end products will meet the intended specifications.

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

Although Li-Cycle's existing facilities in Ontario and New York State currently have total processing capacity of 10,000 tonnes of lithium-ion batteries and lithium-ion battery materials per year, the future success of Li-Cycle's business depends in part on its ability to significantly increase recycling capacity and efficiency as part of the incremental/additional facilities. Li-Cycle may be unable to expand its business, satisfy demand from its current and new customers, maintain its competitive position and achieve profitability if it is unable to build and operate any future facilities and otherwise allow for increases in scrapping output and speed. The construction of future global facilities will require significant cash investments and management resources and may not meet Li-Cycle's expectations with respect to increasing capacity, efficiency and satisfying additional demand. For example, if there are delays in any future planned Hub, such as its current development and construction of the Rochester Hub, construction of the Spoke Capital Projects and/or the future construction of other Spoke and Hub facilities, or if its facilities do not meet expected performance standards or are not able to produce materials that meet the quality standards Li-Cycle expects, Li-Cycle may not meet its target for adding capacity, which would limit its ability to increase sales and result in lower than expected sales and higher than expected costs and expenses. Failure to drastically increase recycling and processing capacity or otherwise satisfy customers' demands may result in a loss of market share to competitors, damage Li-Cycle's relationships with its key customers, a loss of business opportunities or otherwise materially adversely affect its business, results of operations or financial condition.

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

From time to time, Li-Cycle may enter into transactions to acquire other businesses or technologies, to enter into joint ventures or to develop additional commercial relationships, including the Norway Spoke, and its ability to do so successfully cannot be ensured. Li-Cycle is currently considering certain joint ventures and acquisitions to support its growth strategy, including but not limited to the development of new Spoke and Hub facilities, but it does not currently have any binding commitments for such transactions other than as described herein. One or more of these transactions could include the payment of the purchase price in whole or in part using Li-Cycle's common stock, which would have a dilutive impact on existing shareholders. Li-Cycle may also decide to incur debt in connection with an acquisition or any other strategic transaction. Even if Li-Cycle identifies suitable opportunities for strategic transactions, Li-Cycle may not be able to make such transactions on favorable terms or at all. Any strategic transactions Li-Cycle makes may not strengthen its competitive position, and these transactions may be viewed negatively by customers, suppliers or investors. Li-Cycle could incur losses resulting from undiscovered liabilities of an acquired business that we failed to or were unable to discover or were unable to quantify in the course of performing due diligence and that are not covered by any indemnification Li-Cycle may obtain from the seller. In addition, Li-Cycle may not be able to successfully integrate the acquired personnel, technologies and operations into its existing business in an effective, timely and non-disruptive manner. Strategic transactions may also divert management attention from day-to-day responsibilities, increase Li-Cycle's expenses and reduce Li-Cycle's cash available for operations and other uses. In addition, Li-Cycle may not be able to fully recover the costs of such acquisitions or be successful in leveraging any strategic transactions into increased business, revenue or profitability. Li-Cycle also cannot predict the number, timing or size of any future transactions or the effect that any such transactions might have on its operating results. Accordingly, although there can be no assurance that Li-Cycle will undertake or successfully complete any acquisitions or other strategic transactions, any transactions that Li-Cycle does complete may be subject to the foregoing or other risks and may have a material adverse effect on Li-Cycle's business, financial condition, results of operations and prospects.

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

International operations, such as those we intend to establish, are subject to certain risks inherent in doing business abroad, including:

- political, civil and economic instability;
- corruption risks;
- trade, customs and tax risks;
- currency exchange rates and currency controls;
- limitations on the repatriation of funds;

- insufficient infrastructure;
- restrictions on exports, imports and foreign investment;
- increases in working capital requirements related to long supply chains;
- changes in labor laws and regimes and disagreements with the labor force;
- difficulty in protecting intellectual property rights and complying with data privacy and protection laws and regulations; and
- different and less established legal systems.

Expanding our business in international markets, including the construction and operation of the Norway Spoke and Germany Spoke, is an important element of our strategy and, as a result, our exposure to the risks described above may be greater in the future. The likelihood of such occurrences and their potential effect on our business and results of operations will vary from country to country and are unpredictable, but could have an adverse effect on our ability to execute our strategy and accordingly on our business, results of operations or financial condition.

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

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

Li-Cycle may in the future need to raise additional funds to meet its capital requirements and such funds may not be available to Li-Cycle on commercially reasonable terms or at all, which could materially adversely affect Li-Cycle's business, results of operations or financial condition.

The closed loop resource recovery, logistics management, secure destruction and add-on services of Li-Cycle's lithium-ion battery recycling are capital-intensive. Although Li-Cycle believes that it will have sufficient funds to meet its capital requirements for the next 12 months, it may in the future need to raise additional funds, including through the issuance of equity, equity linked or debt securities or through obtaining credit from government or financial institutions, and the availability of additional funds to Li-Cycle will depend on a variety of factors, some of which are outside of its control. Additional funds may not be available to Li-Cycle on commercially reasonable terms or at all, which could materially adversely affect its business, results of operations or financial condition. If additional funds are raised by issuing equity or equity-linked securities, shareholders of Li-Cycle may incur dilution.

Li-Cycle has a history of losses and expects to incur significant expenses for the foreseeable future, and there is no guarantee it will achieve or sustain profitability.

Li-Cycle was until 2020 a development stage company with no commercial revenues, and incurred a net loss of approximately \$9.3 million for the year ended October 31, 2020, a net loss of \$4.1 million for the year ended October 31, 2019 and a net loss of \$0.9 million for the year ended October 31, 2018. For the year ended October 31, 2021, Li-Cycle's revenue was \$7.4 million and it recorded a net loss of \$226.6 million. Li-Cycle's primary sources of liquidity are currently the funds raised from the Business Combination, including the PIPE Financing and the Spring Creek Capital Convertible Note financing completed in September 2021, as well as funds generated by operating activities. Li-Cycle expects both its capital and operating expenditures will increase significantly in connection with Li-Cycle's ongoing activities. Li-Cycle believes that its performance and future success is dependent on multiple factors that present significant opportunities for Li-Cycle to increase

revenues, but also pose risks and challenges. Li-Cycle believes it will continue to incur losses in the short term and there is no guarantee it will achieve or sustain profitability in the future.

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

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

In addition, recycling of lithium-ion batteries requires Li-Cycle to store a significant number of lithium-ion battery cells at its facilities. We are subject to risks associated to mishandling of lithium-ion battery cells which could cause disruption to the operation of Li-Cycle's current or future facilities. While Li-Cycle has implemented safety procedures related to the handling of the cells, a safety issue or fire related to the cells could disrupt Li-Cycle's operations. Any impact on revenue resulting from reduced demand for lithium-ion batteries or on Li-Cycle's operations from perceived or actual safety or security issues at its own facilities could materially adversely affect Li-Cycle's business, results of operations or financial condition.

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

Our operations are subject to risks inherent in the lithium-ion battery recycling industry, including potential liability which could result from, among other circumstances, personal injury, environmental claims or property damage some of which may not be insured or fully covered by insurance. The availability of, and the ability to collect on, insurance coverage is subject to factors beyond our control and is not guaranteed to cover any or all of our losses in every circumstance. Li-Cycle's insurance coverage may also be inadequate to cover liabilities related to such operational risks.

Li-Cycle has no control over changing conditions and pricing in the insurance marketplace and the cost or availability of various types of insurance may change dramatically in the future. Moreover, Li-Cycle may not be able to maintain adequate insurance in the future at rates we consider reasonable and commercial justifiable, and insurance may not continue to be available on terms as favorable as our current arrangements. The occurrence of a significant uninsured claim, or a claim in excess of the insurance coverage limits maintained by Li-Cycle could adversely affect Li-Cycle's business, results of operations and financial condition,

Li-Cycle's revenue depends on maintaining and increasing feedstock supply commitments as well as securing new customers and off-take agreements.

Li-Cycle must maintain and gain feedstock supply commitments as well as new customers (including through entry into off-take agreements). Feedstock suppliers may change or delay supply contracts for any number of reasons, such as force majeure or government approval factors that are unrelated to Li-Cycle. Customers may fail to perform under their contracts for similar reasons. As a result, in order to maintain and expand its business, Li-Cycle must continue to develop and obtain new feedstock supply and customer contracts. However, it is difficult to predict whether and when Li-Cycle will secure such commitments and/or contracts due to competition for suppliers and customers and the lengthy process of negotiating supplier and customer agreements, which may be affected by factors that Li-Cycle does not control, such as market and economic conditions, financing arrangements, commodity prices, environmental issues and government approvals.

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

The demand for Li-Cycle's recycling services and end products is driven in part by projected increases in the demand for EVs (including automobiles, e-bikes, scooters, buses and trucks). A decline in the adoption rate of EVs could reduce the demand for Li-Cycle's recycling services and end products. A decline in volume under existing contracts or an inability to source new supplier relationships could also have a negative impact on Li-Cycle's operating results.

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

The prices that Li-Cycle charges for its products are generally tied to commodity prices for their principal contained metals, such as lithium, nickel and cobalt. Fluctuations in the prices of these commodities will affect Li-Cycle's revenues and declines in the prices of these commodities could have a material adverse impact on Li-Cycle's revenues. Any significant decline in Li-Cycle's revenues will have a material impact on its results of operations.

In addition to commodity prices, Li-Cycle's revenues are primarily driven by the volume and composition of lithium-ion battery feedstock materials processed at its facilities (including manufacturing scrap, spent batteries and third-party purchased black mass) and changes in the volume or composition of feedstock processed could significantly impact Li-Cycle's revenues and results of operations.

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

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

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

Li-Cycle's projected revenues for the Rochester Hub are derived significantly from a single customer and the loss of that customer could have a material impact on its results of operations.

Li-Cycle has entered into a strategic global marketing relationship with Traxys, a company that provides financial and logistics solutions to the metals, mining and energy industries. Li-Cycle has entered into two Marketing, Logistics and Working Capital Agreements with Traxys, covering (i) 100% of its production of black mass, from Li-Cycle's Spokes, other than black mass as Li-Cycle has determined (in its sole discretion) is required for internal purposes at Li-Cycle's Hubs, and (ii) 100% of its production of certain end products from Li-Cycle's Rochester Hub, being lithium carbonate, nickel sulphate, cobalt sulphate, manganese carbonate and graphite concentrate. If these contracts were breached or terminated, then Li-Cycle would need to restructure its marketing, commercial and logistics arrangements (by completing such functions in-house or through other service providers) and Li-Cycle could experience a decline in revenues that could have a material adverse impact on its results of operations.

Li-Cycle's heavy reliance on the experience and expertise of its management may cause adverse impacts on it if a management member departs.

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

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

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

Li-Cycle depends on third-party consultants to work with it across all of its projects to ensure correct permitting, regulatory compliance and keep Li-Cycle apprised of legal changes. Li-Cycle may face non-compliance challenges if the third-party consultants do not inform Li-Cycle of the proper compliance measures or if Li-Cycle fails to maintain its engagement with third-party consultants. If Li-Cycle is not in compliance with the current regulations, it could face litigation, sanctions and fees, which could adversely impact its business, results of operations and financial condition.

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

All industries, including the lithium-ion battery recycling industry, are subject to legal claims, with or without merit. We are not currently, nor have we ever been, party to any legal proceedings, but we could be involved in various litigation and regulatory proceedings arising in the normal course of business in the future. Due to the inherent uncertainty of the litigation process, we may not be able to predict with any reasonable degree of certainty the outcome of any litigation or the potential for future litigation. Regardless of the outcome, any legal or regulatory proceeding could have an adverse impact on Li-Cycle's business, prospects, financial conditions, and operating results due to defense costs, the diversion of management resources and other factors.

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

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

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

The recycling process for lithium-ion batteries and lithium-ion battery manufacturing scrap material, as well as black mass, is complex. If Li-Cycle fails to complete its recycling processes in a timely fashion, its reputation may be harmed. Any failure by Li-Cycle to complete its recycling processes in a timely fashion may also jeopardize existing orders and cause Li-Cycle to lose potential supply contracts and be forced to pay penalties.

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

The lithium-ion recycling market is competitive. As the industry evolves and the demand increases, Li-Cycle anticipates that competition will increase. Li-Cycle currently faces competition primarily from companies that focus on one type of lithium-ion material recycling, some of which have more expertise in the recycling of that material than Li-Cycle. Li-Cycle also competes against companies that have a substantial competitive advantage because of longer operating histories and larger budgets, as well as greater financial and other resources. National or global competitors could enter the market with more substantial financial and workforce resources, stronger existing customer relationships, and greater name recognition, or could choose to target medium to small companies in Li-Cycle's traditional markets. Competitors could focus their substantial resources on developing a more efficient recovery solution than Li-Cycle's solutions. Competition also places downward pressure on Li-Cycle's contract prices and profit margins, which presents it with significant challenges in its ability to maintain strong growth rates and acceptable profit margins. If Li-Cycle is unable to meet these competitive challenges, it could lose market share to its competitors and experience an adverse impact to its business, financial condition and results of operations.

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

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

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

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

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

Fluctuations in foreign currency exchange rates could result in declines in reported sales and net earnings.

Li-Cycle reports its financial results in U.S. dollars and a material portion of its sales and operating costs are realized in currencies other than the U.S. dollar. For the year ended October 31, 2021, approximately 41% of Li-Cycle's revenues were realized in Canada. Li-Cycle is also exposed to other currencies, such as the Euro, and may in the future be exposed to additional currencies. If the value of any currencies in which sales are realized, particularly the Canadian dollar, depreciates relative to the U.S. dollar, Li-Cycle's foreign currency revenue will decrease when translated to U.S. dollars for reporting purposes. In addition, any depreciation in foreign currencies could result in higher local prices, which may negatively impact local demand and have a material adverse effect on Li-Cycle's business, results of operations or financial condition. Alternatively, if the value of any of the currencies in which operating costs are realized appreciates relative to the U.S. dollar, Li-Cycle's operating costs will increase when translated to U.S. dollars for reporting purposes. Although these risks may sometimes be naturally hedged by a match in operating costs denominated in the same currency, fluctuations in foreign currency exchange rates, particularly the U.S.-Canadian dollar exchange rate, could create discrepancies between Li-Cycle's operating costs in a given currency that could have a material adverse effect on its business, results of operations or financial condition.

While Li-Cycle actively manages its exposure to foreign-exchange rate fluctuations and may enter into hedging contracts from time to time, such contracts hedge foreign-currency denominated transactions and any change in the fair value of the contracts could be offset by changes in the underlying value of the transactions being hedged. Furthermore, Li-Cycle does not have foreign-exchange hedging contracts in place with respect to all currencies in which it does business. As a result, there can be no assurance that Li-Cycle's approach to managing its exposure to foreign-exchange rate fluctuations will be effective in the future or that Li-Cycle will be able to enter into foreign-exchange hedging contracts as deemed necessary on satisfactory terms.

Unfavorable economic conditions, including the consequences of the global COVID-19 pandemic, may have a material adverse effect on Li-Cycle's business, results of operations and financial condition.

Li-Cycle has been impacted by the COVID-19 pandemic, and Li-Cycle cannot predict the future impacts the COVID-19 pandemic, including the emergence of new strains such as the Omicron or Delta variant, may have on its business, results of operations and financial condition. Beginning in March 2020, numerous government regulations and public advisories, as well as shifting social behaviors, temporarily and from time to time limited or closed non-essential transportation, government functions, business activities and person-to-person interactions, and the duration of such trends is difficult to predict. The continued impact of COVID-19 on manufacturing production may lead to less demand for lithium-ion batteries, impacting the resulting contribution of batteries and battery-related scrap material to the recycling market over the short-to-medium term. Mandated governmental measures have forced Li-Cycle to reduce operations at its commercial headquarters and establish work-from-home policies for certain of its employees, and some of its suppliers have been subject to similar limitations and may also have been required to shut down production. In addition, the Kingston Spoke experienced some battery supply related issues in the second fiscal quarter of 2021 due to COVID-19 related shutdowns in Ontario, Canada which were alleviated by the third fiscal quarter of 2021. Li-Cycle re-opened its office facilities in November 2021, with a robust plan to ensure compliance with government guidance and all recommended actions to ensure employee safety. Although COVID-19 has had an immaterial impact on Li-Cycle's business of yet, Li-Cycle cannot predict if current restrictions and limitations to its or its customers' and suppliers' operations will be maintained, or if new measures will be implemented.

Li-Cycle's operations and timelines may also be affected by global economic markets and levels of consumer comfort and spend, including recessions, slow economic growth, economic and pricing instability, increase of interest rates and credit market volatility, all of which could impact demand in the worldwide transportation industries or otherwise have a material adverse effect on Li-Cycle's business, operating results and financial condition. Because the impact of current conditions on an ongoing basis is yet largely unknown, is rapidly evolving and has been varied across geographic regions, this ongoing assessment will be particularly critical to allow Li-Cycle to accurately project supply and demand and infrastructure requirements globally and allocate resources accordingly. If current global market conditions continue or worsen, Li-Cycle's business, results of operations and financial condition could be materially adversely affected.

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

The occurrence of one or more natural disasters, such as fires, hurricanes and earthquakes, unusually adverse weather, epidemic or pandemic outbreaks, such as the ongoing COVID-19 pandemic, cyber incidents such as ransomware attacks, boycotts and geo-political events, such as civil unrest and acts of terrorism (including cyber terrorism or other cyber incidents), or similar disruptions could materially adversely affect Li-Cycle's business, power supply, results of operations or financial condition. These events could result in physical damage to property, an increase in energy prices, temporary or permanent closure of one or more of Li-Cycle's current or planned facilities, temporary lack of an adequate workforce in a market, temporary or long-term disruption in the supply of raw materials, construction delays at the Rochester Hub, the Spoke Capital Projects or other facilities being developed, temporary disruption in transport from overseas, or disruption to Li-Cycle's information systems. Li-Cycle may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, operating results and financial condition.

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

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

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

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

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

Li-Cycle may need to spend significant resources securing and monitoring its intellectual property rights, and it may or may not be able to detect infringement by third parties. Li-Cycle's competitive position may be adversely impacted if it cannot detect infringement or enforce its intellectual property rights quickly or successfully. In some circumstances, Li-Cycle may choose not to pursue enforcement of its valid intellectual property rights for a variety of legal and business considerations, including (i) because an infringer has a dominant intellectual property position, (ii) because of uncertainty relating to the scope of the Company's intellectual property or the outcome of an enforcement action, (iii) because of the financial and reputational costs associated with enforcement or (iv) for other business reasons. In addition, competitors might avoid

infringement by designing around the Company's intellectual property rights or by developing non-infringing competing technologies. Litigation brought to protect and enforce the Company's intellectual property rights could be costly, time-consuming, and distracting to management and Li-Cycle's development teams and could result in the impairment or loss of portions of its intellectual property, for example, the Company's efforts to enforce its intellectual property rights may be met with defenses, counterclaims attacking the scope, validity, and enforceability of the Company's intellectual property rights, or with counterclaims and countersuits asserting infringement by the Company of third-party intellectual property rights. Li-Cycle's failure to secure, protect, and enforce its intellectual property rights could adversely affect its brand and its business, any of which could have an adverse effect on the Company's business, prospects, financial condition, and operating results.

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

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

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

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

Prior to August 10, 2021, Li-Cycle Holdings Corp. was a private company and we addressed our internal control over financial reporting with internal accounting and financial reporting personnel and other resources.

In the course of preparing for the Business Combination with Peridot Acquisition Corp, Li-Cycle identified material weaknesses in its internal controls over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Li-Cycle's annual or interim consolidated financial statements may not be prevented or detected on a timely basis.

Li-Cycle did not have in place i) an effective control environment with formal processes and procedures and ii) an adequate number of accounting personnel with the appropriate technical training in, and experience with, IFRS to allow for a detailed review of complex accounting transactions, that would identify errors in a timely manner, including in areas such as revenue recognition, inventory, related party arrangements, financing transactions and business combination transactions. Li-Cycle did not design or maintain effective controls over the financial statement close and reporting process in order to ensure the accurate and timely preparation of financial statements in accordance with IFRS. In addition, information technology controls, including end user and privileged access rights and appropriate segregation of duties, including for certain users the ability to create and post journal entries, were not designed or operating effectively.

Risks Relating to Ownership of Our Securities

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

Our by-laws require, to the fullest extent permitted by law and subject to certain exemptions for actions brought to enforce a duty or liability under certain U.S. securities laws, that (i) derivative actions brought in our name, (ii) actions against directors, officers and employees for breach of fiduciary duty, (iii) any action or proceeding asserting a claim arising pursuant to the Ontario Business Corporations Act (the "OBCA") or our Governing Documents, and (iv) any action or proceeding asserting a claim otherwise related to our "affairs" (as defined in the OBCA) may be brought only in the Superior Court of Justice of the Province of Ontario, Canada and the appellate courts therefrom and, if brought outside of such forum, the shareholder bringing the suit will be deemed to have consented to the personal jurisdiction of the provincial and federal courts located within the Province of Ontario in connection with any action brought in such court to enforce the forum provisions and to service of process on such shareholder's counsel. Any person or entity purchasing or otherwise acquiring any

interest in our common shares shall be deemed to have notice of and consented to the forum provisions in its articles. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will have exclusive jurisdiction for the resolution of any complaint asserting a cause of action arising under the U.S. Securities Act. The exclusive forum provision in our by-laws will not apply to actions arising under the Securities Act or the Exchange Act.

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

Our common shares have only recently become publicly traded, and the market price of our common shares may be volatile. The trading price of our common shares could be subject to wide fluctuations due to a variety of factors, including:

- the COVID-19 pandemic and its impact on the markets and economies in which we operate;
- our actual or anticipated operating performance and the operating performance of our competitors;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet the estimates or the expectations of investors;
- any major change in our board of directors, management, or key personnel;
- market conditions in our industry;
- general economic conditions such as recessions, interest rates, fuel prices, international currency fluctuations;
- rumors and market speculation involving us or other companies in our industry;
- announcements by us or our competitors of significant innovations, new products, services or capabilities, acquisitions, strategic investments, partnerships, joint venture or capital commitments;
- the legal and regulatory landscape and changes in the application of existing laws or adoption of new laws that impact our business;
- legal and regulatory claims, litigation, or pre-litigation disputes and other proceedings;
- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events; and
- sales or expected sales of our common shares by us, our officers, directors, significant stockholders, and employees.

In addition, stock markets have experienced significant price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. The stock market in general and NYSE have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. These fluctuations may be even more pronounced in the trading market for our common shares as a result of the supply and demand forces for newly public companies. In the past, stockholders have instituted securities class action litigation following periods of stock volatility.

A significant portion of our outstanding common shares are restricted from immediate resale. Sales of substantial amounts of our common shares after the expiration of applicable lock-up periods, or the perception that such sales will occur, could adversely affect the market price of our common shares.

On the Closing Date, we, the Peridot Class B Holders and the Li-Cycle Holders entered into the Investor Agreement. Pursuant to the Investor Agreement, the common shares held by Peridot Class B Holders and Li-Cycle Holders are subject to certain transfer restrictions until (i) with respect to the Peridot Class B Holders, the earliest of (a) one year after the Closing and (b) (x) the last consecutive trading day where the last reported sale price of the our common shares equals or exceeds \$12.00 per share (as adjusted for share subdivisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the Closing, or (y) the date on which we complete

a liquidation, merger, share exchange or other similar transaction that results in all of its public shareholders having the right to exchange their common shares for cash, securities or other property, and (ii) with respect to the Li-Cycle Holders, 180 days following the Closing.

Sales of a substantial number of our common shares in the public market after the expiration of the applicable lock-up periods pursuant to the Investor Agreement, or the perception that such sales will occur, could adversely affect the market price of our common shares and make it difficult for us to raise funds through securities offerings.

NYSE may delist our securities, which could limit investors' ability to engage in transactions in our securities and subject us to additional trading restrictions.

Upon consummation of the Business Combination, our common shares and warrants became listed on the New York Stock Exchange. In order to list our common shares and warrants, we were required to meet the NYSE initial listing requirements. Although we were able to meet those initial listing requirements, we may be unable to maintain the listing of our securities in the future.

If NYSE were to delist our securities, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- a limited amount of news and analyst coverage for the Company; and
- a decreased ability to obtain capital or pursue acquisitions by issuing additional equity or convertible securities.

Because Li-Cycle has historically operated as a private company, we have limited experience complying with public company obligations and fulfilling these obligations is expensive and time consuming and may divert management's attention from the day-to-day operation of our business.

As a privately held company, Li-Cycle was not required to comply with many corporate governance and financial reporting practices and policies required of publicly-traded companies. As a publicly traded company, we incur significant legal, accounting and other expenses that Li-Cycle was not required to incur in the recent past. These expenses will increase once we are no longer an "emerging growth company" as defined under the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"). In addition, new and changing laws, regulations and standards relating to corporate governance and public disclosure for public companies, including the Dodd-Frank Act, the Sarbanes-Oxley Act, regulations related thereto and the rules and regulations of the SEC and NYSE, have increased the costs and the time that must be devoted to compliance matters. We expect these laws and regulations to increase our legal and financial compliance costs and to render some activities more time-consuming and costly, although we are currently unable to estimate these costs with any degree of certainty. We may need to hire more employees or engage outside consultants to comply with these requirements, which will increase our costs and expenses. Being a public company could make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. Being a public company could also make it more difficult and expensive for us to attract and retain qualified persons to serve on our board of directors, board committees or as executive officers. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common shares, fines, sanctions and other regulatory action and potentially civil litigation.

For as long as we remain an "emerging growth company" as defined in the JOBS Act, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies." We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of Peridot's public offering, (b) in which we have total annual gross revenue of at least \$1.07 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of the shares that are held by non-affiliates exceeds \$700 million as of the prior June 30th, and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period. To the extent we choose not to use exemptions from various reporting requirements under the JOBS Act, or if we can no longer be classified as an "emerging growth company," we expect to incur additional compliance costs, which will reduce our ability to operate profitably.

As a "foreign private issuer" under the rules and regulations of the SEC, we are permitted to, and will, file less or different information with the SEC than a company incorporated in the United States or otherwise subject to these rules, and will follow certain home country corporate governance practices in lieu of certain NYSE requirements applicable to U.S. issuers.

The Company is considered a "foreign private issuer" under the Exchange Act and is therefore exempt from certain rules under the Exchange Act. For example, we are not required to file current reports on Form 8-K or quarterly reports on Form 10-Q, we are exempt from the U.S. proxy rules which impose certain disclosure and procedural requirements for U.S. proxy solicitations and we will not be required to file financial statements prepared in accordance with or reconciled to U.S. GAAP so long as our financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board. We are not required to

comply with Regulation FD, which imposes restrictions on the selective disclosure of material information to shareholders, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions of Section 16 of the Exchange Act. In addition, we are not required to file periodic reports and financial statements with the SEC as frequently or within the same time frames as U.S. companies with securities registered under the Exchange Act. Accordingly, holders of the Company's securities may receive less or different information about the Company than they may receive with respect to public companies incorporated in the United States.

In addition, as a "foreign private issuer" whose common shares are listed on NYSE, we are permitted to follow certain home country corporate governance practices in lieu of certain NYSE requirements.

We could lose our status as a "foreign private issuer" under current SEC rules and regulations if more than 50% of our outstanding voting securities become directly or indirectly held of record by U.S. holders and one of the following is true: (i) the majority of our directors or executive officers are U.S. citizens or residents; (ii) more than 50% of our assets are located in the United States; or (iii) our business is administered principally in the United States. If we lose our status as a foreign private issuer in the future, we will no longer be exempt from the rules described above and, among other things, will be required to file periodic reports and annual and quarterly financial statements as if we were a company incorporated in the United States (including preparation of financial statements in accordance with U.S. GAAP). If this were to happen, we would likely incur substantial costs in fulfilling these additional regulatory requirements and members of our management would likely have to divert time and resources from other responsibilities to ensuring these additional regulatory requirements are fulfilled.

Failure to develop and maintain effective internal control over financial reporting could have a material adverse effect on our business, operating results and stock price.

Prior to the consummation of the Business Combination, Li-Cycle was not subject to Section 404 of the Sarbanes-Oxley Act. However, following the consummation of the Business Combination and the transactions related thereto, the Company is required to comply with Section 404 of the Sarbanes-Oxley Act on the timeline described below, which requires, among other things, the Company to evaluate annually the effectiveness of its internal controls over financial reporting. The standards required for a public company under Section 404 of the Sarbanes-Oxley Act are significantly more stringent than those required of Li-Cycle prior to the Business Combination. Section 404(a) of the Sarbanes-Oxley Act ("Section 404(a)") requires that, beginning with the second annual report following the Business Combination, management assess and report annually on the effectiveness of internal control over financial reporting and identify any material weaknesses in internal control over financial reporting. Additionally, Section 404(b) requires the independent registered public accounting firm to issue an annual report that addresses the effectiveness of internal control over financial reporting. We expect our first Section 404(a) assessment will take place for our annual report for the year ending October 31, 2022 and our first Section 404(b) assessment will take place after we no longer qualify as an emerging growth company. Li-Cycle identified material weaknesses in its internal controls over financial reporting, see "Risk Factors — Risk Relating to Li-Cycle's Business — If its remediation of such material weaknesses is not effective, or if it fails to develop and maintain a proper and effective internal control over financial reporting, its ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired".

Management may not be able to effectively and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements that are applicable to the Company following the Business Combination. If we are not able to implement the additional requirements of Section 404 in a timely manner as required or with adequate compliance, we may not be able to assess whether our internal controls over financial reporting are effective, which may subject us to adverse regulatory consequences and could harm investor confidence and the market price of our shares.

As an "emerging growth company," the Company cannot be certain if the reduced disclosure and governance requirements applicable to "emerging growth companies" will make its shares less attractive to investors.

As an "emerging growth company," the Company may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies, including not being required to obtain an assessment of the effectiveness of its internal controls over financial reporting from its independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards, which the Company has elected to do.

We cannot predict if investors will find our shares less attractive because we will rely on these exemptions. If some investors find our shares less attractive as a result, there may be a less active market for our shares, our share price may be more volatile and the price at which our securities trade could be less than if we did not use these exemptions.

We expect to incur costs related to our internal control over financial reporting in the upcoming years to further improve our internal control environment. If we identify deficiencies in our internal controls over financial reporting or if we are unable to comply with the requirements applicable to us as a public company, including the requirements of Section 404 of the Sarbanes-Oxley Act, in a timely manner, we may be unable to

accurately report our financial results, or report them within the timeframes required by the SEC. If this occurs, we also could become subject to sanctions or investigations by the SEC or other regulatory authorities. In addition, if we are unable to assert that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, or express an adverse opinion, investors may lose confidence in the accuracy and completeness of our financial reports, we may face restricted access to the capital markets and our share price may be adversely affected.

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

We may issue additional shares or other equity securities in the future in connection with, among other things, capital raises, future acquisitions, repayment of outstanding indebtedness or grants under the Company's 2021 Incentive Award Plan (the "Incentive Plan") without shareholder approval in a number of circumstances. In addition, pursuant to the terms of the Spring Creek Capital Convertible Note, we may issue common shares upon conversion or redemption of the Spring Creek Capital Convertible Note or pursuant to any other term of the Spring Creek Capital Convertible Note, including as a result of any of the PIK provisions of the Spring Creek Capital Convertible Note.

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

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

Exercise of warrants by our warrant holders could result in dilution to our shareholders.

On December 27, 2021, Li-Cycle Holdings issued a notice of redemption indicating that it will be redeeming on January 26, 2022 (the "Redemption Date"), all of the outstanding warrants. At any time prior to 5:00 p.m. New York City time on the Redemption Date, the warrants may be: (i) exercised by holders for cash, at an exercise price of \$11.50 per common share; or (ii) surrendered by holders on a "cashless basis" (a "Make-Whole Exercise"), in which case the surrendering holder will receive a number of common shares determined in accordance with the terms of the Warrant Agreement. On January 11, 2022, Li-Cycle Holdings issued a notice indicating that holders who surrender their warrants pursuant to a Make-Whole Exercise will be entitled to receive 0.253 common shares per warrant. In connection with the redemption of our warrants, 22,540,651 warrants were surrendered pursuant to a Make-Whole Exercise, resulting in the issuance of an additional 5,702,644 common shares. Sales of substantial numbers of such shares in the public market could depress the market price of our common shares.

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

The trading market for the Company's common shares will be influenced by the research and reports that industry or securities analysts may publish about it, its business, its market, or its competitors. If no securities or industry analysts commence coverage of the Company, its share price would likely be less than that which would be obtained if it had such coverage and the liquidity, or trading volume of its shares may be limited, making it more difficult for a shareholder to sell shares at an acceptable price or amount. If any analysts do cover the Company, their projections may vary widely and may not accurately predict the results it actually achieves. The Company's share price may decline if its actual results do not match the projections of research analysts covering it. Similarly, if one or more of the analysts who write reports on the Company downgrades its shares or publishes inaccurate or unfavorable research about its business, its share price could decline. If one or more of these analysts ceases coverage of the Company or fails to publish reports on it regularly, its share price or trading volume could decline.

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

The Company may be forced to later write down or write off assets, restructure its operations, or incur impairment or other charges that could result in losses. Unexpected risks may arise and previously known risks may materialize. Even though these charges may be non-cash items and not have an immediate impact on the Company's liquidity, the fact that it may report charges of this nature could contribute to negative market

perceptions about the Company or its securities. In addition, charges of this nature may cause the Company to be unable to obtain future financing on favorable terms or at all.

The issuance of our common shares in connection with the conversion of the Spring Creek Capital Convertible Note would cause substantial dilution, and could materially affect the trading price of our common shares.

There is an aggregate principal amount of \$100 million outstanding under the Spring Creek Capital Convertible Note. To the extent we or the holder of the Spring Creek Capital Convertible Note converts the Spring Creek Capital Convertible Note into our common shares, substantial amounts of our common shares will be issued. Such issuances could result in substantial decreases to our stock price and dilution to our existing shareholders.

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

It is possible that the Company could be classified as a “passive foreign investment company” or “PFIC” for U.S. federal income tax purposes, which would have adverse U.S. tax consequences for U.S. persons holding the Company’s common shares. Although the Company believes that it should not be classified as a PFIC for its current taxable year and does not expect to be so classified in the foreseeable future, whether the Company is a PFIC is a factual determination made annually, and the Company’s status will depend among other things upon changes in the composition and relative value of its gross receipts and assets. Because the market value of the Company’s assets (including for this purpose goodwill) may be measured in large part by the market price of the common shares, which is likely to fluctuate, no assurance can be given that the Company will not be a PFIC in the current year or in any future taxable year.

ITEM 4. INFORMATION ON THE COMPANY

A. History and development of the Company

General

Li-Cycle Holdings Corp. was incorporated on February 12, 2021 under the laws of the Province of Ontario, Canada as a corporation solely for the purpose of effectuating the Business Combination, which was consummated on August 10, 2021. It is governed by Articles of Amalgamation dated August 10, 2021.

Our principal executive office is located at 207 Queen’s Quay West, Suite 590, Toronto, Ontario, Canada and our phone number is (877) 542-9253. Our agent for service of process in the United States is Puglisi & Associates located at 850 Library Avenue, Suite 204, Newark, DE 19711.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC which is accessible at <http://www.sec.gov>.

Our principal website address is <http://www.li-cycle.com>. The information contained on our website does not form a part of, and is not incorporated by reference into, this annual report.

Business Combination

On August 10, 2021, Li-Cycle Corp., Li-Cycle Holdings Corp. (a wholly-owned subsidiary of Li-Cycle prior to the Business Combination) and Peridot Acquisition Corp. (“Peridot”) completed the Business Combination pursuant to a plan of arrangement under the *Business Corporations Act* (Ontario) (the “Arrangement”). Pursuant to the Business Combination, Li-Cycle Corp. became a wholly-owned subsidiary of Li-Cycle Holdings.

Upon the closing of the Business Combination and a concurrent \$315.5 million private placement of common shares (the “PIPE Financing”), the combined company received \$581.9 million of gross transaction proceeds, before deduction of \$29.6 million of Peridot’s transaction costs and \$27.0 million of Li-Cycle’s transaction costs.

B. Business Overview

Shareholders should read this section in conjunction with the more detailed information about the Company contained in this annual report, including our audited financial statements and the other information appearing in the section entitled “Item 5. Operating and Financial Review and Prospects.”

Our Company

Li-Cycle is an industry leader in lithium-ion battery resource recovery and the leading lithium-ion battery recycler in North America. When we refer to ourselves as the leading lithium-ion battery recycler in North America, we are referring to our status based on installed permitted capacity for lithium-ion battery recycling measured in tonnes per year. Our proprietary “Spoke & Hub” recycling process is designed (a) at our Spokes, to process battery manufacturing scrap and end-of-life batteries to produce “black mass” and other intermediate products, and (b) at our Hubs, to process black mass to produce critical battery materials, including

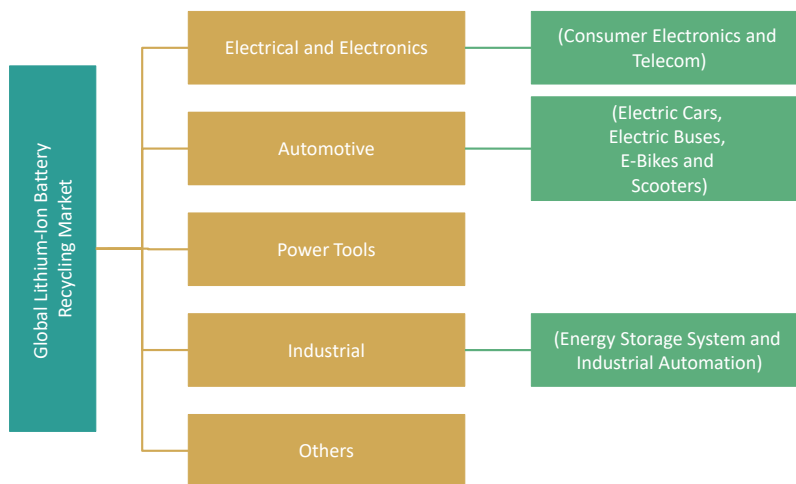
lithium carbonate, nickel sulphate and cobalt sulphate. Our process enables an up to 95% Recycling Efficiency Rate, as compared to what we believe to be a 50% traditional industry average. Unlike the traditional revenue model for recycling that relies primarily on waste or tipping fees, our operating model is focused on generating revenue from sales of the raw materials we produce.

Li-Cycle was founded in 2016 by our chief executive officer, Ajay Kochhar, and executive chair, Tim Johnston, with the mission of solving the global disposal problem for end-of-life lithium-ion batteries and battery manufacturing scrap while simultaneously creating a secondary source of critical battery materials. By providing an “urban mining” solution, Li-Cycle seeks to offer an alternative to raw materials sources through traditional global mining practices.

We pioneered what we believe to be an innovative and scalable metallurgical processing method with our IP-protected Spoke & Hub Technologies™. We expect to make a valuable contribution to the electric vehicle industry and the world’s transition to a circular economy by diverting end-of-life lithium-ion battery materials from landfill sites by offering an environmentally-friendly alternative to energy-intensive pyrometallurgical processing methods. We believe our production costs are on average lower than the mining and processing costs otherwise incurred by suppliers to produce these materials because we are able to produce multiple materials from a single process and because our process yields minimal waste and no displaced earth or tailings, as compared to traditional mining processes. By re-inserting critical materials back into the lithium-ion battery supply chain, we are able to effectively close the loop between the beginning and end-of-life manufacturing phases in both an environmentally and economically sustainable manner.

Lithium-ion batteries are increasingly powering products and solutions in a range of industries, including consumer electronics and electric vehicles. Our sources of recycling feed are derived primarily from three key sources: 1) battery manufacturing scrap; 2) damaged, defective, or recalled lithium-ion batteries; and 3) end-of-life lithium-ion batteries.

An overview of the industries in which lithium-ion batteries are utilized is set forth below:



Source: Expert Interviews, Secondary Research, and BIS Research Analytics

Our Strategy

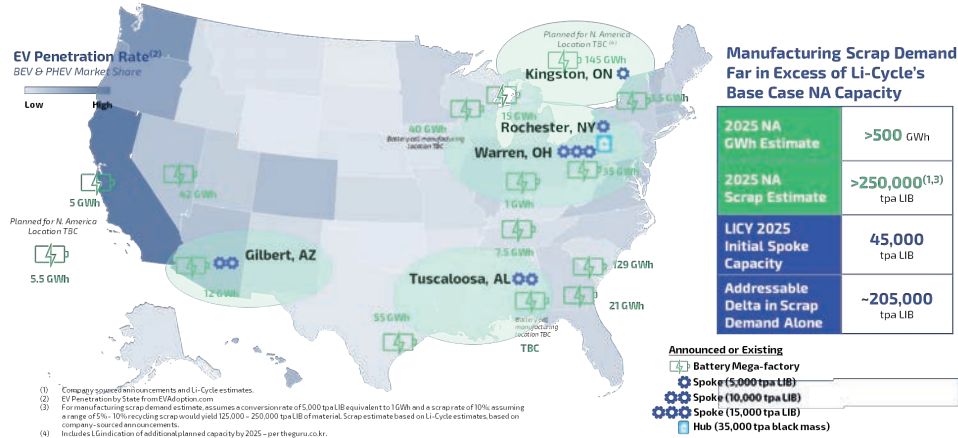
Our goal is to be a leading global recycler of lithium-ion batteries and battery scrap and producer of key battery grade materials. Li-Cycle has developed a two-phased strategy, positioned to grow in lockstep with the electrification supply chain. In the first phase, Li-Cycle plans to expand its network in line with the manufacturing of lithium-ion batteries, by utilizing the resulting manufacturing scrap or yield loss as a key base-load of supply for Li-Cycle’s facilities. In the second phase, Li-Cycle plans to leverage the global network established predominantly on the basis of manufacturing scrap to position Li-Cycle as the leader for the processing of end-of-life lithium-ion batteries. We are executing on our plan to construct a network of Spokes located at regionally optimized locations that reduce safety risk and costs associated with battery transport to our Spokes. We further plan to construct centralized, large-scale Hubs to maximize economies of scale and efficiencies. Hub facilities will process an intermediate product (black mass) from our Spokes, as this is significantly easier and safer to transport than batteries.

We are evaluating additional global opportunities to scale our operations with a range of potential partners and expansion opportunities that may include acquisitions, joint ventures or other commercial arrangements in North America, Europe and Asia Pacific. We seek to partner with multiple customers in each geography in connection with supply and off-take arrangements. Near to mid-term, our current growth strategy is to focus on North America and Europe, aligning with leading global customer demand needs. We also expect to assess, including through discussions about timing and with potential customers, the potential for investments in the Asia Pacific region.

Our Industry

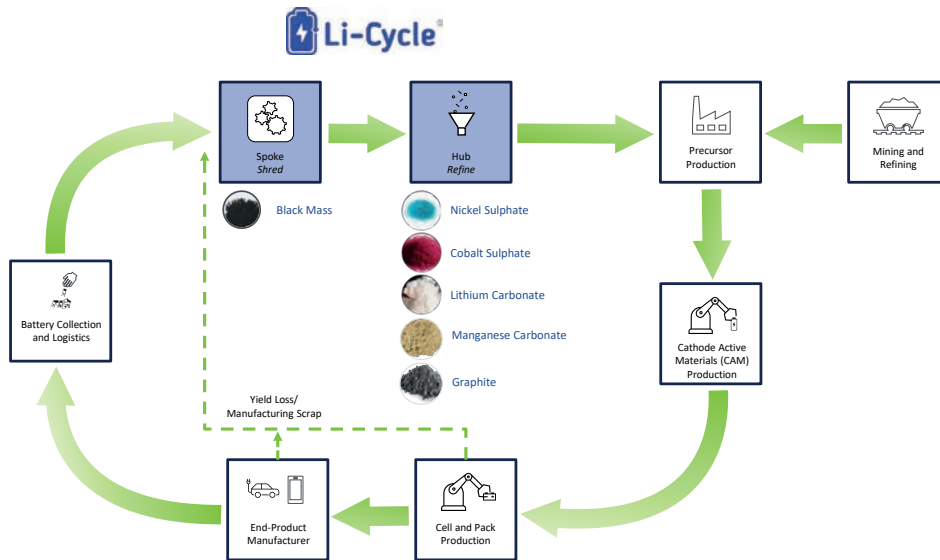
Li-Cycle is at the intersection of three broad and accelerating trends that we believe are key drivers for successful movement toward a zero-carbon economy: the electric vehicle revolution; sustainability with emphasis on a circular economy; and localized investments in battery production to establish and grow sustainable domestic supplies of strategic battery materials.

North America is emerging as an important region for the lithium-ion battery supply chain, as battery manufacturers and automotive OEMs increasingly establish operations in the region, which we expect to lead to increased quantities of battery manufacturing scrap and end-of-life batteries available for recycling. We estimate that the existing North American mega-factory capacity will grow from approximately 45 GWh in 2021 to >500 GWh in 2025. We also estimate that European mega-factory capacity will grow from 37 GWh in 2021 to more than 930 GWh by 2030. Our Spokes are strategically located near mega-factory locations, as illustrated in the chart below:



Our Integrated Spoke & Hub Technologies™

Li-Cycle's operating model enables a circular loop in the EV battery value chain, as shown in the chart below:



Under our two-part Spoke & Hub process, end-of-life batteries and battery-related waste are first shipped to Spoke locations, where the materials are mechanically processed into several intermediate products, including black mass. Black mass from several Spoke locations will be received at a Hub location and put through a hydrometallurgical (or “wet chemistry”) process to produce end products, such as nickel sulphate, cobalt sulphate and lithium carbonate, which can be sold back into the battery supply chain and used in the manufacturing of new lithium-ion batteries.

Utilizing our Hub & Spoke Technologies™, we are able to achieve a Recycling Efficiency Rate of up to 95%. Our two-stage battery recycling model enables our customers to benefit from a safe and environmentally friendly solution for recycling all types of lithium-ion batteries and lithium-ion battery materials.

We have a market-leading position in North America through our two operational Spokes in Kingston, Ontario, and Rochester, New York, and are currently developing our first commercial-scale Hub in Rochester, New York. We have also announced the development and construction of additional Spokes in Gilbert, Arizona and near Tuscaloosa, Alabama. Further, we have announced the development of a co-located Spoke with a strategic industry partner, Ultium Cells, LLC, in Warren, Ohio. We have also announced the development of our first two European Spokes, in Norway (through a joint venture with ECO STOR AS and Morrow Batteries AS) and in Germany.

Spokes

At our Spokes, batteries for recycling are broken down through a mechanical size reduction process known as shredding and separated into three “intermediate” product lines: black mass, mixed copper/aluminum and mixed plastics. Black mass is a powder-like substance, which contains a number of valuable metals, including nickel, cobalt and lithium. Based on the Product Recovery Percentage, more than 95% of the mass of batteries and battery scrap entering the recycling process is transformed through our Spokes into these intermediate products.

We intend to construct a global network of Spokes located at regionally optimized locations near sources of battery manufacturing scrap and end-of life batteries to reduce safety risk and costs associated with battery transport to our Spokes. We are strategically locating our Spokes close to our existing customers, and at the nexus of where we expect there will be continued growth of batteries and battery scrap available for recycling.

Hubs

At our Hub facilities, black mass from the Spokes will be separated through the hydrometallurgical circuit to produce individual raw materials with the purity levels required of raw materials to be used in battery production. The end products produced from black mass will include nickel sulphate, cobalt sulphate and lithium carbonate.

Our hydrometallurgical process is more efficient and more environmentally friendly than traditional pyrometallurgical processes, which involve volatilizing or burning materials at high temperatures. Pyrometallurgical processes also have lower recovery rates, are carbon-intensive and generate harmful

emissions. Accordingly, the hydrometallurgical process is expected to become the preferred approach to lithium-ion battery recycling among manufacturers who are focused on product stewardship and environmental sustainability.

We expect to construct and operate two types of Hubs. A ternary Hub, such as the Hub we are currently constructing in Rochester, New York, will process all types of black mass. A lithium ion phosphate (“LFP”) Hub will have the capacity to process all types of black mass, but will have dedicated capacity to process LFP black mass derived from LFP lithium-ion batteries, LFP lithium-ion battery materials, and LFP black mass to produce LFP cathode pertinent end-products (e.g., lithium carbonate). LFP lithium-ion batteries have historically been viewed by the market as more difficult to recycle than other lithium-ion batteries; we intend to address this deficiency by providing the industry the ability transform LFP-containing lithium-ion batteries into a valuable resource through our LFP Hubs.

Our Commercial Contracts

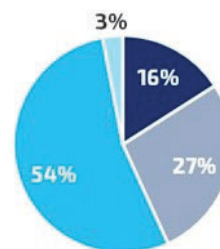
Battery Intake Sources

We have commercial contracts with leaders in the electric vehicle and lithium-ion battery ecosystem, including consumer electronics, manufacturing scrap, energy storage, and auto OEMs/transportation companies. Li-Cycle procures all aspects of lithium-ion battery material sources in the supply chain, including battery manufacturing scrap, battery recalls, and end-of-life batteries. We currently have over 85 suppliers of end-of-life lithium-ion batteries and battery manufacturing scrap, predominantly in North America, compared to 35 suppliers in fiscal year 2020. As the market for electric vehicles grows and drives increased manufacturing of lithium-ion batteries in North America, we anticipate higher supplier volumes of manufacturing scrap and increasing numbers of end-of-life EV batteries to be available for recycling by 2025 and 2030, respectively.

The chart below shows our battery supply intake sources in FY 2021:

Li-Cycle Battery Recycling Sources¹

Battery Sources	FY2021A
Manufacturing Scrap	27%
Transportation – inclusive of damaged, defective and recalled lithium-ion batteries	54%
Energy Storage Systems	3%
Consumer Electronics	16%
Total	100%



i. Measured by weight of battery materials

Black Mass Offtake Agreement with Traxys

Li-Cycle has entered into a strategic global marketing relationship with Traxys, a company that provides financial and logistics solutions to the metals, mining and energy industries. As part of this relationship, Li-Cycle has entered into a Black Mass Marketing, Logistics and Working Capital Agreement with Traxys, covering 100% of its production of black mass, until such time as this material is integrated by Li-Cycle into the supply chain for Li-Cycle’s Hubs. Traxys earns marketing fees under the agreement, based on the final sales price of the black mass sold by Traxys to its third-party customers, as well as interest on provisional payments made from Traxys to Li-Cycle. Prices are based on index pricing for the nickel and cobalt contained in the black mass.

Refined Products Offtake Agreement with Traxys

Li-Cycle has also entered into a Refined Products Marketing, Logistics and Working Capital Agreement with Traxys, covering 100% of its production of certain end products from the Rochester Hub, consisting of nickel sulphate, cobalt sulphate, lithium carbonate, manganese carbonate and graphite concentrate. The Hub products agreement extends for a term expiring seven years after the achievement of certain commercial production milestones at the Rochester Hub, and is therefore expected to extend to 2030. Traxys earns marketing fees under the agreement, based on the final sales price of the black mass sold by Traxys to its third-party customers, as well as interest on provisional payments made from Traxys to Li-Cycle. Prices are based on index pricing for the relevant products, adjusted for the product form (e.g., adjusted to reflect the pricing for the premium battery grade nickel sulphate form, relative to the relevant index pricing which is for nickel metal). Commercial terms between Traxys and its third-party customers are arranged in advance, transparent to Li-Cycle and based on the commodity prices for the metals contained in the Li-Cycle products.

When the Rochester Hub commences commercial production, Li-Cycle expects that sales of refined products through Traxys will represent the significant majority of its revenues.

Pursuant to Li-Cycle's strategic global marketing relationship with Traxys, Li-Cycle and Traxys are parties to a side agreement which provides that, should Li-Cycle seek to develop additional Hubs, Li-Cycle will notify Traxys and the parties will use good faith efforts to negotiate and enter into future marketing, logistics and working capital agreements covering those additional facilities.

Li-Cycle intends to seek customers to purchase the copper sulphide, sodium sulphate and gypsum produced by the Rochester Hub (which are not covered by the Traxys contract).

Other Notable Agreements

Li-Cycle has entered into agreements with third party purchasers for other intermediate products produced at the Spokes, including mixed copper/aluminum and plastics. Li-Cycle sells mixed copper/aluminum products to Glencore, an Anglo-Swiss multinational commodity trading and mining company. Li-Cycle sold black mass to Glencore until 2021, when existing commitments were satisfied.

Our Competitive Strengths

Customer-Centric Solutions Provider

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

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

IP Protected Proprietary and Innovative Technology

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

Leading Environmental Footprint

Due to our high recovery rates and sustainable, environmentally-friendly processes, we believe we are well-positioned to comply with heightened regulations applicable to us across the globe.

Unlike conventional pyrometallurgy processes, our hydrometallurgical process is designed for “best in class” environmental performance, with little to no solid waste streams to landfill, zero wastewater discharge, and relatively low air emissions. This has been a competitive advantage in terms of conforming to the requirements for municipal, state, and federal permitting processes associated with the development of our Spokes and Hub, as well as meeting our customers' mandates for quality and sustainability.

In 2021, Li-Cycle received the 2021 Big Innovation Award presented by Business Intelligence Group, and it was named to the World Circular Economy Forum's list of Circular Economy Solutions Inspiring the World. In addition, for three years in a row (2020, 2021 and 2022), Li-Cycle was named as a Global Cleantech 100 Company by the Cleantech Group and was also a finalist in the 10th Annual Business Green Leaders Awards.

Minimal Human Operating Risk

Unlike smelting, thermal pre-treatment refining, or cathode-to-cathode processes, our processes have minimal human operating risk. Our Spokes can safely process lithium-ion batteries at any state of charge, without any manual sorting, discharging, or dismantling required. As a result, our Spokes reduce the size of battery mass through an automated process, minimizing human operating risk.

Superior Recycling Recovery Rates and More Economical Supplier

Our wet-chemistry method is able to extract valuable battery-grade chemicals from black mass that are directly re-usable in the manufacturing of new battery technologies. In the short term, this increases the value that we derive from battery manufacturing scrap as well as end-of-life batteries and reduces waste.

We expect our production costs on average to be lower than the mining and processing costs otherwise incurred by suppliers to produce these materials because we are able to produce multiple materials from a single process that yields minimal waste and no displaced earth or tailings, as compared to traditional mining processes.

Established Strategic Partnerships with Key Global Players

We believe that the investment and strategic alliances we have established represent a strong validation of our business model by leading global strategic players in the lithium-ion battery materials space, as described below:

Koch Strategic Platforms (“KSP”)

KSP, a subsidiary of Koch Investments Group, through its affiliate, Spring Creek Capital, LLC, has invested \$100 million in Li-Cycle pursuant to a convertible note to support the Company’s growth opportunities in North America, Europe and Asia Pacific. We believe this strategic investment by KSP will provide Li-Cycle with access to key industry expertise across the broader Koch Industries ecosystem. Li-Cycle has engaged Koch Engineered Solutions (“KES”) which provides engineering, procurement, and construction services, to construct, test, and ship the Company’s Norway Spoke. Li-Cycle and KES are exploring commercial opportunities to support the global deployment of incremental Spoke facilities and to enhance execution and operational readiness for the Rochester Hub.

LG Chem (“LGC”) and LG Energy Solution (“LGES”)

In December 2021, Li-Cycle, LGC and LGES entered into a manufacturing scrap supply and nickel sulphate off-take agreement non-binding letter of intent. With this proposed collaboration, LGES and Li-Cycle intend to cooperate on recycling lithium-ion battery scrap and certain other lithium-ion battery materials to create a closed-loop ecosystem.

Subject to entering into of definitive commercial agreements for such collaboration by March 13, 2022, LGC and LGES together will make a \$50 million equity investment in Li-Cycle. Upon the execution of the definitive agreements, Li-Cycle, through its end-product off-take partner for the Rochester Hub, Traxys North America LLC, will sell 20,000 tonnes of nickel contained in nickel sulphate produced by Li-Cycle to LGC and LGES over 10 years, beginning in 2023.

Ultium Cells (Joint Venture of General Motors and LGES)

In May 2021, we entered into a multi-year agreement with Ultium Cells LLC (“Ultium”), a joint venture of General Motors and LGES, to recycle up to 100% of the scrap generated by battery cell manufacturing at Ultium’s Warren, Ohio mega-factory. In January 2022, we announced that we would be co-locating a new Spoke facility on-site at the mega-factory, to enhance our ability to serve Ultium’s recycling needs and reduce the costs associated with moving and handling the battery manufacturing scrap materials.

Well Positioned for Governmental “Green” Financing Partnerships

With the emergence of government initiatives to accelerate the development of the circular economy and EV adoption, significant programs are underway to secure critical material supply from domestic sources. With our first mover technology and environmental advantages, we believe we are well positioned to explore various green financing opportunities from government or financial institutions supporting cleantech infrastructure in North America.

Li-Cycle has historically built strong relationships with various government agencies. During 2021, Li-Cycle entered into a non-binding letter of intent with Export Development Canada (EDC). Additionally, we believe Li-Cycle could be eligible for loan support from the US Department of Energy (DOE) as part of the bipartisan infrastructure bill, which provides for a \$3 billion grant program to support the development of domestic and North America battery manufacturing, including battery recycling.

Intellectual Property

Research and Development

Our highly experienced technical team is continuously engaged in research and development (“R&D”) efforts to expand the scope of our processing capacities and drive other process improvements.

R&D work continues in support of our Spoke facilities, specifically focused on optimizing their operating parameters. For example, certain of our Spokes are being engineered to process entire vehicles battery packs, without dismantling, while other Spokes will focus on processing manufacturing scrap. With respect to our Hub facilities, we also continue to develop and evaluate new concepts with an eye to the future, including processing nickel metal hydride, LFP and solid-state batteries.

Patents

Li-Cycle has a total of 25 pending utility patent applications and issued utility patents, grouped into six patent families based on common priority details, which cover aspects of Li-Cycle's innovative technologies and include issued patents or pending patent applications in Australia, Canada, China, Europe, Hong Kong, Japan, South Korea, United States and the World Intellectual Property Office. These applications and patents have filing dates between 2018 and 2021, and therefore will expire between 2038 and 2041.

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

Our Vision, Mission and Commitment to Environmental, Social and Governance Leadership

Our vision is to be the world's most sustainable, vertically-integrated and globally pre-eminent lithium-ion battery recycling and resource recovery company. Our mission is: (i) to provide sustainable and safe customer-centric solutions and technology to solve the global end-of-life lithium-ion battery challenge, and (ii) to meet the rapidly growing demand for critical lithium-ion battery materials

By supporting the lithium-ion battery materials supply chain with an innovative recycling solution, we believe we are contributing to the global "green energy" transition and the movement toward a zero-carbon economy. We believe that environmental, social and governance ("ESG") leadership is important to the success of our business model and intend to develop corporate policies and business practices to support these values.

Our Focus on Quality and Sustainability

We have instituted an Integrated Business Policy to guide our actions on health and safety, environmental and quality practices.

Our Kingston, Ontario and Rochester, New York sites are registered to ISO ("International Standards Organization") 9001 quality standards, ISO 14001 environmental standards, ISO 45001 occupational health & safety standards and the Responsible Recycling ("R2") electronics recycling standard. Our corporate headquarters location in Toronto, Ontario has not been registered to these standards, given that no direct recycling operations are conducted at this location.

We prioritize the safety of our employees, suppliers, contractors and visitors. We aim for a "zero-harm" workplace and ensure compliance with all applicable occupation health and safety laws, regulations and standards in the jurisdictions in which we operate. We provide training to our employees on quality, health and safety and environmental and R2 requirements. We also ensure that our equipment is equipped with safety instructions, allot the time to practice emergency procedures and expect our managers and employees to maintain clean and well-organized facilities.

Regulatory Landscape

There has been an increase in battery regulation globally in recent years. For example, in the United States, California is evaluating a policy to drive Recycling Efficiency Rates as close to 100% as possible, potentially beginning as early as 2022. In Canada, Ontario requires Recycling Efficiency Rates for lithium-ion batteries of over 70% by 2023. China has required functional material recovery rates greater than 80% since 2018, with specific targets by key materials (nickel, cobalt, and lithium). The European Union proposes to update its EU Battery Directive during 2021 to implement more aggressive recycling targets, including minimum material recovery rates of 90% for both cobalt and nickel by 2025 (also a potential 'high level of ambition' mandate for at least a 95% material recovery rate for both cobalt and nickel by 2030; this is being discussed as part of the proposed regulation), a minimum recovery rate of 35% for lithium by 2025 (also a potential 'high level of ambition' mandate for at least a 70% material recovery rate for lithium by 2030; this is being discussed as part of the proposed regulation), and a Recycling Efficiency Rate of least 65% by 2025 (also includes a potential 'high level of ambition' mandate for a Recycling Efficiency Rate of at least 70% by 2030; this is being discussed as part of the proposed regulation).

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

While competitors face challenges adapting to increasingly stringent environmental regulations, Li-Cycle's technologies are sustainable and attractive to a growing number of ESG-focused clients. Li-Cycle's scalable, sustainable, safe and patented Spoke & Hub Technologies™ enable an up to 95% Spoke Recycling Efficiency Rate, produce minimal solid waste or wastewater, zero impact air emissions, and use far less energy than any other existing solution. By contrast, other hydrometallurgical technologies often have significant water emissions and solid waste streams, while smelting or thermal processing typically involves the burning of lithium-ion batteries that produces toxic emissions in the off-gas. The emissions caused by competitor methods present regulatory compliance challenges and complicate facility permitting. We believe that this provides a significant opportunity for Li-Cycle with a truly differentiated hydrometallurgical process.

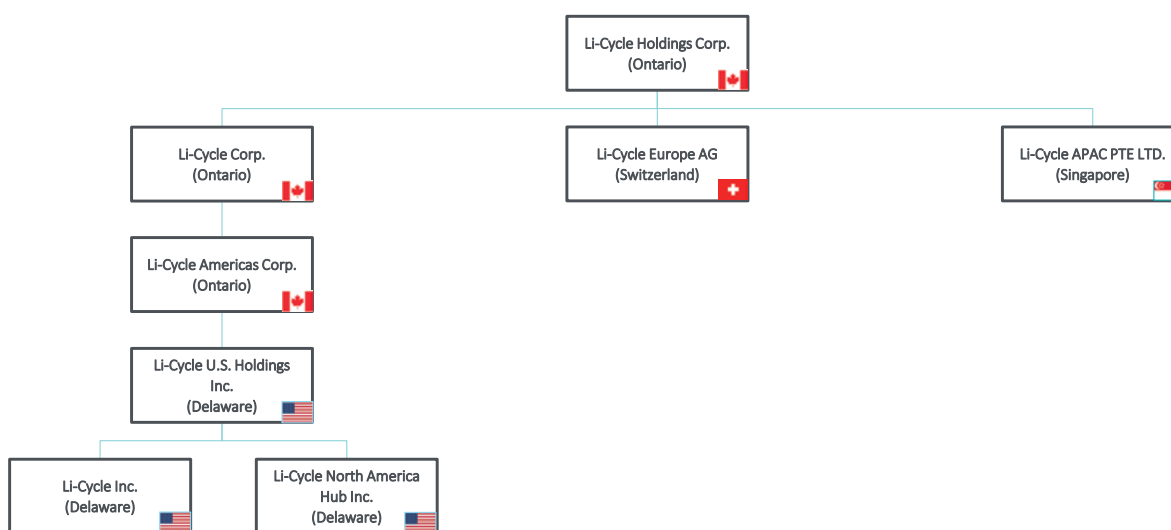
Government mandates also continue to drive increased infrastructure spending and funding availability for the battery supply chain. In the United States, the Biden Administration announced it will make a \$2 trillion investment in infrastructure, including investments in the clean energy economy.

Legal Proceedings

We are not currently party to any legal proceedings, but we could be involved in various litigation and regulatory proceedings arising in the normal course of business in the future. Where it is determined, in consultation with counsel based on litigation and settlement risks, that a loss is both probable and estimable, we establish an accrual. We expect that we may not be able to predict with certainty the outcome of any litigation or the potential for future litigation. We expect to continuously monitor any proceedings as they develop and adjust any accrual or disclosure as needed. Regardless of the outcome, litigation could have an adverse impact on us due to defense costs, diversion of management resources and other factors, and it could have a material effect on our results of operations for a given reporting period.

C. Organizational Structure

The following diagram depicts the organizational structure of the Company as of the date of this annual report.



D. Property, Plants and Equipment

Spokes

Li-Cycle opened its first pilot facility in Canada in 2017, which had a recycling capacity of 50 tonnes of lithium-ion battery equivalent feed per year. In 2018, it launched its first Spoke and Hub demonstration facility in Kingston, Ontario. Li-Cycle commissioned its first commercial Spoke facility in 2019 in Kingston, Ontario, with a recycling capacity of 2,500 tonnes per year, and upgraded this facility to 5,000 tonnes per year in 2020. In late 2020, Li-Cycle opened a second commercial Spoke facility with a recycling capacity of 5,000 tonnes per year, in Rochester, New York.

In the first quarter of 2021, Li-Cycle announced the development and construction of the Arizona Spoke, and in the fourth quarter of 2021, Li-Cycle announced the development of the Alabama Spoke. Each of these Spokes will have a recycling capacity of 10,000 tonnes per year.

On January 26, 2022, Li-Cycle announced that it has formed a joint venture with ECO STOR AS (“ECO STOR”) and Morrow Batteries AS (“Morrow”) through which it will construct a new commercial lithium-ion battery recycling facility in southern Norway (the "Norway Spoke"). Li-Cycle will be the majority owner of the joint venture, with ECO STOR and Morrow being minority owners and Nordic-headquartered strategic partners. Once constructed, the Norway Spoke will be Li-Cycle’s first recycling facility outside of North America and is expected to have a recycling capacity of 10,000 tonnes of lithium-ion batteries per year,

including but not limited to battery manufacturing scrap, full EV packs, and energy storage systems. The facility is expected to be operational in early 2023.

On January 27, 2022, Li-Cycle announced the development of the Ohio Spoke at Ultium Cells LLC's ("Ultium") battery cell manufacturing mega-factory in Warren, Ohio. The Ohio Spoke is expected to be operational in early 2023. Once completed, we expect the Ohio Spoke to have a recycling capacity of 15,000 tonnes per year.

On January 27, 2022 Li-Cycle also announced the development of a second European Spoke in Germany. The Germany Spoke is expected to have a recycling capacity of 10,000 tonnes per year, and is expected to be operational by early 2023.

The following table depicts the expected recycling capacity and expected timing for each of our Spoke Capital Projects.

Spoke Expansion Pipeline		
	Spoke Location	Capacity (tonnes of lithium-ion battery input/year)
Operational	Kingston, ON	5,000
	Rochester, NY	5,000
In Construction and Development	Gilbert, AZ	10,000
	Tuscaloosa, AL	10,000
	Warren, OH	15,000
	Norway	10,000
	Germany	10,000
Total		65,000

Legend	
■	Americas
■	EMEA

Rochester Hub

Li-Cycle's first revenue-generating Hub will be located in Rochester, New York, and is currently in the project execution phase. The location for the Rochester Hub was specifically selected due to the nature of the infrastructure available at the site, including utilities, logistics, and other physical infrastructure. Li-Cycle's Spoke facilities in North America, which take in end-of-life batteries and battery production scrap in order to produce black mass, will be the primary suppliers of feedstock for the Rochester Hub.

Li-Cycle completed a definitive feasibility study with respect to the Rochester Hub in December 2021. Based on the definitive feasibility study, Li-Cycle expects the Rochester Hub will have the nameplate input capacity to process 35,000 tonnes of black mass annually (equivalent to approximately 90,000 tonnes of lithium-ion battery equivalent feed annually). This represents an increase in nameplate input processing capacity of approximately 40% as compared to the pre-feasibility study completed by the Company in June 2020. With its increased capacity, the Rochester Hub will be able to process battery material that is equivalent to approximately 225,000 electric vehicles per year.

Key design and cost changes to the Rochester Hub relative to the June 2020 pre-feasibility study largely include, but are not limited to: (1) higher material costs due to increased size and supply chain inflationary impacts; (2) scope alterations responding to contracted feed supplies and implementing best-in-class environmental practices; and (3) up-sizing of nameplate output capacity, resulting in expected output capacity of approximately 42,000 to 48,000 tonnes per annum of nickel sulphate, 7,500 to 8,500 tonnes per annum of lithium carbonate and 6,500 to 7,500 tonnes per annum of cobalt sulphate (being 250% and 160% higher and approximately 65% lower, respectively, as compared to the pre-feasibility study). Li-Cycle estimates that the Rochester Hub will require a total capital investment of approximately \$485 million (+/-15%), based on the results of the definitive feasibility study, which can be funded from existing balance sheet cash. Li-Cycle also expects to explore various opportunities to optimize its capital structure, for example, with potential credit from government-related institutions.

Li-Cycle has engaged Hatch Ltd. as its engineering, procurement and construction management contractor for the project and is in the process of selecting its general contractor. Procurement has commenced on long-lead items and the Company has obtained firm-price competitive quotes for 80% of the required equipment for the Rochester Hub. Li-Cycle commenced construction on the Rochester Hub in January 2022 and is on the path to reach mechanical completion, commissioning and start-up in 2023, subject to the receipt of remaining regulatory and other approvals. Li-Cycle expects that the Rochester Hub will result in over 200 additional employment positions at its operations. As of October 31, 2021, Li-Cycle had spent approximately \$13.4 million on definitive engineering, pre-feasibility, and definitive feasibility studies, equipment procurement and jointly-related expenditures.

The anticipated principal regulatory and other approvals required to develop and construct the Rochester Hub consist of: a special use permit, site plan approval, subdivision approval and special permit and area variance for hazardous material storage tanks from the Town of Greece, New York, including the related New York State Environmental Quality Review Act (“SEQRA”) process; and permits for air emissions, storm water discharge and chemical bulk storage granted by the New York State Department of Environmental Conservation. The SEQRA process was completed in November 2021, and the Town of Greece’s various boards have granted the Rochester Hub a special use permit, site plan approval, and special permit and area variance for hazardous material storage tanks, all subject to certain conditions.

Leases

We lease the following properties as of January 30, 2022:

Country	Location	Gross Floor Area (square foot)	Use	Lease period	
				Start	End
Canada	Millhaven, Ontario	46,639	Construction of new spokes	7/1/2021	6/30/2024
Canada	Toronto, Ontario	31,762	Office	6/1/2021	5/31/2031
United States of America	Cottdale, Alabama	120,000	Storage	11/1/2021	12/31/2023
United States of America	North Port, Alabama	108,469	Plant	4/1/2022	3/31/2042
United States of America	Gilbert, Arizona	138,949	Plant	10/1/2021	2/28/2032
United States of America	Mesa, Arizona	69,016	Storage	9/1/2021	11/30/2026
United States of America	Greece, New York	63,901	Plant	7/1/2019	6/30/2029
United States of America	Webster, New York	37,231	Storage	4/1/2020	3/31/2025
United States of America	Rochester, New York	2,309,000	Land	12/1/2021	11/30/2041
United States of America	Rochester, New York	98,500	Storage	11/1/2021	12/31/2022

We own the following properties as of January 30, 2022:

Country	Location	Gross Floor Area (square foot)	Use
Canada	Kingston, Ontario	1,307,000	Land

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The Management's discussion and analysis of the Company are included in this Annual Report in exhibit 99.3.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth our current directors and executive officers:

Directors and Executive Officers	Age	Position/Title
Ajay Kochhar	30	Director and President and Chief Executive Officer
Tim Johnston	36	Director and Executive Chairman
Mark Wellings	58	Director
Rick Findlay	64	Director
Anthony Tse	51	Director
Alan Levande	65	Director
Scott Prochazka	55	Director
Bruce MacInnis	63	Chief Financial Officer (until January 31, 2022)
Debbie Simpson	55	Chief Financial Officer (as of February 1, 2022)
Kunal Phalpher	38	Chief Strategy Officer
Chris Biederman	36	Chief Technology Officer
Carl DeLuca	54	General Counsel and Corporate Secretary
Lauren Choate	63	Chief People Officer
Richard Storrie	55	Regional President, Americas
Dawei Li	39	Regional President, APAC

The business address for each of the Company's directors and executive officers is 207 Queen's Quay West, Suite 590, Toronto, ON, M5J 1A7, Canada.

Biographical information concerning our directors and executive officers listed above is set forth below.

Ajay Kochhar

Ajay Kochhar has served as our President and Chief Executive Officer, Co-Founder, and a director since the consummation of the Business Combination on August 10, 2021. Before founding Li-Cycle, Mr. Kochhar gained extensive technology and project development experience through progressive roles with Hatch's industrial cleantech and advisory practices. While working in that space, he garnered in-depth engineering and project management experience through clean technology development in the lithium, cobalt, nickel, copper, gold, lead, zinc, molybdenum, and rare earth metals industries. His technical expertise spans the entire project lifecycle, from conceptual and pre-feasibility study to construction and commissioning. Mr. Kochhar is a graduate of the University of Toronto and holds a Bachelor of Applied Science (BASC) in Chemical Engineering.

Tim Johnston

Tim Johnston has served as our Co-Founder and Executive Chairman since the consummation of the Business Combination on August 10, 2021. With more than 15 years of experience, Mr. Johnston has overseen

the development and operation of batteries, metals, industrial minerals and large infrastructure assets. In addition to co-founding Li-Cycle, Mr. Johnston served as a director and the chief executive officer of Desert Lion Energy Inc. (“Desert Lion”), a lithium exploration and development company whose securities were listed on the TSX Venture Exchange (the “TSX-V”), from February 2018 to July 2019, when Desert Lion was sold to a third party. In mid-2019, the TSX-V initiated a review of the Desert Lion senior management team, including Mr. Johnston, to assess their suitability to act as directors or officers of a listed issuer as a result of certain incorrect statements and omissions made by Desert Lion in its press releases for a financing transaction and its listing application with the TSX-V for approval of the issuance of shares in connection with such transaction. On May 11, 2020, the TSX-V made a procedural determination that requires Mr. Johnston to make a written application to and obtain the prior written acceptance from the Compliance & Disclosure Department of the TSX-V for any proposed involvement by Mr. Johnston as a director or officer of (or to perform similar functions for) any TSX-V-listed issuer. The TSX-V has subsequently publicly stated that it has not reached any conclusions regarding the suitability of Mr. Johnston to be a director or officer of a TSX-V listed company in the future.

Prior to Desert Lion, Mr. Johnston worked as a Senior Consultant for Hatch, specializing in project management and transactional analysis for their global lithium business. While there, Mr. Johnston managed the development of projects across the lithium-ion battery value chain for companies such as SQM, Rockwood Lithium (Albemarle), Bacanora Minerals, AMG-NV, Rio Tinto, Galaxy Resources, and other key developers. Mr. Johnston is also the Co-Founder and Director of Li-Metal Corp. (LIM:CN), a Director of Lacerio Solutions Inc., an Investment Committee Member of Blue Horizon Capital and an Advisory Board Member of 5E Advanced Materials in Australia. A graduate of the University of Queensland’s Mechanical Engineering Program, Mr. Johnston is a chartered professional engineer and CFA charter holder.

Mark Wellings

Mark Wellings has served as a director of the Company since the consummation of the Business Combination on August 10, 2021. Mr. Wellings is a finance professional with over 30 years international experience in both the mining industry and mining finance sector. Mr. Wellings initially worked in the mining industry both in Canada and Australia in exploration, development and production capacities. He then joined the investment dealer GMP Securities L.P. where he co-founded the firm’s corporate finance mining practice. During over 18 years at GMP Securities L.P., Mr. Wellings was responsible for, and advised on, some of the Canadian mining industry’s largest transactions, both in equity financing and mergers and acquisitions. Since then he has been appointed to several public and private boards and is also the Co-Chairman of Lithium Royalties Corp., the Chairman of Adventus Mining Corp., the Chairman of Superior Gold Inc. and a director of Li-Metal Corp. Mr. Wellings is a Professional Engineer and holds a Master of Business Administration degree and a Bachelor of Applied Science degree in Geological Engineering.

Rick Findlay

Rick Findlay has served as a director of the Company since the consummation of the Business Combination on August 10, 2021. Mr. Findlay has been consulting in the environment and recycling sectors for over 25 years across Canada and internationally. This has included strategy, organization design, processing design, technology development, and financial management. From 2012 to 2014 he was Director of Oversight and Operations for the Province of Ontario’s waste diversion programs, including batteries. Mr. Findlay is currently chief executive officer of LINC it, a firm that focuses on scaling up clean technology ventures. He has previously started a few other firms, two being in environmental management and medical technology. He also co-founded and built an international consulting firm, PSTG Consulting, advising small to global companies across a variety of sectors, and local to national governments. Mr. Findlay is a Certified Management Consultant, with a Bachelor in Industrial Engineering and a Master of Business Administration.

Anthony Tse

Anthony Tse has served as a director of the Company since the consummation of the Business Combination on August 10, 2021. Mr. Tse has over 25 years of corporate private and public company experience in numerous high-growth industries such as technology, media and telecoms, as well as resource and commodities. This has predominantly been in senior management, corporate finance, capital markets and mergers and acquisitions roles across Greater China and the Asia Pacific region. His previous senior roles include various positions in News Corporation’s STAR TV, the deputy general manager of TOM Online, Director of Corporate Development at Hutchison Whampoa’s TOM Group, President of China Entertainment Television (a joint venture between TOM and Time Warner), and chief executive officer of CSN Corp. He is currently executive director of Galaxy Resources Limited, a leading ASX-listed lithium producer, with diversified assets across three continents in Australia, Argentina and Canada, serving key customers in China, Japan and Korea. He joined the board of directors at Galaxy Resources Limited in 2010 and from June 2013 to July 2019, served as the managing director and chief executive officer during the corporate turnaround and growth stage of the company, which involved restructuring of over \$500 million of debt restructuring and refinancing, as well as asset divestments. Mr. Tse is also a Director of Li-Metal Corp.

Alan Levande

Alan Levande has served as a director of the Company since the consummation of the Business Combination on August 10, 2021. Mr. Levande was Peridot’s Chairman and Chief Executive Officer since August 2020. Mr. Levande also served as Vice Chairman of Peridot Acquisition Corp. II. Mr. Levande is a

career energy executive with broad experience across the power, utilities, renewables, midstream and upstream value chains. Most recently, Mr. Levande was Co-Chief Executive Officer of Covey Park Energy LLC, a natural gas company that was acquired for \$2.2 billion in 2019 by a public company, from June 2013 to July 2019. Previously, Mr. Levande was a Co-Founder and Senior Managing Director at Tenaska Capital Management LLC, a \$4 billion private equity manager focused on investments in the power and energy sectors, from 2003 to 2012. Mr. Levande began his career in energy investment banking, where he spent 20 years with Goldman Sachs and Salomon Brothers covering power, utilities, renewables and natural resources. In all of Mr. Levande's prior roles, Mr. Levande was actively involved in sourcing and executing large-scale, complex mergers and acquisitions. Mr. Levande received his B.S. and M.B.A. from The Wharton School of The University of Pennsylvania.

Scott Prochazka

Scott Prochazka has served as a director of the Company since the consummation of the Business Combination on August 10, 2021. Mr. Prochazka most recently served as the President and Chief Executive Officer and a director of CenterPoint Energy, an NYSE-listed, Fortune 500 energy delivery company with electric transmission and distribution, power generation and natural gas distribution operations ("CenterPoint") from January 1, 2014 to February 20, 2020. Prior to that role, Mr. Prochazka held several positions at CenterPoint since 2011, including Executive Vice President, Chief Operating Officer and Senior Vice President and Division President, Electric Operations. Mr. Prochazka was a director of Peridot Acquisition Corp. II. Mr. Prochazka received his B.S. in Chemical Engineering from the University of Texas in Austin.

Bruce MacInnis

Bruce MacInnis has served as our Chief Financial Officer since the consummation of the Business Combination on August 10, 2021. Mr. MacInnis has 40 years of financial experience that includes raising capital for emerging technology companies, both publicly traded and privately held, as well as robust experience as the chief financial officer for multiple technology companies. Over the past four decades, Mr. MacInnis has participated in successfully ensuring numerous companies are listed on the Toronto Stock Exchange and NASDAQ, while also completing several cross-border mergers and acquisitions transactions. In previous roles with public companies such as Redline Communications, Inc., Bioscrypt Inc., and Certicom Corp., he has overseen the management of numerous functional business areas that have included intellectual property law, compliance, and manufacturing and operations. With comprehensive expertise in establishing financial reporting and disclosure infrastructures that are often required of public companies, Mr. MacInnis has aptly led the implementation of sound internal controls and corporate governance procedures throughout his career. A graduate of the University of Toronto, Mr. MacInnis has a Bachelor of Commerce degree and holds both the Chartered Accountant (CA) and Chartered Professional Accountant (CPA) designations.

Mr. MacInnis will retire on January 31, 2022.

Debbie Simpson

Effective February 1, 2022, Debbie Simpson will lead the Li-Cycle finance function as Chief Financial Officer in support of the company's growth and international expansion plans. With more than 30 years of finance and public company experience, Ms. Simpson is an accomplished senior executive with experience in financial and strategic leadership, capital funding, and mergers and acquisitions.

Prior to joining Li-Cycle, Ms. Simpson served as Chief Financial Officer of Maple Leaf Foods Inc., a carbon neutral, sustainable, protein company with revenues of approximately \$4 billion and over 13,000 employees. Before that, she was Vice President and Treasurer of Vincer International Inc., a leading global producer and distributor of wines, with operations across several countries.

Before moving to Canada in 2000, Ms. Simpson lived and worked in Scotland. She began her career with Ernst & Young and obtained her professional accounting designation from the Institute of Chartered Accountants of Scotland. Ms. Simpson holds a Bachelor of Arts (Honours) degree in Accountancy and a Master of Science in Accountancy and Finance from the University of Stirling, Scotland. She is a passionate advocate for advancing women, with a focus on women's health and education, and volunteers her time as the Board Chair of Women's College Hospital Foundation and the Board Chair of Havergal College. Ms. Simpson is also a Board member and the Audit Committee Chair for Shearer's Foods, an OTPP portfolio company.

Kunal Phalpher

Kunal Phalpher has served as our Chief Strategy Officer since November 1, 2021. Mr. Phalpher previously served as the Chief Commercial Officer of the Company since the consummation of the Business Combination on August 10, 2021. Mr. Phalpher initially joined Li-Cycle in 2017 and became the Chief Commercial Officer of Li-Cycle in 2018. With nearly 15 years of work experience, Kunal brings extensive

international expertise in the lithium-ion battery and renewable energy sectors to his current role. Prior to joining the Li-Cycle team, Mr. Phalpher worked for a residential solar company as the Director of Product Development and was the Director of Business Development for a lithium-ion battery manufacturer, both in Toronto, Canada. He spent several years working in Germany in the cleantech sector. A University of Toronto graduate, Mr. Phalpher possesses a Bachelor of Applied Sciences in Electrical Engineering and also holds a Master of Business Administration from the Rotman School of Management.

Chris Biederman

Chris Biederman has served as our Chief Technical Officer of the Company since the consummation of the Business Combination on August 10, 2021. Mr. Biederman joined Li-Cycle in 2020 as the Chief Process Engineer before being promoted to Chief Technical Officer. Mr. Biederman is a professional engineer with 15 years of process engineering experience. Mr. Biederman brings extensive expertise to his current role, having acted as Lead Process Engineer for numerous large and small EPCM projects in the mining industry. He has experience working on greenfield and brownfield projects and overseeing bench-scale and pilot-scale testing. Mr. Biederman is also a skilled project manager with a robust history leading multi-disciplinary engineering teams and delivering successful projects. Previous to his role with Li-Cycle, he spent time at Hatch as a Senior Engineer and Technology Commercialization Portfolio Manager; he is also the Founder and Managing Director of Biederman Engineering. Mr. Biederman is a graduate of the University of Waterloo's Chemical Engineering program and is a registered engineer with the Professional Engineers of Ontario.

Carl DeLuca

Carl DeLuca has served as General Counsel and Corporate Secretary of the Company since the consummation of the Business Combination on August 10, 2021. Mr. DeLuca joined Li-Cycle in 2021. Mr. DeLuca brings over 25 years of legal and public company experience to the Company, with a track record of successfully executing business-critical transactions and leading organizational change. Prior to joining Li-Cycle, Mr. DeLuca served as General Counsel and Corporate Secretary for Detour Gold Corporation, a TSX-listed gold producer. Previously, Mr. DeLuca held various roles at Vale S.A.'s global base metal business, including Head of Legal for North American & U.K. Operations. His experience at Vale included advising on international M&A and joint ventures, capital projects, and commercial transactions. Mr. DeLuca started his career in private practice, in Toronto and New York. Mr. DeLuca holds his LL.B. from the University of Windsor, an H.B.A. from the Ivey School of Business at Western University, and a B.A. from Huron University College.

Lauren Choate

Lauren Choate has served as Chief People Officer of the Company since the consummation of the Business Combination on August 10, 2021. Ms. Choate joined Li-Cycle in 2021. She brings over 25 years of experience across a variety of industries as a global people operations leader and has been a change agent for complex corporate challenges balancing the people strategy in partnership with business opportunities. Prior to joining Li-Cycle, Ms. Choate led the human resources function for Kärcher North America, a subsidiary of a \$2.8 billion global cleaning technology solutions company headquartered in Germany. Prior to Kärcher North America, she served as the Senior Director, Learning & Organizational Development at IHS. Ms. Choate holds her MBA from the Weatherhead School of Management at Case Western University. She also holds a B.A. in Mathematics and Economics from Ohio Wesleyan University.

Richard Storrie

Richard Storrie has served as Regional President, Americas of the Company since January 24, 2022. In this role, Richard is responsible for overseeing Li-Cycle's operations, commercial activities, and execution of its growth strategy in the Americas region. With more than 26 years of operational, technical, and strategic development experience in the metals and mining industry, Richard possesses a deep understanding of the battery metals supply chain. Prior to joining Li-Cycle, Richard served as President and Chief Operating Officer of the Diavik Diamond Mine, owned by Rio Tinto, one of the largest metals and mining corporations in the world. Throughout his nearly 26-year tenure with Rio Tinto, Richard has worked in its top tier open-pit and underground operations in several regions, including Rio Tinto's multi-billion-dollar Oyu Tolgoi copper mine in Mongolia. Richard served as an officer in the British Royal Marine Commandos and acquired an Honours degree in Mining Engineering from Newcastle University in the United Kingdom.

Dawei Li

Dawei Li has served as Regional President, APAC of the Company since November 1, 2021. Mr. Li brings more than 15 years of experience in strategy development and leading growth in untapped markets at international companies to his role at Li-Cycle. Focused on the Asian market, he oversees Li-Cycle's team, business development, and the rollout of commercial lithium-ion battery recycling facilities across the continent.

Before joining Li-Cycle, Mr. Li served as the Global Business Director for battery-grade lithium carbonate at the Albemarle Corporation where he developed growth strategy and executed on business development plans and commercial negotiations in key regions resulting in robust performance. Previously, he

held roles at Eastman Chemical Company, managing global product lines, leading growth initiatives, and launching efforts to generate demand for existing products while commercializing novel ones. Mr. Li began his career in Shanghai, China working for PricewaterhouseCoopers. Mr. Li holds a BBA in Marketing from Shanghai University of Finance and Economics, and an MBA from the Darden School of Business at the University of Virginia.

B. Compensation

Compensation of Executives

Introduction

The following section describes the significant elements of the Company's executive compensation program, with particular emphasis on the process for determining compensation payable to the Company's Chief Executive Officer, Chief Financial Officer and the Company's other three most highly compensated executive officers (collectively, the "Named Executive Officers" or "NEOs"). The NEOs are:

- Ajay Kochhar, Chief Executive Officer;
- Tim Johnston, Executive Chairman;
- Bruce MacInnis, Chief Financial Officer;
- Kunal Phalpher, Chief Strategy Officer; and
- Chris Biederman, Chief Technology Officer.

Overview and Compensation Committee

Compensation Objectives

The Company's executive compensation program is designed to achieve the following objectives:

- provide market-competitive compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to our success;
- motivate these executive officers to achieve our business objectives;
- align the interests of our executive officers with those of our shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of our business;
- continue to foster an entrepreneurial and results-driven culture; and
- provide the appropriate balance of short and long-term incentives to encourage appropriate levels of risk-taking and prudent decision-making by the executive team.

Compensation Governance

Our Board of Directors has adopted a written charter for the Compensation Committee that establishes the Compensation Committee's purpose and its responsibilities with respect to executive compensation. The charter provides that the Compensation Committee will, among other things, oversee the compensation strategy and policies for the Company's employees and directors; establish, review and report on compensation of the Company's executive officers; administer equity-based and certain other compensation plans; and review executive compensation disclosure for inclusion in the Company's public disclosure documents, in accordance with applicable rules and regulations.

Our Compensation Committee currently consists of Rick Findlay (Chair), Alan Levande and Mark Wellings. Rick Findlay and Mark Wellings are considered by the Board of Directors to be independent, and Alan Levande is considered by the Board of Directors to be non-independent (by reason of his previous employment with Peridot).

Compensation Components

In furtherance of the above-stated compensation objectives and in conjunction with our transition from a privately-held business to a publicly traded company in August 2021, we designed a compensation plan to include a mix of base salary, short-term incentives and long-term equity incentives.

Base Salary

We seek to maintain base salary amounts consistent with industry norms. Base salaries for NEOs are established based on the scope of their responsibilities, competencies and their prior relevant experience, taking into account compensation paid in the market for similar positions, the market demand for such NEOs and the NEO's total compensation package. Base salaries are reviewed annually and increased for merit reasons, based on the executive's success in meeting or exceeding individual objectives. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope of breadth of an executive's role or responsibilities, as well as to maintain market competitiveness.

Short-Term Incentives

The Company's compensation program for NEOs and other executive officers includes eligibility for annual cash bonuses. Annual bonuses are designed to motivate our executive officers to meet our business and financial objectives generally and our annual financial performance targets in particular. The NEOs are eligible to earn an annual bonus based on a target percentage of 70-120% of base salary in respect of Fiscal 2021, depending on the level of each NEO, of which a percentage is based on the achievement of certain corporate and financial objectives, and a percentage of which may be based upon the achievement, by the NEO, of personalized goals and objectives.

Long-Term Incentives

In connection with the Business Combination, the Company adopted the Incentive Plan to provide different types of equity-awards to be granted to eligible directors, officers, employees and consultants of the Company and its subsidiaries, including options and RSUs. Equity-based awards are a variable element of compensation that allows the Company to reward its NEOs for their sustained contributions to the Company. Equity awards reward performance and continued employment by an NEO, with associated benefits to the Company of attracting and retaining employees. The Company believes that options and RSUs and other equity-based compensation will provide NEOs with a strong link to long-term corporate performance and the creation of shareholder value.

The Compensation Committee is responsible for administering the Incentive Plan. For more information on the material terms and conditions of the Incentive Plan, see "Long-Term Incentive Plan", below.

During Fiscal 2021, to support continued alignment with our compensation philosophy and objectives, all of our NEOs received a grant of options upon completion of the Business Combination. These options have a term of ten years and have an exercise price of \$10.93, being the closing sale price for a Share on the New York Stock Exchange on the day immediately prior to the date of grant. The options vest over a three-year period starting on August 10, 2022 in increments of one third per annum.

Additionally, in connection with the closing of the Business Combination, RSUs were granted to each of Ajay Kochhar, Tim Johnston, Kunal Phalpher and Chris Biederman. The RSUs were granted with effect on December 10, 2021, being the date following the effectiveness of a registration statement on Form S-8 filed by the Company with the SEC to register the common shares issuable thereunder. The RSUs vest over a three-year period starting on August 10, 2022 in increments of one third per annum, subject to the participant's continued employment.

Summary Compensation Table

The following table shows the compensation earned by, paid to, or awarded to the NEOs in respect of Fiscal 2021.⁽¹⁾

Name and Principal Position	Year	Salary ⁽²⁾ (\$)	Share Awards ⁽³⁾ (\$)	Option Awards ⁽⁴⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽⁵⁾ (\$)	Pension Value (\$)	All Other Compensation ⁽⁶⁾ (\$)	Total Compensation (\$)
Ajay Kochhar <i>Chief Executive Officer</i>	2021	286,850	1,181,500	1,181,500	200,055	—	12,092	2,861,997
Tim Johnston <i>Executive Chairman</i>	2021	286,850	1,181,500	1,181,500	200,055	—	713	2,850,618
Bruce MacInnis ⁽⁷⁾ <i>Chief Financial Officer</i>	2021	220,916	—	2,077,000	—	—	639	2,298,555

Kunal Phalpher <i>Chief Strategy Officer</i>	2021	215,246	450,000	450,000	110,141	—	10,103	1,235,490
Chris Biederman <i>Chief Technology Officer</i>	2021	200,525	450,000	450,000	103,902	—	886	1,205,313

(1) In the above table, all compensation is disclosed in U.S. dollars. A portion of the Salary and/or All Other Compensation for each NEO was paid in Canadian dollars. Those Canadian dollar amounts have been converted to U.S. dollars using the Bank of Canada's average exchange rate between November 1, 2020 and October 31, 2021 (being the period of Fiscal 2021) of CA\$1.00=U.S\$0.7955.

(2) Represents the actual base salary earned in Fiscal 2021. As at October 31, 2021, the annual base salary of each of our NEOs is as follows: \$450,000 for Mr. Kochhar, \$450,000 for Mr. Johnston, \$325,000 for Mr. MacInnis, \$300,000 for Mr. Phalpher and \$300,000 for Mr. Biederman

(3) Represents the grant date fair value of RSUs granted under our Long-Term Incentive Plan in connection with the closing of the Business Combination. The RSUs were granted in connection with the closing of the Business Combination with effect on December 10, 2021, being the date following the effectiveness of a registration statement on Form S-8 filed by the Company with the SEC to register the common shares issuable thereunder.

(4) The grant date fair value of options awarded was calculated using the Black-Scholes Merton option pricing model, a common and widely-accepted valuation methodology. For the key assumptions used to determine the stock option value for the Fiscal 2021 grants using the Black-Scholes Merton option pricing model, see Note 12 of our Annual Financial Statements included in our Form 20-F.

(5) See "Short-Term Incentives", above.

(6) Represents the value of employer's contribution to employee's registered retirement savings plan contributions and employee benefits coverage (such as health insurance and life insurance). The Company generally contributes 5% of each NEO's base salary into a defined contribution registered retirement savings plan, subject to Revenue Canada maximums.

(7) Following the entering into of the Retirement Agreement (as described below under "Employment Arrangements, Termination and Change in Control Benefits – Bruce MacInnis"), the Company and Mr. MacInnis mutually agreed that Mr. MacInnis' retirement date will be January 31, 2022, and the Company agreed to accelerate and settle certain payments to Mr. MacInnis under the terms of the Retirement Agreement in an aggregate amount of \$444,647, which amounts shall be repayable to the Company if Mr. MacInnis' employment is terminated by the Company for just cause or by Mr. MacInnis by way of voluntary resignation at any time prior to the retirement date.

Long-Term Incentive Plan

The purpose of the Long-Term Incentive Plan is to promote the success and enhance the value of the Company and its subsidiaries by linking the individual interests of the members of the board of directors, employees, and consultants to those of our shareholders and other stakeholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to our shareholders. The Long-Term Incentive Plan also provides flexibility to the Company in its ability to motivate, attract, and retain the services of members of the board of directors, employees, and consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation will be largely dependent. Set forth below is a summary of the material terms of the Incentive Plan.

Eligibility and Administration

The Company's employees, consultants and directors, and employees, consultants and directors of its subsidiaries are eligible to receive awards under the Long-Term Incentive Plan. The Long-Term Incentive Plan is administered by the Board with respect to awards to non-employee directors and by the Compensation Committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of the Board of Directors and/or officers (referred to collectively as the "plan administrator" below), subject to certain limitations that may be imposed under Section 16 of the Exchange Act, and/or stock exchange rules, as applicable. The plan administrator has the authority to interpret and adopt rules for the administration of the Long-Term Incentive Plan, subject to its express terms and conditions. The plan administrator can also set the terms and conditions of all awards under the Long-Term Incentive Plan, including any vesting and vesting acceleration conditions.

Limitation on Awards and Shares Available

The Incentive Plan provides that the maximum number of Shares initially available for issuance under the Long-Term Incentive Plan is 14,799,519. The number of Shares available for issuance under the Long-Term Incentive Plan will be automatically increased on the first day of each calendar year beginning on January 1, 2022 and ending on and including January 1, 2031, in an amount equal to the lesser of (i) 5% of the outstanding Shares on the last day of the immediately preceding fiscal year and (ii) such number of Shares determined by the Board. Any Shares distributed pursuant to an award may consist, in whole or in part, of authorized and unissued Shares, treasury Shares or Shares purchased on the open market. Notwithstanding the foregoing, the aggregate number of Shares which may be issued or transferred pursuant to awards under the Long-Term Incentive Plan in the form of incentive stock options ("ISOs") is 14,799,519.

Awards

The Long-Term Incentive Plan provides for the grant of share options, including ISOs and non-qualified share options ("NSOs"), Share Appreciation Rights ("SARs"), restricted shares, restricted share units ("RSUs"), dividend equivalents, share payments, other incentive awards, and cash awards. All awards under the Long-Term Incentive Plan will be set forth in award agreements, which will detail all terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations.

Awards, other than cash awards, generally will be settled in Shares but the plan administrator may provide for cash settlement of any award (other than share options). A brief description of each award type follows.

Share Options

Share options will provide for the purchase of Shares in the future at an exercise price set on the grant date. The exercise price per Share subject to each option will be set by the plan administrator, but will, except with respect to certain substitute options granted in connection with a corporate transaction, not be less than 100% of the Fair Market Value (as defined in the Long-Term Incentive Plan) of a Share on the date the option is granted. The term of a share option may not be longer than ten years (or five years in the case of ISOs granted to certain significant shareholders).

Restricted Shares and RSUs

Restricted shares are an award of non-transferable Shares that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. RSUs are contractual promises to deliver Shares in the future, which may also remain forfeitable unless and until specified conditions are met.

Dividend Equivalents

Dividend equivalents represent the right to receive the equivalent value of dividends paid on Shares and may be granted alone or in tandem with awards other than share options or SARs. Dividend equivalents are credited as of dividend payment dates during the period between the date an award is granted and the date such award vests, is exercised, is distributed or expires, as determined by the plan administrator.

Vesting

Vesting conditions determined by the plan administrator may apply to each award and may include continued service, performance and/or other conditions.

Certain Transactions

The plan administrator has broad discretion to take action under the Long-Term Incentive Plan, as well as make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and facilitate necessary or desirable changes in the event of certain transactions and events affecting the Shares, such as share dividends, share splits, mergers, amalgamations, arrangements, acquisitions, consolidations and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with shareholders known as “equity restructurings,” the plan administrator will make equitable adjustments to the Long-Term Incentive Plan and outstanding awards.

In the event of a Change in Control (as defined in the Long-Term Incentive Plan), unless the plan administrator elects to (i) terminate an award in exchange for cash, rights or property, or (ii) cause an award to become fully exercisable and no longer subject to any forfeiture restrictions prior to the consummation of a Change in Control, such award will continue in effect or be assumed or an equivalent award substituted by the successor corporation or a parent or subsidiary of the successor corporation. In the event an award continues in effect or is assumed or an equivalent award substituted, and a holder incurs a termination of service without “cause” (as such term is defined in the sole discretion of the plan administrator, or as set forth in the award agreement relating to such award) upon or within 12 months following a Change in Control, then such holder will be fully vested in such continued, assumed or substituted award.

Non-U.S. Participants, Claw-Back Provisions and Transferability

The Incentive Plan provides that the plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of countries outside of the United States. All awards will be subject to the provisions of any clawback policy implemented by the Company to the extent set forth in such clawback policy and/or in the applicable award agreement. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the Long-Term Incentive Plan are generally non-transferable, and are exercisable only by the participant.

Plan Amendment and Termination

The Long-Term Incentive Plan provides that the Board may amend or terminate the Long-Term Incentive Plan at any time, provided that no amendment, suspension or termination of the Long-Term Incentive Plan will, without the consent of the holder, materially and adversely affect any rights or obligations under any award, unless the award itself otherwise expressly so provides, and provided further that the board of directors may not take any of the following actions without approval of shareholders given within 12 months before or after such action: (i) increase the limit on the maximum number of Shares which may be issued under the Long-Term Incentive Plan, (ii) reduce the price per Share of any outstanding option or SAR granted under the Long-Term Incentive Plan, or (iii) cancel any option or SAR in exchange for cash or another award when the option or SAR price per share exceeds the fair market value of the underlying Shares.

The Long-Term Incentive Plan provides that in no event may any award be granted under the Long-Term Incentive Plan after the tenth anniversary of the earlier of (i) the date on which the Incentive Plan is adopted by the board or (ii) the date the Long-Term Incentive Plan is approved by shareholders.

Compensation of Directors

The Charter of the Compensation Committee provides that the Compensation Committee will periodically evaluate and make recommendations to the Board with respect to appropriate forms and amounts of compensation for directors of the Company. In doing so, the Compensation Committee will consider: (i) the time commitment associated with being a director of the Company, including, as applicable, committee (and committee chair) work and Board chair (or lead director) work; (ii) the responsibilities and risks associated with being such a director, (iii) compensation paid to directors of companies and their subsidiaries similar to the Company, and (iv) any other factors the Compensation Committee deems relevant.

In Fiscal 2021, the Board approved the following amounts for non-employee director compensation.

Compensation Element	RSU Award Value	Cash Value
Standard Retainer		
Director	\$100,000	\$50,000
Additional Retainers		
Lead Director	—	\$25,000
Audit Committee Chair	—	\$15,000
Other Committee Chair	—	\$10,000

Non-employee directors will also receive an “on-boarding” equity award at the meeting of the Board at which they are initially appointed to the Board, or the first meeting of the Board after their initial election to the Board, as the case may be, valued at two times the annual equity award value (i.e., \$200,000).

Director Compensation Table

The following table shows the compensation earned by each of our non-employee Directors during Fiscal 2021. Neither Mr. Kochhar, the Chief Executive Officer of the Company, nor Mr. Johnston, the Executive Chair of the Company, is included in the table as neither receives any additional compensation for his service as a director.

Director	Fees Earned or Paid in Cash ⁽¹⁾ (\$)	Stock Awards ⁽²⁾ (\$)	Option Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation (\$)	Total (\$)
Rick Findlay	37,215	311,124	-	-	-	-	348,339
Alan Levande	11,277	280,822	-	-	-	-	292,099
Scott Prochazka	14,660	280,822	-	-	-	-	295,482
Anthony Tse	35,077	311,124	-	-	-	56,400 ⁽³⁾	402,601
Mark Wellings	42,853	311,124	-	-	-	-	353,977

(1) A portion of the Fees Earned or Paid in Cash for Rick Findlay, Anthony Tse and Mark Wellings represents fees paid to each of them for services as directors of Li-Cycle Corp. prior to the Business Combination, which fees were paid in Canadian dollars prior to January 1, 2021 and paid in U.S. dollars thereafter. Those Canadian dollar amounts have been converted to U.S. dollars using the Bank of Canada's average exchange rate on between November 1, 2020 and December 31, 2020 (being the period when fees were paid in Canadian dollars) of CAD1.00=U.S.\$0.7732. Following the Business Combination, the Fees Earned or Paid in Cash were as follows: Rick Findlay \$13,533, Alan Levande \$11,277, Scott Prochazka \$14,660, Anthony Tse \$11,277, and Mark Wellings \$19,171.

(2) In connection with the closing of the Business Combination, each non-employee director received an RSU grant with a value of \$280,822 (consisting of an annual award (pro rated) of \$80,822 and a one-time “on-boarding” award of \$200,000). The RSUs were granted with effect on December 10, 2021, being the

date following the effectiveness of a registration statement on Form S-8 filed by the Company with the SEC to register the common shares issuable thereunder. The annual RSU award vests ratably over a three-year period starting on August 10, 2022, and the one-time “on-boarding” RSU award vests ratably over a two-year period starting on August 10, 2022, subject to the participant’s continued service on the Board. Prior to the Business Combination, Rick Findlay, Anthony Tse and Mark Wellings served as directors of Li-Cycle Corp. In this regard, they each received an RSU grant with a value of CA\$39,246 on December 1, 2020. These Canadian dollar amounts have been converted to U.S. dollars using the Bank of Canada’s exchange rate on December 1, 2020 (being the date of grant) of CA\$1.00=U.S.\$0.7721.

(3) This amount represents aggregate fees paid to Anthony Tse in Fiscal 2021 under the terms of a consulting agreement dated July 19, 2019 between Li-Cycle Corp. and Mr. Tse pursuant to which Mr. Tse provided consulting services to Li-Cycle Corp. in relation to the proposed expansion of its operations in Asia. The agreement has since been terminated. See the section entitled “*Item 7. B. Related Party Transactions.*”

Each member of our Board of Directors is entitled to reimbursement for reasonable travel and other expenses incurred when attending Board or Committee meetings or otherwise in connection with their director position.

Employment Arrangements, Termination and Change in Control Benefits

Ajay Kochhar

On September 1, 2020, Li-Cycle entered into an employment agreement with Mr. Kochhar setting forth the terms and conditions of his employment as Li-Cycle’s President and Chief Executive Officer, including base salary, annual performance bonus and benefits.

In the case of Li-Cycle’s termination of Mr. Kochhar’s employment other than for cause, or in the case of Mr. Kochhar’s termination of his employment for good reason (as defined in the employment agreement) following a change of control (as defined in the employment agreement), Mr. Kochhar is entitled to accrued but unpaid base salary, vacation pay, expense reimbursements and benefits, an additional fifty-two weeks’ base salary and bonus (calculated on the basis of an average of each bonus received by Mr. Kochhar in the three fiscal years preceding the termination date), and, until the earlier of fifty-two weeks from the termination date or the date on which Mr. Kochhar commences alternative employment or consulting work, continued coverage under Li-Cycle group benefit plans in place and as amended from time to time.

If Mr. Kochhar is terminated for cause, he will not be entitled to any severance pay, notice or compensation in lieu of notice, nor to any bonus payment, other than any minimum entitlements to which he would be entitled under applicable law. He will, however, be entitled to payment of any unpaid base salary, vacation pay and expense reimbursements accrued to the termination date.

Tim Johnston

On September 1, 2020, Li-Cycle entered into an employment agreement with Mr. Johnston setting forth the terms and conditions of his employment as Li-Cycle’s Executive Chairman, including base salary, annual performance bonus and benefits.

In the case of Li-Cycle’s termination of Mr. Johnston’s employment other than for cause, or in the case of Mr. Johnston’s termination of his employment for good reason (as defined in the employment agreement) following a change of control (as defined in the employment agreement), Mr. Johnston is entitled to accrued but unpaid base salary, vacation pay, expense reimbursements and benefits, an additional fifty-two weeks’ base salary and bonus (calculated on the basis of an average of each bonus received by Mr. Johnston in the three fiscal years preceding the termination date), and, until the earlier of fifty-two weeks from the termination date or the date on which Mr. Johnston commences alternative employment or consulting work, continued coverage under Li-Cycle group benefit plans in place and as amended from time to time.

If Mr. Johnston is terminated for cause, he will not be entitled to any severance pay, notice or compensation in lieu of notice, nor to any bonus payment, other than any minimum entitlements to which he would be entitled under applicable law. He will, however, be entitled to payment of any unpaid base salary, vacation pay and expense reimbursements accrued to the termination date.

Bruce MacInnis

On September 1, 2020, Li-Cycle entered into an employment agreement with Mr. MacInnis setting forth the terms and conditions of his employment as Li-Cycle’s Chief Financial Officer, including base salary, annual performance bonus and benefits. On July 7, 2021, Li-Cycle and NewCo entered into a retirement agreement with Mr. MacInnis.

Mr. MacInnis’ retirement agreement (the “Retirement Agreement”) sets forth certain terms and conditions relating to his retirement from employment with Li-Cycle, which supersede the terms and conditions of his employment agreement that pertain to that subject matter.

In the case of Li-Cycle’s termination of Mr. MacInnis’ employment other than for cause, or in the case of Mr. MacInnis’ termination of his employment for good reason (as defined in the employment agreement) following a change of control (as defined in the employment agreement), Mr. MacInnis is entitled to accrued but unpaid base salary, vacation pay, expense reimbursements and benefits, an additional fifty-two weeks’ base salary and bonus (calculated on the basis of an average of each bonus received by Mr. MacInnis in the three fiscal years preceding the termination date), and, until the earlier of fifty-two weeks from the termination date or the date on which Mr. MacInnis commences alternative employment or consulting work, continued coverage under Li-Cycle group benefit plans in place and as amended from time to time.

Pursuant to the Retirement Agreement, subject to certain conditions including those set out below, Mr. MacInnis will be entitled to (i) salary continuance for a period of 12 months following the retirement date, (ii) a bonus for the fiscal year ended October 31, 2021 calculated and payable in the ordinary course in accordance with his employment agreement and the Company's bonus plan for such year, (iii) a bonus for the period from November 1, 2021 up to and including the retirement date based on his actual bonus achieved in the prior fiscal year, prorated for such period, and (iv) continued participation in the Company's group health and dental plans until the earlier of the date which is 12 months following the retirement date and the date on which he secures alternate coverage through any source other than existing spousal coverage. The terms of the Retirement Agreement will be null and void in the event that Mr. MacInnis' employment is terminated by the Company for just cause (as defined in the employment agreement) or by way of Mr. MacInnis' voluntary resignation (as defined in the employment agreement) at any time prior to the retirement date. Following the entering into of the retirement agreement, the Company and Mr. MacInnis mutually agreed that Mr. MacInnis' retirement date will be January 31, 2022, and the Company agreed to accelerate and settle certain retirement payments to Mr. MacInnis in an amount of \$446,510.45 (Canadian dollar amounts converted to U.S. dollars using the Bank of Canada's exchange rate on October 29, 2021 of CA\$1.00=U.S.\$0.8075), which amounts shall be repayable to the Company if Mr. MacInnis' employment is terminated by the Company for just cause or by Mr. MacInnis by way of voluntary resignation at any time prior to the retirement date.

If Mr. MacInnis is terminated for cause, he will not be entitled to any severance pay, notice or compensation in lieu of notice, nor to any bonus payment, other than any minimum entitlements to which he would be entitled under applicable law. He will, however, be entitled to payment of any unpaid base salary, vacation pay and expense reimbursements accrued to the termination date.

Kunal Phalpher

On September 1, 2020, Li-Cycle entered into an employment agreement with Mr. Phalpher setting forth the terms and conditions of his employment as Li-Cycle's Chief Commercial Officer, including base salary, annual performance bonus and benefits. On November 1, 2021, Mr. Phalpher's title was changed from Chief Commercial Officer to Chief Strategy Officer, but the terms of his employment agreement remained the same.

In the case of Li-Cycle's termination of Mr. Phalpher's employment other than for cause, or in the case of Mr. Phalpher's termination of his employment for good reason (as defined in the employment agreement) following a change of control (as defined in the employment agreement), Mr. Phalpher is entitled to accrued but unpaid base salary, vacation pay, expense reimbursements and benefits, an additional fifty-two weeks' base salary and bonus (calculated on the basis of an average of each bonus received by Mr. Phalpher in the three fiscal years preceding the termination date), and, until the earlier of fifty-two weeks from the termination date or the date on which Mr. Phalpher commences alternative employment or consulting work, continued coverage under Li-Cycle group benefit plans in place and as amended from time to time.

If Mr. Phalpher is terminated for cause, he will not be entitled to any severance pay, notice or compensation in lieu of notice, nor to any bonus payment, other than any minimum entitlements to which he would be entitled under applicable law. He will, however, be entitled to payment of any unpaid base salary, vacation pay and expense reimbursements accrued to the termination date.

Chris Biederman

On September 7, 2020, Li-Cycle entered into an employment agreement with Mr. Biederman setting forth the terms and conditions of his employment as Li-Cycle's Chief Technology Officer, including base salary, annual performance bonus and benefits.

In the case of Li-Cycle's termination of Mr. Biederman's employment other than for cause, Mr. Biederman is entitled to accrued but unpaid base salary, vacation pay, expense reimbursements and benefits, and (a) before his completion of one year of service under the agreement, one month's written notice, or (b) upon one year of completed service under the agreement, one month's written notice plus an additional one month's written notice for every additional completed year of completed service up to a maximum of 12 months' written notice.

Li-Cycle may terminate the agreement and continue to pay Mr. Biederman his base salary until the expiry of the notice period or the date he commences alternative employment or consulting work, in which case Li-Cycle will pay Mr. Biederman an amount equal to 50% of the value of the payments remaining to the end of the notice period.

If Mr. Biederman is terminated for cause, he will not be entitled to any severance pay, notice or compensation in lieu of notice, nor to any bonus payment, other than any minimum entitlements to which he would be entitled under applicable law. He will, however, be entitled to payment of any unpaid base salary, vacation pay and expense reimbursements accrued to the termination date.

Carl DeLuca

On February 24, 2021, Li-Cycle entered into an employment agreement with Mr. DeLuca setting forth the terms and conditions of his employment as Li-Cycle's General Counsel & Corporate Secretary, including base salary, annual performance bonus and benefits.

In the case of Li-Cycle's termination of Mr. DeLuca's employment other than for cause, in addition to accrued but unpaid base salary, earned bonus, vacation pay, expense reimbursements and benefits to the date of termination, Mr. DeLuca is entitled to, (i) before his completion of six years of service, six months' written notice, or (ii) upon six years of completed service, six months' written notice plus an additional one month's written notice for every additional completed year of service starting after the sixth anniversary of the commencement date up to an aggregate maximum of 12 months' written notice. The notice may be satisfied by working notice or pay in lieu of notice (via salary continuance). In the case of salary continuance, the salary continuance period will cease on the date that Mr. DeLuca commences alternate employment or full-time consulting work, and Li-Cycle will pay Mr. DeLuca a lump-sum equal to 50% of the value of the payments remaining between the date that Mr. DeLuca commences alternate employment or consulting work and the end of the applicable notice period, less all lawful deductions.

If Mr. DeLuca is terminated for cause, he will not be entitled to any severance pay, notice or compensation in lieu of notice, other than any minimum entitlements to which he would be entitled under applicable law. He will, however, be entitled to payment of any unpaid base salary, vacation pay and expense reimbursements accrued to the termination date.

Lauren Choate

On April 12, 2021, Li-Cycle entered into an employment agreement with Ms. Choate setting forth the terms and conditions of her employment, including base salary, annual performance bonus and benefits. Ms. Choate's agreement is on an "at-will basis," meaning that the Company is free to release the employee at any time for any reason and does not specify any entitlements on such termination of employment.

Debbie Simpson

On December 6, 2021, Li-Cycle entered into an employment agreement with Ms. Simpson setting forth the terms and conditions of her employment as Li-Cycle's Chief Financial Officer, including base salary, annual performance bonus and benefits.

In the case of Li-Cycle's termination of Ms. Simpson's employment without cause, or in the case of Ms. Simpson's termination of her employment for good reason (as defined in the employment agreement), in either case within twelve months following a change in control (as defined in the employment agreement), Ms. Simpson is entitled to accrued and unpaid base salary, accrued vacation pay, and reimbursement for business expenses properly incurred; a lump-sum payment in lieu of notice in the amount of eighteen months' base salary plus the amount of Ms. Simpson's short-term incentive plan ("STIP") target in respect of the fiscal year in which the termination occurs, pro-rated to eighteen months; matching contributions to Ms. Simpson's registered retirement savings plan up to and including last day of the statutory notice period required pursuant to applicable employment standards legislation; a continued participation in Li-Cycle's executive benefit plans and prerequisites until the end of the statutory notice period pursuant to applicable employment standards legislation, and after, for a period of eighteen months or until Ms. Simpson becomes entitled to participate in similar benefit plans with another employer, a participation to primary coverages (health care, dental care, and employee assistance program); a lump-sum for Ms. Simpson's STIP award in respect of the fiscal year immediately preceding the termination, to the extent earned and unpaid at the date of the termination, calculated at the STIP target for such fiscal year, and STIP award in respect of the fiscal year of Li-Cycle in which the termination occurs, pro-rated from the start of such fiscal year to the date of the termination, calculated at the STIP target for such fiscal year; post-employment treatment of Ms. Simpson's long term incentive plan awards (including without limitation share options and RSUs) determined in accordance with the terms of Li-Cycle's 2021 Incentive Award Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy; and outplacement career counselling ending on the earliest to occur of twelve months following the termination and the date that Ms. Simpson obtains full-time employment.

In the case of Li-Cycle's termination of Ms. Simpson's employment without cause, or in the case of Ms. Simpson's termination of her employment for good reason (as defined in the employment agreement), in either case prior to or more than twelve months after a change in control (as defined in the employment agreement), Ms. Simpson is entitled to accrued and unpaid base salary, accrued vacation pay, and reimbursement for business expenses properly incurred; payment in equal monthly installments representing twelve months' base salary plus the amount of Ms. Simpson's STIP target in respect of the fiscal year in which the termination occurs, pro-rated to twelve months; matching contributions to Ms. Simpson's registered retirement savings plan up to and including last day of the statutory notice period required pursuant to applicable employment standards legislation; a continued participation in Li-Cycle's executive benefit plans and prerequisites until the end of the statutory notice period pursuant to applicable employment standards legislation, and after, for a period of twelve months or until Ms. Simpson becomes entitled to participate in similar benefit plans with another employer, a participation to primary coverages (health care, dental care, and employee assistance program); post-employment treatment of Ms. Simpson's long term incentive plan awards (including

without limitation share options and RSUs) determined in accordance with the terms of Li-Cycle's 2021 Incentive Award Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy; and outplacement career counselling ending on the earliest to occur of twelve months following the termination and the date that Ms. Simpson obtains full-time employment.

If Ms. Simpson is terminated for cause, death, mutually agreed retirement or by the executive without good reason, she will be entitled to payment of any unpaid base salary, vacation pay and reimbursement for business expenses properly incurred accrued to the termination date; matching contributions to Ms. Simpson's registered retirement savings plan up to and including last day of the statutory notice period required pursuant to applicable employment standards legislation; and post-employment treatment of Ms. Simpson's long term incentive plan awards (including without limitation share options and RSUs) determined in accordance with the terms of Li-Cycle's 2021 Incentive Award Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy.

If Ms. Simpson is terminated for permanent disability, she will be entitled to a lump-sum payment of any unpaid base salary, vacation pay and reimbursement for business expenses properly incurred accrued during the applicable elimination period for long-term disability benefits stipulated in Li-Cycle's long-term disability insurance plan, less any short-term disability benefit payments provided by Li-Cycle; matching contributions to Ms. Simpson's registered retirement savings plan up to and including the end of the applicable elimination period; a continued participation in Li-Cycle's executive benefit plans and perquisites up to and including the end of the applicable elimination period; post-employment treatment of Ms. Simpson's long term incentive plan awards (including without limitation share options and RSUs) determined in accordance with the terms of Li-Cycle's 2021 Incentive Award Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy; and if any, minimum statutory entitlements under applicable employment standards legislation.

Richard Storrie

On October 28, 2021, Li-Cycle entered into an employment agreement with Mr. Storrie setting forth the terms and conditions of his employment as Li-Cycle's Regional President, Americas, including base salary, annual performance bonus and benefits.

In the case of Li-Cycle's termination of Mr. Storrie's employment without cause, or in the case of Mr. Storrie's termination of his employment for good reason (as defined in the employment agreement), in either case within twelve months following a change in control (as defined in the employment agreement), Mr. Storrie is entitled to accrued and unpaid base salary, accrued vacation pay, reimbursement for business expenses properly incurred, and any amount accrued and arising from Mr. Storrie's participation in any employee benefit plans, programs or arrangements; a lump-sum payment in the amount of eighteen months' base salary plus the amount of Mr. Storrie's short-term incentive plan ("STIP") target in respect of the fiscal year in which the termination occurs, pro-rated to eighteen months; reimbursement of premiums under the Consolidated Omnibus Budget Reconciliation Act of 1986, if Mr. Storrie is eligible, in the amount of Li-Cycle's current contribution for the health plan enrollment, for a period of eighteen months or until Mr. Storrie becomes eligible for comparable replacement coverage under a subsequent employer's group health plan; a lump-sum for Mr. Storrie's STIP award in respect of the fiscal year immediately preceding the termination, to the extent earned and unpaid at the date of the termination, calculated at the STIP target for such fiscal year, and STIP award in respect of the fiscal year of Li-Cycle in which the termination occurs, pro-rated from the start of such fiscal year to the date of the termination, calculated at the STIP target for such fiscal year; post-employment treatment of Mr. Storrie's long term incentive plan awards (including without limitation share options and RSUs) determined in accordance with the terms of Li-Cycle's 2021 Incentive Award Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy; and outplacement career counseling ending on the earliest to occur of twelve months following the termination and the date that Mr. Storrie obtains full-time employment.

In the case of Li-Cycle's termination of Mr. Storrie's employment without cause, or in the case of Mr. Storrie's termination of his employment for good reason (as defined in the employment agreement), in either case prior to or more than twelve months after a change in control (as defined in the employment agreement), Mr. Storrie is entitled to accrued and unpaid base salary, accrued vacation pay, reimbursement for business expenses properly incurred, and any amount accrued and arising from Mr. Storrie's participation in any employee benefit plans, programs or arrangements; payment in equal monthly installments representing twelve months' base salary plus the amount of Mr. Storrie's STIP target in respect of the fiscal year in which the termination occurs, pro-rated to twelve months; reimbursement of premiums under the Consolidated Omnibus

Budget Reconciliation Act of 1986 if Mr. Storrie is eligible in the amount of Li-Cycle's current contribution for the health plan enrollment, for a period of eighteen months or until Mr. Storrie becomes eligible for comparable replacement coverage under a subsequent employer's group health plan; post-employment treatment of Mr. Storrie's long term incentive plan awards (including without limitation share options and RSUs) determined in accordance with the terms of Li-Cycle's 2021 Incentive Award Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy; and outplacement career counseling ending on the earliest to occur of twelve months following the termination and the date that Mr. Storrie obtains full-time employment.

If Mr. Storrie is terminated for cause, death, mutually agreed retirement or by the executive without good reason, he will be entitled to payment of any unpaid base salary, vacation pay, reimbursement for business expenses properly incurred accrued to the termination date, and any amount accrued and arising from Mr. Storrie's participation in any employee benefit plans, programs or arrangements. Mr. Storrie will also be entitled to post-employment treatment of his long term incentive plan awards (including without limitation share options and RSUs) determined in accordance with the terms of Li-Cycle's 2021 Incentive Award Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy.

If Mr. Storrie is terminated for permanent disability, he will be entitled to post-employment treatment of his long term incentive plan awards (including without limitation share options and RSUs) determined in accordance with the terms of Li-Cycle's 2021 Incentive Award Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy.

C. Board Practices

Board of Directors

Our Articles of Amalgamation provide that the Board will consist of a minimum of one and a maximum of ten directors. The OBCA provides that the board of an offering corporation (as defined in the OBCA, which would include the Company) will consist of not fewer than three individuals. The Board currently consists of seven directors. The directors are elected by our shareholders at each annual general meeting of shareholders, and will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed. Between annual general meetings of our shareholders, the directors may appoint one or more additional directors, but the number of additional directors may not at any time exceed one-third of the number of current directors who were elected or appointed other than as additional directors.

Directors' Service Contracts

There are no arrangements or understandings between us and any of our subsidiaries, on the one hand, and any of our non-employee directors, on the other hand, providing for benefits upon termination of their employment or service as directors of our Company or any of our subsidiaries. Employee directors may be eligible for benefits upon termination of their employment pursuant to their employment agreements.

Committees of the Board of Directors

The Company has established an audit committee (the "**Audit Committee**"), a compensation committee (the "**Compensation Committee**"), a nominating and governance committee (the "**Nominating and Governance Committee**") and a health, safety, environmental, quality and technical committee (the "**HSEQ Committee**"). Each committee has a written charter that is posted on our website.

Audit Committee

The Audit Committee is comprised of Scott Prochazka (Chair), Rick Findlay and Mark Wellings. Our Board has determined that each of the Audit Committee members is an independent director, as required by applicable SEC, NYSE rules and National Instrument 52-110 – *Audit Committees*. Our Board has also determined that at least one member of the Audit Committee, namely Scott Prochazka, qualifies as the "Audit Committee financial expert," as such term is defined in Item 407 of Regulation S-K and that all members of the Audit Committee are "financially literate," as such term is defined in NI 52-110.

The Board has established a written charter setting forth the purpose, composition, authority and responsibility of the Audit Committee consistent with the rules of the NYSE, the SEC and the applicable Canadian securities laws. The Audit Committee is, among other things, directly responsible for monitoring the integrity of the Company's financial statements, financial reporting process and systems of internal controls and procedures; ensuring compliance by the Company with applicable legal and regulatory requirements, reviewing areas of potential significant financial risk to the Company; evaluating the independent auditor's independence and qualifications; and appointing, determining the compensation of and monitoring the performance of the independent auditors.

Compensation Committee

The Compensation Committee is comprised of Rick Findlay (Chair), Alan Levande and Mark Wellings. The Board has determined that each of the members of the Compensation Committee is an independent director, other than Alan Levande (by reason of his previous employment with Peridot).

The board has established a written charter setting forth the purpose, composition, authority and responsibility of the compensation committee consistent with the rules of the NYSE, the SEC and the guidance of the Canadian Securities Administrators. The compensation committee, among other things, oversees the compensation strategy and policies of the Company's employees and directors; establishes, reviews and reports on compensation of the Company's executive officers; administers equity-based and certain other compensation plans; and reviews the "Compensation Discussion and Analysis" and related executive compensation disclosure for inclusion in the Company's public disclosure documents.

Nominating and Governance Committee

The Nominating and Governance Committee is comprised of Mark Wellings (Chair), Alan Levande and Anthony Tse. The Board has determined that each of the members of the Compensation Committee is an independent director, other than Alan Levande (by reason of his previous employment with Peridot).

The board has established a written charter setting forth the purpose, composition, authority and responsibility of the Nominating and Governance Committee. The Nominating and Governance Committee is, among other things, responsible for identifying and evaluating individuals qualified to become Board members, consistent with criteria approved by the Board, and recommending such individuals to the Board for approval as nominee; leading the performance review of the Board and its committees; and overseeing the establishment of the Company's corporate governance practices and policies.

Health, Safety, Environmental, Quality and Technical Committee

The HSEQ Committee is comprised of Tim Johnston (Chair), Anthony Tse, Rick Findlay and Scott Prochazka. The board has established a written charter setting forth the purpose, composition, authority and responsibility of the HSEQ Committee. The function and purpose of the HSEQ Committee is to assist the board in fulfilling its responsibilities with respect to: (i) developing and implementing the health, safety, environmental and quality policies, procedures and programs of the Company and its subsidiaries, and monitoring compliance with such policies; and (ii) developing and implementing quality assurance and technical policies, procedures and programs of the Company and its subsidiaries, and monitoring compliance with such policies.

Family Relationships

Related-Party Lease.

Since January 1, 2019, the Company has leased certain office space from Ashlin BPG Marketing, which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer. Under the terms of the lease, the Company is required to pay \$4,500 per month plus applicable taxes, subject to 60 days' notice of termination. Li-Cycle terminated the lease, effective December 31, 2021.

Share Subscription.

On March 23, 2018, Li-Cycle issued 1,663 Li-Cycle Shares to Richard Findlay, 9,706 Li-Cycle Shares to Alex Lowrie, 9,706 Li-Cycle Shares to Louise Lowrie, 9,706 Li-Cycle Shares to Anthony Lowrie and 9,706 Li-Cycle Shares to Liv Lowrie, in each case for a subscription price of CA\$18.03 per Li-Cycle Share. On January 23, 2019, Li-Cycle issued 4,234 Li-Cycle Shares to Alex Lowrie as a finder's fee in connection with a

prior financing conducted by Li-Cycle. Alex Lowrie was a director of Li-Cycle prior to the Business Combination and each of Louise Lowrie, Anthony Lowrie and Liv Lowrie are immediate family members of Alex Lowrie.

D. Employees

As of October 31, 2021, we had over 155 employees, all employed on a full-time basis, and primarily located in Toronto, Ontario; Kingston, Ontario; and Rochester, New York. We estimate that the commencement of operations at our Arizona Spoke and Alabama Spoke will result in an additional 80 employees.

We recently announced the development of our Ohio Spoke, as well as our first two European Spokes to be located in Norway and Germany. We anticipate these facilities will require at least 35 employees each.

We expect that the Rochester Hub will result in over 200 additional employment positions once operational. As we continue to grow our Spoke & Hub network, we anticipate adding additional employees.

Our success is highly dependent on our human capital and leadership team. We have talent acquisition strategies in place to attract, retain and develop employees with the skills, experience and potential necessary to implement our growth strategy.

Our culture aims to promote an “owner’s mindset” that empowers employees to deliver a high level of performance and to honor our corporate values, including ethics and integrity, courage and passion, and innovation and creativity. When recruiting and onboarding new employees, we communicate our vision and the core values that we expect all staff to uphold, which is underpinned by a business-wide Code of Conduct and Ethics supported by appropriate training programs. We regularly engage with staff on issues affecting the business through group-wide and location-specific “all-hands” and “town hall” sessions and other engagement platforms.

None of our employees are represented by a labor union and there have been no work stoppages to date. We generally consider relations with our employees to be good.

E. Share Ownership

The following table sets out the names and positions of the executive officers of the Company as of January 30, 2022, the number of common shares, options and RSUs of the Company owned or over which control or direction is exercised by each such executive officer of the Company and, where known after reasonable enquiry, by their respective associates or affiliates.

Name and Principal Position	Number of Shares Owned (#)	Percentage of Total Shares Outstanding (%) (1)	Special Voting Rights	Number of Securities Underlying Options	Option Exercise Price (\$)	Option Expiration Date
Ajay Kochhar, President and Chief Executive Officer (2)	24,908,409	14.75%	None	159,640	\$0.02	April 11, 2023
				139,685	\$0.37	July 19, 2024
				176,871	\$10.93	August 10, 2031
Tim Johnston, Executive Chairman (3)	11,092,964	6.57%	None	399,100	\$0.02	September 12, 2022
				159,640	\$0.02	April 11, 2023
				199,550	\$0.37	July 19, 2024
				176,871	\$10.93	August 10, 2031
Bruce MacInnis, Chief Financial Officer	-	-	None	310,928	\$10.93	August 10, 2031

Kunal Phalpher, Chief Commercial Officer	304,272	0.18%	None	159,640	\$0.02	April 11, 2023
				139,685	\$0.37	July 19, 2024
				67,365	\$10.93	August 10, 2031
Chris Biederman, Chief Technology Officer	106,141	0.06%	None	67,365	\$10.93	August 10, 2031

(1) The ownership percentage set out in this column is based on a total of 168,891,877 outstanding common shares as of January 30, 2022, following the closing of the Business Combination, in each case rounded down to the nearest hundredth.

(2) The number of shares owned include 45,797 common shares owned directly by Mr. Kochhar and 24,862,612 common shares owned by 2829908 Delaware LLC, a Delaware limited liability company, which is a wholly-owned subsidiary of Maplebriar Holdings Inc., a corporation organized under the laws of the Province of Ontario (“Maplebriar Holdings”), having a sole shareholder, The Kochhar Family Trust, an irrevocable trust established under the laws of the Province of Ontario, Canada (the “Trust”). There is an oral agreement among Mr. Kochhar, the Trust, Maplebriar Holdings, and 2829908 Delaware LLC, that grants Mr. Kochhar the sole power to control the voting and disposition of the common shares of the Company held by 2829908 Delaware LLC. Mr. Kochhar is one of three trustees of the Trust, along with Mr. Kochhar’s brother and father, and the beneficiaries of the Trust are principally relatives of Mr. Kochhar. There is an oral agreement among Mr. Kochhar, the Trust, Maplebriar Holdings and 2829908 Delaware LLC that grants Mr. Kochhar the sole power to control the voting and disposition of the common shares held by 2829908 Delaware LLC. Mr. Kochhar is a Director and the President and Chief Executive Officer of the Company.

(3) The number of shares owned include 45,797 common shares owned directly by Mr. Johnston and 11,047,167 common shares owned by Keperra Holdings Ltd., a Guernsey corporation (“Keperra”). Mr. Johnston is the sole shareholder of Keperra. Artemis Nominees Limited is a nominee company that holds legal title to 100 shares of Keperra as nominee of and trustee for Mr. Johnston. Mr. Johnston is a Director and the Executive Chairman of the Company.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information regarding beneficial ownership of the Company’s common shares based on 168,891,877 common shares issued and outstanding as of January 30, 2022, and including the results of the Warrant Redemption, with respect to beneficial ownership of our shares by:

- each person known by us to be the beneficial owner of more than 5% of our issued and outstanding common shares;
- each of our executive officers and directors; and
- all our executive officers and directors as a group.

In accordance with SEC rules, individuals and entities below are shown as having beneficial ownership over common shares they own or have the right to acquire within 60 days, as well as common shares for which they have the right to vote or dispose of such common shares. In accordance with SEC rules, for purposes of calculating percentages of beneficial ownership, common shares which a person has the right to acquire within 60 days are included both in that person’s beneficial ownership as well as in the total number of common shares issued and outstanding used to calculate that person’s percentage ownership but not for purposes of calculating the percentage for other persons.

Except as indicated by the footnotes below, we believe that the persons named below have sole voting and dispositive power with respect to all common shares that they beneficially own. The common shares owned by the persons named below have the same voting rights as the common shares owned by other holders. We believe that, as of January 30, 2022, approximately 58.8% of our common shares are owned by 40 record holders in the United States of America.

Unless otherwise indicated, the business address of each beneficial owner listed in the tables below is c/o Li-Cycle Holdings Corp., 207 Queen's Quay West, Suite 590, Toronto, ON, M5J 1A7, Canada.

Name and Address of Beneficial Owner	Number of Common Shares Beneficially Owned	Percentage of Outstanding Common Shares (1)
<i>Directors and Executive Officers</i>		
Ajay Kochhar (2)	25,207,734	14.9 %
Tim Johnston (3)	11,851,254	7.0 %
Mark Wellings (4)	274,541	*
Rick Findlay (5)	822,415	*
Anthony Tse (6)	227,844	*
Alan Levande (7)	933,660	*
Scott Prochazka (8)	30,000	*
Bruce MacInnis (9)	0	*
Kunal Phalpher (10)	603,597	*
Chris Biederman (11)	106,141	*
All directors and executive officers post-Business Combination as a group (10 individuals)	40,307,360	23.9 %
<i>Five Percent or Greater Shareholders</i>		
TechMet Limited (12)	12,969,674	7.7 %
Louis M. Bacon (13)	12,880,398	7.6 %

* Less than 1 percent

- (1) Based upon a total of 168,891,877 common shares outstanding as of January 30, 2022.
- (2) Ajay Kochhar's 25,207,734 shares beneficially owned include (1) 45,797 common shares owned directly by Mr. Kochhar, (2) 24,862,612 common shares owned by 2829908 Delaware LLC, a Delaware limited liability company, which is a wholly-owned subsidiary of Maplebriar Holdings Inc., a corporation organized under the laws of the Province of Ontario ("Maplebriar Holdings"), having a sole shareholder, The Kochhar Family Trust, an irrevocable trust established under the laws of the Province of Ontario, Canada (the "Trust"), and (3) 299,325 common shares subject to stock options held by Mr. Kochhar which includes options to acquire (i) 159,640 common shares at a price of US\$0.02 per share until April 11, 2023, and (ii) 139,685 common shares at a price of US\$0.36 per share until July 19, 2024. There is an oral agreement among Mr. Kochhar, the Trust, Maplebriar Holding, and 2829908 Delaware LLC, that grants Mr. Kochhar the sole power to control the voting and disposition of the common shares of the Company held by 2829908 Delaware LLC. Mr. Kochhar is one of three trustees of the Trust, along with Mr. Kochhar's brother and father, and the beneficiaries of the Trust are principally relatives of Mr. Kochhar. There is an oral agreement among Mr. Kochhar, the Trust, Maplebriar Holdings and 2829908 Delaware LLC that grants Mr. Kochhar the sole power to control the voting and disposition of the common shares held by 2829908 Delaware LLC. Mr. Kochhar is a Director and the President and Chief Executive Officer of the Company.
- (3) Tim Johnston's 11,851,254 shares beneficially owned include (1) 45,797 common shares owned directly by Mr. Johnston, (2) 11,047,167 common shares owned by Keperra Holdings Ltd., a Guernsey corporation ("Keperra") and (3) 758,290 common shares subject to stock options, which includes options to acquire (i) 399,100 common shares at a price of US\$0.02 per share until September 12, 2022, (ii) 159,640 common shares at a price of US\$0.02 per share until April 11, 2023, and (iii) 199,550 common shares at a price of US\$0.36 per share until July 19, 2024. Mr. Johnston is the sole shareholder of Keperra. Artemis Nominees Limited is a nominee company that holds legal title to 100 shares of Keperra as nominee of and trustee for Mr. Johnston. Mr. Johnston is a Director and the Executive Chairman of the Company.
- (4) Mark Wellings' 274,541 shares beneficially owned include (1) 7,304 common shares owned directly by Mr. Wellings, (2) 180,234 common shares owned by ZCR Corp., a holding company wholly owned by

Mr. Wellings, 18,000 of which were purchased through the PIPE Financing, and (3) options to acquire 87,003 common shares at a price of US\$0.37 per share until July 19, 2024. Mr. Wellings is a director of the Company.

- (5) Rick Findlay's 822,415 shares beneficially owned include (1) 523,090 owned directly, including 13,000 acquired through the PIPE Financing and (2) 299,325 common shares subject to stock options, which includes options to acquire (i) 159,640 common shares at a price of US\$0.02 per share until April 11, 2023 and (ii) 139,685 common shares at a price of US\$0.37 per share until July 19, 2024. Mr. Findlay is a Director of the Company.
- (6) Of the 227,844 common shares beneficially owned by Anthony Tse, 18,000 were acquired through the PIPE Financing. Mr. Tse is a Director of the Company.
- (7) Alan Levande beneficially owns 933,660 common shares. Mr. Levande was previously the Chief Executive Officer and Chairman of the board of directors of Peridot prior to the consummation of the Business Combination and is currently a Director of the Company.
- (8) Scott Prochazka beneficially owns 30,000 common shares directly. Mr. Prochazka previously served as a Director of Peridot and is currently a Director of the Company.
- (9) Bruce MacInnis is the Chief Financial Officer of the Company.
- (10) Kunal Phalpher beneficially owns 603,597 common shares consisting of (1) 304,272 common shares owned directly by Mr. Phalpher, and (2) 299,325 common shares subject to stock options, which includes options to acquire (i) 159,640 common shares at a price of US\$0.02 per share until April 11, 2023 and (ii) 139,685 common shares at a price of US\$0.37 per share until July 19, 2024. Mr. Phalpher is the Chief Strategy Officer of the Company.
- (11) Chris Biederman beneficially owns 106,141 common shares which he owns directly. Mr. Biederman is the Chief Technology Officer of the Company.
- (12) According to a Schedule 13G filed with the SEC on August 17, 2021, as of August 17, 2021, TechMet Limited beneficially owned 12,969,674 common shares. The business address of TechMet Limited is Suite 22, 20 lower Baggott Street, Dublin 2, D02 X658 Ireland.
- (13) According to a Schedule 13G filed with the SEC on August 20, 2021, as of August 20, 2021, Louis M. Bacon beneficially owned 12,880,398 common shares consisting of (1) 5,075,000 common shares held by MMF LT, LLC, a Delaware limited liability company ("MMF") inclusive of 75,000 common shares issuable upon exercise of warrants to purchase common shares, and (2) 7,805,398 common shares held by Moore Strategic Ventures, LLC, a Delaware limited liability company ("MSV"). Kendall Capital Markets, LLC, a Delaware limited liability company ("KCM") and MSV may be deemed to be the beneficial owner of the 7,805,398 common shares held by MSV. Each of Moore Capital Management, LP, a Delaware limited partnership ("MCM"), Moore Global Investments, LLC, a Delaware limited liability company ("MGI"), Moore Capital Advisors, L.L.C., a Delaware limited liability company ("MCA"), MMF and Mr. Bacon may be deemed to be the beneficial owner of 5,075,000 Shares held by MMF, inclusive of 75,000 common shares issuable upon exercise of warrants to purchase common shares. Mr. Bacon controls the general partner of MCM, is the chairman and director of MCA, and is the indirect majority owner of MMF. MCM, the investment manager of MMF, has voting and investment control over the shares held by MMF. MGI and MCA are the sole owners of MMF. KCM, the investment manager of MSV, has voting and investment control over the shares held by MSV. Louis M. Bacon controls KCM and may be deemed the beneficial owner of the shares held by MSV. The business address of MCM, MMF, MGI, MCA, MSV, KCM, and Mr. Bacon is Eleven Times Square, New York, New York 10036. These figures do not reflect the results of the Warrant Redemption.

We are not aware of any arrangement that may, at a subsequent date, result in a change of control of the Company.

B. Related Party Transactions

Related-Party Lease.

From January 1, 2019 to December 31, 2021, the Company leased certain office space from Ashlin BPG Marketing, which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer. Under the terms of the lease, the Company was required to pay Cdn. \$4,500 per month plus applicable taxes, subject to 60 days' notice of termination. Li-Cycle terminated the lease, effective December 31, 2021. During the twelve months ended October 31, 2021, the Company incurred expenses of \$39,866 in relation to this vendor, as compared to \$35,505 for the twelve months ended October 31, 2020.

Related-Party Expenses

The Company has engaged Fade In Production Pty. Ltd., which is controlled by certain members of the immediate family of the Executive Chair of Li-Cycle, to provide it with corporate video production services since 2017. During the twelve months ended October 31, 2021, the Company incurred expenses of \$145,851 attributable to this vendor, as compared to \$42,739 for the twelve months ended October 31, 2020.

The Company has engaged Ashlin BPG Marketing, which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer, to provide it with marketing items and employee gifts since April 1, 2020. During the twelve months ended October 31, 2021, the Company incurred expenses of \$46,640 attributable to this vendor, as compared to \$5,405 for the twelve months ended October 31, 2020.

The Company has engaged Consulero Inc., which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer, to provide it with technology services since September 1, 2020. During the twelve months ended October 31, 2021, the Company incurred expenses of \$103,040 attributable to this vendor, as compared to \$46,515 for the twelve months ended October 31, 2020.

Consulting Agreement

On May 1, 2020, Li-Cycle entered into a consulting agreement with Atria Limited (“Atria”), an entity which beneficially owned more than 5% of the outstanding Li-Cycle Corp. Shares at that time, to agree upon and finalize the consideration for certain business development and marketing consulting services that were previously performed on behalf of Li-Cycle from 2018 through April 2020. The fees for such services were agreed at 12,000 common shares of Li-Cycle Corp., payable in installments of 1,000 shares per month. On January 25, 2021, Li-Cycle issued all of the 12,000 shares to Atria as full and final satisfaction of all obligations of Li-Cycle to Atria under the consulting agreement. Atria also directed the issuance of such shares as follows: 8,000 Shares to Atria; 2,000 Shares to Pella Ventures (an affiliated company of Atria); and 2,000 Shares to a director of Li-Cycle Corp. at the time, who is not related to Atria.

Director Consulting Agreements

Under the terms of an agreement dated July 19, 2019 between Li-Cycle and Anthony Tse, Mr. Tse provided consulting services to Li-Cycle in relation to the proposed expansion of its operations in Asia and was entitled to a fee of \$4,700 per month for such services. For the twelve months ended October 31, 2021, Mr. Tse was paid aggregate fees under this agreement of \$56,400. The consulting agreement was terminated on January 19, 2022.

Under the terms of a consulting agreement dated July 19, 2019 between Li-Cycle and Rick Findlay, for the twelve months ended October 31, 2020, Mr. Findlay was paid aggregate fees of \$1,332, using an exchange rate of CA\$1.00 = US\$0.8073, which was the Bank of Canada noon rate on October 30, 2021. For the twelve months ended October 31, 2021, there were no fees paid. The consulting agreement was terminated on June 25, 2021.

Promissory Notes.

On June 16, 2021, Li-Cycle issued promissory notes (the “Promissory Notes”) for an aggregate principal amount of \$7,000,000 as consideration for loans received from entities affiliated with the Chief Executive Officer and the Executive Chair of Li-Cycle, respectively. The Promissory Notes bore interest at the rate of 10% per annum and had a maturity date of December 15, 2023. The Promissory Notes were unsecured and subordinate to indebtedness owing to Li-Cycle’s senior lender, BDC Capital Inc. Li-Cycle had the option of prepaying all or any portion of the principal and accrued interest of the Promissory Notes prior to the maturity date without penalty, subject to certain conditions. On August 17, 2021, Li-Cycle repaid the Promissory Notes and accrued interest in full, for a total of \$7,113,151.

Certain Peridot Relationships and Related Person Transactions prior to the Business Combination

In August 2020, the Sponsor acquired 8,625,000 Peridot Class B Shares for an aggregate purchase price of \$25,000. In September 2020, the Sponsor transferred 30,000 Peridot Class B Shares to each of Peridot’s independent directors, at the original per share purchase price. Prior to the initial investment in Peridot of \$25,000 by the Sponsor, Peridot had no assets, tangible or intangible. The number of Peridot Class B Shares issued was determined based on the expectation that such Peridot Class B Shares would represent 20% of the outstanding shares of Peridot upon completion of Peridot’s initial public offering. In November 2020, the Sponsor forfeited 1,125,000 as a result of the expiration of the underwriter’s option to exercise its overallotment. In connection with the Amalgamation, the Peridot Class B Shares were converted into Class A common shares of Peridot, which were converted into common shares of the Company.

In September 2020, the Sponsor purchased an aggregate of 8,000,000 warrants from Peridot for a purchase price of \$1.00 per whole warrant, or an aggregate purchase price of \$8,000,000, in a private placement that occurred simultaneously with the closing of Peridot’s initial public offering. Each such warrant entitled the holder to purchase one Peridot Class A Share at a purchase price of \$11.50 per share. In connection with the Amalgamation, these warrants were converted into warrants to purchase an equivalent number of the Company’s common shares.

In August 2020, Peridot issued an unsecured promissory note to the Sponsor, pursuant to which Peridot could borrow up to an aggregate principal amount of \$300,000. The promissory note was non-interest bearing and payable on the earlier of (i) December 31, 2020 and (ii) the completion of Peridot’s initial public offering. The outstanding balance under the promissory note of \$119,331 was repaid at the closing of the initial public offering on September 28, 2020.

In August 2020, Peridot entered into an agreement to pay an affiliate of Peridot's Sponsor up to \$10,000 per month for office space, secretarial and administrative support services. Upon completion of the Business Combination, Peridot ceased paying these monthly fees. For the period from July 31, 2020 through December 31, 2020, Peridot incurred \$30,000 in fees for these services, which is included in accrued expenses in the balance sheet as of December 31, 2020.

In connection with Peridot's initial public offering, Peridot entered into a registration and shareholder rights agreement with respect to certain Peridot securities. Upon consummation of the Business Combination, the registration and shareholder rights agreement was terminated in connection with the execution of the Investor Agreement. For more information, see the section titled "*Item 10. Additional Information—C, Material Contracts Investor Agreement.*"

In February 2020, as part of the PIPE Financing, Peridot and the Company entered into a Subscription Agreement with an affiliate of the Sponsor, pursuant to which such affiliate of the Sponsor agreed to subscribe for and purchase, and Peridot and the Company agreed to issue and sell to such affiliate, immediately prior to Closing, 2,500,000 common shares for a purchase price of \$10.00 per share.

Our Related Party Transaction Policy and Practices

Related Party Transaction Policy.

In connection with the Business Combination, our board of directors adopted a written related party transactions policy that became effective as of the Closing. For purposes of the policy, related party transactions include transactions that would be required to be disclosed under Item 7 of Form 20-F. This includes transactions or loans between the company and (a) enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the Company, (b) unconsolidated enterprises in which the Company has significant influence, or which has significant influence over the Company, (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, and close members of any such individual's family, (d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors and senior management of companies and close members of such individuals' families, and (e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence. Shareholders beneficially owning a 10% interest or greater in voting power are deemed to have significant influence.

Employment Agreements.

In accordance with the Business Combination Agreement, upon the consummation of the Business Combination, we entered into employment agreements with certain of our executive officers.

Indemnification Agreements.

The Company has entered into separate indemnification agreements with its directors and executive officers, in addition to the indemnification provided for in the by-laws. These agreements, among other things, require the Company to indemnify its directors and executive officers for certain costs, charges and expenses, including attorneys' fees, judgments, fines and settlement amounts, reasonably incurred by a director or executive officer in any action or proceeding because of their association with the Company or any of its subsidiaries.

C. Interests of Experts and Counsel

Not Applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

For consolidated financial statements and other financial information, see Item 18 of this annual report.

For a discussion of legal proceedings involving the Company, see the section entitled "Item 4. Information on the Company—B. Business Overview—Legal Proceedings," which is incorporated by reference herein.

Our board of directors will evaluate whether or not to pay dividends and, if so, whether to pay dividends on a quarterly, semi-annual or annual basis, depending on our results, market conditions, contractual obligations, legal restrictions and other factors deemed relevant by the board of directors.

B. Significant Changes

A discussion of significant changes since the date of the annual financial statements is provided under “Item 4. Information on the Company—B. Business Overview—Recent Developments” of this annual report and is incorporated herein by reference.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our common shares and warrants are listed on NYSE under the symbols LICY and LICYW, respectively. Holders of our common shares and warrants should obtain current market quotations for their securities. There can be no assurance that our common shares and/or warrants will remain listed on NYSE. If we fail to comply with the NYSE listing requirements, our common shares and/or warrants could be delisted from NYSE. A delisting of our common shares will likely affect the liquidity of our common shares and could inhibit or restrict our ability to raise additional financing. See the section entitled “Item 3. Key Information—D. Risk Factors—Risks Relating to Ownership of Our Securities—NYSE may delist our securities, which could limit investors’ ability to engage in transactions in our securities and subject us to additional trading restrictions.”

B. Plan of Distribution

Not applicable.

C. Markets

A discussion of all stock exchanges and other regulated markets on which our securities are listed is provided under “—A. Offer and Listing Details” of this annual report and is incorporated herein by reference.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Annual Meetings

Under the OBCA, the Company must hold its first annual meeting of shareholders within 18 months after the date on which it was incorporated, and after that must hold an annual meeting not later than 15 months after the last annual meeting at such time and place in or outside the Province of Ontario as may be determined by the directors of the Company or, in the absence of such a determination, at the place where the registered office of the Company is located.

Board and Shareholder Ability to Call Shareholder Meetings

The by-laws of the Company provide that meetings of the shareholders may be called by the board of directors at any time. In addition, under the OBCA, the holders of not less than 5% of the issued shares of a corporation that carry the right to vote at a meeting sought to be held may requisition that the directors call a meeting of shareholders for the purposes stated in the requisition. Upon receiving a requisition to call a meeting of shareholders, the directors must, within 21 days after receiving the requisition, call a meeting of shareholders to transact the business stated in the requisition unless a record date has been fixed for a meeting of shareholders and notice of the meeting has been given in accordance with the OBCA; the directors of the Company have called a meeting of shareholder and have given notice of the meeting in accordance with the OBCA; or the business of the meeting as stated in the requisition includes certain matters, including, but not limited to, a proposal the primary purpose of which is to enforce a personal claim or redress a personal grievance against the corporation or its directors, officers or security holders. If the directors do not call such a meeting within 21 days after receiving the requisition, any shareholder who signed the requisition may call the meeting. The corporation must reimburse the requisitioning shareholders for the expenses reasonably incurred by them in requisitioning, calling and holding the meeting unless the shareholders have not acted in good faith and in the interest of the shareholders of the corporation generally.

Shareholder Meeting Quorum

The by-laws of the Company provide that one or more persons who are, or who represent by proxy, one or more shareholders who, in the aggregate, hold at least 33 1/3% of the issued shares of the Company entitled to be voted at the meeting, constitute a quorum at any annual or special meeting of shareholders.

Voting Rights

Under the OBCA, at any meeting of shareholders at which a quorum is present, any action that must or may be taken or authorized by the shareholders, except as otherwise provided under the OBCA, the Company articles or by-laws, may be taken or authorized by an “ordinary resolution,” which is a simple majority of the votes cast by shareholders voting shares that carry the right to vote at general meetings. The Company’s by-laws provide that every motion put to a vote at a meeting of shareholders will be decided by a show of hands unless a ballot is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy. Votes by a show of hands or functional equivalent result in each person having one vote regardless of the number of shares such person is entitled to vote. If voting is conducted by ballot, each person is entitled to one vote for each share such person is entitled to vote.

There are no limitations on the right of non-resident or foreign owners to hold or vote securities imposed by Canadian law or by the charter or other constituent document of the Company.

Shareholder Action by Written Consent

Under the OBCA, shareholder action without a meeting may be taken by a resolution signed by all the shareholders or their attorney authorized in writing entitled to vote on that resolution at a meeting of shareholders. A written resolution of shareholders is as valid as if it had been passed at a meeting of those shareholders. A written resolution of shareholders dealing with all matters required by the OBCA to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote on that resolution at that meeting, satisfies all the requirements of the OBCA relating to that meeting of shareholders.

Access to Books and Records and Dissemination of Information

The Company must keep at its registered office, or at such other place in Ontario as designated by the directors of the Company, the documents, copies, registers, minutes and other records which the Company is required by the OBCA to keep at such places. The Company must prepare and maintain, among other specified documents, adequate accounting records. Under the OBCA, any director, shareholder or creditor of the Company may, free of charge, examine certain of the Company’s records during the usual business hours of the Company.

Election and Appointment of Directors

The articles do not provide for the board of directors to be divided into classes.

At any general meeting of shareholders at which directors are to be elected, a separate vote of shareholders entitled to vote will be taken with respect to each candidate nominated for director. Pursuant to the OBCA, any casual vacancy occurring on the board may be filled by a quorum of the remaining directors, subject to certain exceptions. If the Company does not have a quorum of directors, or if there has been a failure to elect the number of directors required by the articles or the OBCA, the directors then in office must forthwith call a special meeting of shareholders to fill the vacancy and, if the directors fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder. Pursuant to the OBCA, where empowered by a special resolution, the directors may, between meetings of shareholders, appoint one or more additional directors, but the number of additional directors may not exceed one and one third times the number of directors required to have been elected at the last annual meeting of shareholders.

The minimum number of directors the Company may have is one and the maximum number of directors is ten, as set out in the articles. The OBCA provides that any amendment to the articles to increase or decrease the minimum or maximum number of directors requires the approval of shareholders by a special resolution.

Removal of Directors

Pursuant to the OBCA, the shareholders may remove any director before the expiration of his or her term of office by ordinary resolution at an annual or special meeting of shareholders, provided that, where the holders of any class or series of shares have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series. In that event, the shareholders may elect, by ordinary resolution, another individual as director to fill the resulting vacancy.

Proceedings of Board of Directors

At all meetings of the board, every question will be decided by a majority of the votes cast and, in the case of an equality of votes, the chair of the meeting will not have a second or casting vote. A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it is as valid as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held.

Requirements for Advance Notification of Shareholder Nominations

Pursuant to the by-laws and subject only to the OBCA, the articles and applicable securities laws, shareholders of record entitled to vote will nominate persons for election to the board only by providing proper notice to the corporate secretary. In the case of annual meetings, proper notice must be given, generally between 30 and 65 days prior to the date of the annual meeting. However, in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") that is the earlier of (i) the date that a notice of meeting is filed for such meeting, and (ii) the date on which the first public announcement of the meeting was made, the notice must be given on the 10th day following the Notice Date. In the case of a special meeting called for the purpose of electing directors and which is not also an annual meeting of shareholders, the notice must be given not later than the close of business on the 15th day following the date that is the earlier of (i) the date that a notice of meeting is filed for such meeting, and (ii) the date on which the first public announcement of the special meeting was made. Such notice must include, among other information, certain information with respect to each shareholder nominating persons for elections to the board, a written consent of each nominee consenting to serve as a director, disclosure about any proxy, contract, arrangement, understanding or relationship pursuant to which the nominating shareholder has a right to vote shares and any other information the Company may reasonably require to determine the eligibility of the nominee to serve as a director.

Approval of Amalgamations, Mergers and Other Corporate Transactions

Under the OBCA, certain corporate actions, such as: (i) amalgamations (other than with certain affiliated corporations); (ii) continuances; (iii) sales, leases or exchanges of all, or substantially all, the property of a corporation other than in the ordinary course of business; (iv) reductions of stated capital for any purpose, including in connection with the payment of special distributions (subject, in certain cases, to the satisfaction of solvency tests); and (v) other actions such as liquidations, or arrangements, must be approved by a special resolution of shareholders.

In certain specified cases where share rights or special rights may be prejudiced or interfered with, a special resolution of shareholders to approve the corporate action in question affecting the share rights or special rights, is also required to be approved separately by the holders of a class or series of shares, including a class or series of shares not otherwise carrying voting rights. In specified extraordinary corporate actions, such as approval of plans of arrangements and amalgamations all shares have a vote, whether or not they generally vote and, in certain cases, have separate class votes.

Limitations on Director Liability and Indemnification of Directors and Officers

Under the OBCA, no provision in a contract, the articles, the by-laws or a resolution relieves a director or officer from the duty to act in accordance with the OBCA and its related regulations or relieves him or her from liability for a breach of the OBCA or its regulations.

A director is not liable under the OBCA for certain acts if the director exercised the care, diligence and skill that a reasonably prudent person would have exercised in comparable circumstances, including reliance, in good faith, on (i) financial statements of the corporation represented to the director by an officer of the corporation or in a written report of the auditor of the corporation to fairly reflect the financial position of the corporation in accordance with generally accepted accounting principles; (ii) an interim or other report of the corporation represented to the director by an officer of the corporation to fairly reflect the financial position of the corporation in accordance with generally accepted accounting principles; (iii) a report or advice of an officer or employee of the corporation, where it is reasonable in the circumstances to rely on the report of advice; or (iv) a report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by that person.

Under the OBCA, the Company may indemnify its current or former directors or officers or another individual who acts or acted at the Company's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of his or her association with the Company or another entity.

The OBCA also provides that the Company may advance monies to a director, officer or other individual for costs, charges and expenses reasonably incurred in connection with such a proceeding; provided that such individual must repay the monies if the individual does not fulfill the conditions described below.

However, indemnification is prohibited under the OBCA unless the individual (i) acted honestly and in good faith with a view to our best interests, or the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at our request; and (ii) in the case of a criminal or administrative

action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that his or her conduct was lawful.

Under the by-laws, the Company will indemnify to the fullest extent permitted by the OBCA (i) any director or officer of the Company; (ii) any former director or officer of the Company; (iii) any individual who acts or acted at the Company's request as a director or officer, or in a similar capacity, of another entity, against all costs, charges and expenses reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Company or other entity.

Derivative Suits and Oppression Remedy

Under the OBCA, a complainant (being a current or former director, officer or security holder of a corporation, which includes a beneficial shareholder, and any other person that a court considers to be a proper person to make such an application) of the Company may apply to the Ontario Superior Court of Justice for leave to bring an action in the name and on behalf of the Company or any of its subsidiaries, or to intervene in an existing action to which the Company or any of its subsidiaries is a party, for the purpose of prosecuting, defending or discontinuing an action on behalf of the Company or any of its subsidiaries.

No such action may be brought and no intervention in any action may be made unless the complainant has given the requisite notice of the application for leave to the directors of the Company or its subsidiary of the complainant's intention to apply to the court and the court is satisfied that (i) the directors of the Company or its subsidiary will not bring, diligently prosecute or defend or discontinue the action; (ii) the complainant is acting in good faith; and (iii) it appears to be in the best interests of the Company or its subsidiary for the action to be brought, prosecuted, defended or discontinued.

Under the OBCA, the court in a derivative action may make any order it thinks fit.

Under the OBCA, a complainant, and, in the case of a public corporation, the Ontario Securities Commission, may apply to the Ontario Superior Court of Justice for any interim or final order the court thinks fit, including, but not limited to, an order restraining the conduct complained of, where the court is satisfied that, in respect of the Company or any of its affiliates, any act or omission of the Company or any of its affiliates effects or threatens to effect a result, the business or affairs of the Company or any of its affiliates are, have been or are threatened to be carried on or conducted in a manner, or the powers of the directors of the Company or any of its affiliates are, have been or are threatened to be exercised in a manner, that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any security holder, creditor, director or officer of the Company.

Exclusive Forum

The by-laws provide that, unless the Company consents in writing to the selection of an alternative forum and except as set out below, the Superior Court of Justice of the Province of Ontario, Canada and the appellate courts therefrom will, to the fullest extent permitted by law will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of the Company, any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee to the Company, any action asserting a claim arising pursuant to any provision of the OBCA or the articles or by-laws, or any action asserting a claim related to the relationships among the Company, its affiliates and their respective shareholders, directors or officers (other than the business carried on by the Company or its affiliates). The by-laws also provide that, notwithstanding the foregoing, unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America will have exclusive jurisdiction for the resolution of any complaint asserting a cause of action arising under the U.S. Securities Act. The exclusive forum provision in the by-laws will not apply to actions arising under the Securities Act or the Exchange Act. Investors cannot waive compliance with the U.S. federal securities laws and the rules and regulations thereunder.

Amendment of the Articles, By-laws and Alteration of Share Capital

Under the OBCA, the Company may amend the articles by special resolution. For purposes of the OBCA, a special resolution is a resolution submitted to a special meeting of shareholders duly called for the purpose of considering the resolution and passed at the meeting by at least two-thirds of the votes cast or consented to in writing by all shareholders entitled to vote at such a meeting. A special resolution is generally required to approve corporate matters that may materially affect the rights of shareholders or are of a transformative nature for the corporation, including, but not limited to, changes to the corporation's authorized capital structure, changes to the rights privileges, restrictions and conditions in respect of any of the corporation's shares, a change in the corporation's name, the winding up, dissolution or liquidation of the corporation, and a plan of arrangement with shareholders.

Under the OBCA, the board may, by resolution, make, amend or repeal any by-laws that regulate the business of affairs of the Company. Where the directors make, amend or repeal any by-law, they must submit the by-law, amendment or repeal to the shareholders at the next meeting of shareholders, and the shareholders may confirm, reject or amend the by-law, amendment or repeal. Where a by-law is made, amended or repealed by the directors, the by-law, amendment or repeal is effective from the date of the resolution of the directors until it is confirmed, amended or rejected by shareholders (or, if the directors fail to submit the by-law,

amendment or repeal to shareholders, until the date of the shareholders meeting at which it should have been submitted).

C. Material Contracts

Business Combination Agreement

On August 10, 2021, Li-Cycle, Li-Cycle Holdings Corp. (a wholly-owned subsidiary of Li-Cycle prior to the Business Combination) (“Old Li-Cycle Holdings”) and Peridot Acquisition Corp. (“Peridot”) completed the Business Combination pursuant to a plan of arrangement under the Business Corporations Act (Ontario) (the “Arrangement”).

Pursuant to the terms of the Business Combination, on the closing date of the Business Combination (the “Closing Date”), (i) Peridot and Old Li-Cycle Holdings amalgamated, and in connection therewith, the Class A common shares and warrants to purchase Class A common shares of Peridot converted into an equivalent number of shares and warrants of the amalgamated entity, Li-Cycle Holdings, and the common share in Old Li-Cycle Holdings held by Li-Cycle was exchanged for a share of Li-Cycle Holdings; (ii) the share of Li-Cycle Holdings held by Li-Cycle was purchased for cancellation by Li-Cycle Holdings for cash equal to the subscription price for the common share in Old Li-Cycle Holdings for which such share was exchanged pursuant to the amalgamation; (iii) the preferred shares of Li-Cycle converted into common shares of Li-Cycle; and (iv) Li-Cycle Holdings acquired all of the issued and outstanding common shares of Li-Cycle from Li-Cycle’s shareholders (including Li-Cycle common shares issued upon exercise, cancellation, exchange or settlement of all issued and outstanding equity awards (whether vested or unvested), including pursuant to the Business Combination, but excluding any equity awards that were cancelled and exchanged for equity awards of Li-Cycle Holdings and remained outstanding on the day following the Closing Date of the Business Combination) in exchange for common shares of Li-Cycle Holdings. Pursuant to the Business Combination, Li-Cycle became a wholly-owned subsidiary of Li-Cycle Holdings. Upon consummation of the Business Combination pursuant to the terms of the Business Combination Agreement, the Company’s common shares and warrants to purchase common shares became listed on the NYSE under the symbols LICY and LICYW, respectively.

Upon the closing of the Business Combination and a concurrent \$315.5 million private placement of common shares (the “PIPE Financing”), the combined company received \$581.9 million of gross transaction proceeds, before deduction of 29.6 million of Peridot's transaction costs and 27.0 million of Li-Cycle's transaction costs.

Li-Cycle Transaction Support Agreements

Concurrently with the execution of the Business Combination Agreement, the Li-Cycle Holders entered into the Li-Cycle Transaction Support Agreements with Peridot (the “Li-Cycle Transaction Support Agreements”), pursuant to which each Li-Cycle Holder agreed to, among other things, (i) vote or cause to be voted (whether in person, by proxy, by action by written consent, as applicable, or as may be required under Li-Cycle’s shareholders agreement or articles of incorporation) their Li-Cycle Shares in favor of the Business Combination Agreement, the Arrangement and certain related transactions; (ii) be bound by certain other covenants and agreements related to the Business Combination and (iii) be bound by certain transfer restrictions with respect to such securities, in each case, on the terms and subject to the conditions set forth in the Li-Cycle Transaction Support Agreements.

Investor Agreement

On August 10, 2021, the Company, the Peridot Class B Holders and the Li-Cycle Holders (collectively for the purposes of this subsection referred to as the “Holders”) entered into the Investor Agreement. Pursuant to the Investor Agreement, the Company is obligated to file a registration statement to register the resale of certain common shares held by the Holders within 30 days after the Closing and to use commercially reasonable efforts to cause such registration statement to be declared effective as soon as practicable after such filing, but no later than the earlier of (i) the 75th day (or the 105th day if the SEC notifies that it will “review” such registration statement) following the Closing Date and (ii) the 15th business day after the date the SEC notified that such registration statement will not be “reviewed” or will not be subject to further review. In addition, pursuant to the terms of the Investor Agreement and subject to certain requirements and customary conditions, including with regard to the number of demand rights that may be exercised, the Holders may demand at any time or from time to time, that the Company file a registration statement on Form F-3 (or on Form F-1 if Form F-3 is not available) to register the securities of the Company held by such Holders, and each may specify that such demand registration take the form of an underwritten offering, in each case subject to limitations on the number of demands and underwritten offerings that can be requested by each Holder, as specified in the Investor Agreement. Holders will also have “piggy-back” registration rights, subject to certain requirements and customary conditions. The Investor Agreement also provides that the Company will pay certain expenses relating to such registrations and indemnify the Holders against (or make contributions in respect of) certain liabilities that may arise under the Securities Act.

The Investor Agreement further provides that the securities of the Company held by the Peridot Class B Holders and Li-Cycle Holders will be subject to certain transfer restrictions until (i) with respect to the Peridot Class B Holders, the earliest of (a) one year after the Closing and (b) (x) the last consecutive trading day where the last reported sale price of the Company shares equals or exceeds \$12.00 per share (as adjusted for share subdivisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the Closing, or (y) the date on which the Company completes a liquidation, merger, share exchange or other similar transaction that results in all of its public shareholders having the right to exchange their common shares for cash, securities or other property, and (ii) with respect to the Li-Cycle Holders, 180 days following the Closing.

Under the Investor Agreement, the Sponsor will also have the right to designate for nomination a number of directors to the Company's board as follows: (i) during any time that the Sponsor and its affiliates collectively beneficially own at least 50% of the number of shares of the Company held by them on the date of Closing, two directors or (ii) during any time that the Sponsor and its affiliates do not collectively satisfy the test set forth in the preceding clause (i) but do collectively beneficially own at least 25% of the number of shares of the Company held by them on the date of Closing, one director.

Subscription Agreements

Contemporaneously with the execution of the Business Combination Agreement, Subscription Agreements were entered into by and among each PIPE Investor, Peridot, and NewCo. Peridot obtained commitments from the PIPE Investors to purchase common shares for a purchase price of \$10.00 per share for aggregate gross proceeds of \$315,490,000. Certain offering related expenses are payable by Peridot under the Subscription Agreements, including customary fees payable to the placement agents. The purpose of the sale of common shares to the PIPE Investors under the Subscription Agreements was to raise additional capital for use in connection with the Business Combination.

The common shares sold to the PIPE Investors were identical to the common shares that were held by our other shareholders at the time of the Closing, except that when initially issued by Peridot, such shares were restricted securities. The PIPE Financing occurred on the date of, and immediately prior to, the consummation of the Business Combination.

The closing of the PIPE Financing was subject to customary conditions, including, among other conditions, the Company agreed to, as soon as practicable (but in any case no later than 30 calendar days after the consummation of the Business Combination), file with the SEC (at its sole cost and expense) a registration statement registering the resale of the shares received by the PIPE Investors in the PIPE Financing, and to use its commercially reasonable efforts to have such resale registration statement declared effective as soon as practicable after the filing thereof.

Sponsor Letter Agreement

Concurrently with the execution of the Business Combination Agreement, the Sponsor and the other holders of the certain shares of Peridot (the "Founder Shares") entered into the Sponsor Letter Agreement with Peridot, Li-Cycle and NewCo, pursuant to which the such holders agreed to, among other things, (i) vote or cause to be voted (whether in person, by proxy or by action by written consents, as applicable) all of their Founder Shares in favor of the Business Combination; (ii) be bound by certain other covenants and agreements related to the Business Combination and (iii) waive the anti-dilution protection with respect to the Founder Shares (whether resulting from the PIPE Financing or otherwise), in each case, on the terms and subject to the conditions set forth in Sponsor Letter Agreement. In addition, on the terms and subject to the conditions set forth in the Sponsor Letter Agreement, the Sponsor has agreed to forfeit a specified number of its Founder Shares if requested by Li-Cycle in the event that the Minimum Cash Condition (as specified in the Business Combination Agreement) is not met.

Warrant Agreement

The Company agreed that, as soon as practicable, but in no event later than 20 business days after the Closing, we would use our commercially reasonable efforts to file a registration statement with the SEC covering the common shares issuable upon exercise of the warrants. The Company also agreed to use our best efforts to cause the registration statement to become effective within 60 business days following the Closing and to maintain a current prospectus relating to such common shares until the warrants expire or are redeemed. The warrants expire on August 10, 2026, at 5:00 p.m., New York City time, or earlier upon redemption.

If a registration statement covering the common shares issuable upon exercise of the warrants is not effective within 60 days after the Closing, warrant holders may, until such time as there is an effective registration statement and during any period when we shall have failed to maintain an effective registration statement, exercise warrants on a cashless basis.

LG Subscription Agreements

On December 14, 2021, Li-Cycle Holdings Corp. (the "Company") announced the entry into a non-binding letter of intent with each of LG Energy Solution, Ltd. ("LGES") and LG Chem, Ltd. ("LGC") (the "Letter of Intent") setting forth proposed terms of a potential nickel-bearing lithium-ion battery scrap supply and nickel sulphate offtake arrangement between the Company, LGES and Traxys North America LLC and a

potential nickel sulphate offtake arrangement between the Company, LGC and Traxys North America LLC (the “Offtake Agreements”). The Company has also entered into Subscription Agreements (the “Subscription Agreements” and each, a “Subscription Agreement”) with each of LGES and LGC, pursuant to which each of LGES and LGC has agreed, subject to the satisfaction of certain conditions, including execution of the Offtake Agreements on or prior to March 13, 2021, to subscribe for 2,208,480 of the Company’s common shares (the “common shares”) (the “Acquired Shares”) for an aggregate purchase price of \$50,000,000 in transactions exempt from registration under the Securities Act (the “Subscription”).

The closing of the Subscription is subject to certain conditions, including, among others, that LGES, the Company and Traxys North America LLC on the one hand, and LGC, the Company and Traxys North America LLC on the other, shall have entered prior to March 13, 2022 into the Offtake Agreements.

Each Subscription Agreement may be terminated prior to the closing of the Subscription (i) by the mutual written agreement of each of the parties to the relevant Subscription Agreement, (ii) if any final judgment, order, law rule or regulation is enacted that prohibits the consummation of the Subscription, (iii) by LGES or LGC, as applicable, subject to certain conditions, if the Company breaches certain provisions of the relevant Subscription Agreement, (iv) by the Company, subject to certain conditions, if LGES or LGC, as applicable, breaches certain provisions of the relevant Subscription Agreement and (v) by either LGES or LGC, as applicable, or the Company if closing of the Subscription has not been consummated on or before March 13, 2022.

The Company has granted certain registration rights to LGES and LGC under the Subscription Agreements. The Company agreed to file with the SEC within 30 days of the closing of the Subscription a registration statement covering the resale of the Acquired Shares. The Company is required to use commercially reasonable efforts to have such registration statement declared effective by the SEC as soon as practicable and no later than the earlier of (A) 60 days after the closing of the Subscription (or 90 days after the closing of the Subscription if the SEC notifies the Company that it will review the registration statement) or (B) 10 business days after the SEC notifies the Company in writing that it will not review the registration statement. The Company agreed to keep the registration statement (or another shelf registration statement covering the Acquired Shares) effective until the earlier of (x) the third anniversary of the closing of the Subscription or (y) the date on which LGES or LGC, as applicable, ceases to hold any of the Acquired Shares.

Standstill Agreement

On December 13, 2021, the Company, LGES and LGC entered into a Standstill Agreement (the “Standstill Agreement”), which restricts LGES, LGC and each of their respective subsidiaries from taking certain actions until LGES and its subsidiaries or LGC and its subsidiaries, as applicable, cease to beneficially own or control voting securities of the Company having voting rights equal to or greater than 50% of the voting rights attached to the Acquired Shares to be acquired by each of LGES and LGC under the applicable Subscription Agreement (the “Standstill Period”). The obligations of LGES and LGC under the Standstill Agreement are separate such that the termination of the Standstill Period applicable to one party shall not necessarily result in the termination of the Standstill Period applicable to the other party. The actions that LGES, LGC and any of their respective subsidiaries are restricted from taking during the Standstill Period include, among others, (A) the acquisition of additional voting securities or of any debt, material assets or material businesses of the Company, (B) any tender or exchange offer, take-over bid, merger, business combination and certain other transactions involving the Company and its securities, (C) any solicitation of proxies or votes or other attempt to influence votes by any holder of the Company’s securities and (D) formation of a “group” (as defined under the Securities Exchange Act of 1934) with respect to the Company’s securities.

The foregoing descriptions of the Subscription Agreements and the Standstill Agreement do not purport to describe all the terms and provisions thereof and are qualified in their entirety by reference to the full text of those agreements, copies of which are included as exhibits to this annual form.

Other Material Contracts

Other material contracts of the Company are described elsewhere in this annual report or in the information incorporated by reference herein.

D. Exchange Controls

There is no law, governmental decree or regulation in Canada that restricts the export or import of capital, or which would affect the remittance of dividends or other payments by the Company to non-resident holders of common shares, other than withholding tax

E. Taxation

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary based on present law of certain U.S. federal income tax considerations relevant to U.S. Holders (as defined below) of common shares and warrants. This discussion is not a complete description of all tax considerations that may be relevant to a U.S. Holder of common shares or warrants; it is not a substitute for tax advice. It applies only to U.S. Holders that will hold common shares or

warrants as capital assets and use the U.S. dollar as their functional currency. In addition, it does not describe all of the U.S. federal income tax considerations that may be relevant to a U.S. Holder in light of a U.S. Holder's particular circumstances, including U.S. Holders subject to special rules, such as banks or other financial institutions, insurance companies, tax-exempt entities, dealers, traders in securities that elect to mark-to-market, regulated investment companies, real estate investment trusts, partnerships and other pass-through entities (including S-corporations), U.S. expatriates, persons liable for the alternative minimum tax, persons that directly, indirectly or constructively, own 5% or more of the total combined voting power of the Company's stock or of the total value of the Company's equity interests, investors that will hold common shares or warrants in connection with a permanent establishment or fixed base outside the United States, or investors that will hold securities as part of a hedge, straddle, conversion, constructive sale or other integrated financial transaction. This summary also does not address U.S. federal taxes other than the income tax (such as estate or gift taxes) or U.S. state and local, or non-U.S. tax laws or considerations.

As used in this section, "U.S. Holder" means a beneficial owner of common shares or warrants that is, for U.S. federal income tax purposes: (i) a citizen or individual resident of the United States, (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) a trust subject to the control of one or more U.S. persons and the primary supervision of a U.S. court; or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source.

The U.S. federal income tax treatment of a partner in a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) that holds common shares or warrants generally will depend on the status of the partner and the activities of the partnership. Partnerships that hold common shares or warrants should consult their own tax advisors regarding the specific U.S. federal income tax consequences to their partners of the partnership's ownership and disposition of common shares or warrants.

U.S. federal income tax consequences of U.S. Holders of common shares and warrants

Taxation of dividends and other distributions on our common shares

Subject to the discussion below under "*— Passive Foreign Investment Company rules,*" the gross amount of any distribution of cash or property (other than certain pro rata distributions of ordinary stock) with respect to common shares will be included in a U.S. Holder's gross income as ordinary income from foreign sources when actually or constructively received. Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations. Dividends received from a "qualified foreign corporation" by eligible non-corporate U.S. Holders that satisfy a minimum holding period and certain other requirements generally will be taxed at the preferential rate applicable to qualified dividend income. A non-U.S. corporation is treated as a qualified foreign corporation with respect to dividends it pays on shares that are readily tradable on an established securities market in the United States. U.S. Treasury guidance indicates that shares listed on NYSE will be considered readily tradable on an established securities market in the United States. There can be no assurance, however, that common shares will be considered readily tradable on an established securities market in future years. Non-corporate U.S. holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the Code (dealing with the deduction for investment interest expense) will not be eligible for the reduced rates of taxation regardless of the Company's status as a qualified foreign corporation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to the positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met. The Company will not constitute a qualified foreign corporation for purposes of these rules if it is a passive foreign investment company for the taxable year in which it pays a dividend or for the preceding taxable year. See "*— Passive Foreign Investment Company Rules.*"

Dividends paid in a currency other than U.S. dollars will be included in income in a U.S. dollar amount based on the exchange rate in effect on the date of receipt, whether or not the currency is converted into U.S. dollars at that time. A U.S. Holder's tax basis in the non-U.S. currency will equal the U.S. dollar amount included in income. Any gain or loss realized on a subsequent conversion or other disposition of the non-U.S. currency for a different U.S. dollar amount generally will be U.S. source ordinary income or loss. If dividends paid in a currency other than U.S. dollars are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income.

Subject to certain conditions and limitations, withholding taxes, if any, on dividends paid by the Company may be treated as foreign taxes eligible for credit against a U.S. Holder's U.S. federal income tax liability under

the U.S. foreign tax credit rules. For purposes of calculating the U.S. foreign tax credit, dividends paid on the — common shares will generally be treated as income from sources outside the United States and will generally constitute passive category income. The rules governing the U.S. foreign tax credit are complex. U.S. Holders should consult their tax advisors regarding the availability of the U.S. foreign tax credit under their particular circumstances.

Dividends received by certain non-corporate U.S. Holders generally will be included in “net investment income” for purposes of the Medicare contribution tax.

Taxation of dispositions of common shares and warrants

Subject to the discussion below under “— *Passive Foreign Investment Company rules*,” a U.S. Holder generally will recognize capital gain or loss on the sale or other disposition of common shares or warrants in an amount equal to the difference between the U.S. dollar value of the amount realized and the U.S. Holder’s adjusted tax basis in the disposed common shares or warrants. Any gain or loss generally will be treated as arising from U.S. sources and will be long-term capital gain or loss if the U.S. Holder’s holding period exceeds one year. Deductions for capital loss are subject to significant limitations.

It is possible that Canada may impose an income tax upon sale of common shares or warrants. Because gains generally will be treated as U.S. source gain, as a result of the U.S. foreign tax credit limitation, any Canadian income tax imposed upon capital gains in respect of common shares or warrants may not be currently creditable unless a U.S. Holder has other foreign source income for the year in the appropriate U.S. foreign tax credit limitation basket. U.S. Holders should consult their tax advisors regarding the application of Canadian taxes to a disposition of common shares and their ability to credit a Canadian tax against their U.S. federal income tax liability.

Capital gains from the sale or other disposition of common shares or warrants received by certain non-corporate U.S. Holders generally will be included in “net investment income” for purposes of the Medicare contribution tax.

Passive Foreign Investment Company rules

Based on the composition of the Company’s current gross assets and income and the manner in which the Company expects to operate its business in future years, the Company believes that it should not be classified as a passive foreign investment company (a “PFIC”) for U.S. federal income tax purposes for its current taxable year and does not expect to be so classified in the foreseeable future. In general, a non-U.S. corporation will be a PFIC for any taxable year in which, taking into account a pro rata portion of the income and assets of 25% or more owned subsidiaries, either (i) 75% or more of its gross income is passive income, or (ii) 50% or more of the average quarterly value of its assets are assets that produce, or are held for the production of, passive income or which do not produce income. For this purpose, passive income generally includes, among other things and subject to various exceptions, interest, dividends, rents, royalties and gains from the disposition of assets that produce passive income. Whether the Company is a PFIC is a factual determination made annually, and the Company’s status could change depending among other things upon changes in the composition and relative value of its gross receipts and assets. Because the market value of the Company’s assets (including for this purpose goodwill) may be measured in large part by the market price of the common shares, which is likely to fluctuate, no assurance can be given that the Company will not be a PFIC in the current year or in any future taxable year.

If the Company were a PFIC for any taxable year in which a U.S. Holder holds common shares or warrants, such U.S. Holder would be subject to additional taxes on any excess distributions and any gain realized from the sale or other taxable disposition of common shares or warrants (including certain pledges) regardless of whether the Company continues to be a PFIC. A U.S. Holder will have an excess distribution to the extent that distributions on common shares during a taxable year exceed 125% of the average amount received during the three preceding taxable years (or, if shorter, the US Holder’s holding period). To compute the tax on excess distributions or any gain, (i) the excess distribution or gain is allocated ratably over the U.S. Holder’s holding period, (ii) the amount allocated to the current taxable year and any year before the Company became a PFIC is taxed as ordinary income in the current year and (iii) the amount allocated to other taxable years is taxed at the highest applicable marginal rate in effect for each year and an interest charge is imposed to recover the deemed benefit from the deferred payment of the tax attributable to each year.

If, as is not expected to be the case, the Company were a PFIC for any taxable year in which a U.S. Holder holds common shares, a U.S. Holder may be able to avoid some of the adverse impacts of the PFIC rules described above by electing to mark common shares to market annually. The election is available only if the

common shares are considered “marketable stock,” which generally includes stock that is regularly traded in more than de minimis quantities on a qualifying exchange (which includes NYSE). If a U.S. Holder makes the mark-to-market election, any gain from marking common shares to market or from disposing of them would be ordinary income. Any loss from marking common shares to market would be recognized only to the extent of unreversed gains previously included in income. Loss from marking common shares to market would be ordinary, but loss on disposing of them would be capital loss except to the extent of mark-to-market gains previously included in income. No assurance can be given that the common shares will be traded in sufficient frequency and quantity to be considered “marketable stock.” A valid mark-to-market election cannot be revoked without the consent of the IRS unless the common shares cease to be marketable stock. Currently, a mark-to-market election may not be made with respect to warrants to acquire common shares.

As an alternative, if the Company were to be treated as a PFIC, a U.S. Holder may avoid the excess distribution rules described above in respect of common shares (but not warrants) by electing to treat the Company (for the first taxable year in which the U.S. Holder owns any common shares) and any lower-tier PFIC (for the first taxable year in which the U.S. Holder is treated as owning an equity interest in such lower-tier PFIC) as a “qualified electing fund” (a “QEF”). If a U.S. Holder makes an effective QEF election with respect to the Company (and any lower-tier PFIC), the U.S. Holder will be required to include in gross income each year, whether or not the Company makes distributions, as capital gains, its pro rata share of the Company’s (and such lower-tier PFIC’s) net capital gains and, as ordinary income, its pro rata share of the Company’s (and such lower-tier PFIC’s) net earnings in excess of its net capital gains. U.S. Holders can make a QEF election only if the Company (and each lower-tier PFIC) provides certain information, including the amount of its ordinary earnings and net capital gains determined under U.S. tax principles. A U.S. Holder may not make a QEF election with respect to its warrants to acquire common shares. The Company has not determined whether it will provide U.S. Holders with this information if it determines that it is a PFIC.

U.S. Holders of common shares and warrants should consult their own tax advisors concerning the Company’s possible PFIC status and the consequences to them if the Company were classified as a PFIC for any taxable year.

Exercise or Lapse of a Warrant

Except as discussed below with respect to the cashless exercise of a warrant, a U.S. Holder generally will not recognize taxable gain or loss from the acquisition of common shares upon exercise of a warrant for cash. A U.S. Holder’s tax basis in the common shares received upon exercise of the warrant generally will be an amount equal to the U.S. Holder’s basis in the warrant and the exercise price. A U.S. Holder’s holding period for the common shares received upon exercise of the warrants will begin on the date following the date of exercise (or possibly the date of exercise) of the warrants and will not include the period during which the U.S. Holder held the warrants. If a warrant is allowed to lapse unexercised, a U.S. Holder generally will recognize a capital loss equal to its tax basis in the warrant.

The tax consequences of a cashless exercise of a warrant are not clear under current tax law. A cashless exercise may be tax-free, either because the exercise is not a gain realization event or because the exercise is treated as a recapitalization for U.S. federal income tax purposes. In either tax-free situation, a U.S. Holder’s basis in the common share received would equal its basis in the warrant. If the cashless exercise were treated as not being a gain realization event, a U.S. Holder’s holding period in the common shares would be treated as commencing on the date following the date of exercise (or possibly the date of exercise) of the warrant. If the cashless exercise were treated as a recapitalization, the holding period of the common shares would include the holding period of the warrant.

It is also possible that a cashless exercise could be treated in part as a taxable exchange in which gain or loss would be recognized. In such event, a U.S. Holder could be deemed to have surrendered warrants equal to the number of common shares having a value equal to the exercise price for the total number of warrants to be exercised. A U.S. Holder would recognize capital gain or loss in an amount equal to the difference between the fair market value of the common shares represented by the warrants deemed surrendered and its tax basis in the warrants deemed surrendered. In this case, a U.S. Holder’s tax basis in the common shares received would equal the sum of the fair market value of the common shares represented by the warrants deemed surrendered and the U.S. Holder’s tax basis in the warrants exercised. A U.S. Holder’s holding period for the common share would commence on the date following the date of exercise (or possibly the date of exercise) of the warrant.

Due to the absence of authority on the U.S. federal income tax treatment of a cashless exercise, there can be no assurance which, if any, of the alternative tax consequences and holding periods described above would

be adopted by the IRS or a court of law. Accordingly, U.S. Holders should consult their tax advisors regarding the tax consequences of a cashless exercise.

Possible Constructive Distributions

The terms of each warrant provide for an adjustment to the number of shares of common stock for which the warrant may be exercised or to the exercise price of the warrant in certain events. An adjustment which has the effect of preventing dilution generally is not taxable. A U.S. Holder would, however, be treated as receiving a constructive distribution from the Company if, for example, the adjustment increases the U.S. Holder's proportionate interest in the Company's assets or earnings and profits (e.g., through an increase in the number of common shares that would be obtained upon exercise) as a result of a distribution of cash to the holders of common shares which is taxable to the U.S. Holders of such shares as described under "*— Taxation of dividends and other distributions on our common shares*" above. Such constructive distribution would be subject to tax as described under that section in the same manner as if a U.S. Holder received a cash distribution from the Company equal to the fair market value of such increased interest.

Information Reporting and Backup Withholding

Dividends on common shares and proceeds from the sale or other disposition of common shares and warrants may be reported to the IRS unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding tax may apply to amounts subject to reporting. Any amount withheld may be credited against the holder's U.S. federal income tax liability subject to certain rules and limitations. U.S. Holders should consult with their own tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Certain non-corporate U.S. Holders are required to report information with respect to common shares and warrants not held through an account with a domestic financial institution to the IRS. U.S. Holders that fail to report required information could become subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisors about these and any other reporting obligations arising from their investment in common shares or warrants.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR U.S. HOLDER. EACH U.S. HOLDER OF COMMON SHARES AND WARRANTS IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF OWNING AND DISPOSING OF COMMON SHARES AND WARRANTS IN LIGHT OF THE U.S. HOLDER'S OWN CIRCUMSTANCES.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**"), as of the date hereof, that are generally applicable to a beneficial owner of common shares or warrants who, at all relevant times, for the purposes of the Tax Act and any applicable tax treaty or convention: (i) is not, and is not deemed to be, resident in Canada, (ii) deals at arm's length with the Company and is not affiliated with the Company; and (iii) does not use or hold, and is not deemed to use or hold, the common shares or warrants, or any common shares acquired on the exercise of the warrants (collectively, the "**Securities**"), in connection with, or in the course of carrying on, a business in Canada (each a "**Non-Canadian Holder**"). For the purposes of the following summary, the term "common shares" will include any common shares acquired upon the exercise of warrants acquired by a Non-Canadian Holder.

Special rules, which are not discussed in this summary, may apply to a Non-Canadian Holder that is an insurer carrying on business in Canada and elsewhere. Such Non-Canadian Holders should consult their own tax advisors.

This summary does not address any income tax considerations relevant to the acquisition, holding, disposition or conversion of the Spring Creek Capital Convertible Note into common shares or the payment of any amount of principal or interest on the Spring Creek Capital Convertible Note. This summary is not applicable to a Non-Canadian Holder that has acquired common shares on the exercise or surrender of an employee stock option, pursuant to the Incentive Plan, or otherwise in connection with his or her employment..

All such persons should consult their own tax advisors with respect to the Canadian federal income tax consequences to them, which may differ materially from the discussion provided in this summary.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof and an understanding of the current administrative policies published in writing by the Canada Revenue Agency (“CRA”) prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”), and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law or administrative policies, whether by legislative, regulatory, administrative or judicial action or decision, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations, which may be different from those discussed in this summary.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Non-Canadian Holder. Accordingly, Non-Canadian Holders should consult their own tax advisors with respect to their particular circumstances.

Currency

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Securities must be expressed in Canadian dollars. Amounts denominated in another currency must be converted into Canadian dollars using the exchange rate quoted by the Bank of Canada on the date such amounts first arose, or such other rate of exchange as is acceptable to the CRA.

Adjusted cost base of the Securities

The adjusted cost base of a Security to a Non-Canadian Holder will generally include all amounts paid by the Non-Canadian Holder for the Security. When common shares or warrants are acquired by a Non-Canadian Holder who already owns common shares or warrants, the cost of newly acquired common shares or warrants will generally be averaged with the adjusted cost base of all common shares or warrants, respectively, held by the Non-Canadian Holder as capital property immediately prior to the acquisition for the purpose of determining the Non-Canadian Holder’s adjusted cost base of a common share or warrant, as the case may be, held by such Non-Canadian Holder.

Exercise of warrants

No gain or loss will be realized by a Non-Canadian Holder of a warrant on the exercise of a warrant to acquire a common share. When a warrant is exercised, the Non-Canadian Holder’s cost of the common share acquired pursuant to the exercise thereof will be equal to the adjusted cost base of the warrant to such Non-Canadian Holder, plus the amount paid on the exercise of the warrant. For the purpose of computing the adjusted cost base to a Non-Canadian Holder of each common share acquired on the exercise of a Warrant, the cost of such common share must be averaged with the adjusted cost base to such Non-Canadian Holder of all other common shares (if any) held by the Non-Canadian Holder as capital property immediately prior to the exercise of the warrant. A “cashless exercise” of a warrant pursuant to its terms likely results in a disposition of the warrant, which will be subject to the tax treatment described below under “Disposition of Securities.” Non-Canadian Holders should consult their own tax advisors with respect to the tax consequences to them of a “cashless exercise” of warrants.

Dividends

Dividends paid or credited, or deemed to be paid or credited, on common shares to a Non-Canadian Holder generally will be subject to Canadian withholding tax. Under the Tax Act, the rate of withholding tax is 25% of the gross amount of such dividends, which rate may be subject to reduction under the provisions of an applicable income tax treaty. A Non-Canadian Holder who is resident in the United States for the purposes of the Canada-United States Tax Convention, fully entitled to the benefits of such convention and the beneficial owner of the dividends, will generally be subject to Canadian withholding tax at a rate of 15% of the amount of such dividends.

Disposition of Securities

A Non-Canadian Holder who disposes or is deemed to dispose of a Security in a taxation year will not be subject to tax in Canada, unless the Security is, or is deemed to be, “taxable Canadian property” to the Non-

Canadian Holder at the time of disposition and the Non-Canadian Holder is not entitled to relief under an applicable income tax treaty between Canada and the country in which the Non-Canadian Holder is resident.

Provided the common shares are listed on a “designated stock exchange”, as defined in the Tax Act (which currently includes the NYSE), at the time of disposition, the common shares generally will not constitute taxable Canadian property of a Non-Canadian Holder at that time, unless at any time during the 60-month period immediately preceding the disposition the following two conditions are met concurrently: (i) one or any combination of (a) the Non-Canadian Holder, (b) persons with whom the Non-Canadian Holder did not deal at arm’s length, and (c) partnerships in which the Non-Canadian Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of the common shares was derived directly or indirectly from one or any combination of (a) real or immovable property situated in Canada, (b) “Canadian resource property” (as defined in the Tax Act), (c) “timber resource property” (as defined in the Tax Act), or (d) an option in respect of, an interest in, or for civil law rights in, property described in any of (a) through (c), whether or not such property exists.

In the case of the warrants, warrants would generally be “taxable Canadian property” to a Non-Canadian Holder at a particular time if, at any time in the previous 60 months: (a) the Non-Canadian Holder held warrants that provided such Non-Canadian Holder with the right to acquire 25% or more of the issued common shares or the Non-Canadian Holder held shares of the Company at that time that satisfy the requirement in paragraph (i) above; and (b) the requirement in paragraph (ii) above is satisfied at that time.

Notwithstanding the foregoing, a Security may otherwise be deemed to be taxable Canadian property to a Non-Canadian Holder for purposes of the Tax Act in certain limited circumstances.

Non-Resident Holders who dispose of Securities that are taxable Canadian property should consult their own tax advisors with respect to the requirement to file a Canadian income tax return in respect of the disposition in their particular circumstances.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

Documents concerning the Company referred to in this annual report may be inspected at the principal executive offices of the Company at 207 Queen’s Quay West, Suite 590, Toronto, ON, M5J 1A7, Canada or as otherwise set out in this annual report.

The Company is subject to certain of the informational filing requirements of the Exchange Act. Since the Company is a “foreign private issuer”, it is exempt from the rules and regulations under the Exchange Act prescribing the furnishing and content of proxy statements, and the officers, directors and principal shareholders of the Company are exempt from the reporting and “short-swing” profit recovery provisions contained in Section 16 of the Exchange Act with respect to their purchase and sale of common shares. In addition, the Company is not required to file reports and financial statements with the SEC as frequently or as promptly as U.S. public companies whose securities are registered under the Exchange Act. However, the Company is required to file with the SEC an Annual Report on Form 20-F containing financial statements audited by an independent accounting firm. The SEC also maintains a website at <http://www.sec.gov> that contains reports and other information that the Company files with or furnishes electronically to the SEC.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Information regarding quantitative and qualitative disclosure about market risk is included in the section entitled “*Item 5. Operating and Financial Review and Prospects—Quantitative and Qualitative Disclosures About Market Risk.*”

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None, except as described elsewhere in this annual report or in the information incorporated by reference herein.

ITEM 15. CONTROL AND PROCEDURES

A. Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this annual report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

B. Management's Report on Internal Controls over Financial Reporting

This annual report does not include a report of management's assessment regarding internal control over financial reporting due to a transition period established by rules of the SEC for newly public companies.

Prior to August 10, 2021, Li-Cycle was a private company and we addressed our internal control over financial reporting with internal accounting and financial reporting personnel and other resources.

In the course of preparing for the Business Combination with Peridot Acquisition Corp, Li-Cycle identified material weaknesses in its internal controls over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Li-Cycle's annual or interim consolidated financial statements may not be prevented or detected on a timely basis.

Li-Cycle did not have in place i) an effective control environment with formal processes and procedures and ii) an adequate number of accounting personnel with the appropriate technical training in, and experience with, IFRS to allow for a detailed review of complex accounting transactions, that would identify errors in a timely manner, including in areas such as revenue recognition, inventory, related party arrangements, financing transactions and business combination transactions. Li-Cycle did not design or maintain effective controls over the financial statement close and reporting process in order to ensure the accurate and timely preparation of financial statements in accordance with IFRS. In addition, information technology controls, including end user and privileged access rights and appropriate segregation of duties, including for certain users the ability to create and post journal entries, were not designed or operating effectively.

We have taken steps to address these material weaknesses and expect to continue to implement the remediation plan, which we believe will address their underlying causes. We have engaged external advisors with subject matter expertise and additional resources to provide assistance in assessing the control environment and expect to further engage these external advisors to provide assistance with all elements of the internal controls over financial reporting program, including: performance of a risk assessment; documentation of process flows; design and remediation of internal controls; and evaluation of the design and operational effectiveness of our internal controls. We also expect to engage additional external advisors to provide assistance in the areas of information technology and financial accounting. We are evaluating the longer-term resource needs of our various financial functions. These remediation measures may be time consuming, costly, and might place significant demands on our financial and operational resources. We have made some upgrades to our enterprise resource planning ("ERP") system and work on further upgrades is ongoing with the intent to further customize and enhance system functionality. Although we have made enhancements to our control procedures in this area, the material weaknesses will not be remediated until the necessary controls have been implemented and are operating effectively. We will provide an update on the progress of the remediation on a quarterly basis.

C. Attestation Report of Registered Public Accounting Firm

This annual report does not include an attestation report of the Company's registered public accounting firm due to a transition period established by rules of the SEC for newly public companies. Furthermore, the Company is an emerging growth company, and therefore is exempt from the requirement of an attestation report of its registered public accounting firm while it is an emerging growth company.

D. Effect of Changes in Internal Controls Over Financial Reporting

During the period covered by this annual report on Form 20-F, there were no changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Scott Prochazka, the chair of the Audit Committee of our board of directors, is an “Audit Committee financial expert” as defined by Item 16A of Form 20-F. All members of the Audit Committee are independent directors as required by applicable NYSE listing rules, SEC rules, and NI 52-110.

ITEM 16B. CODE OF ETHICS

The board has adopted a Code of Conduct applicable to all of our directors, officers, employees and agents, including our President and Chief Executive Officer, Executive Chairman, Chief Financial Officer, controller or principal accounting officer, or other persons performing similar functions, which is a “code of ethics” as defined in Item 16B of Form 20-F promulgated by the SEC and which is a “code” under NI 58-101. The Code of Conduct sets out the Company’s fundamental values and standards of behavior that are expected from our directors, officers and employees with respect to all aspects of our business. The objective of the Code of Conduct is to provide guidelines for maintaining the Company’s integrity, reputation and honesty with a goal of honoring others’ trust in us at all times.

The full text of the Code of Conduct is posted on our website at www.li-cycle.com. Information contained on, or that can be accessed through, our website does not constitute a part of this annual report and is not incorporated by reference herein. If we make any amendment to the Code of Conduct or grant any waivers, including any implicit waiver, from a provision of the code of ethics, we will disclose the nature of such amendment or waiver on our website to the extent required by the rules and regulations of the SEC and the Canadian Securities Administrators. Under Item 16B of the SEC’s Form 20-F, if a waiver or amendment of the Code of Conduct applies to our principal executive officer, principal financial officer, principal accounting officer or controller and relates to standards promoting any of the values described in Item 16B(b) of Form 20-F, we will disclose such waiver or amendment on our website in accordance with the requirements of Instruction 4 to such Item 16B.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table represents aggregate fees billed to us for professional services rendered by our independent registered public accounting firm (Deloitte LLP) for the last two fiscal years, including the fees billed for professional services rendered to the Company from the Company’s inception on July 31, 2020 through October 31, 2021, and the fees billed for professional services rendered to Li-Cycle for each of the two years ended October 31, 2021 and 2020. The fees were billed in Canadian dollars and were converted to U.S. dollars at the Bank of Canada average exchange rate of CA\$1.00=US\$0.7955 and CA\$1.00=US\$0.7435 for the fiscal year ended October 31, 2021 and 2020, respectively.

	For the Year Ended October 31,	
	2021	2020
	(\$)	
Audit Fees	2,019,244	41,383
Audit-Related Fees	—	—
Tax Fees	646,683	81,826
All Other Fees	—	—
Total	2,665,927	123,209

Audit Fees

Audit fees consist of audit services billed related to the audit and interim reviews of financial statements; and services related to comfort letters, consents and other services related to Security and Exchange Commission (“SEC”) matters.

Audit-Related Fees

None.

Tax Fees

Tax fees consist of tax compliance and tax planning advice. Tax compliance services consisted of Federal, state and local income tax return assistance and Transfer pricing documentation. Tax planning services included advice related to structuring certain proposed mergers, acquisitions and disposals and advice related to the alteration of employee benefit plans.

All Other Fees

None

Audit Committee Pre-Approval

Our Audit Committee pre-approves auditing services and permitted non-audit services to be performed for us by our independent auditor, including the fees and terms thereof (subject to certain de minimis exceptions provided by law or regulation). Audit Committee pre-approval of audit and non-audit services is not required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the Audit Committee. There were no services approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

We do not rely on any exemptions from the independence standards for our Audit Committee.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Our Audit Committee conducted a review process to consider the selection of the Corporation's independent registered public accounting firm for its 2022 fiscal year, which has resulted in the selection of KPMG LLP ("KPMG") as the Company's new external auditor.

Resignation/Dismissal of independent registered public accounting firm

On January 31, 2022, the Company, upon the recommendation of the Audit Committee and the approval of the Board, dismissed Deloitte LLP ("Deloitte") as its independent registered public accounting firm. Deloitte's resignation is subject to the completion of Deloitte's audit of the Company's financial statements for the fiscal year ending October 31, 2021, and Deloitte has continued to provide audit services for the fiscal year ended October 31, 2021 and the filing of the Company's Annual Report on Form 20-F.

The reports of Deloitte on the Company's consolidated financial statements for the past two fiscal years did not contain an adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

In connection with the audits of the Company's financial statements for each of the two fiscal years ended October 31, 2021, and 2020, there were no disagreements with Deloitte on any matters of accounting principles or practices, financial statement disclosure, or auditing scope and procedures which, if not resolved to the satisfaction of Deloitte, would have caused Deloitte to make reference to the matter in their report and there were no reportable events.

On January 31, 2022, the Company provided Deloitte with a copy of the disclosures it is making herein, and requested that Deloitte furnish it with a letter addressed to the SEC stating whether it agrees with the above statements. A copy of the letter from Deloitte dated January 31, 2022, is filed as Exhibit 15.2 to this Report on Form 20-F.

Engagement of new independent public accounting firm

On January 31, 2022, the Board, acting on the recommendation of the Audit Committee, appointed KPMG as the Company's external auditor for its 2022 fiscal year to replace Deloitte as the Company's independent registered public accounting firm for the fiscal year ending October 31, 2022.

During the fiscal years ended October 31, 2021 and October 31, 2020 and through the date hereof, neither the Company nor anyone on its behalf has consulted with KPMG regarding: (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements, and neither a written report nor oral advice was provided to the Company that Deloitte concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing, or financial reporting issue; (ii) any matter that was the subject of a disagreement within the meaning of Item 16F(a)(1)(iv) of Form 20-F and the related instructions; or (iii) any reportable event within the meaning of Item 16F(a)(1)(v) of Form 20-F.

The appointment of KPMG is subject to shareholder approval at the Company's 2022 annual meeting of shareholders.

ITEM 16G. CORPORATE GOVERNANCE

We are a "foreign private issuer" under applicable U.S. federal securities laws. As a result, we are permitted to follow certain corporate governance rules that conform to Canada requirements in lieu of certain

NYSE corporate governance rules. We generally intend to comply with the rules applicable to U.S. domestic companies listed on the NYSE, but may use foreign private issuer exemptions with respect to some of the NYSE listing requirements. Following Canadian governance practices, as opposed to the requirements that would otherwise apply to a company listed on the NYSE, may provide less protection than is accorded to investors under the NYSE listing requirements applicable to U.S. domestic issuers.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

See Item 18.

ITEM 18. FINANCIAL STATEMENTS

The financial statements of the Company are included in this Annual Report in exhibit 99.2.

ITEM 19. EXHIBITS

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
1.1	Amended and Restated Articles of Incorporation of the Company (incorporated by reference to Exhibit 1.2 to the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).**
1.2	Amended and Restated By-laws of the Company (incorporated by reference to Exhibit 1.2 to the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).**
2.1	Specimen Common Share Certificate of the Company (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
2.2	Specimen Warrant Certificate of the Company (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
2.3	Warrant Agreement, dated as of September 23, 2020, between Continental Stock Transfer & Trust Company and Peridot Acquisition Corp. (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
2.4	Warrant Amendment Agreement and Form of Warrant Certificate, dated as of August 10, 2021, by and among Peridot Acquisition Corp., the Company and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.3 to the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).**
2.5	Description of Securities
4.1††	Business Combination Agreement, dated as of February 15, 2021, by and among Peridot Acquisition Corp., Li-Cycle Corp. and the Company (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
4.2	Form of Subscription Agreement (Institutional Investor Form) (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**

- 4.3 Form of Subscription Agreement (Director Form) (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
- 4.4 Sponsor Letter Agreement, dated as of February 15, 2021, among Peridot Acquisition Corp., Li-Cycle Corp., the Company, Peridot Acquisition Sponsor, LLC and the other individuals party thereto (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
- 4.5 Form of Transaction Support Agreement, dated as of February 15, 2021, among Peridot Acquisition Corp. and the Li-Cycle shareholder party thereto (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
- 4.6 Li-Cycle Holdings Corp. 2021 Incentive Award Plan (incorporated by reference to Exhibit 4.5 to the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).**
- 4.7† Li-Cycle Holdings Corp. 2021 Incentive Award Plan Sub-Plan for Canadian Participants (incorporated by reference to Exhibit 99.4 to the Company's Registration Statement on Form S-8 (File No. 333-261568) filed with the SEC on December 9, 2021).*
- 4.8† Form of Li-Cycle Holdings Corp. 2021 Employee Share Purchase Plan (incorporated herein by reference to Exhibit 4.8 to the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).**
- 4.9† Form of Option Grant Notice and Agreement under the Li-Cycle Holdings Corp. 2021 Incentive Award Plan
- 4.10† Form of RSU Award Grant Notice and Agreement under the Li-Cycle Holdings Corp. 2021 Incentive Award Plan
- 4.11††† Refined Products — Amended and Restated Marketing, Logistics and Working Capital Agreement, dated December 15, 2021, between Traxys North America LLC and Li-Cycle Americas Corp.
- 4.12††† Black Mass — Amended and Restated Marketing, Logistics and Working Capital Agreement, dated December 15, 2021, between Traxys North America LLC and Li-Cycle Americas Corp.
- 4.13 Letter Agreement, dated December 15, 2021, between Traxys North America LLC and Li-Cycle Holdings Corp.
- 4.14 Letter of Offer of Financing granted to Li-Cycle Corp. by Business Development Bank of Canada, dated December 16, 2019 (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
- 4.15 Ground Lease Agreement by and between Li-Cycle North America Hub, Inc. and Ridgeway Properties I, LLC dated August 3, 2021 and Guaranty of Li-Cycle Holdings Corp. guaranteeing the obligations of North America Hub, Inc. thereunder (incorporated by reference to Exhibit 10.1 to the Company's Form 6-K filed with the SEC on August 12, 2021).**
- 4.16 Investor and Registration Rights Agreement among the Company and the parties named therein (incorporated by reference to Exhibit 4.9 to the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).**

- 4.17 Convertible Note, dated September 29, 2021, issued by Li-Cycle Holdings Corp. to Spring Creek Capital, LLC (incorporated by reference to Exhibit 10.27 to the Company's Registration Statement on Form F-1 (File No. 333-259895) filed with the SEC on September 30, 2021).**
- 4.18 Note Purchase Agreement, dated September 29, 2021, by and between Li-Cycle Holdings Corp. and Spring Creek Capital, LLC (incorporated by reference to Exhibit 10.28 to the Company's Registration Statement on Form F-1 (File No. 333-259895) filed with the SEC on September 30, 2021).**
- 4.19 Standstill Agreement, dated September 29, 2021, by and between Li-Cycle Holdings Corp. and Koch Strategic Platforms, LLC and Spring Creek Capital, LLC (incorporated by reference to Exhibit 10.29 to the Company's Registration Statement on Form F-1 (File No. 333-259895) filed with the SEC on September 30, 2021).**
- 4.20 Li-Cycle Corp. Amended and Restated Stock Option Plan (incorporated by reference to Exhibit 99.2 to the Company's Registration Statement on Form S-8 (File No. 333-261568) filed with the SEC on December 9, 2021).**
- 4.21 Li-Cycle Corp. Amended and Restated Long-Term Incentive Plan (incorporated by reference to Exhibit 99.3 to the Company's Registration Statement on Form S-8 (File No. 333-261568) filed with the SEC on December 9, 2021).**
- 4.22 Li-Cycle Holdings Corp. 2021 Incentive Award Plan Sub-Plan for Canadian Participants (incorporated by reference to Exhibit 99.4 to the Company's Registration Statement on Form S-8 (File No. 333-261568) filed with the SEC on December 9, 2021).**
- 4.23 Subscription Agreement, dated December 13, 2021, by and between Li-Cycle Holdings Corp. and LG Energy Solution, Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on December 14, 2021).**
- 4.24 Subscription Agreement, dated December 13, 2021, by and between Li-Cycle Holdings Corp. and LG Chem, Ltd. (incorporated by reference to Exhibit 10.2 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on December 14, 2021).**
- 4.25 Standstill Agreement, dated December 13, 2021, by and between Li-Cycle Holdings Corp., LG Energy Solution, Ltd. and LG Chem, Ltd. (incorporated by reference to Exhibit 10.3 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on December 14, 2021).**
- 8.1 List of Subsidiaries of the Company
- 12.1 Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
- 12.2 Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
- 13.1 Certification of the Principal Executive Officer pursuant to 18 U.S.C. 1350.
- 13.2 Certification of the Principal Financial Officer pursuant to 18 U.S.C. 1350.
- 15.1 Consent of Deloitte LLP.
- 15.2 Deloitte Letter to SEC re: Change of Auditor

99.2	Audited Annual Consolidated Financial Statements for the years ended October 31, 2021, 2020 and 2019 and notes thereto, together with the Report of Independent Registered Public Accounting Firm thereon
99.3	Management's Discussion and Analysis of the Company for the year ended October 31, 2021
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

** Previously filed.

† Indicates management contract or compensatory plan or arrangement.

†† Certain of the exhibits and schedules to these exhibits have been omitted in accordance with Regulation S-K Item 601(a)(5). The registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

††† Pursuant to Item 601(b)(10)(iv) of Regulation S-K, portions of this exhibit have been omitted because Li-Cycle Corp. customarily and actually treats the omitted portions as private or confidential, and such portions are not material and would likely cause it competitive harm if publicly disclosed. Li-Cycle Holdings Corp. will supplementally provide an unredacted copy of this exhibit to the SEC or its staff upon request.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this report on its behalf.

January 31, 2022

LI-CYCLE HOLDINGS CORP.

By: /s/ Ajay Kochhar

Name: Ajay Kochhar

Title: Chief Executive Officer

INDEX TO FINANCIAL STATEMENTS

Report of independent registered public accounting firm	2
Consolidated statements of financial position	3
Consolidated statements of loss and comprehensive loss	4
Consolidated statements of changes in equity	5
Consolidated statements of cash flows	6
Notes to the consolidated financial statements	7

DESCRIPTION OF SECURITIES

The following description of the securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, of Li-Cycle Holdings Corp. (“we,” “us,” “our” or the “Company”) is a summary of the material terms of our securities and certain provisions of our articles of association and by-laws. This summary does not purport to be complete and is qualified in its entirety by the provisions of our articles of association and by-laws previously filed with the U.S. Securities and Exchange Commission and incorporated by reference as an exhibit to the annual report on Form 20-F of which this Exhibit 2.5 is a part, as well as to the applicable provisions of Canadian law.

Share Capital

Our authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series. Prior to the closing of the Business Combination on August 10, 2021, the Company was authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value and there were 2,126,396 common shares issued and outstanding and 281,138 preferred shares issued and outstanding. As of January 30, 2022, there were 163,179,555 common shares outstanding and no preferred shares outstanding.

Common Shares

Voting Rights. Under our articles, the common shares are entitled to receive notice of, and to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote. Each common share entitles its holder to one vote.

Dividend Rights. The holders of outstanding common shares are entitled to receive dividends at such times and in such amounts and form as the board may from time to time determine, but subject to the rights of the holders of any preferred shares. The Company is permitted to pay dividends unless there are reasonable grounds for believing that: (i) the Company is, or would after such payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the Company’s assets would, as a result of such payment, be less than the aggregate of its liabilities and stated capital of all classes of shares. The timing, declaration, amount and payment of any future dividends will depend on the Company’s financial condition, earnings, capital requirements and debt service obligations, as well as legal requirements, industry practice and other factors that our board deems relevant.

Preemptive Rights. There are no pre-emptive rights relating to the common shares.

Repurchase of Common Shares. Under the OBCA, the Company will be entitled to purchase or otherwise acquire any of its issued shares, subject to restrictions under applicable securities laws and provided that the Company will not be permitted to make any payment to purchase or otherwise acquire any of its issued shares if there are reasonable grounds for believing that: (i) the Company is, or would after such payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the Company’s assets would, as a result of such payment, be less than the aggregate of its liabilities and stated capital of all classes of shares.

Liquidation. Upon the dissolution, liquidation or winding up of the Company, or any other distribution of assets of the Company, among its shareholders for the purpose of winding up its affairs, subject to the rights of the holders of any outstanding series of preferred shares, the holders of common shares will be entitled to receive the remaining property and assets of the Company available for distribution to its shareholders ratably in proportion to the number of common shares held by them.

Preferred Shares

The Company is authorized to issue an unlimited number of preferred shares, issuable in series. Subject to any limitations prescribed by law, including the OBCA, each series of preferred shares will consist of such number of shares and have such rights, privileges, restrictions and conditions as may be determined by the board prior to the issuance of such series. No rights, privileges, restrictions or conditions attaching to any series of preferred shares will confer upon the shares of such series a priority in respect of dividends or distribution of assets or return of capital in the event of the liquidation, dissolution or winding up of the Company over the shares of any other series of preferred shares. The preferred shares of each series will, with respect to the right of payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding up of the Company, rank on parity with the shares of every other series of preferred shares.

The issuance of preferred shares and the terms selected by the board could decrease the amount of earnings and assets available for distribution to holders of common shares or adversely affect the rights and powers, including the voting rights, of the holders of common shares without any further vote or action by the holders of common

shares. The issuance of preferred shares, or the issuance of rights to purchase preferred shares, could make it more difficult for a third-party to acquire a majority of the outstanding voting shares and thereby have the effect of delaying, deferring or preventing a change of control of the Company or an unsolicited acquisition proposal or of making the removal of management more difficult. Additionally, the issuance of preferred shares may have the effect of decreasing the market price of the common shares.

Warrants

Upon the consummation of the Business Combination, the warrants to purchase Class A common shares of Peridot Acquisition Corp. issued under the Warrant Agreement, dated September 23, 2020, by and between Peridot Acquisition Corp. and Continental Stock Transfer & Trust Company, as warrant agent (the “Original Warrant Agreement”), were converted into warrants to purchase common shares of the Company pursuant to the Warrant Amendment Agreement, dated as of August 10, 2021 by and between the Company and Continental Stock Transfer & Trust Company (together with the Original Warrant Agreement, the “Warrant Agreement”). Accordingly, each outstanding warrant of the Company provides the holder thereof with the right to purchase one common share of the Company at a price of \$11.50 per share, subject to adjustment as discussed below. As of January [●], 2022, there were 23,000,000 warrants issued and outstanding, including 8,000,000 private warrants.

Pursuant to the Warrant Agreement, the warrants become exercisable 30 days after the completion of the Business Combination; provided that we have an effective registration statement under the Securities Act covering the common shares issuable upon exercise of the warrants and a current prospectus relating to them is available (or we permit holders to exercise their warrants on a cashless basis under the circumstances specified in the Warrant Agreement).

The Company agreed that, as soon as practicable, but in no event later than 20 business days after the Closing, we would use our commercially reasonable efforts to file a registration statement with the SEC covering the common shares issuable upon exercise of the warrants. The Company also agreed to use our best efforts to cause the registration statement to become effective within 60 business days following the Closing and to maintain a current prospectus relating to such common shares until the warrants expire or are redeemed.

The warrants expire on August 10, 2026, at 5:00 p.m., New York City time, or earlier upon redemption. If a registration statement covering the common shares issuable upon exercise of the warrants is not effective within 60 days after the Closing, warrant holders may, until such time as there is an effective registration statement and during any period when we shall have failed to maintain an effective registration statement, exercise warrants on a cashless basis. The common shares underlying the warrants have been registered by the Company under the Securities Act of 1933, as amended, and are covered by a registration statement filed on Form F-1 with, and declared effective by, the SEC on October 5, 2021

Once the warrants become exercisable, we may redeem the outstanding warrants:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon a minimum of 30 days’ prior written notice of redemption, referred to as the 30-day redemption period; and
- if, and only if, the last sale price of our common shares equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

If we call the warrants for redemption as described above, our management will have the option to require all holders that wish to exercise warrants to do so on a “cashless basis.” In such event, each holder would receive a number of common shares to be determined in accordance with the terms of the Warrant Agreement and based on the redemption date and the volume weighted average price of the common shares during the 10 trading days immediately following the date on which any notice of redemption is sent to holders of warrants.

The Warrant Agreement provides that upon the occurrence of certain events the number of common shares issuable upon exercise of the warrants may, subject to certain conditions, be adjusted. If, upon exercise of a warrant, the holder thereof would be entitled to receive a fractional interest in a common share, the Company will, upon exercise, round down to the nearest whole number of common shares to be issued to the holder of the warrant.

On December 27, 2021, Li-Cycle Holdings issued a notice of redemption indicating that it will be redeeming on January 26, 2022 (the “Redemption Date”), all of the outstanding warrants. At any time prior to 5:00 p.m. New York City time on the Redemption Date, the warrants may be: (1) exercised by holders for cash, at an exercise price of \$11.50 per common share; or (ii) surrendered by holders on a “cashless basis” (a “Make-Whole Exercise”), in which case the surrendering holder will receive a number of common shares determined in accordance with the terms of

the Warrant Agreement. On January 11, 2022, Li-Cycle Holdings issued a notice indicating that holders who surrender their warrants pursuant to a Make-Whole Exercise will be entitled to receive 0.253 common shares per warrant.

Dissent Rights

Under the OBCA, shareholders of a corporation are entitled to exercise dissent rights in respect of certain matters and to be paid the fair value of their shares in connection therewith. The dissent right is applicable where the corporation resolves to: (i) amend its articles to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation; (ii) amend its articles to add, remove or change any restrictions on the business it is permitted to carry on or the powers it may exercise; (iii) amalgamate with another corporation, subject to certain exceptions; (iv) be continued under the laws of another jurisdiction; or (v) sell, lease or exchange all or substantially all of its property. In addition, holders of a class or series of shares of an OBCA corporation are, in certain circumstances and, in the case of items (a), (b) and (e) below, unless the articles of the corporation provide otherwise, entitled to exercise dissent rights and be paid the fair value of their shares if the corporation resolves to amend its articles to (a) increase or decrease any maximum number of authorized shares of such class or series, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to shares of such class or series; (b) effect an exchange, reclassification or cancellation of the shares of such class or series; (c) add to, remove or change the rights, privileges, restrictions or conditions attached to the shares of such class or series; (d) add to the rights or privileges of any class or series of shares having rights or privileges equal or superior to the shares of such class or series; (e) create a new class or series of shares equal or superior to the shares of such class or series, except in certain circumstances; (f) make a class or series of shares having rights or privileges inferior to the shares of such class or series equal or superior to the shares of such class or series; (g) effect an exchange or create a right of exchange of the shares of another class or series into the shares of such class or series; or (h) add, remove or change restrictions on the issue, transfer or ownership of the shares of such class or series.

Transfer of Shares

Subject to the rules of any stock exchange on which shares are posted or listed for trading, no transfer of a security issued by the Company will be registered except upon (i) presentation of the security certificate representing the security with an endorsement which complies with the OBCA, together with such reasonable assurance that the endorsement is genuine and effective as the directors may require, (ii) payment of all applicable taxes and fees, and (iii) compliance with the articles of the Company. If no security certificate has been issued by the Company in respect of a security issued by the Company, clause (i) above may be satisfied by presentation of a duly executed security transfer power, together with such reasonable assurance that the security transfer power is genuine and effective as the directors may require.

Transfer Restrictions

Li-Cycle Transaction Support Agreements

Concurrently with the execution of the Business Combination Agreement, the Li-Cycle Holders entered into the Li-Cycle Transaction Support Agreements with Peridot (the “Li-Cycle Transaction Support Agreements”), pursuant to which each Li-Cycle Holder agreed to, among other things, (i) vote or cause to be voted (whether in person, by proxy, by action by written consent, as applicable, or as may be required under Li-Cycle’s shareholders agreement or articles of incorporation) their Li-Cycle Shares in favor of the Business Combination Agreement, the Arrangement and certain related transactions; (ii) be bound by certain other covenants and agreements related to the Business Combination and (iii) be bound by certain transfer restrictions with respect to such securities, in each case, on the terms and subject to the conditions set forth in the Li-Cycle Transaction Support Agreements.

On August 10, 2021, the Company, the Peridot Class B Holders and the Li-Cycle Holders (collectively for the purposes of this subsection referred to as the “Holders”) entered into the Investor Agreement. The Investor Agreement provides that the common shares held by the Peridot Class B Holders and Li-Cycle Holders will be subject to certain transfer restrictions until (i) with respect to the Peridot Class B Holders, the earliest of (a) one year after the Closing and (b) (x) if the closing price of our common shares equals or exceeds \$12.00 per share (as adjusted for share subdivisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the Closing, or (y) the date on which we complete a liquidation, merger, share exchange or other similar transaction that results in all of our public shareholders having the right to exchange their common shares for cash, securities or other property, and (ii) with respect to the Li-Cycle Holders, 180 days following the Closing.

Registration Rights

Investor Agreement

Pursuant to the Investor Agreement, the Company is obligated to file a registration statement to register the resale of certain securities held by the Peridot Class B Holders and Li-Cycle Holders within 30 days after the Closing and to use commercially reasonable efforts to cause such registration statement to be declared effective as soon as practicable after such filing, but no later than the earlier of (i) the 75th day (or the 105th day if the SEC notifies that it will “review” such registration statement) following the Closing Date and (ii) the 15th business day after the date the SEC notifies us that such registration statement will not be “reviewed” or will not be subject to further review. In addition, pursuant to the terms of the Investor Agreement and subject to certain requirements and customary conditions, including with regard to the number of demand rights that may be exercised, the Peridot Class B Holders and Li-Cycle Holders may, subject to the limitations in the Investor Agreement, demand at any time or from time to time, that the Company file a registration statement on Form F-3 (or on Form F-1 if Form F-3 is not available) to register the securities of the Company held by such Peridot Class B Holders and Li-Cycle Holders, and each may specify that such demand registration take the form of an underwritten offering, in each case subject to limitations on the number of demands and underwritten offerings that can be requested by each Peridot Class B Holder and Li-Cycle Holder, as specified in the Investor Agreement. The Peridot Class B Holders and Li-Cycle Holders also have “piggy-back” registration rights, subject to certain requirements and customary conditions. The Investor Agreement also provides that the Company will pay certain expenses relating to such registrations and indemnify the Peridot Class B Holders and Li-Cycle Holders against (or make contributions in respect of) certain liabilities that may arise under the Securities Act.

Subscription Agreements

Contemporaneously with the execution of the Business Combination Agreement, Subscription Agreements were entered into by and among each PIPE Investor, Peridot, and NewCo. Peridot obtained commitments from the PIPE Investors under the Subscription Agreements to purchase common shares for a purchase price of \$10.00 per share, for aggregate gross proceeds of \$315,490,000. Certain offering related expenses are payable by Peridot, including customary fees payable to the placement agents. The purpose of the sale of common shares to the PIPE Investors was to raise additional capital for use in connection with the Business Combination.

The common shares sold to the PIPE Investors were identical to the shares that were held by the public shareholders at the time of the Closing, except that when initially issued by Peridot, such shares were restricted securities. The PIPE Financing occurred on the date of, and immediately prior to, the consummation of the Business Combination.

The closing of the PIPE Financing was subject to customary conditions, including, among other conditions, the Company’s agreement to, as soon as practicable (but in any case no later than 30 calendar days after the consummation of the Business Combination), file with the SEC (at its sole cost and expense) a registration statement registering the resale of the shares received by the PIPE Investors in the PIPE Financing and to use its commercially reasonable efforts to have such resale registration statement declared effective as soon as practicable after the filing thereof.

Warrant Agreement

The Company agreed that, as soon as practicable, but in no event later than 20 business days after the Closing, we would use our commercially reasonable efforts to file a registration statement with the SEC covering the common shares issuable upon exercise of the warrants. The Company also agreed to use our best efforts to cause the registration statement to become effective within 60 business days following the Closing and to maintain a current prospectus relating to such common shares until the warrants expire or are redeemed. The warrants expire on August 10, 2026, at 5:00 p.m., New York City time, or earlier upon redemption. If a registration statement covering the common shares issuable upon exercise of the warrants is not effective within 60 days after the Closing, warrant holders may, until such time as there is an effective registration statement and during any period when we shall have failed to maintain an effective registration statement, exercise warrants on a cashless basis.

Note Purchase Agreement

On September 29, 2021, in connection with the Company’s entry into the Note Purchase Agreement and issuance of the Spring Creek Capital Convertible Note, the Company granted certain registration rights under the Note Purchase Agreement. Pursuant to the Note Purchase Agreement, the Company agreed to file with the SEC within 30 days a registration statement covering the resale of the common shares issued or issuable upon conversion of the Spring Creek Capital Convertible Note. The Company is required to use commercially reasonable efforts to have such registration statement declared effective by the SEC as soon as practicable and no later than the earlier of (A) 60 days after the issuance of the Spring Creek Capital Convertible Note (or 90 days after the issuance of the Spring Creek Capital Convertible Note if the SEC notifies the Company that it will review the registration statement) or (B) 10 business days after the SEC notifies the Company in writing that it will not review the

registration statement. The Company agreed to keep the registration statement (or another shelf registration statement covering the common shares issued or issuable upon conversion of the Spring Creek Capital Convertible Note) effective until the earlier of (x) the third anniversary of the issuance of the Spring Creek Capital Convertible Note or (y) the date on which the holder of the Spring Creek Capital Convertible Note ceases to hold any common shares issued or upon conversion of the Spring Creek Capital Convertible Note.

LG Subscription Agreements

On December 14, 2021, Company entered into Subscription Agreements (the “LG Subscription Agreements” and each, an “LG Subscription Agreement”) with each of LG Energy Solution, Ltd. (“LGES”) and LG Chem, Ltd. (“LGC”), pursuant to which each of LGES and LGC has agreed, subject to the satisfaction of certain conditions, including execution of certain offtake agreements with LGES, LGC and Traxys North America LLC on or prior to March 13, 2021, to subscribe for 2,208,480 of the Company’s common shares (the “common shares”) (the “Acquired Shares”) for an aggregate purchase price of \$50,000,000 in transactions exempt from registration under the Securities Act (the “Subscription”). The Company has granted certain registration rights to LGES and LGC under the LG Subscription Agreements. The Company agreed to file with the SEC within 30 days of the closing of the Subscription a registration statement covering the resale of the Acquired Shares. The Company is required to use commercially reasonable efforts to have such registration statement declared effective by the SEC as soon as practicable and no later than the earlier of (A) 60 days after the closing of the Subscription (or 90 days after the closing of the Subscription if the SEC notifies the Company that it will review the registration statement) or (B) 10 business days after the SEC notifies the Company in writing that it will not review the registration statement. The Company agreed to keep the registration statement (or another shelf registration statement covering the Acquired Shares) effective until the earlier of (x) the third anniversary of the closing of the Subscription or (y) the date on which LGES or LGC, as applicable, ceases to hold any of the Acquired Shares.

Listing

Our common shares and warrants are listed on NYSE under the symbols “LICY” and “LICY.WS,” respectively. Holders of our common shares and warrants should obtain current market quotations for their securities. There can be no assurance that our common shares and/or warrants will remain listed on NYSE. If we fail to comply with the NYSE listing requirements, our common shares and/or warrants could be delisted from NYSE. A delisting of our common shares will affect the liquidity of our common shares and could inhibit or restrict our ability to raise additional financing.

Transfer Agent

A register of holders of our shares is maintained by Continental Stock Transfer and Trust Company in Canada, who serves as registrar and transfer agent for our equity securities.

LI-CYCLE HOLDINGS CORP. 2021 INCENTIVE AWARD PLAN

OPTION AWARD GRANT NOTICE AND AGREEMENT

Li-Cycle Holdings Corp., a corporation incorporated under the laws of the Province of Ontario (the “Company”), pursuant to the Plan (as defined in Exhibit A hereto), hereby grants to the holder listed below (“Participant”) an option to purchase the number of Shares set forth below (the “Option”). The Option is subject to the terms and conditions set forth in this Option Grant Notice (the “Grant Notice”), the Option Agreement attached hereto as Exhibit A (the “Agreement”), and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Grant Notice and the Agreement.

Participant: [Insert Name]
Grant Date: [Insert Grant Date]
Number of Options: [Insert Number]
Exercise Price Per Share: [Insert amount, in USD]
Expiration Date: [Insert Expiration Date]
Type of Option: Incentive Stock Option Non-Qualified Stock Option
Vesting Schedule:

Vesting Date	Incremental Vesting	Cumulative Vesting
[Insert date]	[]%	[]%
[Insert date]	[]%	[]%
[Insert date]	[]%	[]%

By Participant’s signature below, Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and the Grant Notice. Participant has reviewed the Agreement, the Plan and the Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing the Grant Notice and fully understands all provisions of the Grant Notice, the Agreement and the Plan. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, the Grant Notice or the Agreement.

LI-CYCLE HOLDINGS CORP.

PARTICIPANT

By: _____
Name: []
Title: []

By: _____
Name: []

EXHIBIT A TO OPTION GRANT NOTICE & AGREEMENT
OPTION AGREEMENT FOR U.S. PARTICIPANTS

Pursuant to the Company's 2021 Incentive Award Plan, as amended from time to time (the "Plan") and the Grant Notice to which this Agreement is attached, the Company has granted to Participant an Option under the Plan to purchase the number of Shares set forth in the Grant Notice.

ARTICLE I. GENERAL

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Cause" shall mean a Company Group Member having "Cause" to terminate Participant's employment or services, as such term is defined in any relevant employment or consulting agreement between Participant and a Company Group Member; *provided* that, in the absence of such agreement containing such definition, a Company Group Member shall have "Cause" to terminate Participant's employment or services upon: (i) Participant's commission of any act or omission that results in, or may reasonably be expected to result in, a conviction of (or plea of no contest or *nolo contendere* to) any felony or indictable offence (other than in connection with a traffic violation that does not result in imprisonment) under any provincial, state, federal or foreign law or any crime involving moral turpitude or dishonesty or that has or could have the effect, in the Company's reasonable and good faith determination, of causing material reputational or other material harm or damage to the Company Group; (ii) Participant's commission of an act of fraud, embezzlement, misappropriation of funds, misrepresentation, malfeasance, breach of fiduciary duty or other willful and material act of misconduct, in each case, against any Company Group Member; (iii) any willful, material damage to any property of a Company Group Member by Participant; (iv) Participant's willful failure to (A) substantially perform Participant's material job functions (other than any such failure resulting from Participant's Disability) or (B) carry out or comply with a lawful and reasonable directive of a Company Group Member, in each case, which failure has not been cured (or cannot be cured) within fifteen (15) days after the Company gives written notice to Participant regarding such failure; (v) Participant's breach of any Company policy which materially harms the Company Group, which breach has not been cured (or cannot be cured) within fifteen (15) days after the Company gives written notice to Participant regarding such failure; (vi) Participant's unlawful use (including being under the influence) or possession of illegal drugs, or excessive use of alcohol, in each case that materially impairs Participant's ability to perform Participant's duties contemplated; (vii) any negligent or reckless act by Participant resulting in or causing material reputational or other material harm or damage to the Company Group, in the good faith reasonable judgment of the Company; and (viii) Participant's breach of any material provision of any written agreement between Participant and any Company Group Member, and failure to cure such breach (if capable of cure) within fifteen (15) days after the Company gives written notice to Participant regarding such breach. Whether or not an event giving rise to "Cause" occurs for purposes of this definition (for Participants who do not have an employment or consulting agreement that includes a definition of Cause) will be determined by the Board in its sole discretion.

(b) "Cessation Date" shall mean the date of Participant's Termination of Service (regardless of the reason for such termination).

(c) "Company Group" shall mean the Company and its Subsidiaries.

(d) "Company Group Member" shall mean each member of the Company Group.

(e) "Disability" shall have the meaning ascribed to such term in any relevant employment agreement between Participant and a Company Group Member; *provided* that, in the absence of such agreement containing such definition, "Disability" shall mean the disability of Participant such as would entitle the Participant to receive disability income benefits pursuant to the long-term disability plan of the Company Group Member then covering Participant or, if no such plan exists or is applicable to Participant, the permanent and total disability of Participant within the meaning of Section 22(e)(3) of the Code.

1.2 Incorporation of Terms of Plan. The Option is subject to the terms and conditions set forth in this Agreement, the special provisions for the Participant's country of residence if such Participant resides or provides services outside the United States, if applicable, attached hereto as Exhibit B (the "Foreign Appendix"), and the Plan, each of which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. In the event of any inconsistency between the Plan and/or this Agreement with the Foreign Appendix, the terms of the Foreign Appendix shall control.

ARTICLE II. GRANT OF OPTION

2.1 Grant of Option. In consideration of Participant's past and/or continued employment with or service to any Company Group Member and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "Grant Date"), the Company has granted to Participant the Option to purchase any part or all of an aggregate number of Shares set forth in the Grant Notice, upon the terms and conditions set forth in the Grant Notice, the Plan and this Agreement, subject to adjustment as provided in Section 12.2 of the Plan.

2.2 Exercise Price. The exercise price per Share of the Shares subject to the Option (the "Exercise Price") shall be as set forth in the Grant Notice (which exercise price is not less than 100% of the Fair Market Value of the Share on the Grant Date).

ARTICLE III. PERIOD OF EXERCISABILITY

3.1 Commencement of Exercisability.

(a) Subject to Participant's continued employment with or service to a Company Group Member on each applicable vesting date and subject to Sections 3.2, 3.3, 5.9 and 5.14 hereof, the Option shall become vested and exercisable in such amounts and at such times as are set forth in the Grant Notice.

(b) Except as otherwise provided under Section 3.1(c), as determined by the Administrator or as set forth in a written agreement between Participant and the Company, any portion of the Option that has not become vested and exercisable on or prior to the Cessation Date (including, without limitation, pursuant to any employment or similar agreement by and between Participant and the Company) shall be forfeited on the Cessation Date and shall not thereafter become vested and exercisable.

(c) In the event Participant incurs a Termination of Service without Cause upon or within twelve (12) months following a Change in Control, any portion of the Option that has not become vested and exercisable on or prior to the Cessation Date, shall become fully vested and exercisable as of immediately prior to the Termination of Service.

3.2 Duration of Exercisability. The installments provided for in the vesting schedule set forth in the Grant Notice are cumulative. Each such installment that becomes vested and exercisable pursuant to the vesting schedule set forth in the Grant Notice shall remain vested and exercisable until it becomes unexercisable under Section 3.3 hereof. Once the Option becomes unexercisable, it shall be forfeited immediately.

3.3 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The expiration date set forth in the Grant Notice (which date shall not be more than ten (10) years from the Grant Date for the Option);

(b) Except as the Administrator may otherwise approve, the expiration of twelve (12) months from the Cessation Date by reason of Participant's Termination of Service due to death or Disability;

(c) Except as the Administrator may otherwise approve, immediately upon the Cessation Date by reason of Participant's Termination of Service by the Company Group for Cause; and

(d) Except as the Administrator may otherwise approve, the expiration of three (3) months from the Cessation Date by reason of Participant's Termination of Service for any reason other than by the Company Group for Cause or due to death or Disability.

3.4 Tax Withholding. Notwithstanding any other provision of this Agreement:

(a) The Company Group has the authority to deduct or withhold, or require Participant to remit to the applicable Company Group Member, an amount sufficient to satisfy any applicable federal, state, local, provincial and foreign taxes (including the employee portion of any FICA obligation) required by Applicable Law to be withheld with respect to any taxable event arising pursuant to this Agreement. The Company Group may withhold or Participant may make such payment in one or more of the forms specified below:

(i) by cash or check made payable to the Company Group Member with respect to which the withholding obligation arises;

(ii) by the deduction of such amount from other compensation payable to Participant;

(iii) with respect to any withholding taxes arising in connection with the exercise of the Option, with the consent of the Administrator, by requesting that the Company withhold a net number of Shares issuable upon the exercise of the Option having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Company Group based on the maximum statutory withholding rates in Participant's applicable jurisdictions for federal, state, local, provincial and foreign income tax and payroll tax purposes that are applicable to such taxable income;

(iv) with respect to any withholding taxes arising in connection with the exercise of the Option, through the delivery of a notice that Participant has placed a market sell order with a broker acceptable to the Company with respect to Shares then issuable to Participant pursuant to the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company Group Member with respect to which the withholding obligation arises in satisfaction of such withholding taxes; *provided* that payment of such proceeds is then made to the applicable Company Group Member at such time as may be required by the Administrator, but in any event not later than the settlement of such sale; or

(v) in any combination of the foregoing.

(b) With respect to any withholding taxes arising in connection with the Option, in the event Participant fails to provide timely payment of all sums required pursuant to Section 3.4(a), the Company shall have the right and option, but not the obligation, to treat such failure as an election by Participant to satisfy all or any portion of Participant's required payment obligation pursuant to Section 3.4(a)(ii) or Section 3.4(a)(iii) above, or any combination of the foregoing as the Company may determine to be appropriate. The Company shall not be obligated to deliver any certificate representing Shares issuable with respect to the exercise of the Option to, or to cause any such Shares to be held in book-entry form by, Participant or his or her legal representative unless and until Participant or his or her legal representative shall have paid or otherwise satisfied in full the amount of all federal, state, local, provincial and foreign taxes applicable with respect to the taxable income of Participant resulting from the exercise of the Option or any other taxable event related to the Option.

(c) In the event any tax withholding obligation arising in connection with the Option will be satisfied under Section 3.4(a)(iii), then the Company shall elect to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf a whole number of Shares from those Shares then issuable upon the exercise of the Option as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the tax withholding obligation and to remit the proceeds of such sale to the Company Group Member with respect to which the withholding obligation arises. Participant's acceptance of this Option constitutes Participant's instruction and authorization to the Company and such brokerage firm to complete the transactions described in this Section 3.4(c), including the transactions described in the previous sentence, as applicable. The Company may refuse to issue any Shares to Participant until the foregoing tax withholding obligations are satisfied, *provided* that no payment shall be delayed under this Section 3.4(c) if such delay will result in a violation of Section 409A.

(d) Participant is ultimately liable and responsible for all taxes owed in connection with the Option, regardless of any action any Company Group Member takes with respect to any tax withholding obligations that arise in connection with the Option. No Company Group Member makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or exercise of the Option or the subsequent sale of Shares. The Company Group does not commit and is under no obligation to structure the Option to reduce or eliminate Participant's tax liability.

(e) For purposes of this Section 3.4, (i) "Applicable Law" shall include without limitation, all applicable securities, corporate, tax and other laws, rules, regulations, instruments, notices, blanket orders, decision documents, statements, circulars, procedures and policies, and (ii) "withholding taxes" shall include any and all taxes and other source deductions, or other amounts which the Company Group Member is required by Applicable Law to withhold from any amounts paid or credited to a Participant under the Plan.

ARTICLE IV. EXERCISE OF OPTION

4.1 Person Eligible to Exercise. During the lifetime of Participant, only Participant may exercise the Option or any portion thereof. After the death of Participant, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.3 hereof, be exercised by Participant's personal representative or by any Person empowered to do so under the deceased Participant's will or under the then Applicable Laws of descent and distribution.

4.2 Partial Exercise. Subject to Section 5.2, any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.3 hereof.

4.3 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company (or any third party administrator or other Person designated by the Company), during regular business hours, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 3.3 hereof.

(a) An exercise notice in a form specified by the Administrator, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Administrator;

(b) The receipt by the Company of full payment for the Shares with respect to which the Option or portion thereof is exercised, in such form of consideration permitted under Section 4.4 hereof that is acceptable to the Administrator;

(c) The payment of any applicable withholding tax in accordance with Section 3.4;

(d) Any other written representations or documents as may be required in the Administrator's sole discretion to effect compliance with Applicable Law; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 4.1 hereof by any Person or Persons other than Participant, appropriate proof of the right of such Person or Persons to exercise the Option.

Notwithstanding any of the foregoing, the Administrator shall have the right to specify all conditions of the manner of exercise, which conditions may vary by country and which may be subject to change from time to time.

4.4 Method of Payment. Payment of the Exercise Price shall be by any of the following, or a combination thereof, at the election of Participant:

(a) Cash or check;

(b) Through the delivery of a notice that Participant has placed a market sell order with a broker acceptable to the Company with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the

Exercise Price; *provided* that payment of such proceeds is then made to the Company at such time as may be required by the Administrator, but in any event not later than the settlement of such sale; or

(c) Any other form of legal consideration acceptable to the Administrator.

4.5 Conditions to Issuance of Shares. The Company shall not be required to issue or deliver Shares purchased upon the exercise of the Option or portion thereof prior to fulfillment of all of the following conditions: (a) the admission of such Shares to listing on all stock exchanges on which such Shares are then listed, (b) the completion of any registration or other qualification of such Shares under any provincial, territorial, state or federal law or under rulings, rules or regulations of the Securities and Exchange Commission, any Canadian securities regulatory authority or other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable, (c) the obtaining of any approval or other clearance from any provincial, territorial, state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable, (d) the receipt by the Company of full payment for such Shares, which may be in one or more of the forms of consideration permitted under Section 4.4 hereof, and (e) the receipt of full payment of any applicable withholding tax in accordance with Section 3.4 by the Company Group Member with respect to which the applicable withholding obligation arises.

4.6 Rights as Shareholder. Neither Participant nor any Person claiming under or through Participant will have any of the rights or privileges of a shareholder of the Company in respect of any Shares purchasable upon the exercise of any part of the Option unless and until certificates representing such Shares (which may be in book-entry form) will have been issued and recorded on the records of the Company or its transfer agents or registrars and delivered to Participant (including, without limitation, through electronic delivery to a brokerage account). No adjustment will be made for a dividend or other right for which the record date is prior to the date of such issuance, recordation and delivery, except as provided in Section 12.2 of the Plan. Except as otherwise provided herein, after such issuance, recordation and delivery, Participant will have all the rights of a shareholder of the Company with respect to such Shares, including, without limitation, the right to receipt of dividends and distributions on such Shares.

ARTICLE V. OTHER PROVISIONS

5.1 Administration. The Administrator shall have the power to interpret the Plan, the Grant Notice and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan, the Grant Notice and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator will be final and binding upon Participant, the Company and all other interested Persons. To the extent allowable pursuant to Applicable Law, no member of the Committee or the Board will be personally liable for any action, determination or interpretation made with respect to the Plan, the Grant Notice or this Agreement.

5.2 Whole Shares. The Option may only be exercised for whole Shares.

5.3 Option Not Transferable. Subject to Section 4.1 hereof, the Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the Option have been issued, and all restrictions applicable to such Shares have lapsed. Neither the Option nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including, without limitation, bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence. Notwithstanding the foregoing, with the consent of the Administrator, if the Option is a Non-Qualified Stock Option, it may be transferred to Permitted Transferees pursuant to any conditions and procedures the Administrator may require.

5.4 Adjustments. The Administrator may accelerate the vesting of all or a portion of the Option in such circumstances as it, in its sole discretion, may determine. Participant acknowledges that the Option is subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan, including Section 12.2 of the Plan.

5.5 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 5.5, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified or registered mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or Canada Post, as applicable.

5.6 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

5.7 Governing Law. The laws of the Province of Ontario shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

5.8 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice, this Agreement, and the Foreign Appendix, if applicable, are intended to conform to the extent necessary with all Applicable Laws, including, without limitation, the provisions of the Securities Act, the Exchange Act, the Securities Act (Ontario) and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission or the Ontario Securities Commission, as applicable, and state or other provincial securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan, the Grant Notice, this Agreement, and the Foreign Appendix, if applicable, shall be deemed amended to the extent necessary to conform to Applicable Law.

5.9 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board, *provided* that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the Option in any material way without the prior written consent of Participant.

5.10 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 5.3 and the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

5.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Option, the Grant Notice and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including, without limitation, any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

5.12 Not a Contract of Employment. Nothing in this Agreement, the Foreign Appendix, if applicable, or in the Plan shall confer upon Participant any right to continue to serve as an employee or other service provider of any Company Group Member or shall interfere with or restrict in any way the rights of any Company Group Member, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between a Company Group Member and Participant.

5.13 Entire Agreement. The Plan, the Grant Notice and this Agreement (including, without limitation, any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

5.14 Section 409A. This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A. However, notwithstanding any other provision of the Plan, the Grant Notice or this

Agreement, if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other Person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including, without limitation, amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

5.15 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

5.16 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant shall have only the right to receive Shares as a general unsecured creditor with respect to the Option, as and when exercised pursuant to the terms hereof.

5.17 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which shall be deemed an original and all of which together shall constitute one instrument.

5.18 Incentive Stock Options. Participant acknowledges that to the extent the aggregate Fair Market Value of Shares (determined as of the time the option with respect to the Shares is granted) with respect to which Incentive Stock Options, including this Option (if applicable), are exercisable for the first time by Participant during any calendar year exceeds \$100,000 or if for any other reason such Incentive Stock Options do not qualify or cease to qualify for treatment as "incentive stock options" under Section 422 of the Code, such Incentive Stock Options shall be treated as Non-Qualified Stock Options. Participant further acknowledges that the rule set forth in the preceding sentence shall be applied by taking the Option and other stock options into account in the order in which they were granted, as determined under Section 422(d) of the Code and the Treasury Regulations thereunder. Participant also acknowledges that an Incentive Stock Option exercised more than three (3) months after Participant's Termination of Service, other than by reason of death or disability, will be taxed as a Non-Qualified Stock Option.

5.19 Notification of Disposition. If this Option is designated as an Incentive Stock Option, Participant shall give prompt written notice to the Company of any disposition or other transfer of any Shares acquired under this Agreement if such disposition or transfer is made (a) within two (2) years from the Grant Date or (b) within one (1) year after the transfer of such Shares to Participant. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by Participant in such disposition or other transfer.

5.20 Special Provisions for Options Granted to Participants Outside the United States.

(a) If the Participant performs services for the Company outside of the United States, this Agreement shall be subject to the special provisions, if any, for the Participant's country of residence, as set forth in the Foreign Appendix.

(b) If the Participant relocates to one of the countries included in the Foreign Appendix during the life of this Agreement, special provisions for such country shall apply to the Participant, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with applicable foreign and local law or facilitate the administration of the Plan.

(c) The Company reserves the right to impose other requirements on this Agreement, the Option and the Shares issued upon exercise of the Option, to the extent the Company determines it is necessary or advisable in order to comply with applicable foreign or local laws or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

EXHIBIT B
TO OPTION GRANT NOTICE AND AGREEMENT

**SPECIAL PROVISIONS FOR OPTIONS
GRANTED TO PARTICIPANTS OUTSIDE THE U.S.**

This Exhibit B includes additional terms applicable to Participants who reside or provide services to a Company Group Member in the countries identified below. These terms and conditions are in addition to those set forth in the Agreement to which this Exhibit B is attached and the Plan and to the extent there are any inconsistencies between these terms and conditions and those set forth in the Agreement, these terms and conditions shall prevail. Any capitalized term used in this Exhibit B without definition shall have the meaning ascribed to such term in the Plan or the Agreement, as applicable.

This Foreign Appendix also includes information relating to exchange control and other issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of September 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant does not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Option is exercised or Shares acquired under the Plan are sold.

In addition, the information is general in nature and may not apply to the particular situation of the Participant, and the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her situation. Finally, if the Participant is a citizen or resident of a country other than the one in which he or she is currently working, the information contained herein may not be applicable to the Participant.

CHINA

1. The Company and/or any of the Company Group Member will not be liable for any failure by Participant in relation to payment of the Exercise Price or receipt of any proceeds under the Plan due to any legal or practical restrictions on conversion or remittance of foreign exchanges where applicable.
2. Data Privacy

In addition to Section 10.9 in the Plan, Participant acknowledges that some of his/her personal information that the Company and its Subsidiaries will process is sensitive, such as the identification number and details of all the Awards. However, Participant's participation under the Plan will not be able to effect or continue if such sensitive personal information fails to be processed. Acknowledging the harm that may be caused to Participant's personal or property safety by any potential unauthorized disclosure or illegal use of the sensitive personal information, the Company and its Subsidiaries adopt, update and implement various technical, physical and administrative security policies and procedures in line with Applicable Laws to safeguard the confidentiality, privacy and integrity of Participant's sensitive personal information.

With respect to the transfer of Participant's personal information as stated above (which may involve cross-border transfer from the territory of China to elsewhere), the relevant information of the transferees will be made available to Participant before the transfer.

3. For purposes of this Foreign Appendix, China means the People's Republic of China but not including Hong Kong, Macau and Taiwan.
4. By accepting the Option, Participants understands and hereby consents to (i) the collection, holding, processing, use and transfer of his/her sensitive personal information as described in the Plan, the Grant Notice and the Agreement, (ii) the transfer and provision of his/her personal information as described in the Plan, the Grant Notice and the Agreement, and (iii) the transfer and provision of his/her personal information from the territory of the People's Republic of China to overseas parties as described in the Plan, the Grant Notice and the Agreement.

GERMANY

1. Definition of Employee. The definition of Employee shall, for the avoidance of doubt, include the legal representatives of the German group members.

2. Taxes. For the avoidance of doubt, taxes always include German social security contributions, and in this regard, Participant's portion.
3. Securities Law. This offer does not require a securities prospectus (*Wertpapierprospekt*) to be submitted for approval to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* or *BaFin*).
4. Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Central Bank (*Deutsche Bundesbank*). If Participant uses a German bank to transfer a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the Plan, the bank will file the report for Participant. In addition, Participant must report any receivables, payables, or debts in foreign currency exceeding an amount of €5,000,000 on a monthly basis. Finally, Participant must report on an annual basis if Participant holds Shares that exceed 10% of the total voting capital of the Company.
5. Consent to Personal Data Processing and Transfer. By acceptance of the Option, the Participant acknowledges and consents to the collection, use, processing, recording, organization, structuring, storage, adaption or alteration, retrieval, disclosure and transfer of personal data as described below and in accordance with the Company privacy policy. The Company Group Members hold certain personal information, including the Participant's name, home address and telephone number, date of birth, social security number or other employee tax identification number, employment history and status, salary, nationality, job title, and any equity compensation grants or Shares awarded, cancelled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). The Company Group Members will transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. The Company Group Members may also make the Data available to public authorities where required under locally applicable law. These recipients may be located in the United States, the European Economic Area, or elsewhere, which the Participant separately and expressly consents to, accepting that outside the European Economic Area, data protection laws may not be as protective as within. The Participant hereby authorizes the Company Group Members to collect, use, process, record, organize, structure, store, adapt or alter, retrieve, disclose and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan on behalf of the Participant to a third party with whom the Participant may have elected to have payment made pursuant to the Plan. The Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consent herein in writing or by e-mail contacting the Company through Participant's local human resources representative. However, withdrawing the consent may affect the Participant's ability to participate in the Plan and receive the benefits intended by the Option. Data will only be held as long as necessary to implement, administer and manage the Participant's participation in the Plan and any subsequent claims or rights.

HONG KONG

The contents of the Plan and any of the documents referred to therein (including but not limited to the Grant Notice and the Agreement) have not been reviewed by any regulatory authority in Hong Kong. Participants are advised to exercise caution in relation to the offer of Options. If Participants are in any doubt about any of the contents of this Plan, they should obtain independent professional advice.

This Plan does not constitute an offer or invitation to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the "Companies Ordinance") or the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), and it is made on terms that only the qualifying person (as defined in the Companies Ordinance) to whom this invitation has been addressed is eligible to apply. Options offered in relation to the Plan may not be offered or sold in Hong Kong by means of any document, except in circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance or which do not constitute an offer to the public within the meaning of that Ordinance.

No person may issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to Options offered in relation to the Plan, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Options which are or are intended to be disposed of only to persons outside Hong Kong.

JAPAN

1. Securities Regulation. The Company notifies the Participant and, the Participant acknowledges, that in connection with the Plan, the Agreement, the Grant Notice and ancillary documents to them, and Options being offered to the Participant, no notification under Article 4 of Financial Instruments and Exchange Act (the

“FIEA”) was made because the offering of Options falls under Article 2(3)(ii)(c) of FIEA and, thus, falls under the solicitation for small number of investors (*syoninzuu muke kanyuu*) stipulated in Article 23-13(4)(i)(a) of FIEA.

2. Exchange Control Information. Notification under the Foreign Exchange and Foreign Trade Act shall be required, among other cases, where a cross-border payment in excess of JPY 30,000,000 was made.

SINGAPORE

Notwithstanding anything to the contrary contained in the Plan, the Agreement, and the Grant Notice (collectively, the “Documents”), the Participant agrees, acknowledges, and confirms that:

- (a) none of the Documents have been lodged, registered, and/or reviewed by any regulatory authority in Singapore, and that no prospectus or any other document relating to this offer of Options made to the Participant has been lodged or registered with the Monetary Authority of Singapore;
- (b) the offer of Options being made to the Participant is made pursuant to the “qualifying person” exemption under section 273(1)(i) (read with section 273(4)) of Singapore’s Securities and Futures Act (Cap 289), and accordingly no prospectus or other document relating to the offer of Options being made to the Participant needs to be lodged or registered with the Monetary Authority of Singapore; and
- (c) the Documents have not been made with a view to any of the Options or Shares being subsequently offered for sale to another person, and none of the Documents or any other documents issued by the Participant in connection with any subsequent offer of sale of Options or Shares, or any transfer of Options or Shares, should under any circumstances be deemed a prospectus issued by the Company.

SWITZERLAND

This appendix includes additional terms and conditions that govern the Options granted to the Participant if the Participant is resident for tax purposes in Switzerland. Unless otherwise defined herein, the terms defined in the Plan and in the Agreement shall have the same meanings in this appendix. In the event of any conflict between the provisions of the Plan or of the Agreement and this appendix, the provisions of this appendix shall govern.

1. Defined Terms. For the purposes of this appendix, the following terms have the following meanings:

“Disability” means retirement due to disability based on a final decision by the Swiss Federal Disability Insurance.

“Swiss Affiliate” means, as applicable, the Company’s affiliate employing the Swiss Participant.

“Swiss Participant” means any Participant who is resident for tax purposes in Switzerland.

2. Discretionary Character. Any economic benefits deriving from the Swiss Participant’s participation in the Plan are entirely discretionary and shall not qualify as salary or as a component of the salary.
3. Swiss Social Security and Taxes.

As applicable, the Swiss Affiliate will provide the Swiss Participant with an annual salary statement (*Lohnausweis*) setting out (i) the gross annual income earned by the Swiss Participant during the relevant year, including income from participating in the Plan, (ii) the Swiss Participant’s social security withholdings and, if applicable, (iii) the employer income tax withholding, plus an annex to the annual salary statement setting out certain of the economic terms of the Plan as determined by applicable Swiss law. The Swiss Affiliate shall have the right to notify the competent Swiss tax authorities of the grant of Options and the transfer of Shares to the Swiss Participant upon exercise of the Options under the Plan and to provide a copy of the annual salary statement including the annex directly to the competent Swiss tax authorities.

The Swiss Participant shall be responsible to recognize any and all income earned from the grant, vesting, settlement or otherwise in connection with an Award under the Plan and this Agreement in their income statement for the respective taxation period in accordance with applicable Swiss law and shall be responsible for Swiss federal, cantonal and communal individual income tax and social security charges or corporate income tax, as the case may be, on any net taxable earnings for such taxation period in accordance with the Swiss

federal tax rules and regulations, and in accordance with the cantonal tax rules of the place of residence of the Swiss Participant.

4. Parties to the Agreement.

The Agreement is exclusively agreed upon between the Company and the Swiss Participant. The Swiss Affiliate is not a party to the Agreement and does not assume nor cannot be held liable for any liabilities under the Plan or the Agreement, if not otherwise provided by applicable Swiss mandatory law.

The Swiss Participant's sole contact and sole contractual partner regarding the Plan and the Options granted under the Agreement is the Company, and any rights and entitlements pursuant to the Plan and the Options are granted on an exclusively voluntary basis and do not create any claims against the Swiss Affiliate or any other affiliate. Even if there is a repeated grant of an Award and without express notification that the Award is made voluntarily, no legal claim for future grants exists. The offer or Award remains in the complete discretion of the Company. In particular, the Company reserves the right to determine in its full discretion the scope of beneficiaries and the conditions of the Plan.

5. Notices. For the avoidance of doubt, any notice shall be deemed duly given when sent via email or when sent by certified or registered mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service, Canada Post or the Swiss Post, as applicable.

UNITED KINGDOM

1. General.

- a. This appendix shall apply to all UK Taxpayers (as defined below) and the terms of the Plan and the grant of Awards to UK Taxpayers under the Plan shall at all times be construed and interpreted in a manner consistent with this appendix.
- b. In the event that a Participant becomes an UK Taxpayer subsequent to the date of grant of Awards under the Plan, then, pursuant to Section 4.5 of the Plan, the terms of such Awards shall immediately be deemed to be amended in a manner consistent with this appendix.
- c. The terms of the Plan (including, for the avoidance of doubt, the terms of the Award Agreement), unless those terms are specified to apply to Participants residing outside of the UK, shall, save where otherwise specified below, apply in relation to Awards granted to an UK Taxpayer pursuant to the terms of this appendix, and references to the "Plan" shall include this appendix. If there is any inconsistency between any terms of this appendix and the terms of the Plan or the Award Agreement, the terms of this appendix shall apply to any Participant who is a UK Taxpayer.
- d. In this Appendix, the following expressions shall have the following meanings respectively:

"Tax" means all liability to income tax (or overseas equivalent) which the Company or any Subsidiary is liable to account for on behalf of the Participant directly to any taxation authority (including, but without limitation, through the pay-as-you-earn system) and all liability to social security which the Company or any Subsidiary is liable to account for on behalf of the Participant to any taxation authority (including, but without limitation, primary Class 1 (employee's) National Insurance contributions) which arises as a result of any amount payable to the Participant under the Plan;

"UK Tax" means taxation under the rules of the United Kingdom; and

"UK Taxpayer" means a Participant who is subject to UK Tax at the date of grant of Awards under the Plan, is expected to become subject to UK Tax following the grant of Awards or does become subject to UK Tax following the grant of Awards but prior to the lapse, forfeiture or cancellation of Awards held by the Participant.

2. Eligibility. In relation to the operation of the Plan in the UK, no Award shall be granted to any person who is not an Employee (including a non-employee director).
3. Taxation. Any liability of a Participant to Tax shall be for the account of the relevant Participant. The Participant shall indemnify the Company or any Subsidiary, his or her employer and any other person in respect of any amount of Tax arising as a result of his or her participation in the Plan (or which would not otherwise

have arisen but for his or her participation in the Plan) and any penalties or interest that may be payable by the Company or any Subsidiary as a result of the Participant failing to discharge his or her obligation to pay Tax arising as a result of his or her participation in the Plan. If the Company so requires, the Participant will enter into (A) an agreement or election pursuant to paragraphs 3A or 3B of Schedule 1 to the UK Social Security Contributions and Benefits Act 1992 and/or (B) a joint election under Section 431(1) of the Income Tax (Earnings and Pensions) Act 2003 (as the Company shall determine) with the relevant member of the Group on or before the date on which the Option is exercised. The Company or the relevant Subsidiary, will pay the appropriate stamp duty on behalf of Participants in respect of any transfer of Shares on the exercise of the Option.

4. Data Privacy. By participating in the Plan, the Participant's attention is drawn to the Company's data privacy notice previously provided to them, which sets out how the Participant's personal data will be used and shared by the Company and any Subsidiaries. The Company's data privacy notice does not form part of the Plan and may be updated from time to time. Any such updates shall be notified to the Participant.

**LI-CYCLE HOLDINGS CORP.
2021 INCENTIVE AWARD PLAN**

**RSU AWARD
GRANT NOTICE AND AGREEMENT**

Li-Cycle Holdings Corp., a corporation organized under the laws of the Province of Ontario (the “Company”), pursuant to the Plan (as defined in Exhibit A hereto), hereby grants to the holder listed below (“Participant”) the number of Restricted Share Units set forth below (the “RSUs”). The RSUs are subject to the terms and conditions set forth in this Restricted Share Unit Grant Notice (the “Grant Notice”), the Restricted Share Unit Agreement attached hereto as Exhibit A (the “Agreement”), and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Grant Notice and the Agreement.

Participant: [Insert Name]

Grant Date: [Insert Grant Date]

Number of RSUs: [Insert Number]

Vesting Schedule:

Vesting Date	Incremental Vesting	Cumulative Vesting
[date]	[]%	[]%
[date]	[]%	[]%
[date]	[]%	[]%

By Participant’s signature below, Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and the Grant Notice. Participant has reviewed the Agreement, the Plan and the Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing the Grant Notice and fully understands all provisions of the Grant Notice, the Agreement, and the Plan. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, the Grant Notice or the Agreement.

LI-CYCLE HOLDINGS CORP.

PARTICIPANT

By: _____
Name: []
Title: []

By: _____
Name: []

EXHIBIT A
TO RSU AWARD GRANT NOTICE AND AGREEMENT

**RSU AWARD AGREEMENT
FOR U.S. PARTICIPANTS**

Pursuant to the Company's 2021 Incentive Award Plan, as amended from time to time (the "Plan") and the Grant Notice to which this Agreement is attached, the Company has granted to Participant the number of RSUs set forth in the Grant Notice.

**ARTICLE I.
GENERAL**

Section 1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Cause" shall mean a Company Group Member having "Cause" to terminate Participant's employment or services, as such term is defined in any relevant employment or consulting agreement between Participant and a Company Group Member; provided that, in the absence of such agreement containing such definition, a Company Group Member shall have "Cause" to terminate Participant's employment or services upon: (i) Participant's commission of any act or omission that results in, or may reasonably be expected to result in, a conviction of (or plea of no contest or *nolo contendere* to) any felony or indictable offence (other than in connection with a traffic violation that does not result in imprisonment) under any provincial, state, federal or foreign law or any crime involving moral turpitude or dishonesty or that has or could have the effect, in the Company's reasonable and good faith determination, of causing material reputational or other material harm or damage to the Company Group; (ii) Participant's commission of an act of fraud, embezzlement, misappropriation of funds, misrepresentation, malfeasance, breach of fiduciary duty or other willful and material act of misconduct, in each case, against any Company Group Member; (iii) any willful, material damage to any property of a Company Group Member by Participant; (iv) Participant's willful failure to (A) substantially perform Participant's material job functions (other than any such failure resulting from Participant's Disability) or (B) carry out or comply with a lawful and reasonable directive of a Company Group Member, in each case, which failure has not been cured (or cannot be cured) within fifteen (15) days after the Company gives written notice to Participant regarding such failure; (v) Participant's breach of any Company policy which materially harms the Company Group, which breach has not been cured (or cannot be cured) within fifteen (15) days after the Company gives written notice to Participant regarding such failure; (vi) Participant's unlawful use (including being under the influence) or possession of illegal drugs, or excessive use of alcohol, in each case that materially impairs Participant's ability to perform Participant's duties contemplated; (vii) any negligent or reckless act by Participant resulting in or causing material reputational or other material harm or damage to the Company Group, in the good faith reasonable judgment of the Company; and (viii) Participant's breach of any material provision of any written agreement between Participant and any Company Group Member, and failure to cure such breach (if capable of cure) within fifteen (15) days after the Company gives written notice to Participant regarding such breach. Whether or not an event giving rise to "Cause" occurs for purposes of this definition (for Participants who do not have an employment or consulting agreement that includes a definition of Cause) will be determined by the Board in its sole discretion.

(a) "Company Group" shall mean the Company and its Subsidiaries.

(b) "Company Group Member" shall mean each member of the Company Group.

(c) "Disability" shall have the meaning ascribed to such term in any relevant employment agreement between Participant and a Company Group Member; *provided that*, in the absence of such agreement containing such definition, "Disability" shall mean the disability of Participant such as would entitle the Participant to receive disability income benefits pursuant to the long-term disability plan of the Company Group Member then covering Participant or, if no such plan exists or is applicable to Participant, the permanent and total disability of Participant within the meaning of Section 22(e)(3) of the Code.

Section 1.2 Incorporation of Terms of Plan. The RSUs are subject to the terms and conditions set forth in this Agreement, the special provisions for the Participant's country of residence if such Participant resides or provides services outside the United States, if applicable, attached hereto as Exhibit B (the "Foreign Appendix"), and the Plan, each of which is incorporated herein by reference. In the event of any inconsistency between the Plan and this

Agreement, the terms of the Plan shall control. In the event of any inconsistency between the Plan and/or this Agreement with the Foreign Appendix, the terms of the Foreign Appendix shall control.

ARTICLE II. AWARD OF RESTRICTED SHARE UNITS AND DIVIDEND EQUIVALENTS

Section 2.1 Award of RSUs and Dividend Equivalents.

(a) In consideration of Participant's past and/or continued employment with or service to a Company Group Member and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "Grant Date"), the Company has granted to Participant the number of RSUs set forth in the Grant Notice, upon the terms and conditions set forth in the Grant Notice, the Plan and this Agreement, subject to adjustment as provided in Section 12.2 of the Plan. Each RSU represents the right to receive one Share at the times and subject to the conditions set forth herein. However, unless and until the RSUs have vested, Participant will have no right to the common shares of the Company ("Shares") subject thereto. Prior to the actual delivery of any Shares, the RSUs will represent an unsecured obligation of the Company, payable only from the general assets of the Company.

(b) The Company hereby grants to Participant an Award of Dividend Equivalents with respect to each RSU granted pursuant to the Grant Notice for all ordinary cash dividends that are paid to all or substantially all holders of the outstanding Shares between the Grant Date and the date when the applicable RSU is distributed or paid to Participant or is forfeited or expires. Participant shall be credited for such Dividend Equivalents with such number of additional RSUs on each dividend payment date for which Participant held RSUs as of the record date for the applicable dividend, as results from dividing: (i) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs held by Participant on such record date, by (ii) the Fair Market Value of the Shares on the dividend payment date, with fractions computed to three decimal places. Each additional RSU that results from such crediting of Dividend Equivalents granted hereunder shall be subject to the same vesting, distribution or payment, adjustment and other provisions that apply to the underlying RSU to which such additional RSU relates.

Section 2.2 Vesting of RSUs and Dividend Equivalents.

(a) Subject to Participant's continued employment with or service to a Company Group Member on each applicable vesting date and subject to the terms of this Agreement, including, without limitation, Section 2.2(b), the RSUs shall vest in such amounts and at such times as are set forth in the Grant Notice. Each additional RSU that results from crediting of Dividend Equivalents pursuant to Section 2.1(b) shall vest whenever the underlying RSU to which such additional RSU relates vests.

(b) In the event Participant incurs a Termination of Service, except as otherwise provided in Section 2.2(c), or as may be otherwise provided by the Administrator or as set forth in a written agreement between Participant and the Company, including, without limitation, any employment agreement between Participant and the Company, Participant shall immediately forfeit any and all RSUs and Dividend Equivalents granted under this Agreement that have not vested or do not vest on or prior to the date on which such Termination of Service occurs, and Participant's rights in any such RSUs and Dividend Equivalents that are not so vested shall lapse and expire.

(c) In the event Participant incurs a Termination of Service without Cause upon or within twelve (12) months following a Change in Control, such Participant's RSUs shall be fully vested as of immediately prior to such Termination of Service.

Section 2.3 Settlement of RSUs.

(a) Participant's RSUs shall be settled in Shares (either in book-entry form or otherwise) as soon as administratively practicable following the vesting of the applicable RSU pursuant to Section 2.2, and, in any event, no later than March 15th of the calendar year following the year in which such vesting occurred (for the avoidance of doubt, this deadline is intended to comply with the "short-term deferral" exemption from Section 409A). Notwithstanding the foregoing, the Company may delay a settlement of RSUs if it reasonably determines that such settlement will violate federal or provincial securities laws or any other Applicable Law, *provided* that such distribution or payment shall be made at the earliest date at which the Company reasonably determines that the settlement will not cause such violation, as required by Treasury Regulation Section 1.409A-2(b)(7)(ii), and *provided further* that no settlement shall be delayed under this Section 2.3(a) if such delay will result in a violation of Section 409A.

(b) All settlements shall be made by the Company in the form of whole Shares, and any fractional share shall be rounded down to the next whole Share in accordance with Section 10.4(d) of the Plan.

Section 2.4 Conditions to Issuance of Shares. The Company shall not be required to issue or deliver any Shares underlying the RSUs prior to the fulfillment of all of the following conditions: (a) the admission of such Shares to listing on all stock exchanges on which such Shares are then listed, (b) the completion of any registration or other qualification of such Shares (or the distribution thereof, as applicable) under any provincial, state or federal law or under rulings, rules or regulations of the Securities and Exchange Commission, any Canadian securities regulatory authority or other governmental regulatory body, that the Administrator shall, in its absolute discretion, deem necessary or advisable, (c) the obtaining of any approval or other clearance from any provincial, state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable, and (d) the receipt of full payment of any applicable withholding tax in accordance with Section 2.5 by the Company Group Member with respect to which the applicable withholding obligation arises.

Section 2.5 Tax Withholding. Notwithstanding any other provision of this Agreement:

(a) Upon vesting and settlement of Participant's RSUs, the Company shall instruct any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf a whole number of Shares from those Shares that are subject to the Award as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy any applicable federal, provincial, state, local and foreign taxes (including, including, without limitation, the employee portion of any FICA obligation) required by Applicable Law to be withheld, and to remit the proceeds of such sale to the Company Group Member with respect to which the withholding obligation arises. Participant's acceptance of this Award constitutes Participant's instruction and irrevocable authorization to the Company and such brokerage firm to complete the transactions described in this Section 2.5(a), including the transactions described in the previous sentence, as applicable. In the event of the occurrence of any broker-assisted sale of Shares in connection with the payment of withholding taxes as provided in this Section 2.5(a): (i) any Shares to be sold through a broker-assisted sale will be sold on the day the tax withholding obligation arises, or as soon thereafter as practicable; (ii) such Shares may be sold as part of a block trade with other participants in the Plan in which all participants receive an average price; (iii) Participant will be responsible for all broker's fees and other costs of sale, and Participant agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale; (iv) to the extent the proceeds of such sale exceed the applicable tax withholding obligation, the Company agrees to pay such excess in cash to Participant as soon as reasonably practicable; (v) Participant acknowledges that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the applicable tax withholding obligation; and (vi) in the event the proceeds of such sale are insufficient to satisfy the applicable tax withholding obligation, Participant agrees to pay immediately upon demand to the Company Group Member with respect to which the withholding obligation arises, an amount in cash sufficient to satisfy any remaining portion of the applicable Company Group Member's withholding obligation.

(b) Participant is ultimately liable and responsible for, and, to the extent permitted by Applicable Law, agrees to indemnify and keep indemnified the Company Group from, all taxes owed in connection with the Award, regardless of any action any Company Group Member takes with respect to any tax withholding obligations that arise in connection with the Award. No Company Group Member makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or settlement of the Award or the subsequent sale of Shares. The Company Group does not commit and is under no obligation to structure the Award to reduce or eliminate Participant's tax liability.

Section 2.6 Rights as Shareholder. Neither Participant nor any Person claiming under or through Participant will have any of the rights or privileges of a shareholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book-entry form) will have been issued and recorded on the records of the Company or its transfer agents or registrars and delivered to Participant (including through electronic delivery to a brokerage account). Except as otherwise provided herein, after such issuance, recordation and delivery, Participant will have all the rights of a shareholder of the Company with respect to such Shares, including, without limitation, the right to receipt of dividends and distributions on such Shares.

ARTICLE III. OTHER PROVISIONS

Section 3.1 Administration. The Administrator shall have the power to interpret the Plan, the Grant Notice and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan, the Grant Notice and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator will be final and binding upon

Participant, the Company and all other interested Persons. To the extent allowable pursuant to Applicable Law, no member of the Committee or the Board will be personally liable for any action, determination or interpretation made with respect to the Plan, the Grant Notice or this Agreement.

Section 3.2 RSUs Not Transferable. The RSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the RSUs have been issued, and all restrictions applicable to such Shares have lapsed. No RSUs or any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including, including, without limitation, bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

Section 3.3 Adjustments. The Administrator may accelerate the vesting of all or a portion of the RSUs in such circumstances as it, in its sole discretion, may determine. Participant acknowledges that the RSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan, including Section 12.2 of the Plan.

Section 3.4 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 3.4, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified or registered mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or Canada Post, as applicable.

Section 3.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Section 3.6 Governing Law. The laws of the Province of Ontario shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

Section 3.7 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice, this Agreement, and the Foreign Appendix, if applicable, are intended to conform to the extent necessary with all Applicable Laws, including, without limitation, the provisions of the Securities Act, the Exchange Act, the Securities Act (Ontario) and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission or the Ontario Securities Commission, as applicable, and provincial or state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the RSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan, the Grant Notice, this Agreement, and the Foreign Appendix, if applicable, shall be deemed amended to the extent necessary to conform to Applicable Law.

Section 3.8 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board, *provided* that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the RSUs in any material way without the prior written consent of Participant.

Section 3.9 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 3.2 and the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

Section 3.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the RSUs (including RSUs that result from the deemed reinvestment of Dividend Equivalents), the Dividend Equivalents, the Grant Notice and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

Section 3.11 Not a Contract of Employment. Nothing in this Agreement, the Foreign Appendix, if applicable, or in the Plan shall confer upon Participant any right to continue to serve as an employee or other service provider of any Company Group Member or shall interfere with or restrict in any way the rights of any Company Group Member, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between a Company Group Member and Participant.

Section 3.12 Entire Agreement. The Plan, the Grant Notice and this Agreement (including, including, without limitation, any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

Section 3.13 Section 409A. This Award is not intended to constitute “nonqualified deferred compensation” within the meaning of Section 409A. However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other Person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including, including, without limitation, amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

Section 3.14 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

Section 3.15 Limitation on Participant’s Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalents.

Section 3.16 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which shall be deemed an original and all of which together shall constitute one instrument.

Section 3.17 Special Provisions for Restricted Share Units Granted to Participants Outside the United States.

(a) If the Participant performs services for the Company outside of the United States, this Agreement shall be subject to the special provisions, if any, for the Participant’s country of residence, as set forth in the Foreign Appendix.

(b) If the Participant relocates to one of the countries included in the Foreign Appendix during the life of this Agreement, special provisions for such country shall apply to the Participant, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with applicable foreign and local law or facilitate the administration of the Plan.

(c) The Company reserves the right to impose other requirements on this Agreement, the RSUs and the Shares issued upon settlement of the RSUs, to the extent the Company determines it is necessary or advisable in order to comply with applicable foreign or local laws or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

EXHIBIT B
TO RSU AWARD GRANT NOTICE AND AGREEMENT

**SPECIAL PROVISIONS FOR RSUS
GRANTED TO PARTICIPANTS OUTSIDE THE U.S.**

This Exhibit B includes additional terms applicable to Participants who reside or provide services to a Company Group Member in the countries identified below. These terms and conditions are in addition to those set forth in the Agreement to which this Exhibit B is attached and the Plan and to the extent there are any inconsistencies between these terms and conditions and those set forth in the Agreement, these terms and conditions shall prevail. Any capitalized term used in this Exhibit B without definition shall have the meaning ascribed to such term in the Plan or the Agreement, as applicable.

This Foreign Appendix also includes information relating to exchange control and other issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of September 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant does not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the RSUs are settled or Shares acquired under the Plan are sold.

In addition, the information is general in nature and may not apply to the particular situation of the Participant, and the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her situation. Finally, if the Participant is a citizen or resident of a country other than the one in which he or she is currently working, the information contained herein may not be applicable to the Participant.

CHINA

1. The Company and/or any of the Company Group Member will not be liable for any failure by Participant in relation to receipt of any proceeds under the Plan due to any legal or practical restrictions on conversion or remittance of foreign exchanges where applicable.
2. Data Privacy

In addition to Section 10.9 in the Plan, Participant acknowledges that some of his/her personal information that the Company and its Subsidiaries will process is sensitive, such as the identification number and details of all the Awards. However, Participant's participation under the Plan will not be able to effect or continue if such sensitive personal information fails to be processed. Acknowledging the harm that may be caused to Participant's personal or property safety by any potential unauthorized disclosure or illegal use of the sensitive personal information, the Company and its Subsidiaries adopt, update and implement various technical, physical and administrative security policies and procedures in line with Applicable Laws to safeguard the confidentiality, privacy and integrity of Participant's sensitive personal information.

With respect to the transfer of Participant's personal information as stated above (which may involve cross-border transfer from the territory of China to elsewhere), the relevant information of the transferees will be made available to Participant before the transfer.

3. For purposes of this Foreign Appendix, "China" means the People's Republic of China but not including Hong Kong, Macau and Taiwan.
4. By accepting the RSUs, Participants understands and hereby consents to (i) the collection, holding, processing, use and transfer of his/her sensitive personal information as described in the Plan, the Grant Notice and the Agreement, (ii) the transfer and provision of his/her personal information as described in the Plan, the Grant Notice and the Agreement, and (iii) the transfer and provision of his/her personal information from the territory of the People's Republic of China to overseas parties as described in the Plan, the Grant Notice and the Agreement.

GERMANY

1. Definition of Employee. The definition of Employee shall, for the avoidance of doubt, include the legal representatives of the German group members.
2. Taxes. For the avoidance of doubt, taxes always include German social security contributions, and in this regard, Participant's portion.

3. Securities Law. This offer does not require a securities prospectus (*Wertpapierprospekt*) to be submitted for approval to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* or *BaFin*).
4. Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Central Bank (*Deutsche Bundesbank*). If Participant uses a German bank to transfer a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the Plan, the bank will file the report for Participant. In addition, Participant must report any receivables, payables, or debts in foreign currency exceeding an amount of €5,000,000 on a monthly basis. Finally, Participant must report on an annual basis if Participant holds Shares that exceed 10% of the total voting capital of the Company.
5. Consent to Personal Data Processing and Transfer. By acceptance of the RSUs, the Participant acknowledges and consents to the collection, use, processing, recording, organization, structuring, storage, adaption or alteration, retrieval, disclosure and transfer of personal data as described below and in accordance with the Company privacy policy. The Company Group Members hold certain personal information, including the Participant's name, home address and telephone number, date of birth, social security number or other employee tax identification number, employment history and status, salary, nationality, job title, and any equity compensation grants or Shares awarded, cancelled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). The Company Group Members will transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. The Company Group Members may also make the Data available to public authorities where required under locally applicable law. These recipients may be located in the United States, the European Economic Area, or elsewhere, which the Participant separately and expressly consents to, accepting that outside the European Economic Area, data protection laws may not be as protective as within. The Participant hereby authorizes the Company Group Members to collect, use, process, record, organize, structure, store, adapt or alter, retrieve, disclose and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan on behalf of the Participant to a third party with whom the Participant may have elected to have payment made pursuant to the Plan. The Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consent herein in writing or by e-mail contacting the Company through Participant's local human resources representative. However, withdrawing the consent may affect the Participant's ability to participate in the Plan and receive the benefits intended by the RSUs. Data will only be held as long as necessary to implement, administer and manage the Participant's participation in the Plan and any subsequent claims or rights.

HONG KONG

The contents of the Plan and any of the documents referred to therein (including but not limited to the Grant Notice and the Agreement) have not been reviewed by any regulatory authority in Hong Kong. Participants are advised to exercise caution in relation to the offer of RSUs. If Participants are in any doubt about any of the contents of this Plan, they should obtain independent professional advice.

This Plan does not constitute an offer or invitation to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the "Companies Ordinance") or the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), and it is made on terms that only the qualifying person (as defined in the Companies Ordinance) to whom this invitation has been addressed is eligible to apply. RSUs offered in relation to the Plan may not be offered or sold in Hong Kong by means of any document, except in circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance or which do not constitute an offer to the public within the meaning of that Ordinance.

No person may issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to RSUs offered in relation to the Plan, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to RSUs which are or are intended to be disposed of only to persons outside Hong Kong.

JAPAN

1. Securities Regulation. The Company notifies the Participant, and the Participant acknowledges, that in connection with the Plan, the Agreement, the Grant Notice and ancillary documents to them, and RSUs and Shares being offered to the Participant, no notification under Article 4 of Financial Instruments and Exchange Act (the "FIEA") was made because the offering of RSUs and Shares falls under Article 2(3)(ii)(c) of FIEA and

thus, falls under the solicitation for small number of investors (*syoninzuu muke kanyuu*) stipulated in Article 23-13(4)(i)(a) of FIFA.

2. Exchange Control Information. Notification under the Foreign Exchange and Foreign Trade Act shall be required, among other cases, where a cross-border payments in excess of JPY 30,000,000 was made.

SINGAPORE

Notwithstanding anything to the contrary contained in the Plan, the Agreement, and the Grant Notice (collectively, the “Documents”), the Participant agrees, acknowledges, and confirms that:

1. none of the Documents have been lodged, registered, and/or reviewed by any regulatory authority in Singapore, and that no prospectus or any other document relating to this offer of RSUs made to the Participant has been lodged or registered with the Monetary Authority of Singapore;
2. the offer of RSUs being made to the Participant is made pursuant to the “no consideration” and/or “qualifying person” exemptions under section 272(1) and section 273(1)(i) (read with section 273(4)) of Singapore’s Securities and Futures Act (Cap 289), and accordingly no prospectus or other document relating to the offer of RSUs being made to the Participant needs to be lodged or registered with the Monetary Authority of Singapore; and
3. the Documents have not been made with a view to any of the RSUs or Shares being subsequently offered for sale to another person, and none of the Documents or any other documents issued by the Participant in connection with any subsequent offer of sale of RSUs or Shares, or any transfer of RSUs or Shares, should under any circumstances be deemed a prospectus issued by the Company.

SWITZERLAND

This appendix includes additional terms and conditions that govern the RSUs granted to the Participant if the Participant is resident for tax purposes in Switzerland. Unless otherwise defined herein, the terms defined in the Plan and in the Agreement shall have the same meanings in this appendix. In the event of any conflict between the provisions of the Plan or of the Agreement and this appendix, the provisions of this appendix shall govern.

1. Defined Terms. For the purposes of this appendix, the following terms have the following meanings:

“Disability” means retirement due to disability based on a final decision by the Swiss Federal Disability Insurance.

“Swiss Affiliate” means, as applicable, the Company Group Member employing the Swiss Participant.

“Swiss Participant” means any Participant who is resident for tax purposes in Switzerland.

2. Discretionary Character. Any economic benefits deriving from the Swiss Participant's participation in the Plan are entirely discretionary and shall not qualify as salary or as a component of the salary.
3. Swiss Social Security and Taxes.

As applicable, the Swiss Affiliate will provide the Swiss Participant with an annual salary statement (*Lohnausweis*) setting out (i) the gross annual income earned by the Swiss Participant during the relevant year, including income from participating in the Plan, (ii) the Swiss Participant's social security withholdings and, if applicable, (iii) the employer income tax withholding, plus an annex to the annual salary statement setting out certain of the economic terms of the Plan as determined by applicable Swiss law. The Swiss Affiliate shall have the right to notify the competent Swiss tax authorities of the grant of RSUs and the transfer of Shares to the Swiss Participant on the settlement date under the Plan and to provide a copy of the annual salary statement including the annex directly to the competent Swiss tax authorities.

The Swiss Participant shall be responsible to recognize any and all income earned from the grant, vesting, settlement or otherwise in connection with an Award under the Plan and this Agreement in their income statement for the respective taxation period in accordance with applicable Swiss law and shall be responsible for Swiss federal, cantonal and communal individual income tax and social security charges or corporate income

tax, as the case may be, on any net taxable earnings for such taxation period in accordance with the Swiss federal tax rules and regulations, and in accordance with the cantonal tax rules of the place of residence of the Swiss Participant.

4. Parties to the Agreement.

The Agreement is exclusively agreed upon between the Company and the Swiss Participant. The Swiss Affiliate is not a party to the Agreement and does not assume nor cannot be held liable for any liabilities under the Plan or the Agreement, if not otherwise provided for by applicable Swiss mandatory law.

The Swiss Participant's sole contact and sole contractual partner regarding the Plan and the RSUs granted under the Agreement is the Company, and any rights and entitlements pursuant to the Plan and the RSUs are granted on an exclusively voluntary basis and do not create any claims against the Swiss Affiliate or any other affiliate. Even if there is a repeated grant of an Award and without express notification that the Award is made voluntarily, no legal claim for future grants exists. The offer or Award remains in the complete discretion of the Company. In particular, the Company reserves the right to determine in its full discretion the scope of beneficiaries and the conditions of the Plan.

5. Notices. For the avoidance of doubt, any notice shall be deemed duly given when sent via email or when sent by certified or registered mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service, Canada Post or the Swiss Post, as applicable.

UNITED KINGDOM

1. General.

- a. This appendix shall apply to all UK Taxpayers (as defined below) and the terms of the Plan and the grant of Awards to UK Taxpayers under the Plan shall at all times be construed and interpreted in a manner consistent with this appendix.
- b. In the event that a Participant becomes an UK Taxpayer subsequent to the date of grant of Awards under the Plan, then, pursuant to Section 4.5 of the Plan, the terms of such Awards shall immediately be deemed to be amended in a manner consistent with this appendix.
- c. The terms of the Plan (including, for the avoidance of doubt, the terms of the Award Agreement), unless those terms are specified to apply to Participants residing outside of the UK, shall, save where otherwise specified below, apply in relation to Awards granted to an UK Taxpayer pursuant to the terms of this appendix, and references to the "Plan" shall include this appendix. If there is any inconsistency between any terms of this appendix and the terms of the Plan or the Award Agreement, the terms of this appendix shall apply to any Participant who is a UK Taxpayer.
- d. In this appendix, the following expressions shall have the following meanings respectively:

"Tax" means all liability to income tax (or overseas equivalent) which the Company or any Subsidiary is liable to account for on behalf of the Participant directly to any taxation authority (including, but without limitation, through the pay-as-you-earn system) and all liability to social security which the Company or any Subsidiary is liable to account for on behalf of the Participant to any taxation authority (including, but without limitation, primary Class 1 (employee's) National Insurance contributions) which arises as a result of any amount payable to the Participant under the Plan;

"UK Tax" means taxation under the rules of the United Kingdom; and

"UK Taxpayer" means a Participant who is subject to UK Tax at the date of grant of Awards under the Plan, is expected to become subject to UK Tax following the grant of Awards or does become subject to UK Tax following the grant of Awards but prior to the lapse, forfeiture or cancellation of Awards held by the Participant.

2. Eligibility. In relation to the operation of the Plan in the UK, no Award shall be granted to any person who is not an Employee (including a non-employee director).
3. Taxation. Any liability of a Participant to Tax shall be for the account of the relevant Participant. The Participant shall indemnify the Company or any Subsidiary, his or her employer and any other person in respect

of any amount of Tax arising as a result of his or her participation in the Plan (or which would not otherwise have arisen but for his or her participation in the Plan) and any penalties or interest that may be payable by the Company or any Subsidiary as a result of the Participant failing to discharge his or her obligation to pay Tax arising as a result of his or her participation in the Plan. If the Company so requires, the Participant will enter into (A) an agreement or election pursuant to paragraphs 3A or 3B of Schedule 1 to the UK Social Security Contributions and Benefits Act 1992 and/or (B) a joint election under Section 431(1) of the Income Tax (Earnings and Pensions) Act 2003 (as the Company shall determine) with the relevant member of the Group by the fourteenth day following the transfer of Shares to the Participant pursuant to the Award. The Company or the relevant Subsidiary, will pay the appropriate stamp duty on behalf of Participants in respect of any transfer of Shares on the vesting of an Award.

4. Data Privacy. By participating in the Plan, the Participant's attention is drawn to the Company's data privacy notice previously provided to them, which sets out how the Participant's personal data will be used and shared by the Company and any Subsidiaries. The Company's data privacy notice does not form part of the Plan and may be updated from time to time. Any such updates shall be notified to the Participant.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



December 15, 2021

BETWEEN

Traxys North America LLC

a limited liability company organized under the laws of the State of Delaware, U.S.A., with its main office and principal place of business at:
299 Park Avenue
New York, NY 10171
USA
Hereinafter called “**Buyer**” or “**Traxys**”

AND

Li-Cycle Americas Corp.

a corporation organized under the laws of the Province of Ontario, Canada, with its main office and principal place of business at:
Suite 590, 207 Queen’s Quay West
Toronto, Ontario M5J 1A7
Canada

Hereinafter called “**Seller**” or “**Li-Cycle**”

Refined Products – Amended and Restated Marketing, Logistics and Working Capital Agreement (the “Agreement”)

Dear Sirs,

Whereas we have previously entered into a refined products marketing, logistics and working capital agreement with Li-Cycle Corp. dated as of September 24, 2020, as amended on November 18, 2020, and assigned from Li-Cycle Corp. to Seller, effective October 31, 2021 (the “**Original Agreement**”), and this Agreement is intended to amend and restate the Original Agreement, as per the terms and conditions set forth herein.

Traxys North America LLC (“**Buyer**”, “**Traxys**” or “**we**”) shall buy from Li-Cycle Americas Corp. (“**Seller**”, “**Li-Cycle**” or “**you**”), 100% of Seller's annual production of Nickel Sulfate, Cobalt Sulfate, Lithium Carbonate, Manganese Carbonate and Graphite Concentrate (each, a “**Material**” and collectively the “**Materials**”) from Seller’s North America Commercial Hub expected to be located in Rochester, New York, USA (“**Hub 1**”), having the specifications as set out below, which Materials shall be on-sold by us to our third-party end customers on a global basis (“**Customers**”). This Agreement shall be subject to the terms and conditions hereinafter set forth.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



1 QUANTITY OF MATERIALS

Seller shall keep Buyer apprised of the progress of the construction, mechanical completion and commissioning of Hub 1 (with commissioning currently expected to commence in H2 2023). Hub 1 is expected to have a nameplate annual capacity to process approximately 35,000 MTs of unrefined “black mass” product, containing (among other things) lithium, cobalt and nickel material (“**Black Mass**”) to produce the Materials.

Hub 1 is expected to have the capacity to produce the Materials in the approximate annual volumes set forth in the table below:

Material	Max Dry (in MT)	Max Wet (in MT)
Nickel Sulfate	[XXX]	[XXX]
Cobalt Sulfate	[XXX]	[XXX]
Lithium Carbonate	[XXX]	[XXX]
Manganese Carbonate	[XXX]	[XXX]
Graphite Concentrate	[XXX]	[XXX]

Li-Cycle shall notify the Buyer on a timely basis of expected quarterly production of the Materials on a rolling 12-month basis (or such other basis as may be agreed by the parties from time to time).

Notwithstanding any of the foregoing, Traxys acknowledges and agrees that the nameplate capacity for Hub 1 and the approximate annual production volumes set forth above are provided for illustrative and planning purposes only; Hub 1 is not yet constructed or operational, and Seller shall not have any obligation of any nature whatsoever to construct or operate Hub 1 or to produce the Materials on the timetable or at the volumes described above and all decisions concerning Hub 1 shall be made by the Seller, in its sole and absolute discretion. For greater certainty, Seller’s obligations to deliver Materials under this Agreement will commence only upon the first production of such Materials.

2 QUALITY & SPECIFICATIONS OF MATERIALS

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.1 As per the minimum guaranteed specifications detailed in Appendix A, B, C, D and E (the “**Specifications**”), the specifications of all delivered Materials shall always meet *High-purity battery-grade* standards and requirements for Ni Sulfate / Co Sulfate / Li Carbonate and *common best practice industrial standards* for Mn Carbonate/Graphite Concentrate, with the final specifications for each Material to be determined by the parties prior to commencement of commercial production at Hub 1 and having regard to such maximum impurity levels as may be required by the Customers.
- 1.2 Any Materials produced by the Seller that do not meet the specifications described in clause 2.1 (“**Off-Spec Materials**”) shall also be sold by the Seller and purchased by the Buyer in accordance with this Agreement, provided that such Materials are not unsuitable for standard warehousing and transportation (by truck, ocean or rail), as determined by the parties, acting reasonably and in accordance with industry standards. Provisional pricing of Off-Spec Materials will be made in accordance with clause 7 (Price). Any Materials rejected by a Customer due to a quality claim, and returned to the Buyer, shall also be treated as “Off-Spec Materials” hereunder.
- 1.3 The Materials shall fully conform to REACH and/or IMO code and/or UN standards of safe practice for cargoes — whichever are applicable depending on the location of the relevant Customers.
- 1.4 Any changes in typical assays shall be communicated by the Seller to the Buyer in a timely manner.
- 1.5 All claims of Customers or other third parties arising from the Materials or the use thereof, including claims relating to specifications and quality of the Materials, shall be for the sole account of Seller.

3 **TERM**

- 1.1 This Agreement shall be deemed to have commenced on the effective date of the Original Agreement and shall continue until the later of:
 - (a) [XXX] after the end of the month in which the Seller has reached three consecutive months of =>95% nameplate capacity at Hub 1; and

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- (b) the end of the month in which the Seller has delivered and Purchaser has accepted for purchase an aggregate of [XXX] of Ni Sulfate, [XXX] of Cobalt Sulfate and [XXX] of Li Carbonate (provided that Off-Spec Materials delivered by Seller and accepted by Purchaser shall only be included in the calculation of the foregoing aggregate amounts for the period from the date of the commissioning of Hub 1 until the one-year anniversary of such commissioning date and thereafter only Materials that meet the Specifications shall be included in the calculation of such aggregate amounts), in accordance with the terms and conditions herein (as applicable, the “**Term**”).

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.2 Evergreen — The Term shall be extended automatically for additional one-year periods, unless the Agreement is terminated by either party by delivery of notice in writing not less than 180 days prior to the expiration of the then-current Term.
- 1.3 In all events, the Term of this Agreement shall continue as necessary to enable the Buyer to fulfill any commitments to Customers that are pending at the time the Term would otherwise expire.

4 COOPERATION AND TRANSPARENCY

- 1.1 Traxys shall be the off-taker and pay and take title to the Material as principal and sell the Material to Customers as principal. The payment collections and credit risk shall remain with Traxys.
- 1.2 Traxys will handle sales and/or marketing in agreement with the Seller in the various possible global markets. The terms and conditions, contracts, and agreements with Customers shall be made in transparency to Seller and said terms will be agreed in advance of such sales being concluded. To the extent that the Customer for a particular sale of Material is not located in North America, the parties shall, prior to effecting any such sale, designate the respective affiliates of Buyer and of Seller that are located in or serving the Customer's region to transact the sale of such Material on the terms set forth in this Agreement (*mutatis mutandis*). For example, sales of Materials to Customers in the Europe, the Middle East and Africa (EMEA) region may be directed to be made from Li-Cycle Europe AG (a Swiss corporation) and the applicable Traxys affiliate, and sales of Materials to Customers in the Asia Pacific (APAC) region may be directed to be made from Li-Cycle APAC Pte. Ltd. (a Singapore corporation) to the applicable Traxys affiliate.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.3 Traxys covenants and agrees that it shall not knowingly sell Material to any person who is a Sanctioned Person. For the purposes of the foregoing, a **“Sanctioned Person”** shall mean any person that: (i) is sanctioned under any economic or trade sanction, regulation, statute or official embargo measure imposed by the United Nations or the laws of the United States of America, the European Union, the United Kingdom, Australia or Canada; and (ii) includes any person named in the “Specially Designated Nationals and Blocked Persons” list maintained by the United States Department of the Treasury or any similar or equivalent list maintained by the government of any country listed above in (i). Traxys represents that all Customers will be subject to Traxys’ customary KYC review, which includes checks of publicly available lists of Sanctioned Persons.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.4 Traxys will handle logistics globally and shall execute all contract handling and shipping matters at cost for the Seller.
- 1.5 Traxys shall provide the Seller with continuous transactional financing as per clause 8.1 for Material released and delivered EXW Seller’s Works of Hub 1 (Incoterms 2020), until payments are received from the Customer. Such financial service shall constitute a Working Capital Facility for the Buyer and will be interest bearing for the Seller. The cost of the Working Capital Facility is the three-month SOFR, or any other mutually agreed replacement reference thereof, plus [XXX]. This shall be adjusted from time to time in line with Traxys’ cost of capital, as agreed by Li-Cycle (acting reasonably). For the purposes of the foregoing, “**SOFR**” shall mean the rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).
- 1.6 Traxys shall be paid a marketing fee (“**Marketing Fee**”) based on the Customer Final Price (as defined below) as follows:

Material	Fee
Ni Sulfate	[XXX]
Co Sulfate	[XXX]
Li Carbonate	[XXX]
Mn Carbonate	[XXX]
Graphite Concentrate	[XXX]

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.7 “**Transaction Costs**” means all costs, losses or damages reasonably incurred by Traxys in relation to the purchase, transportation, transactional financing and sale of the Material to Customers, including *inter alia*:

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.1.1 Costs associated with the transportation of the Materials, including *inter alia* all freight, demurrage, dead freight, charter hire and any other sums due pursuant to any charter of any vessel engaged in the carriage of the Material, together with costs of inspection of the carrying vessels;
- 1.1.2 Port costs at both loading and discharge port;
- 1.1.3 Costs of inspection, supervision and testing/analyzing of the Materials;
- 1.1.4 Costs of insurance [XXX];
- 1.1.5 Taxes, duties or other sums, whether levied against the Materials, the freight or otherwise;
- 1.1.6 Losses, claims, damages or expenses incurred or paid to third parties in respect of the Materials, its transportation and on-sale, including legal expenses incurred in defending or bringing such claims;
- 1.1.7 Hedging costs and expenses, if hedging is requested by Seller or required by Buyer;
- 1.1.8 Finance charges in respect of all sums paid by the Buyer, including fees and expenses in relation to any letters of credit; and
- 1.1.9 Any other relevant costs and expenses attributable to the sale of the Materials.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.8 All Transaction Costs deducted under clause 8 (Payment) must be supported by the delivery to the Seller of an expense report (“**Expense Report**”), together with the final payment made to Seller in accordance with clause 8 (Payment), which Expense Report shall set out in reasonable detail the determination of each of the Transaction Costs deducted by Traxys, and shall include copies of all relevant receipts, invoices and other forms of documents evidencing such Transaction Costs. Within 30 days after the receipt of an Expense Report, Li-Cycle may object to any of the Transaction Costs described in such Expense Report on the basis that such expenses are not authorized to be deducted under the terms of this Agreement, by notifying Traxys in writing of the basis of such objection in reasonable detail. Thereafter, the parties shall use their best endeavours to settle the matter, including by consulting and negotiating with each other to reach a resolution satisfactory to each party, failing which, either party may refer such dispute for resolution in accordance with clause 18 (Dispute Resolution) after a period of 30 days from the date the parties first met to resolve such matter.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



5 **CURRENCY**

All references to dollar amounts are quoted in U.S. funds.

6 **DELIVERY & SHIPMENT**

EXW Seller's Works

The Materials shall be delivered by Seller to Buyer EXW Seller's Works of Hub 1 (Incoterms 2020). Delivery of the Materials is expected to be in weekly shipments in quantities to be mutually agreed. Packaging to be UN rated bulk bags for shipment and adjusted as necessary according to Customer demand (including for packaging in a manner suitable for maritime transport).

Prior to start of production at Hub 1 (for the remainder of such calendar year) and prior to the start of each calendar year (for each year thereafter), Buyer and Seller shall mutually agree on the year's shipping schedule in accordance with the production plan for Hub 1 and Customers' needs for the Materials.

7 **PRICE**

1.1 **Benchmark Prices:**

Nickel Sulfate: the lower of (a) LME Official Cash Buyer Nickel Price and (b) LME Official 3-Month Buyer Nickel Price, in each case as expressed in US\$ per MT, published in the "Metal Bulletin" within the table "London Metal Exchange High, Low, and Average"

Cobalt Sulfate: FM Standard Grade, in-whs Rotterdam, Low Quotation Price (expressed in US\$ per MT) published by FM

Li Carbonate Battery Grade: FM Li Carbonate 99.5% Li₂CO₃ min, battery grade, spot price DDP Europe and US, \$/kg (expressed in US\$ per MT) assessed by FM (Standard Grade, Low Price)

Manganese Carbonate: Subject to market, to be defined by Customer

Graphite Concentrate: Subject to market, to be defined by Customer

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



1.2 **Final Price:**

Final pricing for the Materials shall be the price (the “**Customer Final Price**”) specified in the on-sale agreement between Traxys and the Customer for the relevant Materials (the “**Customer Contract**”).

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



1.3 **Provisional Price:**

- (a) If the Material has been sold forward by Traxys to a Customer at the time of delivery to Traxys:
 - (i) If the Customer Final Price for the shipment for sale to the Customer is known at the time of delivery to the Buyer, then the provisional price will be such Customer Final Price. The provisional payment to the Seller for such Material will be [XXX] of the provisional price and shall be paid in accordance with clause 8.1 and clause 8.2; or
 - (ii) If the Customer Final Price for the shipment for sale to the Customer is unknown at the time of delivery to the Buyer, then the provisional price to the Seller for such Material will be the estimated Customer Final Price, as determined by the Buyer using all relevant formulas in the Customer Contract. The provisional payment to the Seller for such Material will be [XXX] of the provisional price and shall be paid in accordance with clause 8.1 and clause 8.2.
- (b) If the Material is unsold at the time of delivery to Traxys:

The provisional price and the provisional payment will be mutually agreed by the Buyer and Seller using the benchmark prices set forth above and a provisional quotational period (being the average of the five business days preceding the date of delivery to the Buyer). The provisional payment will be equal to [XXX] of the provisional price and shall be paid in accordance with clause 8.1 and clause 8.2; and
- (c) Notwithstanding the foregoing, if the Material is “Off Spec Material,” then the provisional price shall be [XXX] of the benchmark prices set forth above and the provisional quotational period shall be the average of the five business days preceding the date of delivery to the Buyer.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- (d) In the case of Manganese Carbonate and Graphite Concentrate, whether sold forward or unsold at the time of delivery to Traxys, the provisional price and the provisional payment shall be reduced by the expected shipping costs for the Material, to be mutually agreed by the Buyer and Seller.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



1.4 **US Dollars:**

All prices shall be stated, and all payments shall be made, in US Dollars.

8 **PAYMENT**

1.1 **Provisional Payment**

Provisional payment shall be made against documentation proving release of the Materials at Hub 1 (details to be agreed), including *inter alia*:

- Holding and Title Certificate issued by Seller to Buyer's order;
- Provisional commercial invoice issued by Seller;
- Truck or railway bills of lading provided by Buyer;
- Original provisional Seller's weight certificates;
- Original Seller's provisional assay certificates indicating all the metals contents and approved by Buyer on a lot by lot basis;
- Original certificate of origin issued by the Seller;
- Packing lists issued by the Seller;
- Any other required documents for the safe domestic and international transport and handling of the Material.

Payments shall be made net of the Transaction Costs and the Marketing Fee.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



1.2 **2nd Provisional Payment**

A second provisional payment based on the latest known provisional pricing data shall be made, upon presentation of a second provisional invoice, either way (namely, either by the Buyer to the Seller or by the Seller to the Buyer, as the case may be), in the event the then current provisional value differs by more than 10% from the provisional value in the initial provisional invoice.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



1.3 **Final Payment**

The final payment shall be made, either way (namely, either by the Buyer to the Seller or by the Seller to the Buyer, as the case may be), upon all final pricing data and Transaction Costs being known, by telegraphic transfer upon presentation of the final invoice. The final payment shall be made on a quarterly basis, in line with each of Seller's fiscal quarters (currently, January 31st, April 30th, July 31st and October 31st).

9 **WEIGHING, SAMPLING AND MOISTURE DETERMINATION**

- 1.1 Final weighing, sampling and assay determination shall be governed by the Customer Contract.
- 1.2 Buyer reserves the right to independently perform a provisional weighing, sampling and assay determination, prior to the first provisional payment.

10 **TAXES AND DUTIES**

Any and all taxes and duties, whether now existing or new, imposed outside of the United States on the export of the Material from the United States shall be borne by Seller.

11 **INSURANCE**

Buyer shall insure under its marine cargo policy with an internationally reputable company, from the time the Material is under Buyer's title and control and up to the destination point, for 110% of the provisional value of the Material. The insurance shall cover All Risks as per current Institute Cargo Clauses All Risks, Institute War Clauses and Institute Strike, Riots and Civil Commotions clauses. The claim shall be payable in US Dollars.

12 **TITLE AND RISK**

- 1.1 Title to the Material for each shipment or any part thereof shall pass from Seller to Buyer upon receipt by Seller of the provisional payment for such Material as per clause 8.1 (Payment) of this Agreement.
- 1.2 Risk of loss or damage to the Material shall pass from Seller to Buyer as per agreed Incoterm in clause 6 (Incoterms® 2020).

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



13 **INCOTERMS**

Unless otherwise specified herein, Incoterms® 2020 shall be applicable for the duration of this Agreement.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



14 CHANGES IN QUOTATIONS

The quotations of the metals specified under this Agreement are those actually in general use to establish the price of metallic contents in concentrates. Should any of these quotations cease to exist or cease to be published or cease to be internationally recognized as the basis to calculate ore and/or concentrate contracts, or should they fail to reflect the real value of the metals in the markets, then (at the request of any of the parties), Buyer and Seller shall get together and mutually consult with the aim to agree on a new basis and price, and a date to execute same. The basic objective shall be the continuity of a fair price.

15 FORCE MAJEURE

Neither Buyer nor Seller would be responsible for non-performance under this Agreement provided such non-performance is due to the occurrence of an event of Force Majeure as hereunder described:

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.1 In the event of any war (declared or undeclared), revolution, terrorism, act of God, flood, storm, earthquake, fire, explosion, strike, lockout, act of Government or Government appointed agents including but not limited to changes in tariffs, duties, import and export controls or quotas, and environmental regulations, obstruction or blockage of port or wharf, lack of railway facilities or delays on route whether due to mechanical fault or action of the elements, or in the event of any other like events or causes whatsoever beyond the reasonable control of Seller or Buyer which were not reasonably foreseeable and which could not be reasonably avoided (any such cause being hereinafter called “**Force Majeure**”) preventing or hindering Seller or Buyer from performing its obligations in this Agreement, the party whose performance is prevented or hindered by Force Majeure may suspend delivering or accepting a delivery of Material hereunder for the period of the Force Majeure event (but no longer) if it shall give prompt written notice to the other party of the details of such Force Majeure event, and an estimate of the time period for which the Force Majeure event shall remain in effect. Force Majeure shall not apply to any tonnage for which a pricing has been established in part or in full or transport of any kind has been booked. In no event shall Force Majeure operate to delay or extend the due date for any repayments of principal or interest of any loans or advances extended to Seller by Buyer or an affiliate of Buyer.

The party declaring Force Majeure shall take all reasonable steps to resume with the least possible delay its performance hereunder, provided that nothing herein shall require a party to settle any strike, lockout or stoppage of work on terms which in its opinion are not satisfactory.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



1.2 Each party is fully aware of the potential impact on the performance of the other party's obligations under this Agreement arising out of the COVID-19 pandemic and governmental and other actions that have been taken or may in the future be taken in response thereto, and each party acknowledges that the awareness of such event or condition will not act to prevent the other party from declaring a Force Majeure event that otherwise would be applicable hereunder.

16 NOTICES

It is agreed that any and all notices required or permitted to be given to either party under the terms of this Agreement shall be given in writing and sent by email or courier or delivered by hand to the party to be notified at the following respective addresses or any new addresses regarding which the respective parties have been informed to the sending of such notices, namely:

Li-Cycle Americas Corp.
Suite 590, 207 Queen's Quay West
Toronto, Ontario M5J 1A7
Canada
Attention: Kunal Phalpher, Chief Strategy Officer
Email: kunal.phalpher@li-cycle.com

Traxys North America, LLC
299 Park Avenue, 38th Floor
New York, NY 10171
USA
Attention: Landon Berns, Mark Kristoff and Steven Scheinman

Email: landon.berns@traxys.com);
mark.kristoff@traxys.com; and
steven.scheinman@traxys.com)

Any such notice shall be deemed to have been given the next business day in the place to which it is sent (if sent by email or courier) or at the time of delivery (if delivered by hand).

17 GOVERNING LAW

This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of New York, USA, without regard to its principle of conflicts of laws.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



18 DISPUTE RESOLUTION

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration administered in New York by the American Arbitration Association (“**AAA**”) in accordance with its Commercial Arbitration Rules then in effect. Each party shall by written notice to the other have the right to appoint one arbitrator. If, within 30 days following the giving of such notice by one party, the other shall not, by written notice, appoint another arbitrator, the first arbitrator shall be the sole arbitrator. If two arbitrators are so appointed, they shall appoint a third arbitrator. If 30 days elapse after the appointment of the second arbitrator and the two arbitrators are unable to agree upon the third arbitrator, then either party may, in writing, request that the AAA appoint the third arbitrator. Any award from any such arbitration proceeding may be entered as a judgment in any court of competent jurisdiction. Each party shall bear its own costs in connection with any arbitration hereunder. Nothing herein shall prevent a party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the parties and the subject matter of the dispute as is necessary to protect such party's rights.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



19 SUCCESSION AND ASSIGNMENT

Neither party may assign this Agreement or its rights or obligations hereunder, either in whole or in part, without the express written consent of the other party. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors and permitted assigns.

20 LIMITATION ON DAMAGES

The parties agree that neither party hereto shall be liable for special, indirect, punitive, exemplary or consequential damages, including but not limited to lost profits, lost savings, loss of use of facility or equipment, regardless of whether arising from breach of contract, warranty, tort, strict liability or otherwise, and even if advised of the possibility of such losses or damages or if such losses or damages could have been reasonably foreseen, unless resulting from a party's actions that are found to constitute willful misconduct or to have been taken in bad faith.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



21 CONFIDENTIALITY

Subject to clause 22 (Public Announcements and Filings), the contents of this Agreement and all confidential or non-public information disclosed by one party to the other party hereunder shall be kept strictly confidential, unless subsequently agreed otherwise or to the extent required by applicable law. Information shall not be, nor shall be deemed to be, confidential or non-public if (i) it was or becomes generally available to the public other than as a result of any breach of this clause 21; (ii) it becomes available to a party on a non-confidential basis from another source that is not known by such party to be bound by an obligation of confidentiality to the other party in respect of such information; or (iii) it is independently developed by a party without use of or reference to confidential or non-public information. Notwithstanding the foregoing, a party may disclose the contents of this Agreement and confidential information disclosed by the other party hereunder (i) to its directors, officers, employees, legal, financial and business advisors and representatives who are in a confidential relationship with such recipient party, so long as such persons have been made aware of have agreed to be bound by these confidentiality provisions, (ii) as may be required by applicable law or governmental authority, (iii) to any prospective transferee of a party's business that has agreed to be bound by these confidentiality provisions, or (iv) in connection with the enforcement of this Agreement by any party. The provisions shall be valid during the term of this Agreement.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



22 PUBLIC ANNOUNCEMENTS & FILINGS

The parties acknowledge that Li-Cycle may be required to publicly announce the execution of this Agreement and to file a copy of this Agreement as a material contract with applicable securities regulatory authorities, stock exchanges or other governmental authorities.

Li-Cycle agrees that such public announcement or filings will not occur until:

- (a) Traxys has been provided with a reasonable and proper opportunity to review and comment on the proposed public announcement or filings; and
- (b) Traxys has been provided with a reasonable and proper opportunity to propose redactions of commercially sensitive information prior to such public announcement or filings.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



23 SEVERABILITY

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under the applicable laws. However, if any provision of this Agreement shall be held to be invalid or prohibited under applicable laws, such provision shall be ineffective only to the extent of such invalidity or prohibition without affecting the validity of the remainder of such provision or the remaining provisions of this Agreement, which shall remain in full force and effect.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



24 TERMINATION; SUSPENSION OF OBLIGATIONS

- 1.1 Each party may terminate this Agreement by written notice to the other party, with immediate effect:
 - (a) if the other party commits a material breach of its obligations under this Agreement and, when such breach is capable of being remedied, fails to remedy such breach within a reasonable time (not less than 30 days) of written notice of breach;
 - (b) if the other party enters into liquidation, becomes insolvent, is declared bankrupt, enters into any kind of receivership or makes any arrangement or composition or assignment for the benefit of any creditor; or
 - (c) as provided in clause 15 (Force Majeure).
- 1.2 If a party delivers the written notice described in clause 24.1(a) to the other party, the delivering party may suspend performance of its obligations hereunder as of the date of such notice until the earlier of: (x) the other party having cured such material breach in accordance with clause 24.1(a); and (y) the termination of this Agreement in accordance with clause 24.1.
- 1.3 Termination of this Agreement shall not affect any rights or obligations which may have accrued prior to such termination and, on termination of this Agreement, each party shall promptly pay to the other party all sums owed to the other party under this Agreement. The obligations of each party set out in this clause 24 and clauses 16, 17, 18, 20, 21 and 25 shall continue in full force and effect notwithstanding any termination of this Agreement.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



25 **DEFINITIONS**

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- The terms “**tonne**” or “**MT**” means a metric tonne of 1000 kilograms (Kgs) equivalent to 2,204.62 pounds avoirdupois, wet (WMT) or dry (DMT) basis as specifically stated herein;
- The term “**unit**” means one per cent of the net dry weight.
- “**USD**” or “**US Dollar**” is the currency of United States of America.
- The term “**troy ounce**” is equivalent to 31,1035 grams.
- “**PPM**” means part per million and is equivalent to one gram per tonne.
- “**Kg**” shall mean one kilogram, or 1,000 grams, 2.2046 pounds.
- “**LME**” shall mean the London Metal Exchange Limited.
- “**FM**” shall mean Fastmarkets.

Any other abbreviations shall be as per the usual standard of the industry.

26 **NO OTHER AGREEMENT, ETC.**

- 1.1 This Agreement is an amendment and restatement of, but not a novation of, the Original Agreement, such amendment and restatement being effective as of the date of this Agreement.
- 1.2 This Agreement supersedes all correspondence, orders, or confirmations of the parties with respect to matters covered hereby.
- 1.3 For sake of clarity and avoidance of doubts only, the parties acknowledge that they have entered into a separate agreement with regard to Black Mass sales (i.e., the BLACK MASS – Marketing, Logistics and Working Capital Agreement dated September 24, 2020, as amended and restated as of the date of this Agreement), and nothing herein shall affect the rights or obligations of the parties under such separate agreement.
- 1.4 No modification or waiver of this Agreement or any right or obligation of any party hereunder shall be binding upon such party unless it is in writing and signed by an officer thereof.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.5 No waiver by a party of any of delay, fault or breach shall be deemed a waiver of any other delay, default or breach.

[Signature page follows]



Yours truly,

Traxys North America LLC

By: /s/ Landon Berns –
Landon Berns, SVP

Accepted and agreed by:

Li-Cycle Holdings Corp.

By: /s/ Kunal Phalpher
Kunal Phalpher, Chief Strategy Officer

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



December 15, 2021

BETWEEN

Traxys North America LLC

a limited liability company organized under the laws of the State of Delaware, U.S.A., with its main office and principal place of business at:

299 Park Avenue
New York, NY 10171
USA

Hereinafter called “**Buyer**” or “**Traxys**”

AND

Li-Cycle Americas Corp.

a corporation organized under the laws of the Province of Ontario, Canada, with its main office and principal place of business at:

Suite 590, 207 Queen’s Quay West
Toronto, Ontario M5J 1A7
Canada

Hereinafter called “**Seller**” or “**Li-Cycle**”

<p>BLACK MASS – Amended and Restated Marketing, Logistics and Working Capital Agreement (the “Agreement”)</p>
--

Dear Sirs,

Whereas we have previously entered into a black mass marketing, logistics and working capital agreement with Li-Cycle Corp. dated as of September 24, 2020, as amended on November 18, 2020, and assigned from Li-Cycle Corp. to Seller, effective October 31, 2021 (the “**Original Agreement**”), and this Agreement is intended to amend and restate the Original Agreement, effective as of November 1, 2021, as per the terms and conditions set forth herein.

Traxys North America LLC (“**Buyer**”, “**Traxys**” or “**we**”) shall buy from Li-Cycle Americas Corp. (“**Seller**”, “**Li-Cycle**” or “**you**”), 100% of Seller’s production of unrefined “black mass” product, containing (among other things) lithium, cobalt and nickel material (“**Black Mass**” or “**Material**”), with analyses as set out below, from Seller’s North America Commercial Spoke 1 located in Kingston, Ontario, Canada (“**Spoke 1**”), Seller’s North America Commercial Spoke 2 located in Rochester, NY, USA (“**Spoke 2**”), and any other North American Commercial Spoke operated by the Seller producing Black Mass, other than such production of Black Mass as Seller determines (in its sole discretion) is required for internal purposes at Seller’s North America Commercial Hub, in Rochester, New York (“**Hub 1**”) or any other Commercial Hub that may be developed by the Seller in future. The Black Mass shall have the specifications as set out below, and shall be on-sold by us to our third-party end customers on a global basis (“**Customers**”). This Agreement shall be subject to the terms and conditions hereinafter set forth.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



1. QUANTITY OF BLACK MASS TO BE DELIVERED

For 2022, the nameplate annual capacity at Spoke 1 is 5,000 tonnes of Material per annum and nameplate annual capacity at Spoke 2 is 5,000 tonnes of Material per annum and the Seller expects to bring new Spokes online in Arizona and Alabama. Upon execution of this Agreement and prior to the start of each calendar quarter hereafter, Li-Cycle shall advise the Buyer of the quantity of Black Mass expected to be available for sale during the next rolling 12-month period, and the parties shall mutually agree on the delivery schedule for such period.

Traxys acknowledges and agrees that all decisions concerning Spoke operations and the timing and quantity of Black Mass available for sale to Traxys under this Agreement shall be made by the Seller, in its sole and absolute discretion. Seller may determine that some or all of its Black Mass production may be required for its internal purposes (including inventory build, commissioning and start-up of commercial production at Hub 1 or any other Commercial Hub that may be developed by the Seller in future), thus reducing the quantity of Black Mass available for sale to Buyer under this Agreement. For greater certainty, however, after the start-up of operations at Hub 1, where Seller has Black Mass production from its North American Spokes that is not required for its internal purposes, Seller shall continue to sell 100% of such Black Mass to Buyer under the terms of this Agreement, as Seller’s exclusive off-taker of Black Mass during the term of this Agreement.

2. QUALITY & SPECIFICATIONS OF BLACK MASS

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



1.1 The Seller expects the Black Mass to have the following approximate specifications, and be otherwise free of deleterious elements and non-radioactive:

Form: [XXX]

Chemical Properties:

Property	Unit	Specification
[XXX]	wt %	[XXX]
[XXX]	wt %	[XXX]
[XXX]	wt %	[XXX]
[XXX]	wt %	[XXX]
[XXX]	wt %	[XXX]
[XXX]	PPM	[XXX]
[XXX]	wt %	[XXX]

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.2 If Black Mass produced by the Seller does not meet the specifications described in clause 2.1 (“**Off-Spec Black Mass**”), then the Buyer and the Seller will work out a mutually agreeable solution. If the parties are unable to agree on a solution, then the Off-Spec Black Mass will be considered rejected and the Seller shall promptly pick up the rejected Material and ship it back to the Seller at the Seller’s expense. Provisional pricing for any Off-Spec Black Mass purchased hereunder will be made in accordance with clause 7 (Price). Any Black Mass rejected by a customer due to a quality claim and returned to the Buyer shall also be treated as “Off-Spec Black Mass” hereunder.
- 1.3 The Black Mass shall fully conform to REACH and/or IMO code and/or UN standards of safe practice for cargoes - whichever are applicable depending on the location of the relevant Customers.
- 1.4 Any changes in typical assays shall be communicated by the Seller to the Buyer in a timely manner.
- 1.5 All claims of Customers or other third parties arising from the Black Mass or the use thereof, including claims relating to specifications and quality of the Black Mass shall be for the sole account of Seller.

3. **EFFECTIVE DATE; TERM**

This Agreement shall be effective as of November 1, 2021 and shall continue until the end of the “Term” as determined under the REFINED PRODUCTS – Amended and Restated Marketing, Logistics and Working Capital Agreement dated December 15, 2021, provided that the term of this Agreement shall continue as necessary to enable the Buyer to fulfill any commitments to Customers that are pending at the time the term of this Agreement would otherwise expire. The parties acknowledge that purchases and sales of Black Mass made under the Original Agreement and not yet settled as of the Effective Date shall be governed by and settled in accordance with the terms of this Agreement (with the first such settlement to be made on January 31, 2022, in accordance with the terms of Section 8.3).

4. **COOPERATION AND TRANSPARENCY**

- 1.1 Traxys shall be the off-taker and pay and take title to the Material as principal and sell the Material to Customers as principal. The payment collections and credit risk shall remain with Traxys.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.2 Traxys will handle logistics globally and shall execute all contract handling and shipping matters at cost for the Seller.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.3 Traxys shall provide the Seller with continuous transactional financing as per clause 8.1 for Material released and delivered EXW Seller's Works of the applicable Spoke (Incoterms 2020), until payments are received from the Customer. Such financial service shall constitute a Working Capital Facility for the Buyer and will be interest bearing for the Seller. The cost of the Working Capital Facility is the three-month SOFR, or any other mutually agreed replacement reference thereof, plus [XXX]. This shall be adjusted from time to time in line with Traxys' cost of capital, as agreed by Li-Cycle (acting reasonably). For the purposes of the foregoing, "**SOFR**" shall mean the rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).
- 1.4 Traxys shall be paid a marketing fee ("**Marketing Fee**") equal to [XXX] of the Customer Final Price (as defined below).
- 1.5 "**Transaction Costs**" means all costs, losses or damages reasonably incurred by Traxys in relation to the purchase, transportation, transactional financing and sale of the Material to Customers, including *inter alia*:
 - 1.1.1 Costs associated with the transportation of the Material, including *inter alia* all freight, demurrage, dead freight, charter hire and any other sums due pursuant to any charter of any vessel engaged in the carriage of the Material, together with costs of inspection of the carrying vessels;
 - 1.1.2 Port costs at both loading and discharge port;
 - 1.1.3 Costs of inspection, supervision and testing/analyzing of the Material;
 - 1.1.4 Costs of insurance [XXX];
 - 1.1.5 Taxes, duties or other sums, whether levied against the Material, the freight or otherwise;

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.1.6 Losses, claims, damages or expenses incurred or paid to third parties in respect of the Material, its transportation and on-sale including legal expenses incurred in defending or bringing such claims;

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.1.7 Hedging costs and expenses, if hedging is requested by Seller or required by Buyer;
 - 1.1.8 Finance charges in respect of all sums paid by the Buyer, including fees and expenses in relation to any letters of credit; and
 - 1.1.9 Any other relevant costs and expenses attributable to the sale of the Material.
- 1.6 All Transaction Costs deducted under clause 8 (Payment), must be supported by the delivery to the Seller of an expense report (“**Expense Report**”), together with the final payment made to Seller in accordance with clause 8 (Payment), which Expense Report shall set out in reasonable detail the determination of each of the Transaction Costs deducted by Traxys, and shall include copies of all relevant receipts, invoices and other forms of documents evidencing such Transaction Costs. Within 30 days after the receipt of an Expense Report, Li-Cycle may object to any of the Transaction Costs described in such Expense Report on the basis that such expenses are not authorized to be deducted under the terms of this Agreement, by notifying Traxys in writing of the basis of such objection in reasonable detail. Thereafter, the parties shall use their best endeavours to settle the matter, including by consulting and negotiating with each other to reach a resolution satisfactory to each party, failing which, either party may refer such dispute for resolution in accordance with clause 18 (Dispute Resolution) after a period of 30 days from the date the parties first met to resolve such matter.

5. CURRENCY

All references to dollar amounts are quoted in U.S. funds.

6. DELIVERY & SHIPMENT

EXW Seller’s Works

The Black Mass shall be delivered by Seller to Buyer EXW Seller’s Works of the applicable Spoke (Incoterms 2020). Delivery of the Black Mass is expected to be in semi-monthly shipments in quantities to be mutually agreed. Each lot of Black Mass delivered to Buyer is expected to have a size of between 18 to 20 MT, subject to adjustment by mutual agreement according to customer demand. Packaging to comply with UN3077 packing instructions and to be in UN rated bulk bags for shipment and adjusted as necessary according to Customer demand (including for packaging in a manner suitable for maritime transport).

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



7. PRICE

Benchmark Prices:

Nickel: the lower of (a) LME Official Cash Buyer Nickel Price and (b) LME Official 3-Month Buyer Nickel Price, in each case as expressed in US\$ per MT, published in the “Metal Bulletin” within the table “London Metal Exchange High, Low, and Average

Cobalt: FM Standard Grade, in-whs Rotterdam, Low Quotation Price (expressed in US\$ per MT) published by FM

Final Price:

Final pricing for the Material shall be the price (the “**Customer Final Price**”) specified in the on-sale agreement between Traxys and the Customer for the relevant Materials (the “**Customer Contract**”).

Provisional Price:

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- (a) If the Material has been sold forward by Traxys to a Customer at the time of delivery to Traxys:
 - (i) if the Customer Final Price for the shipment for sale to the Customer is known at the time of delivery to the Buyer, then the provisional price will be such Customer Final Price. The provisional payment to the Seller for such Material will be [XXX] of the provisional price and shall be paid in accordance with clause 8.1 and clause 8.2; or
 - (ii) if the Customer Final Price for the shipment for sale to the Customer is unknown at the time of delivery to the Buyer, then the provisional price to the Seller for such Material will be the estimated Customer Final Price, as determined by the Buyer using all relevant formulas in the Customer Contract. The provisional payment to the Seller for such Material will be [XXX] of the provisional price and shall be paid in accordance with clause 8.1 and clause 8.2.
- (b) If the Material is unsold at the time of delivery to Traxys:

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- (i) the provisional price and the provisional payment will be mutually agreed by the Buyer and Seller, using the benchmark prices set forth above and a provisional quotational period (being the average of the five business days preceding the date of delivery to the Buyer). The provisional payment will be equal to [XXX] of the provisional price and shall be paid in accordance with clause 8.1 and clause 8.2.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- (c) Notwithstanding the foregoing, if the Material is “Off-Spec Black Mass”, then the provisional price shall be [XXX] of the benchmark prices set forth above and the provisional quotational period shall be the average of the five business days preceding the date of delivery to the Buyer.

US Dollars:

All prices shall be stated, and all payments shall be made, in US Dollars.

8. PAYMENT

1.1 Provisional Payment

1.1.1 Provisional payment shall be made against documentation proving release of the Materials at the applicable Spoke (details to be agreed), including *inter alia*:

- Holding and Title Certificate issued by Seller to Buyer’s order;
- Provisional commercial invoice issued by Seller;
- Truck or railway bills of lading provided by Buyer;
- Original provisional Seller’s weight certificates;
- Original Seller’s provisional assay certificates indicating all the metals contents and approved by Buyer on a lot by lot basis;
- Original certificate of origin issued by the Seller;
- Packing lists issued by the Seller;
- Any other required documents for the safe domestic and international transport and handling of the Material.

Payments shall be made net of the Transaction Costs and the Marketing Fee.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



1.2 2nd Provisional Payment

A second provisional payment based on the latest known provisional pricing data shall be made, upon presentation of a second provisional invoice, either way (namely, either by the Buyer to the Seller or by the Seller to the Buyer, as the case may be), in the event the then current provisional value differs by more than 10% from the provisional value in the initial provisional invoice.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



1.3 Final Payment

The final payment shall be made, either way (namely, either by the Buyer to the Seller or by the Seller to the Buyer, as the case may be), upon all final pricing data and Transaction Costs being known, by telegraphic transfer upon presentation of the final invoice. The final payment shall be made on a quarterly basis, in line with each of Seller's fiscal quarters (currently, January 31st, April 30th, July 31st and October 31st).

9. WEIGHING, SAMPLING AND MOISTURE DETERMINATION

1.1 Final weighing, sampling and assay determination shall be governed by the Customer Contract.

1.2 Buyer reserves the right to independently perform a provisional weighing, sampling and assay determination, prior to the first provisional payment.

10. TAXES AND DUTIES

Any and all taxes and duties, whether now existing or new, imposed outside of the country of origin on the export of the Material from the country of origin shall be borne by Seller.

11. INSURANCE

Buyer shall insure under its marine cargo policy with an internationally reputable company, from the time the Material is under Buyer's title and control and up to the destination point, for 110% of the provisional value of the Material. The insurance shall cover All Risks as per current Institute Cargo Clauses All Risks, Institute War Clauses and Institute Strike, Riots and Civil Commotions clauses. The claim shall be payable in US Dollars.

12. TITLE AND RISK

1.1 Title to the Material for each shipment or any part thereof shall pass from Seller to Buyer upon receipt by Seller of the provisional payment for such Material as per clause 8.1 (Payment) of this Agreement.

1.2 Risk of loss or damage to the Material shall pass from Seller to Buyer as per agreed Incoterm in clause 6 (Incoterms® 2020).

13. INCOTERMS

Unless otherwise specified herein, Incoterms® 2020 shall be applicable for the duration of this Agreement.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



14. CHANGES IN QUOTATIONS

The quotations of the metals specified under this Agreement are those actually in general use to establish the price of metallic contents in concentrates. Should any of these quotations cease to exist or cease to be published or cease to be internationally recognized as the basis to calculate ore and/or concentrate contracts, or should they fail to reflect the real value of the metals in the markets, then (at the request of any of the parties), Buyer and Seller shall get together and mutually consult with the aim to agree on a new basis and price, and a date to execute same. The basic objective shall be the continuity of a fair price.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



15. FORCE MAJEURE

Neither Buyer nor Seller would be responsible for non-performance under this Agreement provided such non-performance is due to the occurrence of an event of Force Majeure as hereunder described:

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.1 In the event of any war (declared or undeclared), revolution, terrorism, act of God, flood, storm, earthquake, fire, explosion, strike, lockout, act of Government or Government appointed agents including but not limited to changes in tariffs, duties, import and export controls or quotas, and environmental regulations, obstruction or blockage of port or wharf, lack of railway facilities or delays on route whether due to mechanical fault or action of the elements, or in the event of any other like events or causes whatsoever beyond the reasonable control of Seller or Buyer which were not reasonably foreseeable and which could not be reasonably avoided (any such cause being hereinafter called “Force Majeure”) preventing or hindering Seller or Buyer from performing its obligations in this Agreement, the party whose performance is prevented or hindered by Force Majeure may suspend delivering or accepting a delivery of Material hereunder for the period of the Force Majeure event (but no longer) if it shall give prompt written notice to the other party of the details of such Force Majeure event, and an estimate of the time period for which the Force Majeure event shall remain in effect. Force Majeure shall not apply to any tonnage for which a pricing has been established in part or in full or transport of any kind has been booked. In no event shall Force Majeure operate to delay or extend the due date for any repayments of principal or interest of any loans or advances extended to Seller by Buyer or an affiliate of Buyer.

The party declaring Force Majeure shall take all reasonable steps to resume with the least possible delay its performance hereunder, provided that nothing herein shall require a party to settle any strike, lockout or stoppage of work on terms which in its opinion are not satisfactory.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.2 Each party is fully aware of the potential impact on the performance of the other party's obligations under this Agreement arising out of the COVID-19 pandemic and governmental and other actions that have been taken or may in the future be taken in response thereto, and each party acknowledges that the awareness of such event or condition will not act to prevent the other party from declaring a Force Majeure event that otherwise would be applicable hereunder.

16. NOTICES

It is agreed that any and all notices required or permitted to be given to either party under the terms of this Agreement shall be given in writing and sent by email or courier or delivered by hand to the party to be notified at the following respective addresses or any new addresses regarding which the respective parties have been informed to the sending of such notices, namely:

Li-Cycle Americas Corp.
Suite 590, 207 Queen's Quay West
Toronto, Ontario M5J 1A7
Canada

Attention: Kunal Phalpher, Chief Strategy Officer
Email: kunal.phalpher@li-cycle.com

Traxys North America, LLC
299 Park Avenue, 38th Floor
New York, NY 10171
USA

Attention: Landon Berns, Mark Kristoff and Steve Scheinman
Email: landon.berns@traxys.com; mark.kristoff@traxys.com; and
steven.scheinman@Traxys.com

Any such notice shall be deemed to have been given the next business day in the place to which it is sent (if sent by email or courier) or at the time of delivery (if delivered by hand).

17. GOVERNING LAW

This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of New York, USA, without regard to its principle of conflicts of laws.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



18. DISPUTE RESOLUTION

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration administered in New York by the American Arbitration Association (“**AAA**”) in accordance with its Commercial Arbitration Rules then in effect. Each party shall by written notice to the other have the right to appoint one arbitrator. If, within 30 days following the giving of such notice by one party, the other shall not, by written notice, appoint another arbitrator, the first arbitrator shall be the sole arbitrator. If two arbitrators are so appointed, they shall appoint a third arbitrator. If 30 days elapse after the appointment of the second arbitrator and the two arbitrators are unable to agree upon the third arbitrator, then either party may, in writing, request that the AAA appoint the third arbitrator. Any award from any such arbitration proceeding may be entered as a judgment in any court of competent jurisdiction. Each party shall bear its own costs in connection with any arbitration hereunder. Nothing herein shall prevent a party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the parties and the subject matter of the dispute as is necessary to protect such party’s rights.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



19. SUCCESSION AND ASSIGNMENT

Neither party may assign this Agreement or its rights or obligations hereunder, either in whole or in part, without the express written consent of the other party. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors and permitted assigns.

20. LIMITATION ON DAMAGES

The parties agree that neither party hereto shall be liable for special, indirect, punitive, exemplary or consequential damages, including but not limited to lost profits, lost savings, loss of use of facility or equipment, regardless of whether arising from breach of contract, warranty, tort, strict liability or otherwise, and even if advised of the possibility of such losses or damages or if such losses or damages could have been reasonably foreseen, unless resulting from a party's actions that are found to constitute willful misconduct or to have been taken in bad faith.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



21. CONFIDENTIALITY

Subject to clause 22 (Public Announcements and Filings), the contents of this Agreement and all confidential or non-public information disclosed by one party to the other party hereunder shall be kept strictly confidential, unless subsequently agreed otherwise or to the extent required by applicable law. Information shall not be, nor shall be deemed to be, confidential or non-public if (i) it was or becomes generally available to the public other than as a result of any breach of this clause 21; (ii) it becomes available to a party on a non-confidential basis from another source that is not known by such party to be bound by an obligation of confidentiality to the other party in respect of such information; or (iii) it is independently developed by a party without use of or reference to confidential or non-public information. Notwithstanding the foregoing, a party may disclose the contents of this Agreement and confidential information disclosed by the other party hereunder (i) to its directors, officers, employees, legal, financial and business advisors and representatives who are in a confidential relationship with such recipient party, so long as such persons have been made aware of have agreed to be bound by these confidentiality provisions, (ii) as may be required by applicable law or governmental authority, (iii) to any prospective transferee of a party's business that has agreed to be bound by these confidentiality provisions, or (iv) in connection with the enforcement of this Agreement by any party. The provisions shall be valid during the term of this Agreement.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



22. PUBLIC ANNOUNCEMENTS & FILINGS

The parties acknowledge that Li-Cycle may be required to publicly announce the execution of this Agreement and to file a copy of this Agreement as a material contract with applicable securities regulatory authorities, stock exchanges or other governmental authorities.

Li-Cycle agrees that such public announcement or filings will not occur until:

- (a) Traxys has been provided with a reasonable and proper opportunity to review and comment on the proposed public announcement or filings; and
- (b) Traxys has been provided with a reasonable and proper opportunity to propose redactions of commercially sensitive information prior to such public announcement or filings.

23. SEVERABILITY

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under the applicable laws. However, if any provision of this Agreement shall be held to be invalid or prohibited under applicable laws, such provision shall be ineffective only to the extent of such invalidity or prohibition without affecting the validity of the remainder of such provision or the remaining provisions of this Agreement, which shall remain in full force and effect.

24. TERMINATION; SUSPENSION OF OBLIGATIONS

- 1.1 Each party may terminate this Agreement by written notice to the other party, with immediate effect:
 - 1.1.1 if the other party commits a material breach of its obligations under this Agreement and, when such breach is capable of being remedied, fails to remedy such breach within a reasonable time (not less than 30 days) of written notice of breach;

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.1.2 if the other party enters into liquidation, becomes insolvent, is declared bankrupt, enters into any kind of receivership or makes any arrangement or composition or assignment for the benefit of any creditor; or

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



1.1.3 as provided in clause 15 (Force Majeure).

1.2 If a party delivers the written notice described in clause 24.1.1 to the other party, the delivering party may suspend performance of its obligations hereunder as of the date of such notice until the earlier of: (x) the other party having cured such material breach in accordance with clause 24.1.1; and (y) the termination of this Agreement in accordance with clause 24.1.

1.3 Termination of this Agreement shall not affect any rights or obligations which may have accrued prior to such termination and, on termination of this Agreement, each party shall promptly pay to the other party all sums owed to the other party under this Agreement. The obligations of each party set out in this clause 24 and clauses 16, 17, 18, 20, 21 and 25 shall continue in full force and effect notwithstanding any termination of this Agreement.

25. DEFINITIONS

1.1 The terms “tonne” or “MT” means a metric tonne of 1000 kilograms (Kgs) equivalent to 2,204.62 pounds avoirdupois, wet (WMT) or dry (DMT) basis as specifically stated herein;

1.2 The term “unit” means one per cent of the net dry weight.

1.3 “USD” or “US Dollar” is the currency of United States of America.

1.4 The term “troy ounce” is equivalent to 31,1035 grams.

1.5 “PPM” means part per million and is equivalent to one gram per tonne.

1.6 “Kg” shall mean one kilogram, or 1,000 grams, 2.2046 pounds.

1.7 “LME” shall mean the London Metal Exchange Limited.

1.8 “FM” shall mean Fastmarkets.

1.9 Any other abbreviations shall be as per the usual standard of the industry.

26. NO OTHER AGREEMENT, ETC.

1.1 This Agreement is an amendment and restatement of, but not a novation of, the Original Agreement, such amendment and restatement being effective as of the date of this Agreement.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.2 This Agreement supersedes all correspondence, orders, or confirmations of the parties with respect to matters covered hereby. For sake of clarity and avoidance of doubts only, the parties acknowledge that they have entered into a separate agreement with regard to refined product sales (i.e., the REFINED PRODUCTS – Marketing, Logistics and Working Capital Agreement dated September 24, 2020, as amended and restated as of the date of this Agreement), and nothing herein shall affect the rights or obligations of the parties under such separate agreement.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.3 No modification or waiver of this Agreement or any right or obligation of any party hereunder shall be binding upon such party unless it is in writing and signed by an officer thereof.

Confidential portions of this exhibit have been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. The redacted terms have been marked at the appropriate place with “[XXX]”.



- 1.4 No waiver by a party of any of delay, fault or breach shall be deemed a waiver of any other delay, default or breach.

[Signature page follows]



Yours truly,

Traxys North America LLC

By: /s/ Landon Berns
Landon Berns - SVP

Accepted and agreed by:

Li-Cycle Holdings Corp.

By: /s/ Kunal Phalpher
Kunal Phalpher, Chief Strategy Officer



December 15, 2021

Li-Cycle Holdings Corp.
Suite 590, 207 Queen's Quay West
Toronto, Ontario M5J 1A7
Canada

Dear Sirs/Mesdames:

Re: Services for Additional Hubs and Additional Hub Materials

We refer to the Amended and Restated Refined Products Marketing, Logistics and Working Capital Agreement entered into as of the date hereof (the "**Refined Products Agreement**") between the undersigned, Traxys North America LLC ("**Traxys**" or "**we**"), and your subsidiary, Li-Cycle Americas Corp., providing for, *inter alia*, the purchase and sale of 100% of Li-Cycle's annual production of Nickel Sulfate, Cobalt Sulfate, Lithium Carbonate, Manganese Carbonate and Graphite Concentrate (each, a "**Material**" and collectively, the "**Materials**") from your North America Commercial Hub being constructed in Rochester, New York, USA ("**Hub 1**").

This letter agreement (the "**Letter Agreement**") confirms our mutual understanding that, if and when Li-Cycle Holdings Corp. (NYSE: LICY) ("**Li-Cycle**" or "**you**"), directly or through any of its affiliates, seeks to develop one or more additional Commercial Hubs, wherever located (each, an "**Additional Hub**"), to process unrefined "black mass" product and produce Nickel Sulphate, Cobalt Sulphate, Lithium Carbonate, Manganese Carbonate and/or Graphite Concentrate, or any other products that are derivative thereof or enhancements thereto ("**Additional Hub Material**"), Li-Cycle will (no later than the date of the commissioning by Li-Cycle or its affiliates of a feasibility study with respect to such Additional Hub) so notify Traxys in writing (such notice, an "**Additional Hub Notice**"). The Additional Hub Notice will specify Li-Cycle's and its affiliates' anticipated requirements for marketing, logistics and/or working capital services (the "**Subject Services**"), as applicable, with respect to the Additional Hub, and certain additional information noted below.

For greater certainty and notwithstanding anything else in this Letter Agreement:

- (a) Li-Cycle shall not have any obligation to develop any Additional Hubs or to produce any Additional Hub Material, and all decisions concerning the development and financing of any Additional Hubs shall be made by Li-Cycle in its sole and absolute discretion; and
- (b) Where Li-Cycle seeks to develop an Additional Hub in conjunction with a strategic partner that will have a significant equity ownership, financial or commercial interest in such Additional Hub and/or the applicable Additional Hub Material (including without limitation any pre-paid off-take arrangement, "streaming" transaction, or tolling arrangement) (a "**Strategic Partner**"), and as part of such arrangement, the Strategic Partner or one or more of its affiliates will receive off-take or "take-in-kind" rights to all or a portion of the applicable Additional Hub Material (such Additional Hub Material, the "**Strategic Partner Material Allocation**"), Li-Cycle shall notify Traxys in writing of the



proposed Strategic Partner relationship and the proposed Strategic Partner Material Allocation in the Additional Hub Notice, and the parties acknowledge and agree that any Subject Services to be provided by Traxys in respect of the relevant Additional Hub will not apply to the Strategic Partner Material Allocation.

Upon receipt of an Additional Hub Notice, Traxys and Li-Cycle (or the applicable affiliate) will use good faith efforts to negotiate and enter into an agreement under which Traxys will provide the Subject Services in respect of the Additional Hub Material for the Additional Hub in substantially the same manner, and on substantially the same terms and conditions, as set forth in the Refined Products Agreement, having regard, however, to (among other things) the location of the Additional Hub, the expected overall product mix and product volumes to be delivered by Li-Cycle and its affiliates to Traxys on a global basis, the then-prevailing market conditions and end-user required products specifications, and the extent to which Li-Cycle is capable to provide the Subject Services on an in-house basis, any or all of which could result in an agreed adjustment, negotiated in good faith, to the scope of the Subject Services and/or the fees payable to Traxys.

Where the parties are not able to reach an agreement covering the Subject Services in respect of the Additional Hub Material for the Additional Hub within a reasonable time period, Li-Cycle may deliver to Traxys a formal proposal for the Subject Services (a "**Benchmark Proposal**"), and if the parties are not able to settle definitive commercial terms on the basis of such Benchmark Proposal within 60 days after delivery of such Benchmark Proposal, then such terms shall be settled by binding arbitration in accordance with the terms of the Refined Products Agreement and either party may refer such matter for resolution thereunder.

This Letter Agreement is being entered into as a material inducement for the parties to enter into the Refined Products Agreement and is a binding agreement of the parties.

The provisions of clauses 3 (Term), 16 (Notices), 17 (Governing Law), 18 (Dispute Resolution), 19 (Succession and Assignment), 20 (Limitation on Damages), 21 (Confidentiality), 22 (Public Announcements), 23 (Severability), and 26 (No Other Agreement, Etc.) of the Refined Products Agreement shall be deemed incorporated herein and shall apply to this Letter Agreement, *mutatis mutandis*.

This Letter Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page to this Letter Agreement by either party by electronic transmission shall be as effective as delivery of a manually executed copy of this Letter Agreement by such party.

Yours truly,



Traxys North America LLC

By: /s/ Landon Berns _____
Landon Berns, SVP

Accepted and agreed by:

Li-Cycle Holdings Corp.

By: /s/ Kunal Phalpher _____
Kunal Phalpher, Chief Strategy Officer

Subsidiaries of Li-Cycle Holdings Corp.

Legal Name of Subsidiary	Jurisdiction of Organization
Li-Cycle Corp.	Ontario
Li-Cycle Europe AG	Switzerland
Li-Cycle APAC PTE LTD.	Singapore
Li-Cycle Americas Corp.	Ontario
Li-Cycle U.S. Holdings Inc.	Delaware
Li-Cycle Inc.	Delaware
Li-Cycle North America Hub Inc.	Delaware

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934 AS
ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ajay Kochhar, certify that:

1. I have reviewed this Annual Report on Form 20-F of Li-Cycle Holdings Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - A. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - B. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - C. Evaluated the effectiveness of the registrant's disclosure controls and procedures within 90 days of this report and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - D. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - A. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - B. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 31, 2022

/s/ Ajay Kochhar

Ajay Kochhar

Chief Executive Officer

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934 AS
ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bruce MacInnis, certify that:

1. I have reviewed this Annual Report on Form 20-F of Li-Cycle Holdings Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - A. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - B. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - C. Evaluated the effectiveness of the registrant's disclosure controls and procedures within 90 days of this report and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - D. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - A. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - B. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 31, 2022

/s/ Bruce MacInnis

Bruce MacInnis

Chief Financial Officer

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350,

In connection with the annual report on Form 20-F of Li-Cycle Holdings Corp. (the "Company") for the year ended October 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 31, 2022

By: /s/ Ajay Kochhar

Name: Ajay Kochhar
Title: Chief Executive Officer (principal
executive officer)

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350,

In connection with the annual report on Form 20-F of Li-Cycle Holdings Corp. (the "Company") for the year ended October 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 31, 2022

By: _____ /s/ Bruce MacInnis

Name: Bruce MacInnis

Title: Chief Financial Officer (principal financial officer)

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement No. 333-261568 on Form S-8 of our report dated January 31, 2022, relating to the financial statements of Li-Cycle Holdings Corp appearing in this Annual Report on Form 20-F for the year ended October 31, 2021.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
January 31, 2022



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January 31, 2022

Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549

We have read Item 16F in this Form 20F of Li-Cycle Holdings Corp. dated January 31, 2022 and have the following comments:

1. We agree with the statements made in "Resignation/dismissal of independent registered public accounting firm" as it relates to us.
2. We have no basis on which to agree or disagree with the statements in "Engagement of new independent public accounting firm".

Yours truly,

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada

Consolidated financial statements of Li-Cycle Holdings Corp.

Years ended October 31, 2021, 2020, and 2019

<u>Report of independent registered public accounting firm</u>	2
Consolidated statements of financial position	3
Consolidated statements of loss and comprehensive loss	4
Consolidated statements of changes in equity	5
Consolidated statements of cash flows	6
Notes to the consolidated financial statements	7



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Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of Li-Cycle Holdings Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Li-Cycle Holdings Corp. and subsidiaries (the "Company") as of October 31, 2021 and 2020, the related consolidated statements of loss and comprehensive loss, changes in equity, and cash flows, for each of the three years in the period ended October 31, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2021 and 2020, and its financial performance and its cash flows for each of the three years in the period ended October 31, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
January 31, 2022

We have served as the Company's auditor since 2019.

Li-Cycle Holdings Corp.**Consolidated statements of financial position**

As at October 31, 2021 and 2020

(Expressed in U.S. dollars)

		October 31, 2021	October 31, 2020
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents	23	596,858,298	663,557
Accounts receivable	4	4,072,701	571,300
Other receivables	4	973,145	318,929
Prepayments and deposits	5	8,646,998	963,951
Inventory	6	1,197,807	179,994
		611,748,949	2,697,731
Non-current assets			
Plant and equipment	7	26,389,463	5,602,580
Right-of-use assets	14	27,009,760	3,859,088
		53,399,223	9,461,668
		665,148,172	12,159,399
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	17	18,701,116	4,364,372
Restricted share units	12	—	171,849
Lease liabilities	15	2,868,795	591,355
Loans payable	9	7,752	1,468,668
		21,577,663	6,596,244
Non-current liabilities			
Lease liabilities	15	26,496,074	3,021,815
Loans payable	9	31,996	779,210
Convertible debt	10	100,877,838	—
Warrants	11	82,109,334	—
Restoration provisions	16	334,233	321,400
		209,849,475	4,122,425
		231,427,138	10,718,669
Shareholders' equity			
Share capital	12	672,079,154	15,441,600
Contributed surplus	12	3,026,721	824,683
Accumulated deficit		(241,088,229)	(14,528,941)
Accumulated other comprehensive loss		(296,612)	(296,612)
		433,721,034	1,440,730
		665,148,172	12,159,399

The accompanying notes are an integral part of the consolidated financial statements.

Li-Cycle Holdings Corp.

Consolidated statements of loss and comprehensive loss

Years ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

	Notes	Year ended October 31,		
		2021	2020	2019
		\$	\$	\$
Revenue				
Product sales		6,930,475	554,914	—
Recycling services		444,401	237,340	48,160
		7,374,876	792,254	48,160
Expenses				
Employee salaries and benefits, net		12,709,823	2,819,195	607,820
Professional fees		7,688,520	2,962,261	546,647
Share-based compensation	12	3,982,943	332,634	97,258
Raw materials and supplies		3,410,014	591,881	—
Office, administrative and travel		3,148,871	476,733	493,304
Depreciation	7,14	2,899,345	1,095,250	183,862
Research and development, net		2,662,572	776,668	2,111,658
Freight and shipping		1,033,149	137,010	5,785
Plant facilities		1,030,947	390,687	—
Marketing		973,695	365,820	65,840
Change in Finished Goods Inventory		(307,817)	(14,022)	—
		39,232,062	9,934,117	4,112,174
Loss from operations		(31,857,186)	(9,141,863)	(4,064,014)
Other (income) expense				
Listing Fee	1	152,719,009	—	—
Fair value loss on financial instruments	10, 11, 12	38,254,469	84,454	—
Interest expense		3,052,882	529,700	60,329
Foreign exchange (gain) loss		758,223	(445,652)	—
Interest income		(82,481)	(34,403)	(23,561)
		194,702,102	134,099	36,768
Net loss		(226,559,288)	(9,275,962)	(4,100,782)
Other comprehensive income (loss)				
Foreign currency translation		—	(218,726)	(37,182)
Comprehensive loss		(226,559,288)	(9,494,688)	(4,137,964)
Loss per common share - basic and diluted	19	(2.06)	(0.11)	(0.06)

The accompanying notes are an integral part of the consolidated financial statements.

Li-Cycle Holdings Corp.

Consolidated statements of changes in equity

For the years ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

	Number of common shares	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income (loss)	Total	
	Not es	\$	\$	\$	\$	\$	
Balance, October 31, 2018		70,825,919	2,969,191	26,523	(1,152,197)	(40,704)	1,802,813
Stock option expense	12	—	—	97,258	—	—	97,258
Shares issued for cash	12	5,303,760	5,379,860	—	—	—	5,379,860
Shares issuable for non-cash costs	12	337,958	118,759	—	—	—	118,759
Comprehensive loss		—	—	—	(4,100,782)	(37,182)	(4,137,964)
Balance, October 31, 2019		76,467,637	8,467,810	123,781	(5,252,979)	(77,886)	3,260,726
Stock option expense	12	—	—	245,847	—	—	245,847
Shares issued for cash	12	6,357,423	6,481,381	—	—	—	6,481,381
Shares issuable for non-cash costs	12	—	—	455,055	—	—	455,055
Conversion of convertible debt	12	536,231	492,409	—	—	—	492,409
Comprehensive loss		—	—	—	(9,275,962)	(218,726)	(9,494,688)
Balance, October 31, 2020		83,361,291	15,441,600	824,683	(14,528,941)	(296,612)	1,440,730
Series C Class A shares issued for cash	12	11,220,218	21,620,000	—	—	—	21,620,000
Shares issued for non-cash costs	12	478,920	455,055	(455,055)	—	—	—
Exercise of stock options	12	2,055,476	891,162	(722,057)	—	—	169,105
Restricted Share Units settled in shares	12	392,276	3,922,754	—	—	—	3,922,754
Public shares issued for cash	12	65,671,374	629,748,295	—	—	—	629,748,295
Exercise of warrants	11	100	288	1,150	—	—	1,438
Stock option expense	12	—	—	2,689,913	—	—	2,689,913
Restricted Share Units expense	12	—	—	688,087	—	—	688,087
Comprehensive loss		—	—	—	(226,559,288)	—	(226,559,288)
Balance, October 31, 2021		163,179,655	672,079,154	3,026,721	(241,088,229)	(296,612)	433,721,034

The accompanying notes are an integral part of the consolidated financial statements.

Li-Cycle Holdings Corp.

Consolidated statements of cash flows

Years ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

		Year ended October 31,		
		2021	2020	2019
		\$	\$	\$
	Notes			
Operating activities				
Net loss for the year		(226,559,288)	(9,275,962)	(4,100,782)
Items not affecting cash				
Share-based compensation	12	3,982,943	332,634	97,258
Listing fee		152,719,009	—	—
Depreciation	7,14	2,899,350	1,095,250	183,862
Amortization of government grants		(92,926)	(2,226,910)	(640,350)
Loss on disposal of assets		13,399	106,946	—
Foreign exchange (gain) loss on translation		677,479	(390,901)	(33,845)
Fair value loss on financial instruments	10, 11, 12	38,254,469	84,454	—
Share-based professional fees	12	—	455,055	—
Interest and accretion on convertible debt	10	1,129,680	9,931	60,337
		(26,975,885)	(9,809,503)	(4,433,520)
Changes in non-cash working capital items				
Accounts receivable		(3,501,401)	(538,854)	(29,630)
Other receivables		(654,216)	471,304	(466,915)
Prepayments and deposits		(7,990,108)	(633,824)	(215,537)
Inventory		(1,017,813)	(133,438)	(46,556)
Accounts payable and accrued liabilities		12,262,063	3,215,386	624,090
		(27,877,360)	(7,428,929)	(4,568,068)
Investing activity				
Purchases of plant and equipment	7	(18,220,339)	(5,107,663)	(998,069)
Proceeds from disposal of plant and equipment		16,866	—	—
		(18,203,473)	(5,107,663)	(998,069)
Financing activities				
Proceeds from private share issuance, net of share issue costs	12	21,620,000	6,481,381	5,379,860
Proceeds from public share issuance, net of share issue costs	12	525,329,273	—	—
Proceeds from exercise of stock options	12	169,105	—	—
Proceeds from exercise of warrants	11	1,150	—	—
Proceeds from convertible debt	10	98,400,263	—	—
Proceeds from loans payable	9	10,091,220	2,153,110	86,572
Proceeds from government grants		92,926	1,182,599	1,697,794
Repayment of lease liabilities		(884,024)	(387,508)	—
Repayment of loans payable		(12,544,339)	(12,881)	—
		642,275,574	9,416,701	7,164,226
Net change in cash and cash equivalents		596,194,741	(3,119,891)	1,598,089
Cash and cash equivalents, beginning of period		663,557	3,783,449	2,185,360
Cash and cash equivalents, end of period		596,858,298	663,557	3,783,449
Non-cash investing activities				
Accrual for purchase of plant and equipment		2,074,681	—	—
Non cash purchase of plant and equipment		2,084,235	—	—
Non-cash financing activities				
Equity issued for non-cash costs		—	947,464	118,759

The accompanying notes are an integral part of the consolidated financial statements.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

1. Nature of operations and business combination

(i) Nature of Operations

Li-Cycle Holdings Corp. and its subsidiaries, collectively ("Li-Cycle" or the "Company") started their business as Li-Cycle Corp. Li-Cycle Corp was incorporated in Ontario, Canada under the Business Corporations Act (Ontario) on November 18, 2016.

Li-Cycle's core business model is to build, own and operate recycling plants tailored to regional needs. Li-Cycle's Spoke & Hub Technologies™ provide an environmentally friendly resource recovery solution that addresses the growing global lithium-ion battery recycling challenges, supporting the global transition toward electrification.

On March 28, 2019, Li-Cycle Corp. incorporated a owned subsidiary in Delaware, U.S., Li-Cycle Inc., under the General Corporation Law of the State of Delaware.

On September 2, 2020, Li-Cycle Corp. incorporated a owned subsidiary in Delaware, U.S., Li-Cycle North America Hub, Inc., under the General Corporation Law of the State of Delaware.

(ii) Business Combination

On February 12, 2021, Li-Cycle Corp. incorporated a 100% owned subsidiary in Ontario, Canada, Li-Cycle Holdings Corp., under the *Business Corporations Act* (Ontario).

On February 16, 2021, Li-Cycle Corp. entered into a definitive business combination agreement with Peridot Acquisition Corp. (NYSE: PDAC) and Li-Cycle Holdings Corp.

On August 10, 2021, in accordance with the plan of arrangement to reorganize Li-Cycle Corp., the Company finalized the business combination with Peridot Acquisition Corp. (NYSE: PDAC), and the combined company was renamed Li-Cycle Holdings Corp.

As part of this transaction, a total of 3,377,626 Class A shares of Peridot Acquisition Corp. were redeemed by Peridot shareholders, resulting in a total redemption payment of approximately \$33.8 million, while the remaining 26,622,374 of Class A shares were converted into common shares of the combined entity, Li-Cycle Holdings Corp. In addition, 7,500,000 Class B shares of Peridot Acquisition Corp were converted into 7,500,000 common shares of the combined entity, Li-Cycle Holdings Corp. upon closing.

Li-Cycle Corp.'s existing shareholders exchanged 2,552,450 fully diluted shares of Li-Cycle Corp. for the shares of the combined entity, Li-Cycle Holdings Corp., at an Exchange Ratio of approximately 1:39.91, as determined per the Plan of Arrangement, resulting in 97,508,181 shares of Li-Cycle Holdings Corp. and 4,242,707 stock options of Li-Cycle Holdings Corp. for the existing shareholders of Li-Cycle Corp.

31,549,000 shares of the combined entity, Li-Cycle Holdings Corp., were issued to the new investors at US\$10 per share for a total of US\$315.5 million of Private Investment in Public Equity.

On closing, the common shares and warrants of Li-Cycle Holdings Corp. were listed on the New York Stock Exchange and are traded under the symbols "LICY" and "LICY.WS", respectively.

Li-Cycle Corp. has been identified as the acquirer for accounting purposes. As Peridot Acquisition Corp. does not meet the definition of a business as defined in IFRS 3 - Business Combinations ("IFRS 3"), the acquisition is not within the scope of IFRS 3 and is accounted for as a share-based payment transaction in accordance with IFRS 2 - Share-based Payment ("IFRS 2"). These consolidated financial statements represent the continuance of Li-Cycle Corp. and reflect the identifiable assets acquired and the liabilities assumed of Peridot Acquisition Corp. at fair value. Under IFRS 2, the transaction was measured at the fair value of the common shares, escrowed shares and warrants deemed to have been issued by Li-Cycle Corp., in order for the ownership interest in the combined entity to be the same as if the transaction had taken the legal form of Li-Cycle Corp. acquiring 100% of Peridot Acquisition Corp. Any difference between the fair value of the common shares, escrowed shares and warrants deemed to have been issued by Li-Cycle Corp. and the fair value of Peridot Acquisition Corp.'s identifiable net assets acquired and liabilities assumed represents a Listing Fee.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

The fair value of the warrants assumed in the transaction was determined based on the market closing price of \$2.10 per warrant resulting in total fair value of \$48.3 million.

As a result of this reverse asset acquisition, a Listing Fee of \$152.7 million has been recorded to reflect the difference between the estimated fair value of the common shares, escrowed shares and warrants deemed issued to the shareholders of Peridot Acquisition Corp. and the net fair value of the assets of Peridot Acquisition Corp. acquired. Li-Cycle and Peridot incurred transaction-related costs of \$27.0 million and \$29.6 million, respectively. Li-Cycle's transaction-related costs, such as commissions, professional fees and regulatory fees are directly attributable to common shares issuances and were deducted from the proceeds of the offering.

The details of the purchase price allocation of the identifiable assets acquired and liabilities assumed are as follows:

	2021
	\$
Fair value of consideration transferred:	
Common shares	656,713,740
Total fair value of consideration transferred	656,713,740
Fair value of assets acquired and liabilities assumed:	
Cash and cash equivalents	581,862,621
Warrants	(48,299,987)
Other payables	(29,567,903)
Total fair value of assets acquired and liabilities assumed	503,994,731
Excess of fair value of consideration transferred over fair value of assets acquired and liabilities assumed, recognized as Listing Fee	152,719,009
Gross proceeds	581,862,621
Transaction-related costs	(26,965,445)
Other payables acquired	(29,567,903)
Net proceeds	525,329,273

The fair value of the consideration transferred to acquire Peridot Acquisition Corp. and to issue shares to the PIPE investors was \$656,713,740 calculated as 65,671,374 common shares at \$10.00 per common share.

The fair value per common share was based on the fair value of Li-Cycle Corp. common shares.

As a result of the closing of this transaction, 163,179,555 common shares of the Company were issued and outstanding immediately after the closing. At October 31, 2021, 163,179,655 common shares were outstanding.

2. Significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") incorporating interpretations issued by the IFRS Interpretations Committee ("IFRICs"). These consolidated financial statements were approved and authorized for issue by the Board of Directors on January 31, 2022.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

(b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. The Company's seven subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. The subsidiaries are included in the consolidated financial results of the Company from the effective date of incorporation up to the effective date of disposition or loss of control. The Company's principal subsidiaries and their geographic location as at October 31, 2021 was as follows:

Company	Location	Ownership interest
Li-Cycle U.S. Holdings Inc.	Delaware, U.S.	100%
Li-Cycle Inc.	Delaware, U.S.	100%
Li-Cycle North America Hub, Inc.	Delaware, U.S.	100%
Li-Cycle Americas Corp.	Ontario, Canada	100%
Li-Cycle Corp.	Ontario, Canada	100%
Li-Cycle Europe AG	Switzerland	100%
Li-Cycle APAC PTE LTD.	Singapore	100%

Intercompany transactions, balances and unrealized gains/losses on transactions between the Company and its subsidiary are eliminated.

(c) Basis of preparation

Change in Functional Currency: Prior to November 1, 2020, the Company had determined its functional currency was the Canadian dollar on the basis that its operating expenditures, capital expenditures and financing were primarily denominated in Canadian dollars. With increasing volume of operations, new contracts with US based suppliers, commencement of operations at its US Spoke and increasing capital expenditures in its US facilities, the Company's operating expenditures are becoming predominantly denominated in US dollars. Additionally, due to the increase in US dollar expenses and its expansion plans in the US, the Company has obtained, and plans to continue to seek, financing in US dollars. As a result of the increasing activities in US dollars, the Company changed its functional currency to the U.S. dollar, effective November 1, 2020.

Accordingly, the Company transitioned its functional and presentation currency to U.S. dollars. Transactions in currencies other than the U.S. dollar are recorded at the exchange rates on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the closing rate on that date.

Comparative financial information was translated from Canadian dollars into U.S. dollars in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates:

- (i) Assets and liabilities were translated at the closing rate at end of each reporting period;
- (ii) Items recognized in the statement of loss and comprehensive loss were translated at the exchange rate at the time of transaction;
- (iii) Equity items have been translated using the historical rate at the time of transaction;
- (iv) All resulting exchange differences were recognized in other comprehensive loss.

(d) Cash and cash equivalents

Cash consists of cash deposits with financial institutions. Cash equivalents consists of overnight guaranteed investment certificates with financial institutions.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

(e) *Inventories*

Raw materials and finished goods are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis. The cost of finished goods includes the cost of raw materials and the applicable share of the cost of labour and fixed and variable production overheads. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Costs of idle plant operations are expensed.

At each reporting period, the Company assesses the net realizable value of inventory taking into account current market prices, current economic trends, sales trends and past experiences.

(f) *Convertible debt instruments*

The components of convertible debt instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The debt element of the instruments is classified as a liability and recorded as the present value of the Company's obligation to make future interest payments in cash and settle the redemption value of the instrument in cash. The carrying value of the debt element is accreted to the original face value of the instruments, over their life, using the effective interest method. If the conversion option is classified as equity, its value is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. If the conversion option is classified as a liability and requires bifurcation, it is bifurcated as an embedded derivative unless the issuer elects to apply the fair value option to the convertible debt. The embedded derivative liability is initially recognized at fair value and classified as derivatives in the statement of financial position. Changes in the fair value of the embedded derivative liability are subsequently accounted for directly through the income statement.

(g) *Loss per share*

The Company calculated basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is based on the weighted average number of common shares, stock options and restricted share units ("RSUs") outstanding at the beginning of or granted during the period, and shares to be issued upon conversion of a convertible instrument, calculated using the treasury stock method. Under this method, the proceeds from the exercise of the options are assumed to be used to repurchase the Company's shares. The difference between the number of shares assumed purchased and the number of options assumed exercised is added to the actual number of shares outstanding to determine diluted shares outstanding for purposes of calculating diluted earnings per share. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(h) *Plant and equipment*

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses net of any reversals of impairment.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Depreciation is charged to the consolidated statement of loss and comprehensive loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives are reviewed each reporting period and any changes are accounted for on a prospective basis. The estimated useful lives are as follows:

Computers	3 years
Vehicles	5 years
Plant equipment	5 years
Storage containers	10 years
Leasehold improvements	Shorter of term of lease or estimated useful life

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

Repairs and maintenance costs are expensed as incurred.

(i) *Financial instruments*

Recognition

The Company recognizes financial assets or financial liabilities on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligations specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- (i) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
- (ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. Derivative financial instruments are comprised of the embedded derivative liability representing the conversion option of the convertible debt. The embedded derivative liability is measured at fair value at each reporting date. The embedded derivative liability has been classified as held-for-trading. It is classified as non-current based on the contractual terms specific to the instrument. Gains and losses on re-measurement of the embedded derivative liability are recognized in the consolidated statements of loss and comprehensive loss. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit and loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- (i) amortized cost;
- (ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- (iii) FVTOCI, when the change in fair market value is attributable to changes in the Company's credit risk.

The classification and measurement basis of the Company's financial instruments are as follows:

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

<u>Financial Instrument</u>	<u>Measurement</u>
Cash and cash equivalents	Amortized cost
Trade accounts receivables	FVTPL
Other accounts receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Restricted share units	FVTPL
Warrants	FVTPL
Loans payable	Amortized cost
Lease liabilities	Amortized cost
Convertible debt	Amortized cost
Conversion feature of convertible debt	FVTPL

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit loss associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there has been a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable supportive forward-looking information.

(j) *Foreign currencies*

The reporting and functional currency of the Company is the U.S. dollar. Transactions in currencies other than the U.S. dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date.

(k) *Government assistance and investment tax credits*

Government grants

Amounts received or receivable resulting from government assistance programs are recognized when there is reasonable assurance that the amount of government assistance will be received, and all attached conditions will be complied with. When the amount relates to an expense item, it is recognized as a reduction to the related expense. When the amount relates to an asset, it reduces the carrying amount of the asset and is then recognized as income over the useful life of the depreciable asset by way of a reduced depreciation charge. Grants received in advance are recorded as deferred liability and amortized as a reduction to the related expense/carrying amount of asset as and when the related qualifying costs are incurred.

Investment Tax Credits ("ITCs") receivable are amounts refundable from the Canadian federal and provincial governments under the Scientific Research & Experimental Development incentive program. The amounts claimed under the program represent the amounts submitted by management based on research and development costs paid during the period and include estimates and assumptions made by management in determining the eligible expenditures. ITCs are netted against the related research and development expense when there is reasonable assurance that the Company will realize the ITCs. ITCs are subject to review and approval by tax authorities and, therefore, could be different from the amounts recorded.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

(l) Impairment of long-term non-financial assets

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

(m) Income taxes

Income tax expense is comprised of current and deferred tax components. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the related tax is recognized in equity or other comprehensive income.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method. Under this method, the Company calculates all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the period end date. Deferred tax is calculated based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply to the year of realization or settlement based on tax rates and laws enacted or substantively enacted at the period end date.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and unused tax losses and tax credits can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of the financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(n) Provisions

Provisions represent liabilities of the Company for which the amount or timing is uncertain. A provision is recognized when, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where appropriate, the future cash flow estimates are adjusted to reflect risks specific to the liability. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

(o) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(p) Research and development expense

Research costs are expensed as incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

No development costs have been capitalized to date.

(q) Revenue recognition

The Company's principal activities generate revenues from the operation of lithium-ion battery recycling plants. The Company uses the following five step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company recognizes revenue from the following major sources:

- Services of recycling lithium-ion batteries which includes coordination of logistics and destruction of batteries
- Sales of products which includes black mass, shredded metal and plastic

Revenue is measured based on the consideration to which the Company expects to be entitled to in a contract with a customer. The Company recognizes revenue when it transfers control of a product or service to a customer. There are no significant financing components associated with the Company's payment terms.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

Recycling Services revenue is recognized at a point in time upon completion of the services. Prices for services are separately identifiable within each contract. A receivable is recognized by the Company when the services are completed as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

For sale of products, revenue is recognized when control of the goods has transferred, being when the goods have been shipped to the customer's location (delivery). A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Company estimates the amount of consideration to which it expects to be entitled under provisional pricing arrangements. The amount of consideration for black mass and mixed copper/aluminum sales is based on the mathematical product of: (i) market prices of the constituent metals at the date of settlement, (ii) product weight, and (iii) assay results (ratio of the constituent metals initially estimated by management and subsequently tried up to customer confirmation). Certain adjustments like handling and refining charges are also made per contractual terms with customers. Depending on the contractual terms with customers, the payment of receivables may take up to 12 months from date of shipment. Product sales and the related trade accounts receivables are measured at fair value at initial recognition and are re-estimated at each reporting period end using the market prices of the constituent metals at the respective measurement dates. Changes in fair value are recognized as an adjustment to profit and loss and the related accounts receivable.

(r) *Share capital*

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds.

(s) *Financing costs*

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to earnings.

(t) *Share-based compensation*

The Company accounts for stock options using the fair value-based method of accounting for share-based compensation. Fair values are determined using the Black-Scholes-Merton option pricing model ("BSM"). Management exercises judgment in determining the underlying share price volatility, expected life of the option, expected forfeitures and other parameters of the calculations. Compensation costs are recognized over the vesting period as an increase to share-based compensation expense and contributed surplus. If, and when, stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

The Company accounts for RSUs under the current plan as equity settled share-based payments which are measured at fair value on the grant date. The expense for RSUs is recognized over the vesting period. Upon exercise of any RSUs, the grant date fair value of the instrument is transferred to share capital.

The Company accounts for outstanding RSUs by recognizing a liability for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

(u) *Significant accounting estimates and judgments*

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual results may differ from these estimates.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant estimates include:

- (a) the determination and valuation of deferred income tax assets and liabilities;
- (b) the determination of the useful life and impairment of the plant and equipment;
- (c) the valuation and measurement of the convertible debt and the related conversion features;
- (d) the valuation and recognition of ITCs; and
- (e) the valuation of share-based compensation.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the following:

- (a) the determination of the functional currency of the Company and its subsidiaries;
- (b) the determination of the revenue recognition policy with regards to transaction price;
- (c) the evaluation of the Company's ability to continue as a going concern; and
- (d) the valuation of inventory with regards to incremental cost to completion for raw materials and determination of net realizable value.
- (e) the valuation of the fair value of consideration transferred in the business combination

(v) *Leases*

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company made several such adjustments during the periods presented, see Note 15. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 Leases ("IFRS 16") permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

(w) *Restoration provisions*

Provisions for the costs to restore leased plant assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

(x) *Intangible assets*

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

No intangible assets have been recognized to date.

(y) *Changes in presentation*

The company has made the following changes in presentation for the financial statements for the twelve months ended October 31, 2021:

- The prior year results have been adjusted to conform with current year presentation on the Consolidated statements of loss and comprehensive loss.
- Segregating trade accounts receivable from other receivables to provide more information regarding these balances. Please see Note 4.
- Renaming of the profit and loss line item Fair value loss on restricted share units to Fair value loss on financial instruments to reflect new diverse financial instruments the Company is exposed to as at October 31, 2021.
- Combining the previously separate profit and loss lines items of Office and administrative and Travel and entertainment in a single line to show similar items together

	2020	2019
	\$	\$
Office and administrative	316,401	355,361
Travel and entertainment	160,332	137,943
	<u>476,733</u>	<u>493,304</u>

3. Adoption of new and revised standards

Annual Improvements to IFRS Standards

The Company has adopted the amendments included in the Annual Improvements to IFRS Standards 2016–2018 Cycle as at November 1, 2020. The Annual Improvements include amendments to IFRS 9 Financial Instruments, IFRS 3 Business Combinations, IFRS 16 Leases, IAS 1 Presentation of Financial Statements, and IAS 8 Accounting policies, changes in accounting estimates and errors.

Management has assessed the impact of the adoption of the new standards and concluded it to be not material.

4. Accounts receivable

Aging Summary	October 31, 2021	October 31, 2020
	\$	\$
Current	3,181,294	540,824
1-30 days	310,818	—
31-60 days	120,604	21,455
61-90 days	18,477	—
91 days and over	441,508	9,021
	<u>4,072,701</u>	<u>571,300</u>

For product sales, the Company estimates the amount of consideration to which it expects to be entitled under provisional pricing arrangements. For the twelve months ended October 31, 2021, the fair value gain arising from changes in estimates was \$805,789 (twelve months ended October 31, 2020: Nil).

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

An insignificant portion of the receivables relate to services revenue which are initially measured at fair value and subsequently at amortized cost. For the period ended October 31, 2021 and 2020, the Company has assessed an allowance for credit loss of \$nil for service-related receivables based on its past experience, the credit ratings of its existing customers and economic trends.

	October 31, 2021	October 31, 2020
	\$	\$
Harmonized Sales Taxes receivable	379,814	274,998
Other receivables	593,331	43,931
	973,145	318,929

5. Prepayments and deposits

	October 31, 2021	October 31, 2020
	\$	\$
Prepaid lease deposits	886,951	33,501
Prepaid equipment deposits	3,231,836	—
Prepaid insurance	3,839,880	59,582
Other prepaids	688,331	870,868
	8,646,998	963,951

6. Inventory

	October 31, 2021	October 31, 2020
	\$	\$
Raw material	850,416	140,419
Finished goods	347,391	39,575
	1,197,807	179,994

The cost of inventories recognized as an expense during the twelve months ended October 31, 2021 was \$8.55 million (twelve months ended October 31, 2020: \$0.82 million).

The cost of inventories recognized as an expense during the twelve months ended October 31, 2021 includes a write down of \$2,316,936 for finished goods and write down of \$552,429 for raw materials (twelve months ended October 31, 2020: \$4,360 for finished goods and \$53,764 for raw materials) in respect of adjustments of inventory to net realizable value. Net realizable value of inventory is calculated as the estimated consideration under provisional pricing arrangements less the estimated cost of completion and the estimated costs necessary to make the sale.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

7. Plant and equipment

	Plant equipment	Storage containers	Vehicles	Leasehold improvements	Total
	\$	\$	\$	\$	\$
Cost					
At October 31, 2019	1,043,231	53,610	90,707	58,848	1,246,396
Additions	3,519,013	13,914	68,243	1,506,493	5,107,663
Disposals	(150,690)	—	—	—	(150,690)
Foreign Exchange on Translation	23,320	95	(1,346)	11,860	33,929
At October 31, 2020	4,434,874	67,619	157,604	1,577,201	6,237,298
Additions	17,674,983	—	62,017	4,642,255	22,379,255
Disposals	—	—	(40,323)	—	(40,323)
At October 31, 2021	22,109,857	67,619	179,298	6,219,456	28,576,230
Accumulated depreciation					
At October 31, 2019	(170,691)	(1,397)	(2,187)	(11,329)	(185,604)
Depreciation	(350,173)	(5,977)	(22,408)	(115,958)	(494,516)
Disposals	43,744	—	—	—	43,744
Foreign Exchange on Translation	2,462	(36)	(232)	(536)	1,658
At October 31, 2020	(474,658)	(7,410)	(24,827)	(127,823)	(634,718)
Depreciation	(1,083,687)	(6,762)	(34,545)	(437,113)	(1,562,107)
Disposals	—	—	10,058	—	10,058
At October 31, 2021	(1,558,345)	(14,172)	(49,314)	(564,936)	(2,186,767)
Carrying amounts					
At October 31, 2019	872,540	52,213	88,520	47,519	1,060,792
At October 31, 2020	3,960,216	60,209	132,777	1,449,378	5,602,580
At October 31, 2021	20,551,512	53,447	129,984	5,654,520	26,389,463

At October 31, 2021, \$17.72 million of the plant equipment and leasehold improvements were under construction (October 31, 2020: \$1.92 million, October 31, 2019: \$nil).

8. Related party transactions

Remuneration of key management personnel

The remuneration of the executive officers and directors, who are the key management personnel of the Company, is set out below:

	October 31, 2021	October 31, 2020	October 31, 2019
	\$	\$	\$
Salaries	1,501,800	231,034	104,310
Share-based compensation	1,863,260	74,320	149,993
Fees and benefits	1,517,791	411,184	159,881
	4,882,851	716,538	414,184

During the twelve months ended October 31, 2021, the Company paid directors and advisors for providing director services, consulting and fundraising activities. Total amounts paid for fiscal 2021 to directors in respect of these activities was \$260,284 (2020: \$181,383, 2019: \$75,285).

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

Outstanding balances of remunerations of the executive officers and directors are summarized as follows:

	October 31, 2021	October 31, 2020	October 31, 2019
	\$	\$	\$
Accounts payable and accrued liabilities	771,255	316,465	85,386
Restricted share units	—	153,296	—
Outstanding balances	771,255	469,761	85,386

Related-Party Lease

From January 1, 2019 to December 31, 2021, the Company leased certain office space from Ashlin BPG Marketing, which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer. Under the terms of the lease, the Company was required to pay Cdn. \$4,500 per month plus applicable taxes, subject to 60 days' notice of termination. Li-Cycle terminated the lease, effective December 31, 2021. During the twelve months ended October 31, 2021, the Company incurred expenses of \$39,866 in relation to this vendor, as compared to \$35,505 for the twelve months ended October 31, 2020.

Related-Party Expenses

The Company has engaged Fade In Production Pty. Ltd., which is controlled by certain members of the immediate family of the Executive Chair of Li-Cycle, to provide it with corporate video production services since 2017. During the twelve months ended October 31, 2021, the Company incurred expenses of \$145,851 in relation to this vendor, as compared to \$42,739 for the twelve months ended October 31, 2020.

The Company has engaged Ashlin BPG Marketing, which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer, to provide it with marketing items and employee gifts since April 1, 2020. During the twelve months ended October 31, 2021, the Company incurred expenses of \$46,640 attributable to this vendor, as compared to \$5,405 for the twelve months ended October 31, 2020.

The Company has engaged Consulero Inc., which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer, to provide it with technology services since September 1, 2020. During the twelve months ended October 31, 2021, the Company incurred expenses of \$103,040 attributable to this vendor, as compared to \$46,515 for the twelve months ended October 31, 2020.

Consulting Agreements

On May 1, 2020, the Company entered into a consulting agreement with Atria Limited, a beneficial owner of more than 5% of the outstanding Li-Cycle Corp. shares at that time, for certain business development consulting services with fees payable in Li-Cycle Corp. shares at a rate of 1,000 Li-Cycle Corp. shares per month, to a maximum of 12,000 Li-Cycle Corp. shares. On January 25, 2021, Li-Cycle and Atria Limited entered into a letter agreement providing for the termination of the consulting agreement and the issuance and delivery to Atria Limited of 10,000 Li-Cycle Corp. shares as full and final satisfaction of all obligations and liabilities of Li-Cycle to Atria Limited under the consulting agreement.

Director Consulting Agreements

Under the terms of an agreement dated July 19, 2019 between Li-Cycle and Anthony Tse, Mr. Tse provided consulting services to Li-Cycle in relation to the proposed expansion of its operations in Asia and was entitled to a fee of \$4,700 per month for such services. For the twelve months ended October 31, 2021, Mr. Tse was paid aggregate fees under this agreement of \$56,400. The consulting agreement was terminated on January 19, 2022.

Under the terms of a consulting agreement dated July 19, 2019 between Li-Cycle and Rick Findlay, for the twelve months ended October 31, 2020, Mr. Findlay was paid aggregate fees of

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

\$1,332. For the twelve months ended October 31, 2021, there were no fees paid. The consulting agreement was terminated on June 25, 2021.

Related-Party Promissory Notes

On June 16, 2021, Li-Cycle issued promissory notes (the "Promissory Notes") for an aggregate principal amount of \$7,000,000 as consideration for loans received from companies related to the Chief Executive Officer and the Executive Chair of Li-Cycle, respectively. The Promissory Notes bear interest at the rate of 10% per annum and mature on December 15, 2023. The Promissory Notes are unsecured and subordinate to indebtedness owing to Li-Cycle's senior lender, BDC Capital Inc. Li-Cycle has the option of prepaying all or any portion of the principal and accrued interest of the Promissory Notes prior to the maturity date without penalty, subject to certain conditions. On August 17, 2021 Li-Cycle elected to repay the full balance of the promissory notes for a total of \$7,113,151, including accrued interest.

9. Loans Payable

	BDC Loan	Other Loans	Total
	\$	\$	\$
Balance at October 31, 2019	—	87,381	87,381
Proceeds from loans payable	2,153,110	—	2,153,110
Repayment of loans payable	—	(12,881)	(12,881)
Foreign exchange loss	21,430	(1,162)	20,268
Balance at October 31, 2020	2,174,540	73,338	2,247,878
Proceeds from loans payable	3,091,220	7,000,000	10,091,220
Repayment of loans payable	(5,507,298)	(7,037,041)	(12,544,339)
Foreign exchange loss	241,538	3,451	244,989
Balance at October 31, 2021	—	39,748	39,748

(i) BDC Capital Loan

On December 16, 2019, the Company entered into a binding agreement with BDC Capital Inc. for a secured loan of Canadian dollars (C\$7 million) to help finance the expansion plans of the Company (the "BDC Capital Loan"), which was to be distributed in up to three tranches, with the second and third tranches to be distributed based on the achievement of certain milestones by the Company. Pursuant to the BDC Capital Loan, each of the Company and Li-Cycle Inc. entered into general security agreements with BDC Capital Inc. granting the lender a general security interest over all assets of the Company and Li-Cycle Inc., respectively. In addition, Li-Cycle Inc. guaranteed the Company's obligations under BDC Capital Loan under a guarantee agreement. The maturity date of the BDC Capital Loan was December 14, 2023. The base rate of interest was 16% per annum, paid monthly, plus additional accrued interest of 3% that could be reduced to 0% based on the achievement of certain milestones by the Company. Principal payments began on the first anniversary date of the loan and were made at C\$175,000 per month with a balloon payment of C\$700,000 at maturity.

On February 10, 2020, the Company received the first tranche of the BDC Capital Loan for C\$3 million. Transaction costs associated with the loan amounted to C\$121,861 and were deducted from the loan balance.

On November 2, 2020, the Company received the second tranche of the BDC Capital Loan for C\$2,000,000 upon the completion of the milestone for such additional funding.

On April 7, 2021, the Company received the third tranche of the BDC Capital Loan for C\$2,000,000 upon the completion of the milestone for such additional funding.

On July 20, 2021, Li-Cycle signed an agreement with BDC Capital Inc to repay the BDC Capital Loan in full, conditional upon the closing of Li-Cycle's business combination with Peridot Acquisition Corp. on August 10, 2021.

On August 11, 2021, in accordance with the agreement to repay the BDC Capital Loan in full upon the closing of Li-Cycle's business combination with Peridot Acquisition Corp., Li-Cycle

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

paid BDC Capital Inc. \$5.3 million (C\$6.6 million) to settle the BDC Capital Loan, including additional interest expense of \$0.7 million (C\$0.9 million).

(ii) *Promissory Notes*

On June 16, 2021, Li-Cycle issued promissory notes (the "Promissory Notes") for an aggregate principal amount of \$7,000,000 as consideration for loans received from companies related to the Chief Executive Officer and the Executive Chair of Li-Cycle, respectively. The Promissory Notes bore interest at the rate of 10% per annum and had a maturity date of December 15, 2023. The Promissory Notes were unsecured and subordinate to indebtedness owing to Li-Cycle's senior lender, BDC Capital Inc. Li-Cycle had the option of prepaying all or any portion of the principal and accrued interest of the Promissory Notes prior to the maturity date without penalty, subject to certain conditions. On August 17, 2021, Li-Cycle elected to repay the full balance of the promissory notes for a total of \$7,113,151, including accrued interest.

(iii) *Other Loans*

The Company's remaining loans relate to company vehicles.

10. Convertible Debt

	October 31, 2021	October 31, 2020	October 31, 2019
	\$	\$	\$
Proceeds of issue of convertible debt	100,000,000	386,190	386,190
Transaction costs	(1,599,737)	—	—
Net Proceeds from issue of convertible debt	98,400,263	386,190	386,190
Conversion feature at date of issue	27,681,043	96,548	96,548
Fair value (gain) loss on embedded derivative	1,347,895	—	—
Conversion into common shares	—	(96,548)	—
Conversion feature at end of period	29,028,938	—	96,548
Debt component at date of issue (net of transaction costs)	70,719,220	289,642	289,642
Prior year interest plus accretion	—	99,549	39,212
Amortization of transaction costs	26,662	—	—
Accrued interest at 7% (2020 - 8%)	641,667	4,956	30,114
Accretion expense during the year	461,351	4,975	30,223
Conversion into common shares	—	(395,861)	—
Foreign exchange on translation	—	(3,261)	(4,984)
Debt component at end of period	71,848,900	—	384,207

On March 6, 2018, the Company obtained an investment from Sustainable Chemistry Alliance ("SCA") for \$386,190 with the issuance of a 3-year, 8% unsecured convertible debenture. Upon the completion of a qualified financing, and at either the Company's or holder's option, the debenture could be converted to common shares at a 20% discount to the effective share price of the qualifying transaction, or failing conversion, was to be repaid in full with full-term interest. Accrued interest was payable at the maturity date.

The conversion feature has been recorded as an embedded derivative liability as the exercise price may be adjusted upon the issuance or deemed issuance of additional common shares at a price less than the conversion price contained in the convertible debenture. The fair value of the embedded derivative liability upon issuance was \$96,548. The residual value of \$289,643 was allocated to the convertible loan payable which has an effective interest rate of 9.62%.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

On December 27, 2019, the convertible debenture with SCA was converted to common shares as a result of the additional funding exceeding \$10 million and thereby triggering the "qualifying transaction" clause of the debenture agreement. Per the terms of the agreement, the principal amount of \$386,190 plus accrued interest of \$55,788 was converted at a 20% discount to the Series B share price of \$40.05 resulting in the issuance of 13,436 common shares.

On September 29, 2021, the Company issued a convertible note (the "Note") for a principal amount of \$100,000,000 to Koch Strategic Platforms ("KSP"), a subsidiary of Koch Investments Group. The Note will mature on September 29, 2026 unless earlier repurchased, redeemed or converted. Interest on the Note will be payable semi-annually, and Li-Cycle is permitted to pay interest on the Note in cash or payment in-kind ("PIK"), at its election. Interest payments made in cash will be based on an interest rate of LIBOR plus 5.0% per year, and PIK interest payments will be based on an interest rate of LIBOR plus 6.0% per year. Under the terms of the Note, LIBOR has a floor of 1% and a cap of 2%. With the retirement of the LIBOR at the end of 2021, the interest rates will instead be based on the sum of the Secured Overnight Financing Rate ("SOFR") and the average spread between the SOFR and LIBOR during the three-month period of time ending on the date on which the LIBOR interest rate ceases to be published. The PIK election results in a new Note under the same terms as the original note, issued in lieu of interest payments with an issuance date on the applicable interest date. At October 31, 2021, the Company has elected to pay interest on the Note using the PIK election.

The conversion feature has been recorded as an embedded derivative liability since the conversion ratio does not always result in a conversion of a fixed dollar amount of liability for a fixed number of shares. The Note will have an initial conversion price of approximately \$13.43 per Li-Cycle common share, subject to customary anti-dilution adjustments, which price was established based on 125% of the 7-day volume-weighted average price of Li-Cycle's common shares prior to the date of the Note Purchase Agreement. Should the company's share price be equal to or greater than \$17.46, for a period of twenty consecutive days, the Company can force conversion of the note Li-Cycle will settle its conversion obligations through the delivery of its own Common Shares. At October 31, 2021, no conversions had taken place.

The fair value of the embedded derivatives upon issuance was determined to be a liability of \$27,681,043 whereas the remaining \$72,318,957, net of transaction costs of \$1,599,737, was allocated to the principal of the debt. During the twelve months ended October 31, 2021, the Company recognized a fair value loss of 1,347,895 on the embedded derivatives. The embedded derivatives were valued using the Barrier option pricing model. The assumptions used in the model were as follows:

	September 29, 2021 (issuance date)	October 31, 2021
Risk free interest rate	1.06%	1.23%
Expected life of options	5 years	4.92 years
Expected dividend yield	0.0%	0.0%
Expected stock price volatility	66%	62%
Share Price	12.56	12.94

Expected volatility was determined by calculating the average implied volatility of a group of listed entities that are considered similar in nature to the Company.

11. Warrants

On August 10, 2021, the Company began trading warrants related to its common shares. These warrants were assumed as part of the business combination described in Note 1. On acquisition date, the Company assumed 23,000,000 warrants at the publicly traded fair market value of \$2.10 per share for a total acquired liability of \$48,299,987.

The total number of warrants is made up of 15,000,000 Public Placement Warrants ("Public Warrants") and 8,000,000 Private Placement Warrants ("Private warrants"). All warrants have a 5 year term, expiring on September 24, 2025. The Public Warrants have an exercise price of \$11.50 per share, with a redemption price of \$0.01 per warrant if the share price is above \$10.00, on a cashless basis. If the share price is above \$18.00 for any 20 trading days within the 30 trading day period ending three trading days before the notice of redemption, the redemption price will be \$0.10 on a cash basis. The Private Warrants have an exercise price of

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

\$11.50 per shares, redeemable only at such time that the share price of the Company is between \$10.00 and \$18.00, at the above prices. The Private Warrants were not transferable until 30 days after the close of the business combination, which has passed as of writing. If the Private Placement Warrants are transferred to parties other than the Company's sponsor or its permitted transferees, the Private Placement Warrants will cease to be Private Placement Warrants and will become Public Warrants.

On October 15, 2021, 100 warrants were exercised for 100 shares for which the Company received \$1,150.

Warrants are remeasured through profit or loss at each period end, using first level inputs. At October 31, 2021, the publicly traded fair market value for each warrant was \$3.57 with a total liability of \$82,109,334, recognizing a total loss of \$33,809,634 in the twelve months ended October 31, 2021.

12. Share capital and share-based compensation

Authorized share capital

Li-Cycle Corp. is authorized to issue an unlimited number of voting common shares, Class A non-voting common shares, preference shares and Class A preferred shares, in each case without par value. All issued shares are fully paid.

Li-Cycle Holdings Corp. is authorized to issue an unlimited number of voting common shares without par value. All issued shares are fully paid.

For retrospective presentation, the number of Li-Cycle Corp.'s common shares and Class A preferred shares on the Consolidated Statements of Changes in Equity have been scaled by the exchange ratio of 1:39.91 for periods prior to the completion of the business combination on August 10, 2021.

On March 23, 2018, Li-Cycle Corp. completed a non-brokered private placement and issued 188,604 common shares for proceeds of \$2,645,136 at \$14.02 per share.

On February 28, 2019, Li-Cycle Corp. issued 8,468 common shares to two shareholders as a finder's fee for the Series A fundraising. These shares were valued at \$118,759

Between December 20 and December 27, 2019, Li-Cycle Corp. completed a non-brokered private placement and issued 159,294 common shares for proceeds of \$6,481,381 at \$40.05 per share.

On December 27, 2019, a convertible debenture was converted to 13,436 common shares of Li-Cycle Corp., representing proceeds of \$492,409.

On November 13, 2020, Li-Cycle Corp. completed a Series C private placement with two entities to purchase 281,138 Class A preferred shares at a price of \$81.81 per share, for total proceeds of \$23,000,000 and incurred transaction fees of \$1,380,000.

On January 25, 2021, Li-Cycle Corp. issued 12,000 shares as full and final satisfaction of all obligations under a consulting agreement for services the Company received up to May 2020.

Between June 11 and June 24, 2021, four employees exercised stock options for a total of 25,664 common shares of Li-Cycle Corp., at an aggregate exercise price of \$169,105.

On August 10, 2021, the Company finalized the business combination described in Note 1. All outstanding common shares and Class A preferred shares of Li-Cycle Corp., 2,407,535 in total, were exchanged for 96,084,679 common shares of Li-Cycle Holdings Corp. at the exchange ratio of 1:39.91. Li-Cycle Holdings Corp. issued an additional 65,671,374 common shares for net proceeds of \$525,329,273. As part of this transaction, all outstanding 9,829 Restricted Share Units of Li-Cycle Corp. were settled by issuance of additional 392,276 common shares of Li-Cycle Holdings Corp. and a cashless exercise of 28,779 stock options of Li-Cycle Corp. resulted in an additional 1,031,226 common shares of Li-Cycle Holdings Corp.

On October 15, 2021, a warrant holder exercised 100 warrants for a total of 100 common shares of Li-Cycle Holdings Corp. at an aggregate exercise price of \$1,150.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

Long-term incentive plans

Stock options

Li-Cycle Corp. had a stock option plan (the "2017 Plan") approved by the Company's shareholders that allows it to grant stock options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. This Plan was effective from September 2017 through October 31, 2019.

Each stock option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. Options are exercisable at a price equal to the average market price of the Company's common shares on the date of grant. The vesting period is one-third on the first-year anniversary of the grant, and one-third every consecutive year thereafter. If the options remain unexercised after a period of 5 years from the date of grant, the options expire. Options are forfeited if the recipient terminates their contract with the Company before the options vest.

On November 1, 2019, Li-Cycle Corp. adopted a new Long Term Incentive Plan (the "2019 LTIP") approved by the Company's shareholders that allowed it to grant stock options, restricted share units, deferred share units, stock appreciation rights, and other forms of equity compensation, subject to regulatory terms and approval, to its officers, directors, employees and service providers.

For stock options issued under the 2019 LTIP, each stock option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. Options are exercisable at a price equal to the fair market value of the Company's common shares on the date of grant. The vesting period is one-third on the first-year anniversary of the grant, and one-third every consecutive year thereafter. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the recipient terminates their contract with the Company before the options vest.

On August 10, 2021, Li-Cycle Holdings Corp. adopted a new Long Term Incentive Plan (the "2021 LTIP") approved by the Company's shareholders that allows it to grant stock options, restricted share units, deferred share units, stock appreciation rights, and other forms of equity compensation, subject to regulatory terms and approval, to its officers, directors, employees and service providers.

On August 10, 2021, all of the outstanding stock options of Li-Cycle Corp. under the 2017 Plan and the 2019 LTIP were vested and 19 employees exercised 28,779 stock options of Li-Cycle Corp. on a cashless basis. All remaining 106,307 stock options under the 2017 Plan and the 2019 LTIP were exchanged for 4,242,707 stock options under the 2021 LTIP plan at the exchange ratio of 1:39.91, while retaining original expiry dates.

For stock options issued under the 2021 LTIP, each stock option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. Options are exercisable at a price equal to the fair market value of the Company's common shares on the date of grant. The vesting period is one-third on the first-year anniversary of the grant, and one-third every consecutive year thereafter. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the recipient terminates their contract with the Company before the options vest.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

A summary of stock option activities is as follows:

	Number of Li-Cycle Corp stock options	Weighted average exercise price of Li- Cycle Corp stock options	Number of Li-Cycle Holdings Corp stock options	Weighted average exercise price of Li-Cycle Holdings Corp stock options
		\$		\$
Balance – October 31, 2018	58,320	2.49		
Granted	41,680	13.57		
Balance – October 31, 2019	100,000	7.14		
Granted	33,500	39.66		
Balance – October 31, 2020	133,500	15.35		
Granted	31,750	85.30		
Exercised	(54,443)	24.58		
Forfeited	(4,500)	42.43		
Exchanged on August 10, 2021	106,307	31.62	4,242,707	0.79
Granted			1,053,846	10.93
Balance – October 31, 2021			5,296,553	2.81

As at October 31, 2021, 4,242,707 of the stock options (2020: 106,307, 2019: 29,440) were exercisable.

A summary of outstanding stock options is as follows:

	Number of stock options	Exercise price \$
Expiration dates		
September 11, 2022	399,100	0.02
April 10, 2023	798,200	0.02
April 10, 2023	199,231	0.36
April 1, 2024	171,613	0.36
July 17, 2024	865,244	0.36
December 16, 2029	99,775	1.08
April 21, 2030	439,010	1.08
July 19, 2030	371,163	1.08
November 30, 2030	420,452	2.17
February 11, 2031	478,920	2.17
August 10, 2031	1,053,846	10.93
	5,296,553	

The Company recognized total expenses of \$2.69 million related to stock options during the twelve months ended October 31, 2021 (2020: \$0.33 million, 2019: \$0.10 million).

The fair value of the stock options granted during the twelve months ended October 31, 2021 was determined to be \$8.28 million (2020: \$0.94 million, 2019: \$0.31 million) using the Black-Scholes Merton option pricing model. The assumptions used in the stock option pricing model were as follows:

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

Risk free interest rate	0.46% - 0.97%
Expected life of options	6 years
Expected dividend yield	0.0%
Expected stock price volatility	65%
Expected forfeiture rate	0.0%

Expected volatility was determined by calculating the average historical volatility of a group of listed entities that are considered similar in nature to the Company.

During the twelve months ended October 31, 2021, 23 employees exercised 2,172,820 stock options to acquire a total of 2,055,474 common shares at an aggregate exercise price aggregate exercise of \$0.17 million. During the years ended October 31, 2020 and 2019, no stock options were exercised.

Restricted share units

Under the terms of the 2019 LTIP, restricted share units were issued to executives and directors. The RSUs vested immediately and were exercisable upon issuance. The RSUs represented the right to receive a distribution from Li-Cycle Corp. in an amount equal to the fair market value of an ordinary share of Li-Cycle Corp. at the time of distribution. The RSUs under the 2019 LTIP could be settled in shares, cash, or any combination of shares and cash, at the option of the holder. RSUs under the 2019 LTIP were classified as a liability on the consolidated statement of financial position.

On August 10, 2021, all existing 9,829 RSUs under the 2019 LTIP were settled at the exchange ratio of 1:39.91, resulting in issuance of 392,276 common shares of Li-Cycle Holdings Corp.

The Company has recorded a liability of \$0 as at October 31, 2021 (October 31, 2020: \$171,849) that represents the fair value of the RSUs outstanding under the 2019 LTIP and has recorded fair value loss of \$3,096,940 for the twelve months ended October 31, 2021 (twelve months ended October 31, 2020: \$83,424).

Under the terms of the 2021 LTIP, restricted share units of Li-Cycle Holdings Corp. have been issued to executives, directors, employees and advisors. The RSU vesting periods ranged from 1 year to 3 years. The RSUs represent the right to receive a distribution from the Company in an amount equal to the fair market value of an ordinary share of Li-Cycle Holdings Corp. at the time of distribution. The RSUs under the 2021 LTIP are expected to be settled in shares. The Company, at its sole discretion, may also settle in cash or a combination of cash and shares. The RSUs issued under the 2021 LTIP are classified as equity on the consolidated statement of financial position.

The Company recognized share-based compensation expenses relating to RSUs totaling \$1,293,030 in the twelve months ended October 31, 2021 (twelve months ended October 31, 2020: \$88,425).

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

A summary of RSU activities is as follows:

	Number of Li-Cycle Corp RSU	Number of Li-Cycle Holdings Corp RSU
Balance – October 31, 2018	—	
Balance – October 31, 2019	—	
Granted	2,182	
Balance – October 31, 2020	2,182	
Granted	7,647	
Settled on August 10, 2021	(9,829)	
Subtotal	—	—
Granted on or after August 10, 2021		716,763
Balance – October 31, 2021	—	716,763

13. Financial instruments and financial risk factors

Fair values

The Company's financial instruments consist of cash, accounts receivables, accounts payable and accrued liabilities, loans payable. The fair values of the cash, trade receivables, accounts payable and accrued liabilities approximate their carrying amounts because of their current nature.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between the levels during the current or prior year.

The Company's financial assets measured at fair value on a recurring basis were calculated as follows:

	Balance	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	\$	\$	\$	\$
As at October 31, 2021				
Accounts receivable	4,072,701	—	4,072,701	—
	4,072,701	—	4,072,701	—
As at October 31, 2020				
Accounts receivable	571,300	—	571,300	—
	571,300	—	571,300	—

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

See Note 4 above for additional details related to measurement of accounts receivable.

The Company's financial liabilities measured at fair value on a recurring basis were calculated as follows:

	Balance	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	\$	\$	\$	\$
As at October 31, 2021				
Restricted share units	—	—	—	—
Conversion feature of convertible debt	29,028,938	—	29,028,938	—
Warrants	82,109,334	53,549,989	28,559,344	—
	111,138,272	53,549,989	57,588,282	—
As at October 31, 2020				
Restricted share units	171,849	—	171,849	—
	171,849	—	171,849	—

Currency risk

It is management's opinion that the Company is not exposed to significant currency risk as its cash is denominated in both Canadian and U.S. dollars and funds its operations accordingly.

At October 31, 2021, the Company had Canadian dollar denominated cash of approximately Cdn. \$1.3 million and Canadian dollar denominated net liabilities and loans payable of approximately Cdn. \$23.9 million. The remaining amounts were denominated in U.S. dollars and immaterial amounts of other currencies. Gains and losses arising upon translation of these amounts into U.S. dollars for inclusion in the consolidated financial statements are recorded in other income and expenses as foreign exchange. A 5% strengthening of the Canadian dollar versus the U.S. dollar, at October 31, 2021, would have increased the foreign exchange loss for the year by approximately \$0.9 million while a 5% weakening of the Canadian dollar would have had approximately the equal but opposite effect. This analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is exposed to interest rate risk, as it has variable interest rate debt, see Note 10.

Credit, liquidity, and market risks

Credit risks associated with cash are minimal as the Company deposits majority of its cash with a large Canadian financial institution. The Company's credit risks associated with receivables are managed and exposure to potential loss is assessed as minimal.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium and long-term funding and liquidity requirements.

Market risks associated with short-term investments are assessed as minimal as they are considered short-term in nature.

All of the Company's financial liabilities have contractual cash flows as follows:

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

	Carrying amount	Contractual cash flows	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
	\$	\$	\$	\$	\$	\$	\$	\$
As at October 31, 2021								
Accounts payable and accrued liabilities	18,701,116	18,701,116	18,701,116	—	—	—	—	—
Lease liabilities	29,364,869	35,934,570	4,517,775	4,634,401	3,785,984	3,374,696	3,311,808	16,309,906
Loan payable	39,748	41,338	6,384	6,618	6,860	7,111	7,371	6,994
Convertible Debt	100,877,838	142,682,078	—	—	—	—	142,682,078	—
Warrants	82,109,334	—	—	—	—	—	—	—
Restoration provisions	334,233	302,049	—	84,582	—	—	54,842	162,625
	231,427,138	197,661,151	23,225,275	4,725,601	3,792,844	3,381,807	146,056,099	16,479,525

	Carrying amount	Contractual cash flows	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
	\$	\$	\$	\$	\$	\$	\$	\$
As at October 31, 2020								
Accounts payable and accrued liabilities	4,364,370	4,364,372	4,364,372	—	—	—	—	—
Restricted share units	171,849	171,849	171,849	—	—	—	—	—
Lease liabilities	3,613,170	4,529,662	805,946	680,943	568,434	584,269	479,833	1,410,237
Loan payable	2,247,878	2,628,652	1,782,888	845,763	—	—	—	—
Restoration provisions	321,400	333,866	—	81,166	—	—	52,627	200,074
	10,718,667	12,028,401	7,125,055	1,607,872	568,434	584,269	532,460	1,610,311

Capital risk management

The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings after deducting cash and bank balances) and equity of the Company (comprising issued share capital, contributed surplus and accumulated deficit as disclosed in Note 12).

The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors reviews the capital structure on a semi-annual basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

14. Right-of-use assets

	Premises	Equipment	Total
Cost	\$	\$	\$
At October 31, 2019	2,783,313	53,262	2,836,575
Additions & modifications	1,550,957	61,176	1,612,133
Foreign Exchange on Translation	19,731	(629)	19,102
At October 31, 2020	4,354,001	113,809	4,467,810
Additions & modifications	24,467,955	19,960	24,487,915
At October 31, 2021	28,821,956	133,769	28,955,725
Accumulated depreciation			
At October 31, 2019	—	—	—
Depreciation	(584,343)	(16,391)	(600,734)
Foreign Exchange on Translation	(7,810)	(178)	(7,988)
At October 31, 2020	(592,153)	(16,569)	(608,722)
Depreciation	(1,302,026)	(35,217)	(1,337,243)
At October 31, 2021	(1,894,179)	(51,786)	(1,945,965)
Carrying amounts			
At October 31, 2019	2,783,313	53,262	2,836,575
At October 31, 2020	3,761,848	97,240	3,859,088
At October 31, 2021	26,927,777	81,983	27,009,760

The weighted average lease term is five years.

15. Lease liabilities

The Company has the following lease liabilities as of October 31, 2021.

Maturity analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter	Total
Undiscounted	\$	\$	\$	\$	\$	\$	\$
Premises	4,468,877	4,590,357	3,741,940	3,332,312	3,290,786	16,302,071	35,726,343
Equipment	48,898	44,044	44,044	42,384	21,022	7,835	208,227
Total	4,517,775	4,634,401	3,785,984	3,374,696	3,311,808	16,309,906	35,934,570
Lease liabilities	Current	Non-Current			Total		
Discounted	\$	\$			\$		
Premises	2,836,348	26,366,448			29,202,796		
Equipment	32,447	129,626			162,073		
Total	2,868,795	26,496,074			29,364,869		

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

The Company has the following lease liabilities as of At October 31, 2020.

Maturity analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter	Total
Undiscounted	\$	\$	\$	\$	\$	\$	\$
Premises	769,865	650,087	549,908	565,742	462,851	1,410,237	4,408,690
Equipment	36,081	30,856	18,526	18,526	16,982	—	120,972
Total	805,946	680,943	568,434	584,268	479,833	1,410,237	4,529,662

Lease liabilities	Current	Non-Current	Total
Discounted	\$	\$	\$
Premises	565,296	2,949,707	3,515,003
Equipment	26,059	72,108	98,167
Total	591,355	3,021,815	3,613,170

In the twelve months ended October 31, 2021, the Company recognized an interest expense of \$449,571 related to lease liabilities.

The Company's lease obligations include leases for plant operations, storage facilities, and office space for employees. In the twelve months ended October 31, 2021, the Company has added 4 new premises leases, 1 new equipment lease and modified 6 leases.

16. Restoration provisions

The Company has a legal obligation to complete the site restoration and decommissioning of its leased plant properties in New York and Ontario. The provision for decommissioning and site restoration is determined using the estimated costs provided by the New York Department of Environmental Conservation and Ontario Ministry of the Environment, Conservation and Parks.

The following table represents the continuity of the restoration provision associated with the Company's leased plant properties:

Restoration provisions at October 31, 2019	\$	—
Initial recognition	\$	321,400
Interest Recognized	\$	—
Restoration provisions at October 31, 2020	\$	321,400
Interest Recognized		3,194
Foreign exchange recognized		9,639
Restoration provisions at October 31, 2021	\$	334,233

The present value of the restoration provision of \$334,233 was calculated using an average risk-free rate of 0.61%.

17. Accounts payable and accrued liabilities

	October 31, 2021	October 31, 2020
	\$	\$
Accounts payable	9,447,394	2,454,421
Accrued expenses	6,452,754	1,177,377
Accrued compensation	2,800,968	732,574
	18,701,116	4,364,372

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

Accrued expenses include accruals for purchase of plant and equipment, audit fees, legal and consulting fees, and operational and inventory purchases.

18. Commitments

As of October 31, 2021, there were \$6.9 million in committed purchase orders or agreements for equipment and services (October 31, 2020: \$4.2 million).

19. Loss per share

For comparability, the weighted average number of ordinary shares and the number of potential common shares have been scaled by the exchange ratio of 1:39.91 for periods prior to the completion of the business combination on August 10, 2021.

	Year Ended October 31,		
	2021	2020	2019
Net loss	\$ (226,559,288)	\$ (9,275,962)	\$ (4,100,782)
Weighted average number of ordinary shares	110,119,135	82,571,828	71,891,372
Basic and diluted loss per share	\$ (2.06)	\$ (0.11)	\$ (0.06)

Adjustments for diluted loss per share were not made for the twelve months ended October 31, 2021, 2020 and 2019 as they would be anti-dilutive in nature. The following potential common shares are anti-dilutive and are therefore excluded from the weighted average number of common shares for the purpose of diluted earnings per share:

	Year Ended October 31,		
	2021	2020	2019
Stock options	5,296,553	5,327,985	3,991,000
Warrants	22,999,894	—	—
Convertible debt	7,493,795	—	536,231
Restricted share units	716,763	87,084	—
	36,507,005	5,415,069	4,527,231

20. Segment reporting

The consolidated financial data presented in these financial statements is reviewed regularly by the Company's chief operating decision maker ("CODM") for making strategic decisions, allocations resources and assessing performance, in consultation with the Board of Directors. The Corporation's CODM is its Chief Executive Officer.

During the twelve months ended October 31, 2021, the Company operated in Canada and began operations in the United States. Management has concluded that the customers, and the nature and method of distribution of goods and services delivered, if any, to these geographic regions are similar in nature. The risks and returns across the geographic regions are not dissimilar; therefore, the Company operates as a single operating segment.

The following is a summary of the Company's geographical information:

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

	Canada \$	United States \$	Total \$
For the Year Ended October 31, 2021			
Revenue	2,999,249	4,375,627	7,374,876
Non-current assets	15,476,877	37,922,346	53,399,223
For the Year Ended October 31, 2020			
Revenue	792,254	—	792,254
Non-current assets	3,395,049	6,066,619	9,461,668
For the Year Ended October 31, 2019			
Revenue	48,160	—	48,160
Non-current assets	1,060,792	—	1,060,792

The Company does not currently have active operations in other geographical regions.

The following is a summary of the Company's main customers:

	Year Ended October 31,		
	2021	2020	2019
	%	%	%
Revenue			
Customer A	42%	67%	0%
Customer B	52%	0%	0%
Accounts Receivable			
Customer A	53%	90%	0%
Customer B	45%	0%	0%

21. Government funding

The Company has received government grants and investment tax credits from the Government of Canada and the Government of Ontario for research and development activities, as set forth below:

	October 31, 2021 \$	October 31, 2020 \$	October 31, 2019 \$
Research and development expenses, gross	2,694,999	2,809,537	3,134,468
Less: Government grants	(32,427)	(2,032,869)	(629,346)
Less: Investment tax credits	—	—	(393,464)
Research and development expenses, net	2,662,572	776,668	2,111,658

In addition, for twelve months ended October 31, 2021, the Company has received \$60,499 in other government grants recognized as an offset against employee salaries and benefits expenses (2020: \$168,027, 2019:\$10,916).

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

22. Income taxes

The recovery of income taxes differs from the amount obtained by applying the statutory Canadian Federal and Provincial income tax rates to the loss for the year as follows:

	October 31, 2021	October 31, 2020	October 31, 2019
	\$	\$	\$
Net loss and comprehensive loss for the period before tax	(226,559,288)	(9,275,962)	(4,100,782)
Statutory tax rates	26.5%	26.5%	26.5%
	(60,038,210)	(2,458,130)	(1,086,707)
Change in unrecognized deferred tax amounts	8,799,310	2,365,715	993,703
Non-deductible item and others	51,238,900	92,415	93,004
Income tax expense	—	—	—

The Company incurred significant transaction costs in the course of becoming a listed entity that have been recorded as a reduction in the proceeds related to the issuance of shares. The deferred tax asset associated with these expenses in the amount of \$13 million has not been recorded as a deferred tax asset.

At October 31, 2021, 2020 and 2019, the Company has aggregate non-capital losses for Canadian income tax purposes of approximately \$49 million, \$13 million, and \$4 million respectively that expire in the period 2037 to 2040. In addition, the Company has net operating losses for US income tax purposes of approximately \$5 million that carryforward indefinitely. Management cannot assert that the realization of the income tax benefits related to these losses and other potential deferred income tax assets is more likely than not to be realized. Accordingly, the Company has not recognized the following deferred income tax assets in the consolidated financial statements:

	October 31, 2021	October 31, 2020	October 31, 2019
	\$	\$	\$
Tax losses and credits carryforwards	14,341,855	3,799,216	1,163,353
Share issuance costs	12,647,471	—	—
Convertible debt	250,729	—	—
Reserves and provisions	233,840	84,464	24,164
Other	97,360	—	—
Plant and equipment, due to differences in amortization	(2,732,757)	(205,158)	(184,536)
Right of use assets, net of lease liabilities	615,993	(65,395)	—
	25,454,491	3,613,127	1,002,981
Deferred tax assets not recognized	(25,454,491)	(3,613,127)	(1,002,981)
	—	—	—

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

23. Notes to the Consolidated Statements of Cash Flows

Cash consists of cash deposits with financial institutions. Cash equivalents consists of overnight guaranteed investment certificates with financial institutions. As of October 31, 2021, the Company had cash on hand of \$6,858,298 and cash equivalents in the form of overnight guaranteed investment certificates of \$590,000,000.

Interest paid during the year amounted to \$1,923,202 (2020 – \$519,769, 2019 – \$nil).

Changes in liabilities arising from financing activities comprise the following:

	Restricted share units	Lease liabilities	Loans payable	Restoration provisions	Convertible debt	Conversion feature of convertible debt	Deferred government funding
Balance, October 31, 2019	—	—	87,381	—	384,207	94,985	1,067,318
<u>Cash changes:</u>							
Repayments of lease liabilities		(387,508)					
Proceeds from loans payable			2,153,110				
Repayment of loans payable			(12,881)				
Proceeds from government grants							1,182,599
Total changes from financing cash flows	—	(387,508)	2,227,610	—	384,207	94,985	2,249,917
<u>Non-cash changes:</u>							
New leases		4,141,153					
Grant of restricted share units	88,425						
Fair value loss on restricted share units	84,454						
Accrued interest and accretion					9,931		
New restoration provisions				321,400			
Conversion of convertible debt					(397,424)	(94,985)	
Amortization of government grants							(2,226,910)
Foreign exchange (gain) or loss	(1,030)	(140,475)	20,268		3,286		(23,007)
Balance, October 31, 2020	171,849	3,613,170	2,247,878	321,400	—	—	—
<u>Cash changes:</u>							
Repayments of lease liabilities		(884,024)					
Proceeds from loans payable			10,091,220				
Repayment of loans payable			(12,544,339)				
Proceeds from convertible debt					70,719,220	27,681,043	—
Total changes from financing cash flows	—	(884,024)	(2,453,119)	—	70,719,220	27,681,043	—
<u>Non-cash changes:</u>							
New leases		26,261,895					
Additions to restoration provision							
Grant of restricted share units	604,943						
Fair value loss on restricted share units	3,096,940						
RSU FMV transfer to share capital on public transaction	(3,922,754)						
Accrued interest and accretion				3,194	1,129,680		
Foreign exchange loss	49,022	373,828	244,989	9,639			
New restoration provisions				—			
Fair value loss on conversion feature of convertible debt						1,347,895	
Amortization of government grants							—
Balance, October 31, 2021	—	29,364,869	39,748	334,233	71,848,900	29,028,938	—

24. Subsequent events

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

Year ended October 31, 2021, 2020, and 2019

(Expressed in U.S. dollars)

On December 14, 2021, the Company announced a non-binding letter of intent with LG Chem, Ltd. ("LGC") and LG Energy Solution, Ltd. ("LGES") for a manufacturing scrap supply and nickel sulphate off-take agreement. Upon execution of the definitive commercial agreement related to the proposed supply and off-take arrangements, LGC and LGES will together make a \$50 million investment to purchase common shares of Li-Cycle (each making a \$25 million investment). Under the terms of the proposed investment, LG Chem and LG Energy Solution will each subscribe for 2,208,480 Common Shares at a price of \$11.32 per share, for an aggregate investment in the Company of \$50 million (the "Investment"). The subscription price per Common Share is based on a 30-day volume-weighted average price of the Common Shares prior to LGES' investment committee approval of LGES' participation in the Investment on October 28th, 2021. The closing of the Investment is conditional on the parties entering into mutually acceptable definitive commercial agreements regarding the supply of nickel-bearing lithium-ion battery scrap from LGES to Li-Cycle and nickel sulphate off-take from Li-Cycle to LGES and LGC.

On December 31, 2021, the Company exercised its election to pay interest on its \$100,000,000 convertible note to Koch Strategic Platforms through a payment in-kind and issued a new note under the same terms as the original note, in lieu of interest payments, with an issuance date of December 31, 2021 for the amount of \$1,827,778.

On December 27, 2021, the Company announced that it will redeem all of its warrants to purchase common shares of the Company that remain outstanding at 5:00 p.m. New York City time on January 26, 2022 (the "Redemption Date") for a redemption price of \$0.10 per Warrant. Based on the Redemption Fair Market Value that was announced on January 11, 2022, Warrant holders who surrendered their Warrants on a "Make-Whole Exercise" prior to the Redemption Date received 0.253 Common Shares per Warrant. As of January 30, 2022, (i) 9,678 warrants have been exercised at the exercise price of \$11.50 per common share, and (ii) 22,540,651 warrants have been surrendered by holders in the Make-Whole Exercise. The remaining 449,665 unexercised warrants will be redeemed at \$0.10 per warrant.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

LI-CYCLE HOLDINGS CORP. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is dated January 31, 2022 and provides information which the management of Li-Cycle Holdings Corp. ("Li-Cycle") believes is relevant to an assessment and understanding of the consolidated results of operations and financial condition of Li-Cycle for the twelve months ended October 31, 2021. This discussion and analysis should be read together with Li-Cycle's audited historical consolidated financial statements and related notes. In addition to historical financial information, this discussion and analysis contains forward-looking statements based upon current expectations that involve risks, uncertainties and assumptions. For more information about forward-looking statements, see the section entitled "Cautionary Note Regarding Forward-Looking Statements." Actual results and timing of selected events may differ materially from those anticipated by these forward-looking statements as a result of various factors, including those set forth under the section entitled "Key Factors Affecting Li-Cycle's Performance" and under "Item 3. Key Information—D. Risk Factors" included in our annual report on Form 20-F for the year ended October 31, 2021 (the "Annual Report"). References in this section to "we," "us," "Li-Cycle" or "Li-Cycle Holdings" refer to Li-Cycle Corp. and its subsidiaries prior to the consummation of the Business Combination (as defined below) and Li-Cycle Holdings Corp. and its subsidiaries subsequent to the Business Combination, unless the context otherwise requires or indicates otherwise.

Li-Cycle's financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS"). All amounts are in U.S. dollars except as otherwise indicated. For more information about the basis of presentation of Li-Cycle's financial statements, see the section entitled "Components of Results of Operations—Basis of Presentation."

Certain figures, such as interest rates and other percentages included in this discussion and analysis, have been rounded for ease of presentation. Percentage figures included in this discussion and analysis have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this discussion and analysis may vary slightly from those obtained by performing the same calculations using the figures in Li-Cycle's financial statements or in the associated text. Certain other amounts that appear in this section may similarly not sum due to rounding.

Company Overview

Li-Cycle is an industry leader in lithium-ion battery resource recovery and the leading lithium-ion battery recycler in North America. When we refer to ourselves as the leading lithium-ion battery recycler in North America, we are referring to our status based on installed permitted capacity for lithium-ion battery recycling measured in tonnes per year. Our proprietary "Spoke & Hub" recycling process is designed (a) at our Spokes, to process battery manufacturing scrap and end-of-life batteries to produce "black mass" and other intermediate products, and (b) at our Hubs, to process black mass to produce critical battery materials, including nickel sulphate, cobalt sulphate, and lithium carbonate. We have a market-leading position in North America through our two operational Spokes in Kingston, Ontario, and Rochester, New York, and are currently developing our first commercial-scale Hub in Rochester, New York. We have also announced the development and construction of additional Spokes in Gilbert, Arizona and near Tuscaloosa, Alabama. Further, we have announced the development of a co-located Spoke with a strategic industry partner in Warren, Ohio and our first two European Spokes in Norway and Germany. For ease of presentation, the five Spokes in development and construction will be collectively referred to in our disclosure as the "Spoke Capital Projects."

Li-Cycle was until 2020 a development stage company with no commercial revenues. For the twelve months ended October 31, 2021 and 2020, Li-Cycle's revenue was \$7.4 million and \$0.8 million, respectively. For the twelve months ended October 31, 2021 and 2020, Li-Cycle recorded a net loss of \$226.6 million and \$9.3 million and an Adjusted EBITDA¹ loss of \$25.4 million and \$8.0 million, respectively.

¹ Adjusted EBITDA is a non-IFRS financial measure and does not have a standardized meaning under IFRS. See "Non-IFRS Measure" in this MD&A for more details, including a reconciliation to the most comparable IFRS financial measure.

To date, Li-Cycle has financed its operations primarily through: (i) public placements of Li-Cycle common shares; (ii) private placements of Li-Cycle securities (including the Spring Creek Capital Note); (iii) loans from third parties (such as BDC Capital) and certain Li-Cycle shareholders; and (iv) various government funding initiatives.

The Business Combination

On August 10, 2021, Li-Cycle Corp., Li-Cycle Holdings Corp. (a wholly-owned subsidiary of Li-Cycle prior to the Business Combination) (“Old Li-Cycle Holdings”) and Peridot Acquisition Corp. (“Peridot”) completed their previously announced business combination pursuant to a plan of arrangement under the *Business Corporations Act* (Ontario) (the “Business Combination”).

Pursuant to the terms of the Business Combination, on the closing date of the Business Combination, (i) Peridot and Old Li-Cycle Holdings amalgamated, and in connection therewith, the Class A common shares and warrants to purchase Class A common shares of Peridot converted into an equivalent number of shares and warrants of the amalgamated entity, Li-Cycle Holdings, and the common share in Old Li-Cycle Holdings held by Li-Cycle were exchanged for a share of Li-Cycle Holdings; (ii) the share of Li-Cycle Holdings held by Li-Cycle was purchased for cancellation by Li-Cycle Holdings for cash equal to the subscription price for the common share in Old Li-Cycle Holdings for which such share was exchanged pursuant to the amalgamation; (iii) the preferred shares of Li-Cycle converted into common shares of Li-Cycle; and (iv) Li-Cycle Holdings acquired all of the issued and outstanding common shares of Li-Cycle from Li-Cycle’s shareholders (including Li-Cycle common shares issued upon exercise, cancellation, exchange or settlement of all issued and outstanding equity awards (whether vested or unvested), including pursuant to the Business Combination, but excluding any equity awards that were cancelled and exchanged for equity awards of Li-Cycle Holdings and remained outstanding on the day following the closing date of the Business Combination) in exchange for common shares of Li-Cycle Holdings. Pursuant to the Business Combination, Li-Cycle Corp. became a wholly-owned subsidiary of Li-Cycle Holdings Corp.

Upon the closing of the Business Combination and a concurrent \$315.5 million private placement of common shares (the “PIPE Financing”), the combined company received \$581.9 million of gross transaction proceeds, before deduction of \$29.6 million of Peridot’s transaction costs and \$27.0 million of Li-Cycle’s transaction costs.

Accounting Treatment of the Business Combination

The Business Combination has been accounted for as a reverse acquisition in accordance with IFRS. Under this method of accounting, Li-Cycle Holdings (as the continuing entity after the amalgamation of Old Li-Cycle Holdings and Peridot) is treated as the “acquired” company for accounting purposes. As Peridot Acquisition Corp. does not meet the definition of a business as defined in IFRS 3 - Business Combinations (“IFRS 3”), the acquisition, net assets of Li-Cycle Holdings were stated at historical cost, with no goodwill or other intangible assets recorded.

Li-Cycle has been determined to be the accounting acquirer based on an evaluation of the following facts and circumstances, and accordingly the Business Combination is treated as an equivalent to an acquisition of Peridot accompanied by a recapitalization.

- Li-Cycle’s shareholders prior to the Business Combination have the greatest voting interest in the combined entity relative to other shareholders (including following the redemptions discussed under “— Liquidity and Capital Resources — Sources of Liquidity”);
- The largest individual minority shareholder of the combined entity is an existing shareholder of Li-Cycle;
- The Company’s senior management is the senior management of Li-Cycle;
- Li-Cycle is the larger entity based on historical total assets and revenues; and
- Li-Cycle’s operations comprise the ongoing operations of the Company.

Upon consummation of the Business Combination and the closing of the PIPE Financing, the most significant change in Li-Cycle’s financial position and results of operations was an increase in cash and cash equivalents (as compared to Li-Cycle’s balance sheet at July 31, 2021) of \$581.9 million, including \$315.5 million in gross proceeds from the PIPE Financing. Total direct and incremental transaction costs of Peridot and Li-Cycle were \$29.6 million and \$27.0 million, respectively. Li-Cycle’s transaction costs was treated as a reduction of the cash proceeds and deducted from Li-Cycle Holdings’ additional paid-in capital.

As a consequence of the Business Combination, Li-Cycle Holdings became the successor to an SEC-registered and NYSE-listed company, which requires Li-Cycle to continue to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. We expect to incur additional annual expenses as a public company for, among other things, directors' and officers' liability insurance, director fees and additional internal and external accounting, legal and administrative resources, including increased audit and legal fees.

Current Situation with Respect to COVID-19

In late 2019, a novel strain of coronavirus, now referred to as COVID-19, was identified in China. The virus has spread globally, resulting in governmental authorities implementing protective measures, such as travel restrictions, quarantines, shelter-in-place orders and shutdowns, in order to contain its spread and reduce its impact. This pandemic has significantly disrupted economies around the world.

The United States is one of the largest markets for lithium-ion battery recycling and COVID-19 continues to have a materially adverse impact in North America. The continuous spread of COVID-19 has caused lockdowns and shutdowns of manufacturing facilities. Therefore, many industry sectors, including the automotive sector, have been negatively impacted and continue to be unable to produce at capacity. The continued impact of COVID-19 on manufacturing production may lead to less demand for lithium-ion batteries, impacting the resulting contribution of batteries and battery-related scrap material to the recycling market over the short-to-medium term.

Li-Cycle's operations have been impacted by the COVID-19 pandemic. Because Li-Cycle's operations have been considered an essential service in both Canada and the United States, Li-Cycle's plants have continued operations during the COVID-19 pandemic, albeit with the implementation of appropriate measures to ensure employee safety. Li-Cycle shut down its commercial headquarters in March 2020 and enforced a work-from-home mandate. The Kingston Spoke experienced some battery supply related issues in the second fiscal quarter of 2021 due to COVID-19 related shutdowns in Ontario, Canada which were alleviated by the third fiscal quarter of 2021 and no further shutdowns occurred for the remainder of the fiscal period. Li-Cycle re-opened its office facilities in November 2021, with a robust plan to ensure compliance with government guidance and all recommended actions to ensure employee safety.

Li-Cycle cannot currently predict the duration of the impact of the COVID-19 pandemic on its operations. Continuing effects of the COVID-19 pandemic, including the emergence of new strains such as the Omicron or Delta variant may cause governments to impose new restrictive measures, result in employee absences from work or result in negative economic effects, which in each case could have a material adverse impact on Li-Cycle's operations, development and constructions activities and financial condition.

Comparability of Financial Information

Li-Cycle's future results of operations and financial position may not be comparable to historical results as a result of the Business Combination and the factors described below, among other things.

Li-Cycle included certain projected financial information in the proxy statement/prospectus on Form F-4 dated July 15, 2021 and filed with the U.S. Securities and Exchange Commission (the "SEC") in connection with the Business Combination (as amended, the "Proxy/Registration Statement"), which information was also incorporated by reference in Li-Cycle's non-offering final prospectus dated August 10, 2021 filed with the Ontario Securities Commission (the "Canadian Prospectus") and Shell Company Report on Form 20-F filed with the SEC.

As a result of the developments described below, the assumptions underlying the projected financial information included in the Proxy/Registration Statement and the Canadian Prospectus, including a number of assumptions regarding capital expenditures and the timing of the roll-out of new operational facilities, no longer reflect a reasonable basis on which to project our future results and therefore such projections should not be relied on as indicative of future results. Demand for lithium-ion battery recycling has continued to exceed our forecasts and, in order to meet this growing demand, we have decided to increase and accelerate our investment in the build-out of our recycling capacity in certain respects. In addition, since the date of effectiveness of the Proxy/Registration Statement and the date of the Canadian Prospectus, respectively, we have, among other things, announced the development of the Spoke Capital Projects, increasing our processing capacity beyond that of our previous plans and projections. We have also announced the increase of expected processing capacity at our Rochester Hub. Our

actual results could differ substantially from the projected financial information contained in the Proxy/Registration Statement and the Canadian Prospectus.

Key Factors Affecting Li-Cycle's Performance

We believe that Li-Cycle's performance and future success is dependent on multiple factors that present significant opportunities for Li-Cycle, but also pose significant risks and challenges, including those discussed below and in the section of the Annual Report entitled "Item 3. Key Information—D. Risk Factors."

Availability of Lithium-Ion Batteries for Recycling

Li-Cycle is reliant on obtaining lithium-ion batteries for recycling through its contracts with suppliers. The Company maintains commercial contracts with leaders in the electric vehicle ("EV") and lithium-ion battery ecosystem, including consumer electronics, manufacturing scrap, energy storage, and auto OEMs/transportation companies. Li-Cycle currently has over 85 suppliers of end-of-life lithium-ion batteries and battery manufacturing scrap and we expect Li-Cycle to attract new suppliers by differentiating itself based on the sustainability of its process and the robustness of its technology, which in turn will enable Li-Cycle to offer competitive terms to suppliers. We expect Li-Cycle's supply pipeline to grow as we expect existing suppliers will have growing volumes of batteries available for recycling due to the continuing trend toward electric vehicles, and as Li-Cycle continues to source additional supplier relationships. However, there can be no assurance that Li-Cycle will attract new suppliers or expand its supply pipeline from existing suppliers, and any decline in supply volume from existing contracts or an inability to source new supplier relationships could have a negative impact on Li-Cycle's operating results.

On May 11, 2021, Li-Cycle announced its entry into an agreement with Ultium Cells LLC ("Ultium"), a joint venture between General Motors and LG Energy Solution, Ltd. ("LGES"), pursuant to which Ultium will supply to Li-Cycle, and Li-Cycle will purchase and recycle, up to 100% of the scrap generated by battery cell manufacturing at Ultium's Warren, Ohio mega-factory. On January 27, 2022, Li-Cycle announced the development of a co-located Spoke in Warren, Ohio to enhance its ability to service Ultium's recycling needs.

Customer Demand for Lithium-Ion Recycled Raw Materials

Li-Cycle has entered into two agreements with Traxys North America LLC ("Traxys") covering off-take from its Spokes and Hubs. See the section titled "Item 4. Information on the Company—B. Business Overview —Our Commercial Contracts — Advanced Material Spoke and Hub Offtake with Traxys" in the Annual Report.

On December 14, 2021, Li-Cycle announced the entry into of a non-binding letter of intent with each of LG Energy Solution, Ltd. ("LGES") and LG Chem, Ltd. ("LGC") (the "Letter of Intent") setting forth proposed terms of a potential nickel-bearing lithium-ion battery scrap supply and nickel sulphate off-take arrangement among the Company, LGES and Traxys and a potential nickel sulphate off-take arrangement among the Company, LGC and Traxys (the "LG Off-take Agreements"). The LG Off-take Agreements are intended to cover (among other things), the sale through Traxys to LGES or LGC, as applicable, of certain battery-grade nickel sulphate from the Company's planned Rochester Hub for a ten-year period.

Li-Cycle expects to enter into additional off-take customer agreements in the future.

Ability to Build Out Additional Facilities

Li-Cycle is confident in its ability to scale the business as currently planned. Li-Cycle has a market-leading position in North America through its two operational commercial Spokes in Kingston, Ontario, and Rochester, New York, and is developing the Rochester Hub. Li-Cycle has also announced the development and construction of the Spoke Capital Projects. Li-Cycle is evaluating additional opportunities to scale its operations with a range of potential partners and expansion opportunities that may include acquisitions, joint ventures or other commercial arrangements in North America, Europe, and Asia Pacific. Li-Cycle's continued growth and results of operations will be negatively impacted if it is unable to continue to scale its operations.

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

- political, civil and economic instability;
- corruption risks;

- trade, customs and tax risks;
- currency exchange rates and currency controls;
- limitations on the repatriation of funds;
- insufficient infrastructure;
- restrictions on exports, imports and foreign investment;
- increases in working capital requirements related to long supply chains;
- changes in labor laws and regimes and disagreements with the labor force;
- difficulty in protecting intellectual property rights; and
- different and less established legal systems.

Expanding our business in international markets, including the construction and operation of the Norway Spoke and Germany Spoke, is an important element of our strategy and, as a result, our exposure to the risks described above may be greater in the future. The likelihood of such occurrences and their potential effects on our business and results of operations will vary from country to country and are unpredictable, but could have an adverse effect on our ability to execute our strategy and accordingly on our results of operations.

Commodity and Specialty Prices

Li-Cycle currently recognizes revenue among other things from sales of three intermediate products, black mass, mixed copper/aluminum and mixed plastics from Li-Cycle's Spokes. Li-Cycle expects to recognize revenue from sales of end products, including nickel, cobalt and lithium, after its first Hub becomes operational.

The price Li-Cycle can charge for its end products is tied to commodity and specialty pricing for nickel, cobalt, and lithium, among others. This can lead to variability in revenues, but we believe the wide range of raw materials Li-Cycle produces results in a diversification effect that provides it with a natural hedge against significant variations in the commodity pricing related to a single product.

Research and Development

Li-Cycle continues to conduct research and development ("R&D") centered on various aspects of its business. R&D work is ongoing in support of its Spoke operations and its Rochester Hub project, specifically focused on continuous optimization of operating parameters and preparing for operations. Li-Cycle also continues to develop and evaluate new concepts with an eye to the future, including solid-state battery processing and others related to the Spoke & Hub Technologies™.

Components of Results of Operations

Basis of Presentation

Li-Cycle's consolidated financial statements have been prepared in accordance with IFRS. All amounts are in U.S. dollars except otherwise indicated. Currently, Li-Cycle conducts business through one operating segment. Li-Cycle was a pre-revenue company with no commercial operations until 2020. For more information about Li-Cycle's basis of presentation, refer to Note 2 in the accompanying financial statements of Li-Cycle for the twelve months ended October 31, 2021. Li-Cycle's fiscal year end is October 31.

Revenue

Li-Cycle recognizes revenue from: (i) sales of products, which currently include three intermediate products, being black mass, mixed copper/aluminum and mixed plastics from Li-Cycle's Spokes; and (ii) providing the service of recycling lithium-ion batteries, which includes coordination of logistics and destruction of batteries. We expect Li-Cycle's sales of products to increase as a percentage of overall revenue as more Spokes and Hubs become operational over time. Li-Cycle expects to recognize revenue from sales of end products, including nickel sulphate, cobalt sulphate and lithium carbonate, after its first Hub becomes operational.

For product sales, revenue is recognized when control of the goods has transferred, meaning when the goods have been shipped to the customer's location (delivery). A receivable is recognized by Li-Cycle when the goods are delivered to the customer, as this represents the point in time at which the right to consideration becomes unconditional, as passage of time is the only condition to payment becoming due. The revenue recognized is based

on commodity prices at the time of delivery. Under Li-Cycle's standard contract terms, customers do not have a right of return. We estimate the amount of consideration to which we expect to be entitled under provisional pricing arrangements. The amount of consideration for black mass and mixed copper/aluminum sales is based on the mathematical product of: (i) market prices of the constituent metals at the date of settlement, (ii) product weight, and (iii) assay results (ratio of the constituent metals initially estimated by management and subsequently trued up to customer confirmation). Certain adjustments like handling and refining charges are also made per contractual terms with customers. Depending on the contractual terms with customers, the payment of receivables may take up to 12 months from date of shipment. Product sales and the related trade accounts receivables are measured at fair value at initial recognition and are re-estimated at each reporting period end using the market prices of the constituent metals at the respective measurement dates. Changes in fair value are recognized as an adjustment to profit and loss and to the related accounts receivable.

Service revenue is recognized upon completion of each service. Prices for services are separately identifiable within each contract. A receivable is recognized by Li-Cycle when the services are completed as this represents the point in time at which the right to consideration becomes unconditional, as passage of time is the only condition to payment becoming due.

Operating expenses

Primary expense categories for Li-Cycle include employee salaries and benefits, raw materials and supplies, professional fees (which include consulting and other advisor fees), share-based compensation, R&D and depreciation. As Li-Cycle continues to grow and expand internationally, we expect to incur additional expenses in connection with acquisitions, joint ventures and/or other commercial or contractual arrangements. Additional personnel expenses are also anticipated. The amount of consulting and professional fees Li-Cycle expects to incur is commensurate with the engineering requirements associated with its Rochester Hub project and its Spoke Capital Projects, as well as requisite expenses for legal and audit as Li-Cycle funds its operations and scales its internal systems and processes. R&D expenses reflect ongoing efforts by Li-Cycle to develop and expand its technology, and such costs are offset by any government funding for government funded projects.

Other Income / Expense

Other income/expense consists of foreign exchange gain/loss, interest income/expense, fair value gain/loss on financial instruments and, in 2021, the cost of listing on the New York Stock Exchange. Financing costs are typically applied against the gross proceeds of any capital raised, and in the case of debt, amortized over the term of such debt. Interest expense represents the actual cash interest costs incurred plus any accrued interest payable at a future date.

Results of Operations

Comparison of the three and twelve months ended October 31, 2021 and 2020

	Three months ended		\$ Change	% Change	Year Ended October 31,		\$ Change	% Change
	October 31, 2021	2020			October 31, 2021	2020		
(amounts in thousands, except per share data)								
Revenues	4,391	469	3,922	836%	7,375	792	6,583	831%
Product sales	4,248	370	3,878	1049%	6,930	555	6,376	1149%
Recycling Services	143	99	44	44%	444	237	207	87%
Operating expenses	18,558	4,966	13,592	274%	39,232	9,934	29,298	295%
Employee salaries and benefits, net	4,987	1,404	3,584	255%	12,710	2,819	9,891	351%
Professional fees	3,470	1,402	2,068	147%	7,689	2,962	4,726	160%
Share-based compensation	2,675	112	2,563	2284%	3,983	333	3,650	1097%

Raw materials and supplies	1,406	200	1,206	602%	3,410	592	2,818	476%
Office, administrative and travel	2,095	217	1,878	866%	3,149	477	2,672	561%
Depreciation	1,069	378	691	183%	2,899	1,095	1,804	165%
Research and development, net	734	796	(62)	(8)%	2,663	777	1,886	243%
Freight and shipping	445	80	365	459%	1,033	137	896	654%
Plant facilities	355	167	188	112%	1,031	391	640	164%
Marketing	508	177	331	187%	974	366	608	166%
Change in Finished Goods Inventory	813	33	780	2379%	(308)	(14)	(294)	2095%
Other (income) expenses	190,802	(63)	190,865	(302380)%	194,702	134	194,568	145093%
Listing Fee	152,719	—	152,719	100%	152,719	—	152,719	100%
Fair value loss on financial instruments	35,821	84	35,737	42315%	38,254	84	38,170	45196%
Interest expense	2,120	189	1,931	1022%	3,053	530	2,523	476%
Foreign exchange (gain) loss	222	(336)	558	(166)%	758	(446)	1,204	(270)%
Interest income	(81)	—	(81)	35792%	(82)	(34)	(48)	140%
Net loss	(204,969)	(4,433)	(200,535)	4523%	(226,559)	(9,276)	(217,283)	2342%
Foreign currency translation adjustment	0	58	(58)	(100)%	0	(219)	219	(100)%
Comprehensive loss	(204,969)	(4,375)	(200,593)	4585%	(226,559)	(9,495)	(217,065)	2286%
Basic and diluted loss per share	(1.31)	(0.05)	(1.26)	2405%	(2.06)	(0.11)	(1.94)	1689%
Weighted average number of common shares outstanding	155,887	83,361	72,525	87%	110,119	82,572	27,547	33%

Revenue

For the three and twelve months ended October 31, 2021, Li-Cycle's revenues increased by 836% and 831%, respectively, when compared to the corresponding periods in 2020. Revenue reached \$4.4 million and \$7.4 million in the three and twelve months ended October 31, 2021, as compared to \$0.5 million and \$0.8 million in the corresponding periods of 2020, respectively. The revenue growth was mainly attributable to increases in product sales primarily as a result of the Rochester Spoke ramping up to process meaningful quantities of batteries and battery scrap, with production reaching 811 tonnes and 1,880 tonnes of black mass in the three and twelve months ended October 31, 2021, as compared to 126 tonnes and 226 tonnes of black mass produced in the corresponding periods of 2020, respectively. Revenues from product sales were approximately \$4.2 million and \$6.9 million, respectively while revenues from recycling services were approximately \$0.1 million and \$0.4 million, respectively, for the three and twelve months ended October 31, 2021. The increases in recycling services revenue were the result of the continued onboarding of new battery supply customers.

Operating expenses

For the three and twelve months ended October 31, 2021, operating expenses increased by 274% and 295%, respectively, when compared to the corresponding periods of 2020, as Li-Cycle ramped up its operations in North America. The increases in personnel costs of \$3.6 million and \$9.9 million, respectively, for the three and twelve months ended October 31, 2021 reflect the ramp up of operations of the Kingston Spoke and Rochester Spoke as well as the addition of corporate team members as Li-Cycle ramps up its expansion plans. The level of professional fees for the three and twelve months ended October 31, 2021 is commensurate with requisite legal, audit and tax advisory services in support of Company's growth plans as a public company. The share-based compensation for the quarter and the year included a non-recurring expense of \$1.6 million relating to the accelerated vesting of existing stock options upon the completion of the Business Combination. The increases in raw materials and supplies of \$1.2 million and \$2.8 million, respectively, for the three and twelve months ended October 31, 2021 are mainly a result of strong sales figures and increased inventory production during the ramp-up phase of the Kingston Spoke

and Rochester Spoke operations. Office and administrative expenses increased mainly as a result of higher insurance premiums associated with being a public company. The period-to-period overall increase in R&D expenditure for the twelve months ended October 31, 2021 as compared to the corresponding period of 2020, notwithstanding the decline in R&D expenditure for the three months ended October 31, 2021 as compared to the corresponding period of 2020, was primarily due to R&D expenses in 2020 being largely funded by government grants, the amortization of which offset the applicable R&D expense for accounting purposes. The amortization of government grants in the three and twelve months ended October 31, 2020 totaled \$0.1 million and \$2.2 million, respectively, and did not recur to the same extent in the 2021 comparative periods.

Other (Income) Expenses

Other expenses were \$190.8 million and \$194.7 million in the three and twelve months ended October 31, 2021, respectively, as compared to \$0.1 million of other income and \$0.1 million of other expenses in the three and twelve months ended October 31, 2020, respectively. The period-to-period changes in other expenses for the three and twelve months ended October 31, 2021 as compared to the corresponding 2020 periods was primarily due to the recognition of \$152.7 million of excess of fair value over consideration received upon completion of the Business Combination in the last fiscal quarter of 2021, in addition to a fair value loss on financial instruments, interest expenses on convertible debt, loans payable, and lease liabilities and foreign exchange losses in the twelve months ended October 31, 2021.

Net loss

Net loss was \$204.97 million and \$226.56 million in the three and twelve months ended October 31, 2021, as compared to \$4.43 million and \$9.28 million in the three and twelve months ended October 31, 2020, respectively. Net loss for both periods was driven by the factors discussed above. In addition, Net loss reflects one-time listing fees related to the business combination described above and the impact of fair value losses on financial instruments. Excluding these Adjusted EBITDA loss was \$11.51 million and \$25.37 million in the three and twelve months ended October 31, 2021, as compared to \$4.12 million and \$8.05 million in the corresponding 2020 periods. This was largely driven by higher staffing and network development costs related to the growth and expansion of the business, as discussed above. A reconciliation of Adjusted EBITDA to Net loss is provided in the *Non-IFRS Measures* Section below.

Comparison of the twelve months ended October 31, 2020 and 2019

	Year ended		\$	%
	October 31, 2020	October 31, 2019		
(amounts in thousands, except per share data)				
Revenues	792	48	744	1545%
Product sales	555	—	555	100%
Recycling Services	237	48	189	393%
Operating expenses	9,934	4,112	5,822	142%
Employee salaries and benefits, net	2,819	608	2,211	364%
Professional fees	2,962	547	2,416	442%
Share-based compensation	333	97	235	242%
Raw materials and supplies	592	—	592	100%
Office, administrative and travel	477	493	(17)	(3)%
Depreciation	1,095	184	911	496%
Research and development, net	777	2,112	(1,335)	(63)%
Freight and shipping	137	6	131	2268%
Plant facilities	391	—	391	100%
Marketing	366	66	300	456%
Change in Finished Goods Inventory	(14)	—	(14)	100%

Other (income) expenses	134	37	97	265%
Fair value loss on financial instruments	84	—	84	100%
Interest expense	530	60	469	778%
Foreign exchange (gain) loss	(446)	—	(446)	100%
Interest income	(34)	(24)	(11)	46%
Net loss	(9,276)	(4,101)	(5,175)	126%
Foreign currency translation adjustment	(219)	(37)	(182)	488%
Comprehensive loss	(9,495)	(4,138)	(5,357)	129%
Basic and diluted loss per share	(0.11)	(0.06)	(0.06)	100%
Weighted average number of common shares outstanding	82,572	71,891	10,680	15%

Revenue

Revenue reached \$0.8 million in 2020 as the Kingston Spoke became operational in the summer of 2020. As the Kingston Spoke started to process meaningful quantities of batteries, Li-Cycle saw growth in recycling services while also realizing revenue from product sales. Revenues from recycling services were approximately \$0.2 million while revenues from product sales were approximately \$0.6 million.

Operating expenses

Operating expenses increased by 144% year over year as Li-Cycle scaled up its operations and expanded internationally. The increase in personnel costs of \$2.2 million reflects the increased commercial activities to support the operations of the Kingston Spoke and the setup of Rochester Spoke. The level of consulting and professional fees is commensurate with the engineering requirements associated with the Rochester Hub project, as well as requisite legal and audit expenses for raising capital to execute the Li-Cycle's growth plan. R&D expenses declined mainly because Li-Cycle received significant government grants of which \$2.2 million were recognized as an offset to the R&D in 2020.

Other (Income) Expenses

Other expenses were \$0.1 million in 2020, as compared to other expenses of \$0.04 million in 2019 mainly as a result of interest expenses on the loans payable and lease liabilities. These were partially offset by interest income and foreign exchange gains.

Non-IFRS Measures

The term Adjusted EBITDA is a non-IFRS financial measure and does not have a standardized meaning under IFRS. Li-Cycle defines Adjusted EBITDA as earnings before depreciation and amortization, interest expense (income), income tax expense (recovery), foreign exchange (gain) loss, fair value (gain) loss on financial instruments, and non-recurring expenses such as forfeited SPAC transaction cost, listing fee, and accelerated vesting of share-based compensation related to the Business Combination.

Adjusted EBITDA is provided as additional information to complement IFRS measures by providing a further understanding of the Company's results of operations from management's perspective. Accordingly, it should not be considered in isolation nor as a substitute for the analysis of the Company's financial information reported under IFRS.

The following table provides a reconciliation of net loss to Adjusted EBITDA loss.

	Three months ended		Twelve months ended		
	October 31,		October 31,		
	2021	2020	2021	2020	2019
	(dollar amounts in thousands)				
Net loss	(204,969)	(4,433)	(226,559)	(9,276)	(4,101)
Depreciation	1,069	378	2,899	1,095	184
Interest expense (income)	2,040	189	2,970	495	37
Foreign exchange (gain) loss	222	(336)	758	(446)	—
Fair value loss on financial instruments ⁽¹⁾	35,821	84	38,254	84	—
Listing Fee	152,719	—	152,719	—	—
Forfeited SPAC transaction cost	—	—	2,000	—	—
Share-based compensation ⁽²⁾	1,588	—	1,588	—	—
Adjusted EBITDA loss	(11,510)	(4,119)	(25,370)	(8,047)	(3,880)

(1) Fair value loss on financial instruments relates to warrants, convertible debt, and restricted share units liability.

(2) Share-based compensation relates to accelerated vesting of existing stock options upon completion of the Business Combination.

Spoke Capital Projects

We have three Spokes in development in North America, namely the Arizona Spoke, the Alabama Spoke and the Ohio Spoke, and two Spokes in development in Europe, namely the Norway Spoke and the Germany Spoke. Collectively, these Spoke Capital Projects are expected to have a recycling capacity of 55,000 tonnes (11 GWh equivalent) per year, in addition to our existing operational Spoke capacity in Kingston and Rochester of 10,000 tonnes (2 GWh equivalent) per year.

Arizona Spoke

In March 2021, Li-Cycle announced the development and construction of the Arizona Spoke. The Phoenix metropolitan area is strategically proximate to Li-Cycle's existing battery and battery scrap supply network, as well as being at the nexus of where we expect there will be continued growth of lithium-ion batteries available for recycling due to the growing electric vehicle industry in Arizona, Nevada and other western States. We expect the Arizona Spoke to include two battery recycling lines with a total recycling capacity of 10,000 tonnes (2 GWh equivalent) per year. The detailed engineering and facility construction stage of the Arizona Spoke project has been completed. We expect both processing lines at the Arizona Spoke to be constructed, commissioned and operational in 2022.

Alabama Spoke

On September 8, 2021, Li-Cycle announced the development and construction of the Alabama Spoke. The Alabama Spoke is located near Tuscaloosa, Alabama, in a region where we expect there will be continued growth of lithium-ion battery materials available for recycling due to the growing electric vehicle industry in Alabama and the U.S. Southeast. We expect the Alabama Spoke to include one battery recycling line with a total recycling capacity of 10,000 tonnes (2 GWh equivalent) per year. The Alabama Spoke project is currently in the detailed engineering and facility construction stage, which we expect will be completed in 2022. We expect the Alabama Spoke to be constructed, commissioned and operational in 2022.

Norway Spoke

On January 26, 2022, Li-Cycle announced that it has formed a joint venture with ECO STOR AS ("ECO STOR") and Morrow Batteries AS ("Morrow") through which it will construct a new commercial lithium-ion battery recycling facility in southern Norway. Li-Cycle will be the majority owner of the joint venture, with ECO STOR and

Morrow being minority owners and Nordic-headquartered strategic partners. Once constructed, the Norway Spoke will be Li-Cycle's first recycling facility outside of North America and is expected to have a recycling capacity of 10,000 tonnes (2 GWh equivalent) of lithium-ion batteries per year, including but not limited to battery manufacturing scrap, full electric vehicle packs, and energy storage systems. The facility is expected to be operational in early 2023. Li-Cycle has also engaged Koch Engineered Solutions (KES) to construct, test, and ship the Company's Norway Spoke. This collaboration initiative follows on the previously announced investment in Li-Cycle by an affiliate of Koch Strategic Platforms, LLC (i.e., the Spring Creek Capital Convertible Note, described below).

Ohio Spoke

On January 27, 2022, Li-Cycle announced the development of the Ohio Spoke on site at the Ultium Cells LLC ("Ultium") battery cell manufacturing mega-factory in Warren, Ohio. Ultium plans to construct a new building for the Ohio Spoke, where Li-Cycle expects to install and operate its proprietary Spoke technology and equipment after construction is complete. The Ohio Spoke is expected to have a recycling capacity of 15,000 tonnes (3 GWh equivalent) per year, and is expected to be operational by early 2023. The Ohio Spoke will enhance Li-Cycle's ability to serve Ultium's recycling needs by providing on-site conversion of battery manufacturing scrap to intermediate products. The Ohio Spoke will help Li-Cycle service the previously awarded contract for Li-Cycle to process battery manufacturing scrap from Ultium's Ohio mega-factory.

Germany Spoke

On January 27, 2022 Li-Cycle announced the development of a second European Spoke in Germany. The Germany Spoke is expected to have a recycling capacity of 10,000 tonnes (2 GWh equivalent) per year, and is expected to be operational by early 2023. Upon selecting a site for the Germany Spoke, Li-Cycle expects to incur expenses in connection with the site lease, detailed engineering, facility construction and local site plan and environmental permit approvals.

Capital Costs of the Spoke Projects

We expect our total investment to construct, commission and commence operations for the Spoke Projects to be approximately \$50.0 million. As of October 31, 2021, we have spent approximately \$6.9 million on detailed engineering, equipment procurement and facility-related expenditures in connection with the Arizona Spoke and Alabama Spoke. We anticipate a total cost of approximately \$43.1 million to complete the Spoke Capital Projects.

Additional Spokes

Li-Cycle plans to develop additional Spokes in North America, as well as Europe and the Asia Pacific region. In furtherance of these plans, Li-Cycle opened a new Spoke Fulfillment Centre in Kingston, Ontario in October 2021 where Li-Cycle will fabricate and assemble on a custom basis machinery and equipment for future Spoke recycling lines. These assembled lines will be modular and able to be shipped to, and installed at, any new North America Spoke site.

Hub Capital Projects

Rochester Hub

Li-Cycle's first revenue-generating Hub will be located in Rochester, New York, and is currently in the project execution phase. The location for the Rochester Hub was specifically selected due to the nature of the infrastructure available at the site, including utilities, logistics, and other physical infrastructure. Li-Cycle's Spoke facilities in North America, which take in end-of-life batteries and battery production scrap in order to produce black mass, will be the primary suppliers of feedstock for the Rochester Hub.

Li-Cycle completed a definitive feasibility study with respect to the Rochester Hub in December 2021. Based on the definitive feasibility study, Li-Cycle expects the Rochester Hub will have the nameplate input capacity to process 35,000 tonnes of black mass annually (equivalent to approximately 90,000 tonnes or 18 GWh of lithium-ion battery equivalent feed annually). This represents an increase in nameplate input processing capacity of approximately 40% as compared to the pre-feasibility study completed by the Company in June 2020. With its increased capacity, the Rochester Hub will be able to process battery material that is equivalent to approximately 225,000 electric vehicles per year. Key design and cost changes to the Rochester Hub relative to the June 2020 pre-feasibility study largely

include, but are not limited to: (1) higher material costs due to increased size and supply chain inflationary impacts; (2) scope alterations responding to contracted feed supplies and implementing best-in-class environmental practices; and (3) up-sizing of nameplate output capacity, resulting in expected output capacity of approximately 42,000 to 48,000 tonnes per annum of nickel sulphate, 7,500 to 8,500 tonnes per annum of lithium carbonate and 6,500 to 7,500 tonnes per annum of cobalt sulphate (being 250% and 160% higher and approximately 65% lower, respectively, as compared to the pre-feasibility study). Li-Cycle estimates that the Rochester Hub will require a total capital investment of approximately \$485 million (+/-15%), based on the results of the definitive feasibility study, which can be funded from existing balance sheet cash. Li-Cycle also expects to explore various opportunities to optimize its capital structure, for example, with potential credit from government-related institutions.

Li-Cycle has engaged Hatch Ltd. as its engineering, procurement and construction management contractor for the project and is in the process of selecting its general contractor. Procurement has commenced on long-lead items and the Company has obtained firm-price competitive quotes for 80% of the required equipment for the Rochester Hub. Li-Cycle commenced construction on the Rochester Hub site in January 2022 and is on the path to reach mechanical completion, commissioning and start-up in 2023, subject to the receipt of remaining regulatory and other approvals. Li-Cycle expects that the Rochester Hub will result in over 200 additional employment positions at its operations. As of October 31, 2021, Li-Cycle had spent approximately \$13.4 million on definitive engineering, pre-feasibility, and definitive feasibility studies, equipment procurement and jointly-related expenditures.

The anticipated principal regulatory and other approvals required to develop and construct the Rochester Hub consist of: a special use permit, site plan approval, subdivision approval and special permit and area variance for hazardous material storage tanks from the Town of Greece, New York, including the related New York State Environmental Quality Review Act (“SEQRA”) process; and permits for air emissions, storm water discharge and chemical bulk storage granted by the New York State Department of Environmental Conservation. The SEQRA process was completed in November 2021, and the Town of Greece’s various boards have granted the Rochester Hub a special use permit, site plan approval, and special permit and area variance for hazardous material storage tanks, all subject to certain conditions.

Liquidity and Capital Resources

Sources of Liquidity

We intend to meet our currently anticipated capital requirements through cash on hand and cash flow from operations. We expect that these sources will be sufficient to meet our capital requirements and operational needs for the next 12 months. As a result of our Business Combination and related PIPE Financing on August 10, 2021, we significantly de-levered our balance sheet and have no material debt maturities until September 29, 2026. As at October 31, 2021, we had \$596.9 million of cash on hand and convertible debt of \$100.9 million.

Currently, our primary need for liquidity is to fund working capital requirements of our business, capital expenditures related to the development and construction of our Rochester Hub and new Spoke facilities, debt service obligations and general corporate purposes. Our primary source of liquidity is the funds raised from the Business Combination, the PIPE Financing and the Spring Creek Capital Convertible Note financing (as defined below) completed in September 2021, as well as funds generated by operating activities.

Our capital and operating expenditures have increased, and we expect will continue to increase, significantly in connection with our ongoing activities, as we: complete the development and construction of the Rochester Hub; complete the development and construction of the Spoke Capital Projects; expand globally with the deployment of additional Spokes and Hubs, including through acquisitions and/or through joint ventures or other contractual arrangements; continue to invest in our technology, R&D efforts and the expansion of our intellectual property portfolio; increase our investment in logistics infrastructure for the transportation of intermediate products from Spokes to Hubs; obtain, maintain and improve our operational, financial and management information systems; hire additional personnel; and operate as a public company.

Our ability to fund our capital and operating expenditures, make scheduled debt payments and repay or refinance indebtedness depends on our future operating performance and cash flows, which will be affected by prevailing economic conditions and financial, business and other factors, some of which are beyond our control, including COVID-19. Over the mid-to-longer term, we expect we will need to secure additional equity and debt financing to

continue to fund our current growth strategy. Such additional funds may not be available when we need them on terms that are acceptable to us, or at all.

Debt Obligations

On December 16, 2019, Li-Cycle entered into a binding agreement with BDC Capital Inc. for a loan of \$5.3 million (Cdn. \$7.0 million) to help finance the expansion plans of Li-Cycle. The maturity date of the loan was December 14, 2023 and the entire principal amount was funded, which funding was consummated in three tranches based on the achievement of specific milestones by Li-Cycle. The base rate of interest was 16% per annum, paid monthly, plus additional accrued interest in kind of 3% that could be reduced to 0% based on the achievement of certain milestones by Li-Cycle. Principal payments began on the first anniversary date of the loan and could be made at \$0.13 million (Cdn. \$0.175 million) per month with a balloon payment of \$0.5 million (Cdn. \$0.7 million) at maturity.

On August 11, 2021, in accordance with an agreement to repay the BDC Capital Loan in full upon the closing of the Business Combination, Li-Cycle repaid the BDC Capital Loan balance in full.

On June 16, 2021, Li-Cycle issued promissory notes (the “Promissory Notes”) for an aggregate principal amount of \$7.0 million as consideration for loans received from entities affiliated with the Chief Executive Officer and the Executive Chair of Li-Cycle. The Promissory Notes bore interest at the rate of 10% per annum and had a maturity date of December 15, 2023. The Promissory Notes were unsecured and subordinate to indebtedness owing to Li-Cycle’s senior lender, BDC Capital Inc. Li-Cycle had the option of prepaying all or any portion of the principal and accrued interest of the Promissory Notes prior to the maturity date without penalty, subject to certain conditions. On August 17, 2021, Li-Cycle repaid the Promissory Notes and accrued interest in full.

On September 29, 2021, the Company entered into a Note Purchase Agreement (the “Note Purchase Agreement”) with Spring Creek Capital, LLC (“Spring Creek Capital”) (an affiliate of Koch Strategic Platforms, LLC) and issued to Spring Creek Capital an unsecured Convertible Note (the “Spring Creek Capital Convertible Note”) under the Note Purchase Agreement in the principal amount of \$100 million, in a transaction exempt from registration pursuant to Section 4(a)(2) of the Securities Act.

The Spring Creek Capital Convertible Note matures five years from the date of issuance and accrues interest from the date of issuance at the London Interbank Offer Rate (LIBOR) plus five percent (5%) per annum. Interest on the Spring Creek Capital Convertible Note is payable on a semi-annual basis, either in cash or by payment-in-kind (“PIK”), at the Company’s option, beginning on December 31, 2021. Interest on PIK amounts accrues at LIBOR plus six percent (6%) per annum. Under the terms of the investment, LIBOR has a floor of 1% and a cap of 2%.

The principal and accrued interest owing under the Spring Creek Capital Convertible Note may be converted at any time by the holder into the Company’s common shares (the “common shares”), at a per share price equal to \$13.43 (the “Conversion Price”). If the closing price per share of the Company’s common shares on the New York Stock Exchange is above \$17.46 for 20 consecutive trading days, the Company may elect to convert the principal and accrued interest owing under the Spring Creek Capital Convertible Note, plus a make-whole amount equal to the undiscounted interest payments that would have otherwise been payable through maturity (the “Make-Whole Amount”) into the Company’s common shares at the Conversion Price.

The Company may redeem the Spring Creek Capital Convertible Note at any time by payment in cash of an amount equal to 130% of the principal amount of the Spring Creek Capital Convertible Note and all accrued interest owing under the Spring Creek Capital Convertible Note, plus the Make-Whole Amount. Upon a change of control transaction, the Company will be required to redeem the Spring Creek Capital Convertible Note by payment in cash of an amount equal to the outstanding principal amount of the Spring Creek Capital Convertible Note and all accrued interest owing under the Spring Creek Capital Convertible Note, plus the Make-Whole Amount.

The Spring Creek Capital Convertible Note is subject to certain events of default, the occurrence of which would give the holder the right to require the Company to redeem the Spring Creek Capital Convertible Note by payment in cash of an amount equal to the outstanding principal amount of the Spring Creek Capital Convertible Note and all accrued interest owing under the Spring Creek Capital Convertible Note, plus the Make-Whole Amount. The Note Purchase Agreement contains certain customary representations, warranties and covenants by and for the benefit of the parties.

The Company granted certain registration rights to Spring Creek Capital under the Note Purchase Agreement. The Company has filed a registration statement for the benefit of Spring Creek Capital in accordance with those registration rights and has agreed to keep the registration statement (or another shelf registration statement covering the common shares issued or issuable upon conversion of the Spring Creek Capital Convertible Note) effective until the earlier of (x) the third anniversary of the issuance of the Spring Creek Capital Convertible Note or (y) the date on which the holder of the Spring Creek Capital Convertible Note ceases to hold any common shares issued or upon conversion of the Spring Creek Capital Convertible Note.

On September 29, 2021, in connection with the Spring Creek Capital Convertible Note investment, the Company, Koch Strategic Platforms, LLC (“KSP”) and Spring Creek Capital entered into a Standstill Agreement (the “Standstill Agreement”), which restricts KSP, Spring Creek Capital and their affiliates from taking certain actions until the later of the conversion of the Spring Creek Capital Convertible Note in full or twelve months from the issuance of the Spring Creek Capital Convertible Note (the “Standstill Period”). The actions that KSP, Spring Creek Capital and their affiliates are restricted from taking during the Standstill period include, among others, (A) the acquisition of additional voting securities of the Company if, after giving effect to such acquisition, KSP and its subsidiaries and affiliates would beneficially own or exercise control or direction over voting securities of the Company having aggregate voting rights equal to or greater than 9.9% of the aggregate voting power of the Company (B) any tender or exchange offer, take-over bid, merger, business combination and certain other transactions involving the Company and its securities, (C) any solicitation of proxies or votes or other attempt to influence votes by any holder of the Company’s securities and (D) formation of a “group” (as defined under the Securities Exchange Act of 1934) with respect to the Company’s securities.

Cash Flows Summary

Presented below is a summary of Li-Cycle’s operating, investing, and financing cash flows for the periods indicated:

	Three months ended		Twelve months ended		
	October 31,		October 31,		
	2021	2020	2021	2020	2019
	(in thousands)		(in thousands)		
Cash flows used in operating activities	\$ (11,311)	\$ (1,770)	\$ (27,877)	\$ (7,429)	\$ (4,568)
Cash flows used in investing activities	(6,153)	(1,364)	(18,203)	(5,108)	(998)
Cash flows from financing activities	611,972	(85)	642,276	9,417	7,164
Net change in cash	\$ 594,508	\$ (3,219)	\$ 596,195	\$ (3,120)	\$ 1,598

Cash Flows Used in Operating Activities

For the three and twelve months ended October 31, 2021, cash flows used in operating activities were approximately \$11.3 million and \$27.9 million, respectively, and in each case were primarily driven by the growth and commercialization of Li-Cycle’s operations, which included adding headcount, ramp-up phase production costs at the Rochester Spoke, R&D expenses, and consulting costs relating to the development of the Rochester Hub. The period over period increases in cash flows used in operating activities for the three and twelve months ended October 31, 2021 were primarily the result of an increase in operating expenses of \$13.6 million and \$29.3 million for those periods, respectively, as compared to the corresponding periods in 2020, in each case partially offset by cash receipts from increased sales in the three and twelve months ended October 31, 2021 as compared to the corresponding periods in 2020.

For the years ended October 31, 2020 and 2019, cash flows used in operating activities were approximately \$7.4 million and \$4.6 million, respectively and in each case were primarily driven by the growth and commercialization of Li-Cycle’s operations, including headcount, R&D, and extensive third-party consulting costs relating to the development of the Rochester Hub. The year over year increase in cash flows used in operating activities for 2020 were primarily the result of an increase in operating expenses by \$5.8 million, partially offset by an increase in accounts payable and accrued liabilities.

Cash Flows Used in Investing Activities

For the three and twelve months ended October 31, 2021, cash flows used in investing activities were primarily driven by the acquisition of equipment and leasehold improvements for the Arizona Spoke, Rochester Spoke and the Rochester Hub. For the three and twelve months ended October 31, 2020, cash flows used in investing activities were primarily driven by the acquisition of equipment and leasehold improvements for the Kingston Spoke and Rochester Spoke.

For the years ended October 31, 2020 and 2019, cash flows used in investing activities were primarily driven by the acquisition of equipment and leasehold improvements for Li-Cycle's two operating Spokes.

Cash Flows from Financing Activities

Cash flows generated from financing activities in the three and twelve months ended October 31, 2021 related primarily to capital raising through the issuance of common shares and net proceeds from convertible debt. In the three months ended October 31, 2021, Li-Cycle received net proceeds of \$525.3 million from the Business Combination with Peridot and \$98.4 million from the issuance of convertible note to Spring Creek Capital. In the three months ended October 31, 2021, Li-Cycle repaid \$4.4 million of loan in full to BDC Capital Inc and repaid \$7 million of Promissory Notes in full to entities affiliated with the Chief Executive Officer and the Executive Chair of Li-Cycle. In the twelve months ended October 31, 2021, in addition to the activities mentioned above, Li-Cycle received net proceeds of \$21.6 million from a private placement of 281,138 Class A shares of Li-Cycle Corp in November 2020. In the twelve months ended October 31, 2020, cash flows from financing activities related to a private placement of Class A shares of Li-Cycle's Corp., a loan advance of \$2.3 million (Cdn. \$3.0 million) from BDC Capital Inc., and proceeds from government grants of \$1.2 million.

For the twelve months ended October 2020 and 2019, cash flows generated from financing activities relate primarily to capital raising through the issuance of common shares. Amounts generated in 2019 and 2020 relate to Li-Cycle's Series B round. Additionally, in 2020, Li-Cycle completed a debt facility with BDC Capital for \$5.3 million (Cdn. \$7.0 million), of which \$2.3 million (Cdn. \$3.0 million) was funded in the year. Li-Cycle also received government grants of \$1.2 million, \$1.7 million and \$0.1 million in the years ended October 31, 2020, and 2019 respectively.

Contractual Obligations and Commitments

The following table summarizes Li-Cycle's contractual obligations and other commitments for cash expenditures as of October 31, 2021, and the years in which these obligations are due.

Contractual Obligations	Payment due by period (in thousands)				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Accounts payable and accrued liabilities	\$ 18,701	\$ 18,701	\$ —	\$ —	—
Lease liabilities	35,935	4,518	8,420	6,687	16,310
Loan payable	41	6	13	14	7
Restoration provisions	302	—	85	55	163
Convertible Debt	142,682	—	—	142,682	—
Total as of October 31, 2021	197,661	23,225	8,518	149,438	16,480

Note:

- (1) On December 1, 2021, Li-Cycle Corp. entered into an additional warehouse lease for the Kingston Spoke. The lease covers approximately 8,600 square feet of additional space within the existing building used as a warehousing space for the Kingston Spoke. The lease has a term of 2 years and increases the Company's contractual obligations by undiscounted cash flows of approximately \$128,000 over the term of the lease.

As of October 31, 2021, there were \$6.9 million in committed purchase orders that Li-Cycle was in various stages of executing (October 31, 2020: \$4.2 million).

For the 12 months following October 31, 2021, we expect Li-Cycle to enter into premises leases for additional Spokes and/or Hubs.

Related Party Transactions

Related-Party Lease

From January 1, 2019 to December 31, 2021, the Company leased certain office space from Ashlin BPG Marketing, which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer. Under the terms of the lease, the Company was required to pay Cdn. \$4,500 per month plus applicable taxes, subject to 60 days' notice of termination. Li-Cycle terminated the lease, effective December 31, 2021. During the twelve months ended October 31, 2021, the Company incurred expenses of \$39,866 in relation to this vendor, as compared to \$35,505 for the twelve months ended October 31, 2020.

Related-Party Expenses

The Company has engaged Fade In Production Pty. Ltd., which is controlled by certain members of the immediate family of the Executive Chair, to provide it with corporate video production services since 2017. During the twelve months ended October 31, 2021, the Company incurred expenses of \$145,851 attributable to this vendor, as compared to \$42,739 for the twelve months ended October 31, 2020.

The Company has engaged Ashlin BPG Marketing, which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer, to provide it with marketing items and employee gifts since April 1, 2020. During the twelve months ended October 31, 2021, the Company incurred expenses of \$46,640 attributable to this vendor, as compared to \$5,405 for the twelve months ended October 31, 2020.

The Company has engaged Consulero Inc., which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer of Li-Cycle, to provide it with technology services since September 1, 2020. During the twelve months ended October 31, 2021, the Company incurred expenses of \$103,040 attributable to this vendor, as compared to \$46,515 for the twelve months ended October 31, 2020.

Consulting Agreement

On May 1, 2020, Li-Cycle entered into a consulting agreement with Atria Limited ("Atria"), an entity which beneficially owned more than 5% of the outstanding Li-Cycle Corp. Shares at that time, to agree upon and finalize the consideration for certain business development and marketing consulting services that were previously performed on behalf of Li-Cycle from 2018 through April 2020. The fees for such services were agreed at 12,000 common shares of Li-Cycle Corp., payable in installments of 1,000 shares per month. On January 25, 2021, Li-Cycle issued all of the 12,000 shares to Atria as full and final satisfaction of all obligations of Li-Cycle to Atria under the consulting agreement. Atria also directed the issuance of such shares as follows: 8,000 Shares to Atria; 2,000 Shares to Pella Ventures (an affiliated company of Atria); and 2,000 Shares to a director of Li-Cycle Corp. at the time, who is not related to Atria.

Director Consulting Agreements

Under the terms of an agreement dated July 19, 2019 between Li-Cycle and Anthony Tse, Mr. Tse provided consulting services to Li-Cycle in relation to the proposed expansion of its operations in Asia and was entitled to a fee of \$4,700 per month for such services. For the twelve months ended October 31, 2021, Mr. Tse was paid aggregate fees under this agreement of \$56,400. The consulting agreement was terminated as of January 19, 2022.

Under the terms of a consulting agreement dated July 19, 2019 between Li-Cycle and Rick Findlay, for the twelve months ended October 31, 2020, Mr. Findlay was paid aggregate fees of \$1,332. For the twelve months ended October 31, 2021, there were no fees paid. The consulting agreement was terminated on June 25, 2021.

Promissory Notes

On June 16, 2021, Li-Cycle issued promissory notes (the "Promissory Notes") for an aggregate principal amount of \$7,000,000 as consideration for loans received from entities affiliated with the Chief Executive Officer and the Executive Chair of Li-Cycle, respectively. The Promissory Notes bore interest at the rate of 10% per annum and had a maturity date of December 15, 2023. The Promissory Notes were unsecured and subordinate to indebtedness owing to Li-Cycle's senior lender, BDC Capital Inc. Li-Cycle had the option of prepaying all or any portion of the principal and accrued interest of the Promissory Notes prior to the maturity date without penalty, subject to certain conditions. On August 17, 2021, Li-Cycle repaid the Promissory Notes and accrued interest in full, for a total of \$7,113,151.

Off-Balance Sheet Arrangements

During the periods presented, Li-Cycle did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities, which were established for the purpose of facilitating off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Li-Cycle's consolidated annual financial statements have been prepared in conformity with IFRS using the significant accounting policies and measurement bases in effect at October 31, 2021, as summarized in Note 2 of the accompanying financial statements of Li-Cycle for the twelve months ended October 31, 2021. These were used throughout all periods presented in the consolidated financial statements, with any applicable changes in Note 2 of the accompanying financial statements of Li-Cycle for the twelve months ended October 31, 2021.

Revenue

The Company recognizes revenue from the sale of black mass when the goods have been shipped to the customer's location (delivery). A receivable is recognized by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Company estimates the amount of consideration to which it expects to be entitled under provisional pricing arrangements. The amount of consideration for black mass and mixed copper/aluminum sales is based on the mathematical product of: (i) market prices of the constituent metals at the date of settlement, (ii) product weight, and (iii) assay results (ratio of the constituent metals initially estimated by management and subsequently trued up to customer confirmation).

Depending on the contractual terms with customers, the payment of receivables may take up to 12 months from date of shipment. Product sales and the related trade accounts receivables are measured at fair value at initial recognition and are re-estimated at each reporting period end using the market prices of the constituent metals at the respective measurement dates. Changes in fair value are recognized as an adjustment to profit and loss and the related accounts receivable.

Given the significance of revenue and the level of judgment involved in the provisional pricing, revenue recognition is considered a critical accounting policy.

De-SPAC Transaction

The Company finalized the business combination with Peridot Acquisition Corp. ("Peridot") on August 10, 2021. Upon closing, the combined company was renamed Li-Cycle Holdings Corp. While Peridot is the legal acquirer of Li-Cycle Corp., Li-Cycle Corp. was identified as the acquirer for accounting purposes. As Peridot did not meet the definition of a business as defined in IFRS 3 Business Combinations, the acquisition was not within the scope of IFRS 3 and was accounted for as a share-based payment transaction in accordance with IFRS 2 Share-based Payment. The consolidated financial statements represent the continuance of Li-Cycle Corp. and reflect Peridot's identifiable assets acquired and the liabilities assumed measured at fair value. Under IFRS 2, the transaction was measured at the fair value of the consideration deemed to have been issued by Li-Cycle Corp., in order for the ownership interest in the combined entity to be the same as if the transaction had taken the legal form of Li-Cycle Corp. acquiring 100% of Peridot Acquisition Corp. The difference between the fair value of the consideration deemed to have been transferred represents a Listing Fee.

As the transaction is non-routine and involves a high degree of accounting and reporting complexity, the accounting treatment for the De-SPAC transaction is therefore considered a critical accounting policy.

Outstanding Share Data

As of January 30, 2022, and including the results of the Warrant Redemption, Li-Cycle Holdings had the following issued and outstanding shares and stock options:

- 168,891,877 common shares, which are listed on the New York Stock Exchange under the symbol "LICY."
- 5,328,278 stock options to purchase 5,328,278 common shares.

On December 27, 2021, Li-Cycle Holdings issued a notice of redemption indicating that it would redeem on January 26, 2022 (the "Redemption Date"), all of the outstanding warrants. At any time prior to 5:00 p.m. New York City time on the Redemption Date, the warrants may be: (i) exercised by holders, at an exercise price of \$11.50 per common share; or (ii) surrendered by holders on a "cashless basis" (a "Make-Whole Exercise"), in which case the surrendering holder will receive a number of common shares determined in accordance with the terms of the Warrant Agreement. On January 11, 2022, Li-Cycle Holdings issued a notice indicating that holders who surrendered their warrants pursuant to the Make-Whole Exercise received 0.253 common shares per warrant. As of January 30, 2022, (i) 9,678 warrants have been exercised at the exercise price of \$11.50 per common share, and (ii) 22,540,651 warrants have been surrendered by holders in a Make-Whole Exercise. The remaining 449,665 unexercised warrants will be redeemed at \$0.10 per warrant.

Disclosure Controls and Procedures

Li-Cycle maintains a set of disclosure controls and procedures (as defined in Multilateral Instrument 52-109) designed to provide reasonable assurance that information required to be disclosed in its public filings or otherwise under securities legislation is recorded, processed, summarized and reported on a timely basis and that such controls and procedures are designed to ensure that information required to be so disclosed is accumulated and communicated to its management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure. With the supervision and participation of Li-Cycle's senior management team, the Chief Executive Officer of Li-Cycle (the "CEO") and the Chief Financial Officer ("CFO") of Li-Cycle have evaluated the effectiveness of the disclosure controls and procedures of Li-Cycle as of October 31, 2021. Based on that evaluation, those officers have concluded that, as of October 31, 2021, such disclosure controls and procedures were effective to provide reasonable assurance that (i) material information relating to Li-Cycle was made known to management, and (ii) information required to be disclosed by Li-Cycle in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

Internal Controls Over Financial Reporting

Prior to August 10, 2021, Li-Cycle was a private company and we addressed our internal control over financial reporting with internal accounting and financial reporting personnel and other resources.

In the course of preparing for the Business Combination with Peridot Acquisition Corp, Li-Cycle identified material weaknesses in its internal controls over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Li-Cycle's annual or interim consolidated financial statements may not be prevented or detected on a timely basis.

Li-Cycle did not have in place i) an effective control environment with formal processes and procedures and ii) an adequate number of accounting personnel with the appropriate technical training in, and experience with, IFRS to allow for a detailed review of complex accounting transactions, that would identify errors in a timely manner, including in areas such as revenue recognition, inventory, related party arrangements, financing transactions and business combination transactions. Li-Cycle did not design or maintain effective controls over the financial statement close and reporting process in order to ensure the accurate and timely preparation of financial statements in accordance with IFRS. In addition, information technology controls, including end user and privileged access rights and appropriate segregation of duties, including for certain users the ability to create and post journal entries, were not designed or operating effectively.

We have taken steps to address these material weaknesses and expect to continue to implement the remediation plan, which we believe will address their underlying causes. We have engaged external advisors with subject matter expertise and additional resources to provide assistance in assessing the control environment and expect to further engage these external advisors to provide assistance with all elements of the internal controls over financial reporting program, including: performance of a risk assessment; documentation of process flows; design and remediation of internal controls; and evaluation of the design and operational effectiveness of our internal controls. We also expect to engage additional external advisors to provide assistance in the areas of information technology and financial accounting. We are evaluating the longer-term resource needs of our various financial functions. These remediation measures may be time consuming, costly, and might place significant demands on our financial and operational resources. We have made some upgrades to our enterprise resource planning ("ERP") system and work on further upgrades is ongoing with the intent to further customize and enhance system functionality. Although we have made enhancements to our control procedures in this area, the material weaknesses will not be remediated until the necessary controls have been implemented and are operating effectively. We will provide an update on the progress of the remediation on a quarterly basis.

Quantitative and Qualitative Disclosures About Market Risk

Li-Cycle is exposed to various risks in relation to financial instruments. The main types of risks are currency risk and interest rate risk. While Li-Cycle may enter into hedging contracts from time to time, any change in the fair value of the contracts could be offset by changes in the underlying value of the transactions being hedged. Furthermore, Li-Cycle does not have foreign-exchange hedging contracts in place with respect to all currencies in which it does business.

Currency Risk

It is management's opinion that Li-Cycle is not exposed to significant currency risk as its cash is denominated in both Canadian and U.S. dollars and funds its operations accordingly. Up to October 31, 2020, most of Li-Cycle's transactions were in Canadian dollars. Effective November 1, 2020, Li-Cycle changed its functional currency to U.S. dollars given the shift in currency of most of Li-Cycle's transactions to U.S. dollars.

At October 31, 2021, the Company had Canadian dollar denominated cash of approximately Cdn. \$1.3 million and Canadian dollar denominated net liabilities and loans payable of approximately Cdn. \$23.9 million. The remaining amounts were denominated in U.S. dollars and immaterial amounts of other currencies. Gains and losses arising upon translation of these amounts into U.S. dollars for inclusion in the consolidated financial statements are recorded in other income and expenses as foreign exchange. A 5% strengthening of the Canadian dollar versus the U.S. dollar, at October 31, 2021, would have increased the foreign exchange loss for the year by approximately \$0.9 million while a 5% weakening of the Canadian dollar would have had approximately the equal but opposite effect. This analysis assumes that all other variables remain constant.

Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on Li-Cycle's financial instruments. It is management's opinion that Li-Cycle is not exposed to significant interest rate risk, as it has no variable interest rate debt.

Credit Risk

Financial instruments that potentially subject us to concentration of credit risk consist of cash and cash equivalents and accounts receivable. Substantially all of our cash and cash equivalents were deposited in accounts at one financial institution, and account balances may at times exceed federally insured limits. Management believes that we are not exposed to significant credit risk due to the financial strength of the depository institution in which the cash is held.

Recently Issued Accounting Standards Not Yet Adopted

From time to time, new accounting standards, amendments to existing standards, and interpretations are issued by the International Accounting Standards Board ("IASB"). Unless otherwise discussed, and as further highlighted in Note 3 to the accompanying financial statements of Li-Cycle for the twelve months ended October 31, 2021, Li-Cycle is in the process of assessing the impact of recently issued standards or amendments to existing standards that are not yet effective.

Cautionary Note Regarding Forward-Looking Statements

Some of the statements in this MD&A constitute forward-looking statements that do not directly or exclusively relate to historical facts. You should not place undue reliance on such statements because they are subject to numerous uncertainties and factors relating to our operations and business environment, among other things, all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "forecast," "will," "expect," "estimate," "continue," "project," "positioned," "strategy," "outlook" and similar expressions. You should read statements that contain these words carefully because they:

- discuss future expectations;

- contain projections of future results of operations or financial condition; or
- state other “forward-looking” information.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. We believe it is important to communicate our expectations to our security holders. However, there may be events in the future that we are not able to predict accurately or over which we have no control. The risk factors and cautionary language discussed in this MD&A provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations described by us in such forward-looking statements, including among other things:

- changes adversely affecting the industry in which we operate;
- our ability to achieve our business strategies or to manage our growth;
- general economic conditions;
- the effects of the COVID-19 pandemic on the global economy, on the markets in which we compete and on our business;
- our ability to maintain the listing of our securities on NYSE;
- our ability to retain our key employees;
- our ability to recognize the anticipated benefits of the Business Combination; and
- the outcome of any legal proceedings or arbitrations that may be instituted against us or in which we may be involved.

These and other factors are more fully discussed in the “Item 3. Key Information—D. Risk Factors” section of the Annual Report and elsewhere in this MD&A. These risks could cause actual results to differ materially from those implied by the forward-looking statements contained in this MD&A.

All forward-looking statements included herein attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable laws and regulations, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events.

Corporate Governance and Leadership

BOARD OF DIRECTORS

Ajay Kochhar

Co-Founder
Director

Tim Johnston

Co-Founder
Director
Chair, HSEQ Technical Committee

Rick Findlay

Director
Chair, Compensation Committee
Member, Audit Committee
Member, HSEQ Technical Committee

Alan Levande

Director
Member, Compensation Committee
Member, Nominating and Governance Committee

Scott Prochazka

Director
Chair, Audit Committee
Member, HSEQ Technical Committee

Anthony Tse

Director
Member, Nominating and Governance Committee
Member, HSEQ Technical Committee

Mark Wellings

Lead Director
Chair, Nominating and Governance Committee
Member, Audit Committee
Member, Compensation Committee

MANAGEMENT TEAM

Ajay Kochhar

Co-Founder
Director

Tim Johnston

Co-Founder
Director
Chair, HSEQ Technical Committee

Debbie Simpson

Chief Financial Officer*

Kunal Phalpher

Chief Strategy Officer

Chris Biederman

Chief Technology Officer

Carl DeLuca

General Counsel
and Corporate Secretary

Lauren Choate

Chief People Officer

Richard Storrie

Regional President, Americas

Dawei Li

Regional President, APAC

Nahla Azmy

Senior Vice President
Investor Relations

* Debbie Simpson was appointed Chief Financial Officer on February 1, 2022, upon retirement of Bruce MacInnis on January 31, 2022



Investor Information

Global Headquarters

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Phone: +1 (877) 542-9253

Website

<https://investors.li-cycle.com>

Investor Relations

Nahla Azmy
Senior Vice President
Investor Relations
Li-Cycle Holdings Corp.
207 Queen's Quay West, Suite 590
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Phone: +1 (609) 589-8671
Email: investors@li-cycle.com

Transfer Agent

Continental Stock Transfer
& Trust Company
1 State Street, 30th Floor
New York, NY 10004-1561
Phone: +1 (212) 509-4000
Email: cstmail@continentalstock.com

Stock Listing

Listed on the New York
Stock Exchange
on August 11, 2021
Ticker: LICY

SEC Filings

Filings are on www.SEC.gov
and www.SEDAR.com

Independent Auditors

Deloitte LLP
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9
Phone: +1 (416) 601-6150

KPMG LLP**

333 Bay Street, Suite 4600
Toronto, ON M5H 2S5
Phone: +1 (416) 777-8500

2022 Annual General and Special Meeting of Shareholders

Record Date: Friday, March 18, 2022
Meeting: Thursday, April 28, 2022
at 8:30 a.m. ET
Virtual meeting only

** New auditor appointed effective
February 1, 2022



Revolutionizing Battery Recycling and Resource Recovery



Li-Cycle Holdings Corp.

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