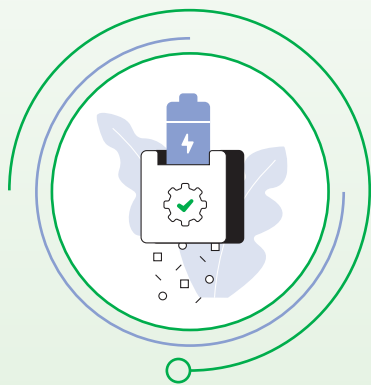


2022
ANNUAL REPORT



Creating a Circular and Sustainable Battery Supply Chain





People Planet Profit

VISION

Leading the global supply of recycled critical battery materials for a clean energy future

MISSION

Recycle critical materials to create a sustainable closed-loop battery supply chain

Investment Highlights



Values



Safety

Safety is our top priority.

Sustainability

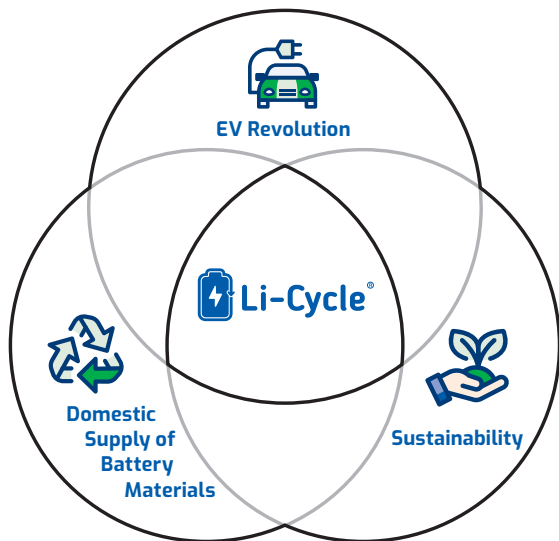
Sustainability is at the core of our business. We are committed to advancing our clean technologies.

Integrity

We operate honestly, embrace diversity, and respect our employees, and stakeholders.

Agility

We drive innovation and effectively respond to opportunities and challenges to deliver winning results.



Our Industry

Li-Cycle is at the intersection of three broad and accelerating trends that we believe are key drivers to achieve a zero-carbon economy: the electric vehicle (EV) revolution; sustainability with emphasis on a circular economy; and a localized supply of critical battery materials to support growing battery production.

Our Strategy and Global Network



(1) Includes New York, Michigan, Ohio, Ontario and Quebec; (2) Includes Arizona, California, Texas and Nevada; (3) Includes Alabama, Kentucky, North Carolina, Florida, Georgia and Tennessee; (4) Includes Norway and Sweden; (5) Includes Germany; (6) BMI, Li-Cycle estimates and publicly announced nameplate capacities (as of September 2022)

Our strategy is to be a leading global recycler of lithium-ion batteries (LIB) and battery manufacturing scrap and producer of key battery-grade materials. We intend to grow in lockstep with the LIB supply chain, primarily focused on North America and Europe, with strong commercial connectivity to Asia. We have established key strategic and commercial in-take and off-take partnerships with global leaders in the LIB ecosystem, including battery, energy storage, and automotive original equipment manufacturers (OEMs).

Our global network of Spokes is strategically located near customer sources of battery manufacturing scrap and end-of-life batteries to reduce safety risk and costs associated with battery transport. Our Spoke network will support a centralized large-scale battery material refining facility in Rochester, New York. The Rochester Hub is currently under construction and we expect to commence commissioning in late calendar 2023.



Our Integrated Spoke & Hub Technologies™



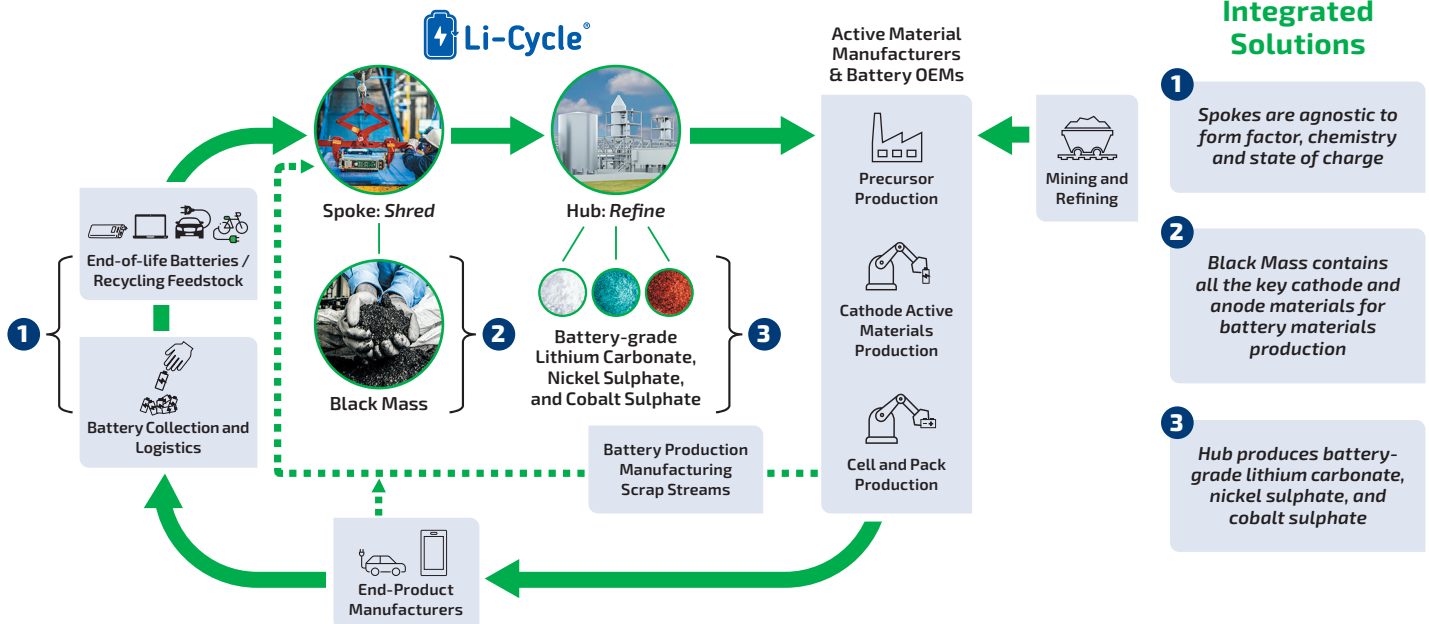
Our patent-protected Spoke & Hub Technologies™ are based on an innovative hydrometallurgical process, which is a sustainable and lower-cost alternative to energy-intensive, pollutive, pyrometallurgical processing and traditional mining methods. At our Spokes, we recycle battery manufacturing scrap and end-of-life batteries to produce black mass⁽¹⁾. At the Rochester Hub, we will process black mass to produce critical battery-grade materials, including lithium carbonate, nickel sulphate, and cobalt sulphate. Our two-stage processing method is expected to enable up to a 95% recycling efficiency rate.

Our commitment to sustainability is core to our business of battery recycling and resource recovery, which uses technology to ensure our network of Spoke & Hub operations have an efficient environmental footprint. This includes minimal solid waste streams to landfill, zero wastewater discharge, and relatively low air emissions.

(1) A mixture of the cathode and anode materials from LIBs, containing critical materials



Li-Cycle's Central Role in the Domestic Battery Supply Chain



Dear Shareowner:

We are thrilled to update you on the significant progress we made over the course of this past year. With our team's focus on deliberate execution, we hit numerous milestones on the commercial, operational, and financial fronts.

IMPLEMENTING A WINNING STRATEGY: We are growing our commercial position as the preferred global recycling partner in North America, Europe, and Asia. We continue to align our network expansion plans with the highest-growth demand centers, mirroring the timing of customer needs. We remain highly disciplined on capital allocation, with our investment in each project underpinned by multi-year commercial contracting. We have a strong project pipeline, which provides us with flexibility to shift in response to changes in market or customer demand.

GROWING CUSTOMER DEMAND AND PUBLIC POLICY SUPPORT: The desire for a zero-carbon circular economy and energy independence is driving the accelerating need for localized investments by battery and EV manufacturers in North America and Europe. As a result, our total addressable market continues to expand, driven by planned megafactory investments, with EV battery-making capacity expected to grow by almost 5 times by 2025 and 10 times by 2030, from the 2022 level. Additionally, several new public policy programs are providing significant financial support for the domestic production of critical battery materials, in order to expedite the transition to clean energy. For example, in the United States, the recently enacted Inflation Reduction Act, in combination with other federal programs, provides total potential grants and loans of more than \$325 billion. This dynamic is driving many global supply chain participants to lock in commercial recycling arrangements, which we expect will continue to benefit Li-Cycle.

EXPANDING OUR SPOKE & HUB NETWORK: Our sustainable and scalable technology enables us to move with agility and speed in response to changes in market and customer demand. This was another meaningful year for the expansion of our global footprint, as we continued to strategically locate our facilities in close proximity to regional high demand centers, and mirror customer timing. In North America, we now have four Spokes in operation, with a total processing capacity that is nearly 3 times the prior year level. In Europe, we progressed the build and development of our German Spoke. Additionally, over the course of rolling out three generations of Spokes totaling 51K tonnes LIB equivalent/year (including ancillary lines), we have continued to innovate and optimize our processing technology, incorporating design upgrades to match our customers' mix of battery materials. At the Rochester Hub, we made significant progress on engineering, procurement, and construction, in-line with our targeted budget and schedule. We are on track to commence commissioning of the Hub in late calendar 2023, which is expected to be the first source of recycled battery-grade lithium in North America.



"In 2022, we successfully positioned Li-Cycle as a leading innovative and sustainable pure-play supplier of battery-grade materials. We made great strides implementing our patent-protected Spoke & Hub network. We operationalized two third-generation Spokes, with a first-of-a-kind technology capable of processing full battery packs. Additionally, we advanced the construction of the Rochester Hub, expected to be the first commercial hydrometallurgical battery resource recovery facility in North America."

Ajay Kochhar and Tim Johnston,
Co-Founders
March 3, 2023

2023 Spoke & Hub Network — Operational and Under Construction



Ontario Spoke



New York Spoke



Arizona Spoke



Alabama Spoke



Germany Spoke

Total 2023 Planned Spoke Capacity:



81K tonnes LIB
equivalent/year
(including
ancillary lines)



Rochester Hub Capacity:



35K tonnes
Black Mass input/year
or ~90K tonnes LIB
equivalent/year



Li-Cycle's Special Event at the Rochester Hub (February 27, 2023): Left photo—Charles Schumer, U.S. Senate Majority Leader; Right photo, left to right—Jigar Shah, Director, DOE LPO; Ajay Kochhar, Li-Cycle Co-Founder & CEO; Charles Schumer, U.S. Senate Majority Leader; Joseph Morelle, U.S. Congressman; Doreen Harris, NYSEDA President & CEO; Debbie Simpson, Li-Cycle CFO

ENHANCING FINANCIAL FLEXIBILITY FOR GROWTH:

We ended the year in a strong financial position with approximately \$578 million of cash on hand. During the year, we strategically added \$250 million in combined investments by key global strategic partners, LG Energy Solution & LG Chem and Glencore. Further, in February 2023, we achieved a significant milestone, entering into a conditional commitment with the U.S. Department of Energy (DOE) Loan Programs Office (LPO), through its Advanced Technology Vehicles Manufacturing (ATVM) program, for a \$375 million loan (with closing anticipated in second quarter 2023). This is the first conditional commitment from the DOE ATVM program for a sustainable pure-play battery materials recycling company and represents a significant endorsement by the DOE of our Spoke & Hub integrated network. This strategic government financing will help optimize our capital structure. It will also enhance our already robust balance sheet by adding long-term debt at favorable terms, providing flexibility for our future growth plans.

DRIVING SUSTAINABILITY AND AN ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CULTURE: Our team's commitment to sustainability and ESG leadership is a key driver and competitive advantage of our business, making us a global recycling partner of choice. We founded Li-Cycle on the premise that LIBs can become a sustainable and circular product. Our sustainable and patented technology diverts LIB material from landfill sites and uses an environmentally friendly hydrometallurgical process to produce critical battery-grade products. The attributes of our process include an efficient environmental footprint, minimal solid waste streams to landfill, zero wastewater discharge, and relatively low air emissions.

We recently launched a 2022 Interim ESG Report, providing insight into the integration of ESG across our business and how it shapes our relationships with our key stakeholders, including our employees, investors, customers, and communities. We are on track to publish our first ESG Sustainability Report in 2024 and to achieve alignment in 2025 with the Financial Stability Board's Task Force on Climate-Related Financial Disclosures.

CLOSING STRONG ON A FOUNDATIONAL 2022:

We are incredibly proud of what the Li-Cycle team has accomplished this past year. We made significant and successful strides on the implementation of our Spoke & Hub network strategy:

- We maintained the Rochester Hub schedule and budget;
- We advanced our Spoke technology and meaningfully expanded our processing capacity;
- We kept pace with customer growth and executed long-term arrangements with key global and strategic battery market participants; and
- We increased financial flexibility and optionality for future network growth.

LOOKING AHEAD TO A BRIGHT FUTURE: We continue to be very enthusiastic about the growth opportunities ahead and remain laser-focused on the continued execution of our Spoke & Hub network strategy. In 2023 and beyond, we will build on strong momentum for our business model by continuing to:

- Position Li-Cycle as a preferred recycler and domestic supplier of critical battery-grade materials;
- Diversify our portfolio of commercial partnerships, capturing the benefit of a robust battery supply chain and favorable federal support; and
- Drive additional growth at value for all of our key stakeholders.

Thank you to the Li-Cycle team and Board of Directors, our investors, our customers and our communities for your support on our journey to be a leading and sustainable global source of recycled battery materials to enable the clean energy revolution.

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, 2022

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

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: 175,956,545 common shares issued and outstanding as of October 31, 2022.

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

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

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

Indicate by check mark 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 International Accounting Standards Board ☒

Other ☐

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.

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this annual report on Form 20-F (this “annual report”) may be considered “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, as amended, Section 21 of the U.S. Securities Exchange Act of 1934, as amended, and applicable Canadian securities laws. Forward-looking statements may generally be identified by the use of words such as “believe”, “may”, “will”, “continue”, “anticipate”, “intend”, “expect”, “should”, “would”, “could”, “plan”, “potential”, “future”, “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters, although not all forward-looking statements contain such identifying words. Forward-looking statements in this annual report include but are not limited to statements about: Li-Cycle’s ability to capitalize on global growth opportunities; anticipated growth in global demand for and production of lithium-ion batteries and the growth of related industries; our expectation of having total lithium-ion battery processing capacity at our Spokes of more than 80,000 tonnes per year in calendar 2023; the timing of expected commencement of commissioning of the Rochester Hub, its expected annual input capacity and production output capacity, its total capital cost and the expected size of its workforce; the expected timing and capital investment requirements for the Company’s Spokes in development and the expected main line processing capacity and ancillary processing capacity of Li-Cycle’s Germany Spoke, Norway Spoke and New Ontario Spoke; the expected timing of installation of the two main lines of the Germany Spoke; the expected timing of installation and start of operations of the Norway Spoke; the expected timing of commencement of initial site work on the New Ontario Spoke; and the expectation that we will construct and operate two types of Hubs, namely, a ternary Hub and a lithium-ion phosphate Hub. These statements are based on various assumptions, whether or not identified in this annual report made by Li-Cycle management, including but not limited to assumptions regarding the timing, scope and cost of Li-Cycle’s projects; the processing capacity and production of Li-Cycle’s facilities; Li-Cycle’s ability to source feedstock and manage supply chain risk; Li-Cycle’s ability to increase recycling capacity and efficiency; Li-Cycle’s ability to obtain financing on acceptable terms; Li-Cycle’s ability to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners; general economic conditions; currency exchange and interest rates; compensation costs; and inflation. There can be no assurance that such assumptions will prove to be correct and, as a result, actual results or events may differ materially from expectations expressed in or implied by the forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Li-Cycle, and which may cause actual results to differ materially from the forward-looking information. The risk factors and cautionary language discussed in this 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, develop our capital projects or to manage our growth;
- our ability to increase recycling capacity and efficiency and maintain operations at our facilities;
- maintaining our supplier and customer relationships;
- our ability to raise funds for our capital requirements;
- general economic and political 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 the NYSE;
- our ability to retain our key employees; 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 risks and uncertainties related to Li-Cycle’s business and the assumptions on which the forward-looking information is based are described in greater detail in the sections entitled “Item 3D. Risk Factors” and “Item 5. Operating and Financial Review and Prospects—Key Factors Affecting Li-Cycle’s Performance” and elsewhere in this annual report.

Li-Cycle assumes no obligation to update or revise any forward-looking statements, except as required by applicable laws. These forward-looking statements should not be relied upon as representing Li-Cycle’s assessments as of any date subsequent to the date of this annual report.

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,” “Li-Cycle” or the “Company” refer to Li-Cycle Holdings Corp., an Ontario corporation, and its consolidated subsidiaries.

In this document:

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

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

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

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

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

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

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

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

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

“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.

“Germany Spoke” means Li-Cycle’s planned Spoke in Magdeburg, Germany that is currently under development.

“Glencore” means Glencore Ltd.

“Glencore Convertible Note” means the unsecured convertible note in the principal amount of \$200 million due May 31, 2027 issued to Glencore pursuant to the Glencore Note Purchase Agreement on May 31, 2022, as such note may be amended from time to time.

“Glencore Note Purchase Agreement” means the note purchase agreement, dated as of May 5, 2022, between the Company and Glencore Ltd.

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

“Hub” means a centralized facility for large-scale production of specialty materials that achieves economies of scale in recycling. Our first commercial Hub will be located in Rochester, New York and is currently in the project execution phase.

“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.

“KSP Convertible Note” means the unsecured convertible note in the principal amount of \$100 million due September 29, 2026 originally issued to Spring Creek Capital, LLC (an affiliate of Koch Strategic Platforms, LLC, being a company within the Koch Investments Group) pursuant to the KSP Note Purchase Agreement on September 29, 2021 and subsequently assigned on May 1, 2022, to one of its affiliates, Wood River Capital, LLC, as such note may be amended from time to time.

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

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

“LGC” means LG Chem, Ltd.

“LGES” means LG Energy Solution, Ltd.

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

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

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

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

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

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

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

“New Ontario Spoke” means the expanded Spoke and warehouse facility that is planned to replace the existing Ontario Spoke.

“New York Spoke” means Li-Cycle’s operational Spoke in Rochester, New York.

“Norway Spoke” means Li-Cycle’s planned Spoke in Moss, Norway that is currently under development.

“NYSE” means the New York Stock Exchange.

“OBCA” means the Ontario Business Corporations Act.

“OEM” means an original equipment manufacturer.

“Ohio Spoke” means Li-Cycle’s planned, co-located Spoke with Ultium near Warren, Ohio.

“Ontario Spoke” means Li-Cycle’s operational Spoke in Kingston, Ontario.

“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.

“PIK Notes” means the additional unsecured convertible notes that may be issued by Li-Cycle from time to time in satisfaction of the interest due and payable on the KSP Convertible Notes.

“PIPE Financing” means the issuance and sale to the PIPE Investors, following the Amalgamation and prior to the closing date of the Business Combination, 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 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) the 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 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.

“Rochester Hub” means Li-Cycle’s first commercial-scale Hub that is currently under construction in Rochester, New York.

“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 processes batteries close to sources of supply and handles the preliminary processing of end-of-life batteries and battery manufacturing scrap.

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

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

“Traxys” means Traxys North America LLC.

“Ultium” means Ultium Cells LLC.

“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.

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

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 and are our property. This annual report also contains additional trademarks, tradenames, and service marks belonging to other parties, which are the property of their respective owners. Solely for convenience, our trademarks, service marks and trade names referred to in this annual report may appear without the® or™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks, service marks and trade names. We do not intend our use or display of other parties’ trademarks, tradenames, or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

PART I

ITEM 1. 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, all risk factors set forth in this annual report, including our consolidated financial statements and related notes in connection with your ownership of our securities. If any of these risks actually occur, our business and financial results could be materially adversely affected. This could cause the trading price of our securities to decline, perhaps significantly, and you therefore may lose all or part of your investment. These risks are not exhaustive and do not comprise all of the risks associated with an investment in the Company. Additional risks and uncertainties not currently known to us or which we currently deem immaterial may also have a material adverse effect on our business, financial condition and results of operations.

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 these “Item 3D. 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 battery materials, as well as third-party black mass, and to meet the market demand for an environmentally sound, closed-loop solution for lithium-ion battery manufacturing scrap and end-of-life lithium-ion batteries.
- Li-Cycle 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 network 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 respective 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 and financial condition. Li-Cycle is and will be dependent on its recycling facilities. If one or more of its current or future facilities become inoperative, capacity

constrained or if operations are disrupted, Li-Cycle's business, results of operations and financial condition could be materially adversely affected.

- Li-Cycle 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 and 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 adversely affect Li-Cycle's business, results of operations and financial condition.
- Li-Cycle's business is subject to operational and project development risks that could disrupt our business, some of which may not be insured or fully covered by insurance.
- Li-Cycle's revenue depends on maintaining and increasing feedstock supply commitments as well as securing new sources of supply.
- Li-Cycle relies on a limited number of customers and the projected revenues for the Rochester Hub are derived significantly from a single customer.
- 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 in demand and fluctuations in benchmark prices for the metals contained in Li-Cycle's products could significantly impact Li-Cycle's costs, revenues and results of operations. In addition to commodity prices, Li-Cycle's costs and 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 materially adversely affect Li-Cycle's revenues and results of operations.
- Li-Cycle's heavy reliance on the experience and expertise of its management may cause material 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 materially 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 materially adversely impact its financial results.
- Li-Cycle may not be able to complete its recycling processes as quickly as customers may require, which could cause it to lose supply contracts and could harm its reputation. Li-Cycle operates in an emerging, competitive industry and if it is unable to compete successfully its revenue and profitability will be materially adversely affected.
- Increases in income tax rates, changes in income tax laws or disagreements with tax authorities could materially adversely affect Li-Cycle's business, results of operations and financial condition.
- Li-Cycle's operating and financial results may vary significantly from period to period due to fluctuations in its operating costs and other factors.
- Fluctuations in foreign currency exchange rates could result in increases in Li-Cycle's operating costs when translated to U.S. dollars for reporting purposes.
- Unfavorable economic conditions, including the consequences of the global COVID-19 pandemic, disruptions in the global supply chain and inflation, could have a material adverse effect on Li-Cycle's business, results of operations and financial condition.

- Natural disasters, unusually adverse weather, epidemic or pandemic outbreaks, cyber incidents, boycotts and geo-political events could materially adversely affect Li-Cycle's business, results of operations and financial condition.
- Failure to protect or enforce Li-Cycle's intellectual property could materially adversely affect its business, and Li-Cycle may be subject to intellectual property rights claims by third parties, which could be costly to defend, could require us to pay significant damages and could limit the Company's ability to use certain technologies.

Risks Relating to Ownership of Our Securities

- Our by-laws 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.
- The NYSE may delist our common shares, which could limit investors' ability to engage in transactions in our common shares and subject us to additional trading restrictions. 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, results of operations and trading price of our common shares.
- 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 common shares. The issuance of our common shares in connection with the conversion of our outstanding convertible notes would cause substantial dilution, and could materially affect the trading price of our common shares. The Company becoming a "passive foreign investment company" could also have material adverse U.S. federal income tax consequences for U.S. Holders. We do not currently intend to pay dividends, which could affect your ability to achieve a return on your investment.
- 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 battery materials, as well as third-party black mass, and to meet the market demand for an environmentally sound, closed-loop solution for lithium-ion battery manufacturing scrap and end-of-life lithium-ion batteries.

Li-Cycle's future business depends in large part on its ability to economically and efficiently source, recycle and recover lithium-ion battery materials (including end-of-life batteries and battery manufacturing scrap), as well as third-party black mass, and to meet the market demand for an environmentally sound, closed-loop solution for lithium-ion battery manufacturing scrap and end-of-life lithium-ion batteries. Although it currently recycles and recovers lithium-ion battery materials at Spoke facilities in Ontario, New York State, Arizona, and Alabama, 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 & Hub facilities, including its first commercial Hub facility in Rochester, New York and the Company's first European Spokes, in Norway and Germany.

Although Li-Cycle has experience in recycling lithium-ion battery materials in its existing Spoke facilities, Li-Cycle has not yet developed or operated a Hub facility on a commercial scale to produce and sell battery grade materials. Li-Cycle does not know whether it will be able to develop efficient, automated, low-cost recycling capabilities and processes, or whether it will be able to secure reliable sources of supply, in each case that will enable it to meet the production standards, costs and volumes required to successfully recycle LIB and meet its business objectives and customer needs. Even if Li-Cycle is successful in high-volume recycling in its current and future facilities, it does not know whether it will be able to do so in a manner that avoids significant delays and cost overruns, including as a result of factors beyond its control, such as problems with suppliers, or in time to meet the commercialization schedules of future recycling needs or to satisfy the requirements of its customers. Li-Cycle's ability to effectively reduce its cost structure over time is limited by the fixed nature of many of its planned expenses in the near-term, 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 and 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 LIB and meet customers' business needs;
- Effectively introduce methods for higher recovery rates and solutions to recycling of LIB;
- Complete the construction of its future facilities, including the Rochester Hub and the Spoke network, at a reasonable cost on a timely basis;
- Invest and keep pace in technology, research and development efforts, and the expansion and defense of its intellectual property portfolio;
- Secure and maintain required strategic supply arrangements;
- Secure and maintain leases for future Spoke & Hub facilities at competitive rates and in favorable locations;
- Apply for and obtain the permits necessary to operate Spoke & Hub facilities on a timely basis;
- Effectively compete in the markets in which it operates; and
- Attract and retain management or other employees who possess specialized knowledge and technical skills.

There can be no assurance that Li-Cycle can successfully achieve any or all of the above initiatives in the manner or time period that it expects. 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 and 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 in different countries; accurately forecast supply and demand, production and revenue; source and maintain supplies of LIB and third-party black mass; control expenses and investments in anticipation of expanded operations; establish new or expand current design, production, and sales and service facilities; and implement and enhance administrative infrastructure, systems and processes. Future growth may also be tied to acquisitions, and Li-Cycle cannot guarantee that it will be able to effectively acquire other businesses or integrate businesses that it acquires. Failure to efficiently manage any of the above could have a material adverse effect on Li-Cycle's business, results of operations and financial condition.

The development of Li-Cycle's Rochester Hub, Spoke network 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 their 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 respective end products, among others.

Li-Cycle's Rochester Hub, Spoke network and other future projects are subject to development risks, including with respect to engineering, permitting, procurement, construction, commissioning and ramp-up. Because of the uncertainties inherent in estimating construction and labor costs, including as a result of unfavorable market conditions, and the potential for the scope of a project to change, it is relatively difficult to evaluate accurately the total funds that will be required to complete the Rochester Hub, Spoke network or other future projects. Further, Li-Cycle's estimates of the amount of time it will take to complete the Rochester Hub, Spoke network 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 network 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 network or other future projects within expected timeframes. Any such cost increases or delays could negatively affect Li-Cycle's results of operations and ability to continue to grow, particularly if the Rochester Hub, Spoke network or any other future project cannot be completed. Further, there can be no assurance that the Rochester Hub or the Spoke network will perform at the expected production rates or unit costs, or that their respective end products will meet the intended specifications.

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

Although Li-Cycle's existing facilities in Ontario, New York State, Arizona, and Alabama currently have total main line processing capacity and ancillary processing capacity of over 50,000 tonnes of LIB per year, the future success of Li-Cycle's business depends in part on its ability to significantly increase recycling capacity and efficiency at its facilities. Li-Cycle may be unable to expand its business, satisfy demand from its current and new customers, maintain its competitive position and achieve profitability if it is unable to build and operate future facilities. The construction of future facilities will require significant cash investments and management resources and may not meet Li-Cycle's expectations with respect to increasing capacity, efficiency and satisfying additional demand. For example, if there are delays in any future planned Hub, such as its current development and construction of the Rochester Hub, construction of the Spoke network and/or the future construction of other Spoke & Hub facilities, or if its facilities do not meet expected performance standards or are not able to produce materials that meet the quality standards Li-Cycle expects, Li-Cycle may not meet its target for adding capacity, which would limit its ability to increase sales and result in lower than expected sales and higher than expected costs and expenses. Failure to drastically increase recycling and processing capacity or otherwise satisfy customers' demands may result in a loss of market share to competitors, damage Li-Cycle's relationships with its key customers, a loss of business opportunities or otherwise materially adversely affect its business, results of operations and financial condition.

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

From time to time, Li-Cycle may enter into transactions to acquire other businesses or technologies, to enter into joint ventures or to develop additional commercial relationships and its ability to do so successfully cannot be ensured. On January 26, 2022, Li-Cycle entered into a joint venture agreement with ECO STOR AS ("ECO STOR") and Morrow Batteries AS ("Morrow") to form Li-Cycle Norway AS through which it is constructing the Norway Spoke. In January 2022, we announced that we would be developing a co-located Spoke with a strategic industry partner in Warren, Ohio, to enhance our ability to serve their recycling needs. In addition to these ventures, Li-Cycle is currently considering certain other joint ventures, strategic partnerships and acquisitions to support its growth strategy, including but not limited to the development of new Spoke & Hub facilities, but it does not currently have any binding commitments for such transactions other than as described herein. Li-Cycle will be dependent on its strategic partners with respect to the Norway Spoke and any other joint ventures. Conflicts or disagreements between Li-Cycle and its strategic partners, or failure of Li-Cycle's strategic partners to commit sufficient resources to a joint venture may, among other things, delay or prevent the successful development or operation of the Norway Spoke or other joint ventures, which could have a material adverse effect on Li-Cycle's business, financial condition, results of operations and prospects. Li-Cycle's acquisitions or other strategic transactions could include the payment of the purchase price in whole or in part using Li-Cycle's common shares, which would have a dilutive impact on existing shareholders. Li-Cycle may also decide to incur debt in connection with an acquisition or any other strategic transaction. Even if Li-Cycle identifies suitable opportunities for acquisitions, joint ventures or other strategic transactions, Li-Cycle may not be able to make such transactions on favorable terms or at all. Any strategic transactions Li-Cycle makes may not strengthen its competitive position, and these transactions may be viewed negatively by customers, suppliers or investors. Li-Cycle could incur losses resulting from undiscovered liabilities of an acquired business that we failed to or were unable to discover or were unable to quantify in the course of performing due diligence and that are not covered by any indemnification Li-Cycle may obtain from the seller. In addition, Li-Cycle may not be able to successfully integrate the acquired

personnel, technologies and operations into its existing business in an effective, timely and non-disruptive manner. Strategic transactions may also divert management attention from day-to-day responsibilities, increase Li-Cycle's expenses and reduce Li-Cycle's cash available for operations and other uses. In addition, Li-Cycle may not be able to fully recover the costs of such acquisitions, joint ventures or other strategic transitions or be successful in leveraging any of them into increased business, revenue or profitability. Li-Cycle also cannot predict the number, timing or size of any future transactions or the effect that any such transactions might have on its results of operations. Accordingly, although there can be no assurance that Li-Cycle will undertake or successfully complete any acquisitions, joint ventures or other strategic transactions, any transactions that Li-Cycle does complete may be subject to the foregoing or other risks and may have a material adverse effect on Li-Cycle's business, financial condition, results of operations and prospects.

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

Expanding our business in international markets, including the 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 a material adverse effect on our ability to execute our strategy and accordingly on our business, results of operations and financial condition.

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

Li-Cycle's revenue is and will be dependent on the continued operations of its Kingston, Ontario; Rochester, New York; Gilbert, Arizona and Tuscaloosa, Alabama Spoke facilities as well as its future facilities, including its planned Rochester Hub, European Spokes and any other facilities it develops in the future. To the extent that Li-Cycle experiences any operational risk events including, among other things, fire and explosions, severe weather and natural disasters (such as floods, windstorms, wildfires and earthquakes), failures in water supply, major power failures, equipment failures (including any failure of its process equipment, information technology, air conditioning, and cooling and compressor systems), a cyber-attack or other incident, failures to comply with applicable regulations and standards, labor force and work stoppages, including those resulting from local or global pandemics or otherwise, or if its current or future facilities become capacity constrained, Li-Cycle may be required to make capital expenditures even though it may not have sufficient available resources at such

time. Additionally, there is no guarantee that the proceeds available from any of Li-Cycle's insurance policies will be sufficient to cover such capital expenditures. Li-Cycle's insurance coverage and available resources may prove to be inadequate for events that may cause significant disruption to its operations. Any disruption in Li-Cycle's recycling processes could result in delivery delays, scheduling problems, increased costs or production interruption, which, in turn, may result in its customers deciding to send their end-of-life lithium-ion batteries and battery manufacturing scrap to Li-Cycle's competitors. Li-Cycle is and will be dependent on its current and future facilities, which will in the future require a high degree of capital expenditures. If one or more of Li-Cycle's current or future facilities become inoperative, capacity constrained or if operations are disrupted, its business, results of operations and financial condition could be materially adversely affected.

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 and financial condition.

The closed loop resource recovery, logistics management, secure destruction and add-on services of Li-Cycle's lithium-ion battery recycling operations are capital-intensive. 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 and 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 net losses of approximately \$53.7 million for the year ended October 31, 2022, \$226.6 million for the year ended October 31, 2021 and \$9.4 million for the year ended October 31, 2020. The loss for the year ended October 31, 2021, included a one-time listing fee of \$152.7 million in relation to the Business Combination between Li-Cycle and Peridot Acquisition Corp. which was finalized on August 10, 2021 and represents the difference between the estimated fair value of the consideration transferred and the estimated fair value of assets acquired and liabilities assumed in the transaction. In addition, the loss for the twelve months ended October 31, 2021, included a \$33.8 million fair value loss to remeasure Company warrants to their publicly traded fair market value. For the year ended October 31, 2022, Li-Cycle's revenue was \$13.4 million, and it recorded a net loss of \$53.7 million, which included a \$36.2 million fair value gain on the redemption of all outstanding warrants. As of January 31, 2022, the warrants were no longer publicly traded. Li-Cycle's primary sources of liquidity are currently the funds raised from the Business Combination, including the PIPE Financing, the KSP Convertible Notes, the LG Subscription, and the Glencore Convertible Note, 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 for the foreseeable future 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 adversely affect Li-Cycle's business, results of operations and financial condition.

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 and financial condition.

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

Our operations (including future operations such as our Rochester Hub and additions to our Spoke network) are subject to risks inherent in the lithium-ion battery recycling industry and risks associated with the construction and development of new facilities, including potential liability which could result from, among other circumstances, personal injury, environmental claims or property damage, some of which may not be insured or fully covered at any time by insurance. The availability of, and the ability to collect on, insurance coverage is subject to various factors some of which are beyond our control and is not guaranteed to cover any or all of our losses in every circumstance. Li-Cycle's insurance coverage at any time may also be inadequate to fully cover hazard risk exposures related to any such operational risks.

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

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

Li-Cycle is reliant on obtaining lithium-ion batteries and battery manufacturing scrap for recycling at its Spokes through contracts with third-party suppliers. Li-Cycle also expects to procure black mass from third parties for processing at its future Hubs, to supplement its internal production. As a result, in order to maintain and expand its business, Li-Cycle must continue to maintain and expand its pipeline from existing suppliers, and develop and gain new sources of supply. However, it is difficult to predict whether and when Li-Cycle will secure such commitments due to competition for suppliers and the lengthy process of negotiating supplier agreements, which may be affected by factors that Li-Cycle does not control, such as market and economic conditions, financing arrangements, commodity prices, environmental issues and government approvals. Suppliers may change or delay supply under their contracts for any number of reasons, including force majeure or government approval factors that are unrelated to Li-Cycle. There can be no assurance that Li-Cycle will attract new suppliers or expand its supply pipeline from existing suppliers, and the inability to secure adequate supply could have a negative impact on Li-Cycle's business, results of operation and financial condition.

Li-Cycle relies on a limited number of customers and the projected revenues for the Rochester Hub are derived significantly from a single customer.

Li-Cycle relies on a limited number of customers from whom we generate most of our revenue. Li-Cycle has entered into two off-take agreements with Traxys covering (i) 100% of its production of black mass, from Li-Cycle's North American Spokes, other than such black mass as Li-Cycle has determined (in its sole discretion) is required for internal purposes at Li-Cycle's Hubs, and (ii) 100% of its production of certain end products from Li-Cycle's Rochester Hub, being lithium carbonate, nickel sulphate, cobalt sulphate, manganese carbonate and graphite concentrate. Li-Cycle has also entered into additional off-take agreements with Glencore, covering substantially all of our other Spoke and Hub products. If our off-take partners are unwilling or unable to fulfill their contractual obligations to us, if either party fails to perform under the relevant contract, or if these off-take partners otherwise terminate such agreements prior to their expiration, our business, results of operations and financial condition could be materially and adversely affected and we may not be able to find a other off-take partners on similar or more favorable terms, which could have a material adverse effect on our business, results of operations and financial condition.

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

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

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

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

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

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

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

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

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

Li-Cycle's heavy reliance on the experience and expertise of its management may cause material 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 materially 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 materially adversely impact its business, results of operations and financial condition.

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

All industries, including the lithium-ion battery recycling industry, are subject to legal claims, with or without merit. From time to time, we are subject to various litigation and regulatory proceedings arising in the normal course of business. Due to the inherent uncertainty of the litigation process, we may not be able to predict with any reasonable degree of certainty the outcome of any litigation or the potential for future litigation. Regardless of the outcome, any legal or regulatory proceeding could have a material adverse impact on Li-Cycle's business, prospects, financial conditions and results of operations due to defense costs, the diversion of management resources, potential reputational harm and other factors. On April 19, 2022, a putative securities class action lawsuit was filed in the U.S. District Court for the Eastern District of New York against the Company, its CEO, and its former CFO, on behalf of a proposed class of purchasers of the Company's publicly traded securities. The complaint, which is captioned as *Barnish v. Li-Cycle Holdings Corp., et al.*, 1:22-cv-02222 (E.D.N.Y.), seeks compensatory damages and an award of costs. See also Note 18 in our financial statements for the year ended October 31, 2022.

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

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

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

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

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

The lithium-ion 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 gross margins, which presents it with significant challenges in its ability to maintain strong growth rates and acceptable gross margins. If Li-Cycle is unable to meet these competitive challenges, it could lose market share to its competitors and experience a material adverse impact to its business, financial condition and results of operations.

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

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

Li-Cycle is also subject to regular reviews, examinations and audits by the IRS and other taxing authorities with respect to income and non-income-based taxes 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 a material adverse impact

on its business, financial condition and results of operations. In addition, in connection with the Organization for Economic Co-operation and Development Base Erosion and Profit Shifting project, companies are required to disclose more information to tax authorities on operations around the world, which may lead to greater audit scrutiny of profits earned in various countries.

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

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

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

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

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

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

Li-Cycle 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.

The ongoing COVID-19 pandemic and geo-political events have resulted in significant supply chain disruptions globally and continue to affect Li-Cycle's business in the form of operational slow-downs and interruptions, including those caused by employee absences and mandatory quarantines resulting from actual or suspected exposure to COVID-19. The Company has, at times, experienced slow-downs and interruptions in its battery supply chain. Li-Cycle shut down its corporate headquarters in March 2020 and enforced a work-from home mandate. Li-Cycle re-opened its corporate office facilities in November 2021. A second temporary closure of Li-Cycle's corporate headquarters occurred in January 2022 related to the Omicron variant and the corporate office facilities subsequently re-opened in February 2022. 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 of the virus 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 construction activities and financial condition.

Li-Cycle's operations, costs 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, inflation levels, increase of interest rates and credit market volatility, all of which could impact demand in the

worldwide transportation industries or otherwise have a material adverse effect on Li-Cycle's business, results of operations and financial condition. For example, Russia's invasion of Ukraine has and may continue to further exacerbate disruptions in the global supply chain. Shortages, price increases and/or delays in shipments of supplies, equipment and raw materials have occurred and may continue to occur in the future which may result in increased operational or construction costs or operational or construction slowdowns. 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 and political 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 and 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 and financial condition. These events could result in physical damage to property, an increase in energy prices, temporary or permanent closure of one or more of Li-Cycle's current or planned facilities, temporary lack of an adequate workforce in a market, temporary or long-term disruption in the supply of raw materials, construction delays at the Rochester Hub, new Spoke facilities or other facilities being developed, temporary disruption in transport from overseas, or disruption to Li-Cycle's information systems. Li-Cycle may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, results of operations and financial condition.

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

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

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

Not all countries offer the same types, standards for registrability or level of protection for the Company's intellectual property as Canada and the United States, and Li-Cycle may not pursue the same intellectual property filings or obtain the intellectual property registrations of the same scope in all of its commercially-relevant markets. 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 materially adversely impacted if it cannot detect infringement or enforce its intellectual property rights quickly or successfully. In some circumstances, Li-Cycle may choose not to pursue enforcement of its valid intellectual property rights for a variety of legal and business considerations, including (i) because an infringer has a dominant intellectual property position, (ii) because of uncertainty relating to the scope of the Company's intellectual property or the outcome of an enforcement action, (iii) because of the financial and reputational costs associated with enforcement or (iv) for other business reasons. In addition, competitors might avoid infringement by designing around the Company's intellectual property rights or by developing non-infringing competing technologies. Litigation brought to protect and enforce the Company's intellectual property rights could be costly, time-consuming, and distracting to management and Li-Cycle's development teams and could result in the impairment or loss of portions of its intellectual property, for example, the Company's efforts to enforce its intellectual property rights may be met with defenses, counterclaims attacking the scope, validity, and enforceability of the Company's intellectual property rights, or with counterclaims and countersuits asserting infringement by the Company of third-party intellectual property rights. Li-Cycle's failure to secure, protect, and enforce its intellectual property rights could materially adversely affect its brand and its business, any of which could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

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

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

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

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

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

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

As of October 31, 2022, Li-Cycle's management assessed the effectiveness of the Company's internal control over financial reporting and concluded that the Company did not maintain effective internal control over financial reporting as of that date. Management has also evaluated the effectiveness of our disclosure controls and procedures as of October 31, 2022 and concluded that, as of that date, the Company's disclosure controls and

procedures were not effective, due to the material weaknesses in the Company's internal control over financial reporting.

While we have taken steps to address these material weaknesses and expect to continue to implement a remediation plan to address the underlying causes, any gaps or deficiencies in our internal control over financing reporting may result in us being unable to provide required financial information in a timely and reliable manner and/or incorrectly reporting financial information. In addition, there can be no assurance that these measures will remediate the material weaknesses in our internal control over financial reporting or that additional material weaknesses in our internal control over financial reporting will not be identified in the future. For more information, see Item 15. Control and Procedures".

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 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, results of operations 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:

- 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;
- the COVID-19 pandemic and its impact on the markets and economies in which we operate;
- general economic conditions such as recessions, inflation, interest rates, fuel prices, international currency fluctuations;
- rumors and market speculation involving us or other companies in our industry;
- announcements by us or our competitors of significant innovations, new products, services or capabilities, acquisitions, strategic investments, partnerships, joint venture or capital commitments;

- the legal and regulatory landscape and changes in the application of existing laws or adoption of new laws that impact our business;
- legal and regulatory claims, litigation, or pre-litigation disputes and other proceedings;
- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events; and
- sales or expected sales of our common shares by us, our officers, directors, significant shareholders, and employees.

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 the 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.

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

Our common shares are listed on the New York Stock Exchange. In order to list our common shares, upon the consummation of the Business Combination, 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 common shares in the future.

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

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

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. Since we stopped qualifying as an "emerging growth company" as defined under the Jumpstart Our Business Startups Act of 2012 ("JOBS Act") on October 31, 2022, these expenses are expected to increase further. 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. We expect that we will continue to need to hire more employees or engage outside consultants to comply with these requirements, which will increase our costs and expenses. As a public company, it could be 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. As a public company, it could be 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.

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 shortswing 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, results of operations and the trading price of our common shares.

Since the consummation of the Business Combination and the transactions related thereto, the Company has been required to comply with Section 404 of the Sarbanes-Oxley Act, on the timeline described below. Section 404 of the Sarbanes-Oxley Act requires, among other things, that the Company evaluate annually the effectiveness of its internal control over financial reporting. The standards required for a public company under Section 404 of the Sarbanes-Oxley Act are significantly more stringent than those required of Li-Cycle prior to the Business Combination. Section 404(a) of the Sarbanes-Oxley Act requires management to assess and report annually (beginning with the second annual report following the Business Combination, being this annual report), on the effectiveness of internal control over financial reporting and to identify any material weaknesses in internal control over financial reporting. Additionally, Section 404(b) of the Sarbanes-Oxley Act requires the independent registered public accounting firm to issue an annual report that addresses the effectiveness of internal control over financial reporting.

Li-Cycle has identified material weaknesses in its internal control over financial reporting, see "*Risk Factors — Risks Relating to Li-Cycle's Business — Li-Cycle has identified material weaknesses in its internal control over financial reporting. If its remediation of such material weaknesses is not effective, or if it fails to develop and maintain a proper and effective internal control over financial reporting, its ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired*" For the report of KPMG LLP, our registered public accounting firm, see "Item 15.C. Attestation Report of Registered Public Accounting Firm".

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

Management may not be able to effectively and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements that are applicable to the Company, including under Section 404 of the Sarbanes-Oxley Act. In addition, if we are unable to assert that our internal control over financial reporting is 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 expresses an adverse opinion, investors may lose confidence in the accuracy and completeness of our financial reports, we may face restricted access to the capital markets and our share price may be materially adversely affected.

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

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

We may issue additional shares or other equity securities in the future in connection with, among other things, capital raises, future acquisitions, repayment of outstanding indebtedness or grants under the Company's 2021 Incentive Award Plan (the "Long-Term Incentive Plan"), without shareholder approval in a number of circumstances. Pursuant to the terms of the KSP Convertible Notes and the Glencore Convertible Note, we may issue common shares upon conversion or redemption of the KSP Convertible Notes or Glencore Convertible Note, as applicable, upon exercise of the warrants issued to Glencore in connection with a redemption of the Glencore Convertible Note or pursuant to any other term of the KSP Convertible Notes or Glencore Convertible Note, as applicable, including as a result of any of the PIK provisions of the KSP Convertible Notes or Glencore Convertible Note, as applicable.

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

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

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

As of the date of this annual report, there is an aggregate principal amount of \$105.9 million outstanding under the KSP Convertible Notes and \$200 million outstanding under the Glencore Convertible Note. To the extent we or the holder of the KSP Convertible Notes or Glencore Convertible Note, as applicable, converts the KSP Convertible Notes or Glencore Convertible Note, as applicable, 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.

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

We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements and future agreements and financing instruments, business prospects and such other factors as our board of directors deems relevant. As a result, a shareholder's ability to achieve a return on their investment in our common shares will depend on appreciation in the 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 common 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 Company could be or may become a passive foreign investment company, which could result in materially adverse U.S. federal income tax consequences.

It is possible that the Company could be classified as a “passive foreign investment company” or “PFIC” for U.S. federal income tax purposes, which would have materially adverse U.S. tax consequences for U.S. persons holding the Company’s common shares. Although the Company was not a PFIC for the last taxable year, and does not expect to be classified as a PFIC for the current taxable year or for 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 started business as Li-Cycle Corp., which was incorporated under the laws of the Province of Ontario on November 18, 2016. 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.

Development of the Company

Li-Cycle was founded in 2016 by our CEO, Ajay Kochhar, and Executive Chair, Tim Johnston, with the mission of solving the global disposal problem for end-of-life lithium-ion batteries, including lithium-ion battery manufacturing scrap and end-of-life lithium-ion batteries (collectively, “LIB”) while simultaneously creating a secondary source of critical battery grade materials. 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 LIB recycling challenges supporting the global transition toward electrification.

Li-Cycle opened its first pilot facility in Canada in 2017, which had a recycling capacity of 50 tonnes of LIB feed per year. In 2018, it launched its first Spoke & 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, in Rochester, New York, with a recycling capacity of 5,000 tonnes per year.

In the first quarter of 2021, Li-Cycle announced the development and construction of the Arizona Spoke; it commenced operations in May 2022, with a processing capacity of 10,000 tonnes per year.

In the fourth quarter of 2021, Li-Cycle announced the development of the Alabama Spoke; it commenced operations in October 2022, with processing capacity of 10,000 tonnes per year.

In 2022, the Company added a total of 21,000 tonnes per year of ancillary processing capacity at its New York Spoke and Arizona Spoke, bringing its aggregate installed processing capacity to 51,000 tonnes per year.

The Company is developing the Rochester Hub, which will be its first commercial Hub facility. It is expected to initiate commissioning in stages in late calendar 2023.

The Company has also announced the development of its first two European Spokes, to be located in Germany and Norway.

For more information about our development projects, see “D. Property, Plants and Equipment”. For a discussion of our principal capital expenditures, see “Item 5. Operating and Financial Review and Prospects—Operational Updates.”

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 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.

On the closing of the Business Combination, the Company’s common shares were listed on the NYSE under the symbol “LICY”.

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.”

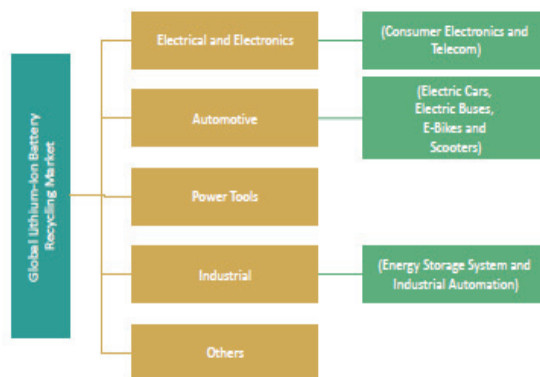
Our Company

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 and resource recovery 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 battery grade materials, including nickel sulphate, cobalt sulphate and lithium carbonate. Our Spoke & Hub process enables up to an overall 95% Recycling Efficiency Rate, as compared to what we believe to be a 50% traditional industry average.

We pioneered what we believe to be an innovative and scalable metallurgical processing method with our Spoke & Hub Technologies™. We expect to make a valuable contribution to the EV industry and the world’s transition to a circular economy by offering an environmentally-friendly recycling solution 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 what we believe to be an economically sustainable manner.

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

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



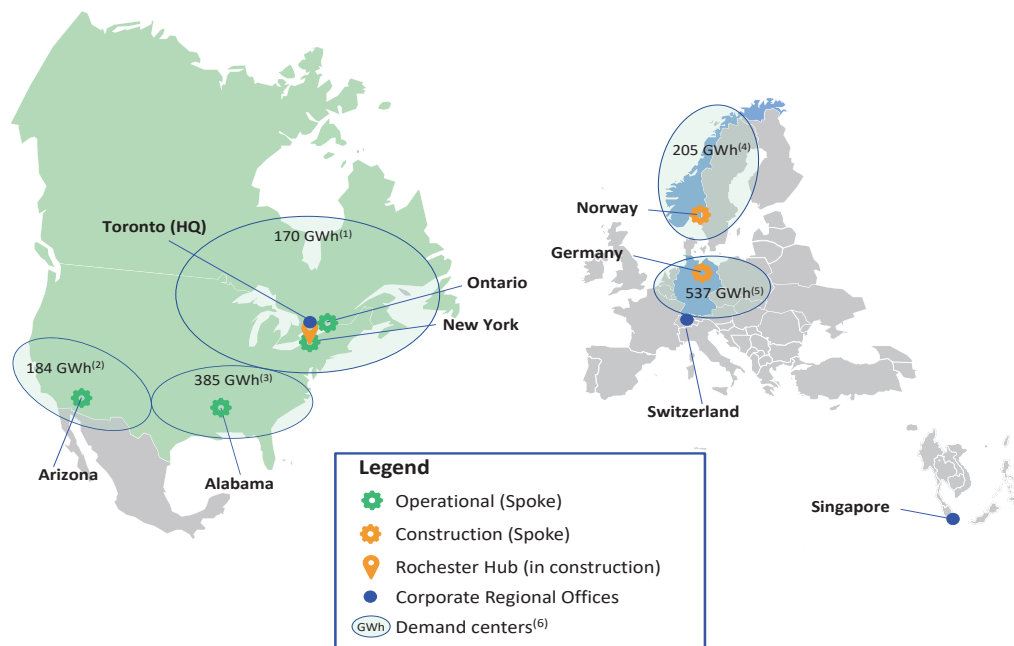
Source: Expert Interviews, Secondary Research, and BIS Research Analysis

Our Strategy and Growing Network

Our goal is to be a leading global recycler of lithium-ion batteries and battery manufacturing scrap and producer of key battery grade materials. Li-Cycle is positioned to grow in lockstep with the electrification supply chain, with plans to expand in line with the manufacturing of lithium-ion batteries and leverage its global network to capture and process manufacturing scrap or yield loss and end-of-life lithium-ion batteries. 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 manufacturing scrap available for recycling.

We are also executing on our plan to construct centralized, large-scale Hubs to maximize economies of scale and efficiencies, with our first commercial Hub being under construction in Rochester, New York.

An overview of our current and planned Spoke and Hub operations, relative to centers of demand for recycling of lithium-ion battery manufacturing scrap, is set forth in the chart below.



(1) Includes New York, Michigan, Ohio, Ontario and Quebec; (2) Includes Arizona, California, Texas and Nevada; (3) Includes Alabama, Kentucky, North Carolina, Florida, Georgia and Tennessee; (4) Includes Norway and Sweden; (5) Includes Germany; (6) BMI, Li-Cycle estimates and publicly announced nameplate capacities (as of September 2022)

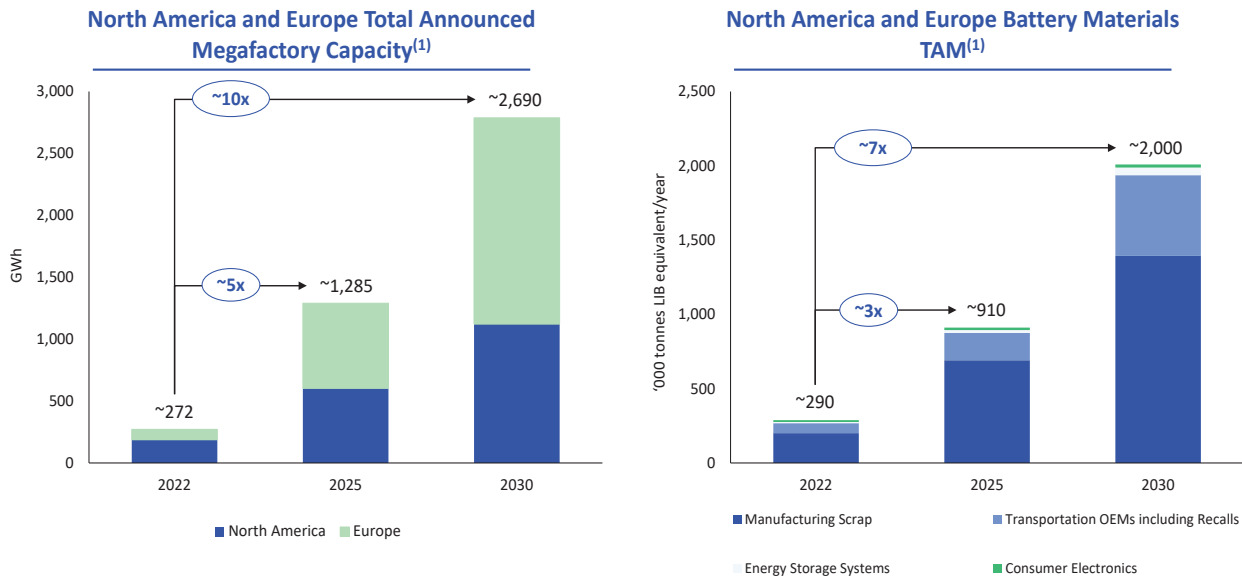
Source: Benchmark Minerals Intelligence (BMI) and Li-Cycle estimates as of September 2022

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 growth strategy is to focus on network expansion in North America and Europe with commercial connectivity to Asia, aligning with leading global customer demand needs.

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 EV 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.

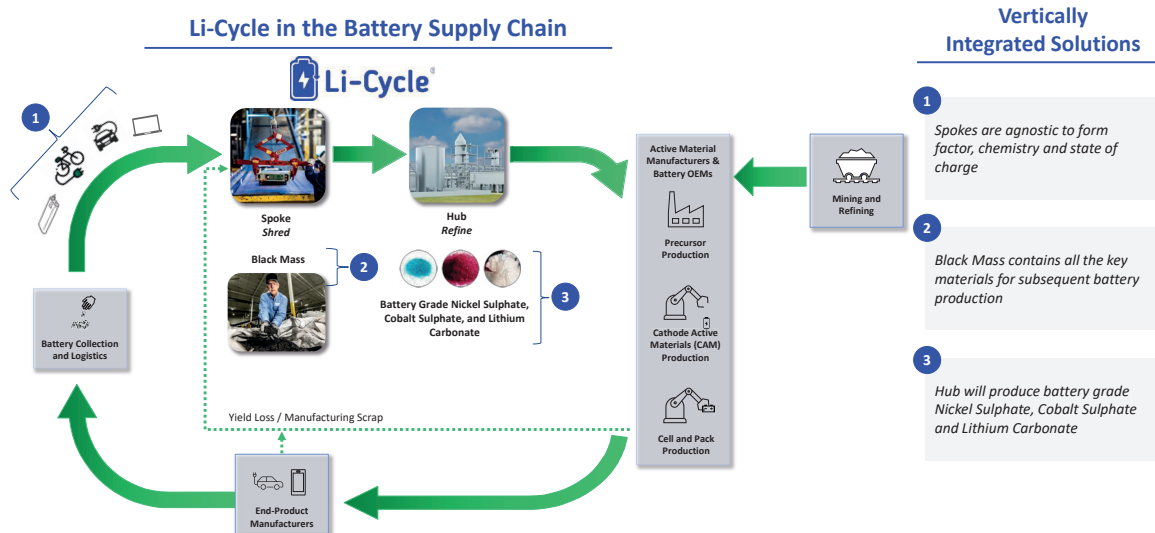
As battery manufacturers and automotive OEMs in the lithium-ion battery supply chain increasingly establish localized manufacturing operations in North America and Europe (see in chart below on left), we expect increased quantities of EV battery manufacturing scrap and end-of-life batteries to become available for recycling in those regions (see chart below on right).



(1) Benchmark Mineral Intelligence (BMI), company sourced announcements and Li-Cycle estimates as of September 2022. TAM refers to Total Addressable Market

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 scrap 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 processed through a hydrometallurgical (or “wet chemistry”) process to produce battery grade materials, 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 establish up to an overall 95% Recycling Efficiency Rate. 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.

Spokes

At our Spokes, batteries for recycling are broken down through a mechanical size reduction process known as shredding and separated into black mass, shredded metals and mixed plastics. Black mass is a powder-like substance, which contains a number of valuable metals, including nickel, cobalt and lithium. Black mass is an intermediate product which is significantly easier and safer to transport than lithium-ion batteries and we intend to further process black mass produced at our Spokes at our future Hub facilities, including the Rochester Hub.

We continue to innovate our Spoke processing technology, which has evolved over three generations of design. Since the build and installation of the Company's first Spoke (the "Generation 1" Ontario Spoke in 2020), the Company has significantly evolved its Spoke design. The Ontario Spoke was a stick build format with a single shredder design. The Company's next Spoke facility (the "Generation 2" New York Spoke) was a modular build with increased recovery rates. The latest Spoke design (the "Generation 3" Arizona Spoke and Alabama Spokes) are based on a modular build, multi-stage shredding with capabilities to shred full-pack EV batteries, with increases to recovery rates.

Further, with each subsequent Spoke rollout, we have also incorporated capacity and processing upgrades to flex with our customers' growing volumes and mix of battery material form factors. Total processing capacity of our Spokes is comprised of "main line processing capacity" and "ancillary processing capacity". Main line processing capacity refers to the capacity to process materials using our patented submerged shredding process, or "wet shredding", designed specifically for battery materials that contain electrolyte and have risk of thermal runaway. Ancillary processing capacity refers to the capacity to process LIB through: 1) Dry Shredding, which processes materials that do not contain electrolyte and therefore are at less risk of thermal runaway, such as electrode foils; 2) Powder Processing, which processes electrode powders to minimize dusting in downstream processes; and 3) Baling, which processes electrode foils into formed cubes for optimizing logistics and downstream processing.

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 can 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.

Operationalizing the Spoke & Hub Network

We have a market-leading position in North America through our four operational Spokes, located in Kingston, Ontario (the "Ontario Spoke"), Rochester, New York (the "New York Spoke"), Gilbert, Arizona (the "Arizona Spoke") and Tuscaloosa, Alabama (the "Alabama Spoke") which together have a processing capacity of more than 50,000 tonnes of LIB per year. Our Ontario Spoke is a Generation 1 Spoke that was constructed in 2020. We are now working on plans to develop a new Generation 3 Spoke and warehouse facility in Kingston, Ontario to replace this existing site, with initial site work expected to commence during 2023. At our Generation 2 New York Spoke, we recently completed improvements which included upgrading the main line and the addition of ancillary processing capacity. Our Arizona Spoke and our Alabama Spoke are Generation 3 Spokes, incorporating multi-stage shredding with full-pack shredding capabilities. These plants have optionality for the addition of dual main lines and ancillary processing capacity.

We are also developing our first two European Spokes, located in Magdeburg, Germany (the "Germany Spoke") and Moss, Norway (the "Norway Spoke"). We are aligning our expansion plans in Europe with the highest-growing demand centers, with the Germany Spoke expected to start operations in 2023 and the Norway Spoke being re-timed from 2023 to 2024. The Germany Spoke is expected to have a total processing capacity of 30,000 tonnes of LIB per year, including two main lines and ancillary processing capacity. The Company will initially use the

Norway Spoke as a consolidation and warehouse facility, with the installation of a 10,000 tonne main line and start of operations at this facility now planned for 2024.

In summary, with existing Spoke capacity and planned development in calendar 2023, we expect to have total LIB processing capacity of more than 80,000 tonnes, including main line processing capacity and ancillary processing capacity.

Li-Cycle's first commercial Hub is currently under construction in Rochester, New York. Li-Cycle expects the Rochester Hub will have nameplate input capacity to process 35,000 tonnes of black mass annually (equivalent to approximately 90,000 tonnes or 18 GWh of LIB feed annually). The facility is expected to have an output capacity of battery grade materials of approximately 42,000 to 48,000 tonnes per annum of nickel sulphate, 7,500 to 8,500 tonnes per annum of lithium carbonate and 6,500 to 7,500 tonnes per annum of cobalt sulphate.

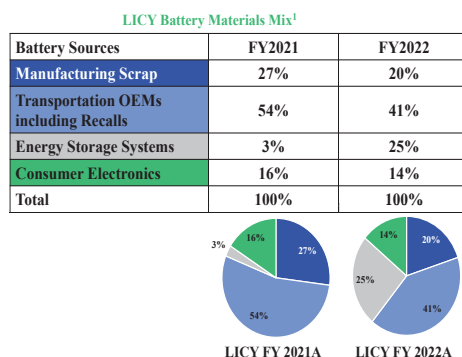
See "D. Property, Plants and Equipment" for more information about our Spoke network and the Rochester Hub.

Increasing and Diversifying In-Take and Off-Take Commercial Contracts

We continue to grow and diversify our portfolio of multi-year commercial contracts with leading global customers in the EV and lithium-ion battery ecosystem, including consumer electronics, manufacturing scrap, energy storage, and automotive OEMs/transportation companies.

In-Take Sources for Recycling Feed to Spokes

Li-Cycle procures all types of lithium-ion battery materials in the supply chain, including battery manufacturing scrap, battery recalls, and end-of-life batteries and contracts with numerous suppliers of end-of-life lithium-ion batteries and battery manufacturing scrap. Specifically, in fiscal 2022 we saw an increase in recycling needs for energy storage and EV battery packs, as in the below charts of our battery supply in-take sources:



1. Measured by weight of battery materials

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

Traxys Black Mass Off-Take Agreement from North American Spokes

Li-Cycle has entered into a strategic 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 from its North American Spokes, until such time as this material is integrated by Li-Cycle into the supply chain for Li-Cycle's Hubs. 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.

Traxys Refined Products Off-Take Agreement from Rochester Hub

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 end products 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 end products, adjusted for the product form (e.g., for nickel sulphate product, prices are adjusted relative to index pricing for nickel metal, to reflect a premium for the battery grade nickel sulphate form). 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 battery grade materials through Traxys will represent the significant majority of its revenues.

Glencore Strategic Global Commercial Arrangements

On June 1, 2022, the Company announced the entry into commercial agreements (collectively, the “Glencore Commercial Agreements”) with Glencore, including the Master Commercial Agreement, the Amended & Restated Global Feed Sourcing Agreement, the Black Mass Sourcing Agreement, the Sulfuric Acid Supply Agreement, the Black Mass Off-Take Agreement, the End Products Off-Take Agreement and the By-Products Off-Take Agreement (which was amended as of October 24, 2022).

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

The term of the Amended and Restated Global Feed Sourcing Agreement commenced on May 4, 2022 and the term of the other Glencore Commercial Agreements commenced on August 1, 2022. The term of each Commercial Agreement will, unless earlier terminated in accordance with the termination provisions of the Master Commercial Agreement, continue until the later to occur of (i) ten years from the date on which the Company’s next Hub (after the completion of the North America Hub under construction in Rochester, New York) achieves a specified level of commercial production, and (ii) the date by which such Hub has processed a minimum quantity of black mass. The term of the Glencore Commercial Agreements will automatically renew on an evergreen basis for subsequent terms of five years after the expiry of the initial term, subject to the Company’s right to terminate all (but not less than all) of the Glencore Commercial Agreements upon 365 days’ prior notice to Glencore and payment of a termination fee based upon five times the aggregate value of the sourcing and marketing fees and certain other amounts invoiced in the preceding twelve months.

Our Competitive Strengths

Customer-Centric Solutions Provider

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

- we work closely with a reliable network of logistics partners to support customers in transporting their batteries to our facilities;
- we offer our customers a home for the secure destruction of materials containing IP-sensitive design information, such as research and development batteries and battery 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.

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 that have a higher risk of obsolescence due to continuous cathode technology advancement.

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. For example, our Generation 3 Spokes have been engineered to process entire vehicles battery packs, without dismantling, while our ancillary processing lines have been developed to optimize the processing of various forms of battery materials. See

“Item 4 D. Property, Plants and Equipment - Spoke Network”. R&D work continues in support of our Spoke facilities, specifically focused on optimizing their operating parameters. With respect to our Hub facilities, we also continue to develop and evaluate new concepts with an eye to the future, including processing LFP and solid-state batteries.

Leading Environmental Footprint

While competitors face challenges adapting to increasingly stringent environmental regulations, Li-Cycle’s scalable, sustainable, safe and patented Spoke & Hub Technologies™ are proactively designed for “best in class” environmental performance. Our Spoke & Hub process enables up to an overall 95% Recycling Efficiency Rate, as compared to what we believe to be a 50% traditional industry average. Our hydrometallurgical process produces minimal solid waste streams, zero wastewater discharge, and relatively low air emissions. 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 Li-Cycle’s hydrometallurgical process leaves a comparatively smaller environmental footprint and provides 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 our Rochester Hub, as well as meeting our customers’ mandates for quality and sustainability.

In 2022, Li-Cycle was named to Fortune magazine’s Change the World list for 2022, which recognizes companies that have made an important social or environmental impact. For three years in a row (2020, 2021 and 2022), Li-Cycle was named as a Global Cleantech 100 Company by the Cleantech Group. It was also named a Future 50 list company by Corporate Knights in 2022, in recognition for its rapid growth as a clean technology company in Canada.

Significant Investments in Li-Cycle by Leading Global Battery Supply Chain Players, accompanied by Strategic Commercial Relationships

Several leading global battery supply chain players have made investments in Li-Cycle, accompanied by strategic commercial relationships. We believe that the investment by and strategic partnerships we have established with these leading global players represents a strong validation of our business model. These arrangements have resulted in a combined total investment of \$350 million in Li-Cycle, as described below:

Glencore

On June 1, 2022, the Company announced that it had entered into the Glencore Commercial Agreements. The Glencore Commercial Agreements have a global scope and complement Li-Cycle’s existing commercial arrangements with Traxys covering the Company’s North American Spokes and Rochester Hub. See “—Off-Take Commercial Contracts for Black Mass and Battery Grade Materials —Glencore Strategic Global Commercial Arrangements”, above. Glencore has invested \$200 million in Li-Cycle, pursuant to an unsecured convertible note, issued on May 31, 2022, in a transaction exempt from registration under the Securities Act of 1933, as amended (the “Glencore Convertible Note”). See “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources— Sources of Liquidity — Debt Obligations” and “Item 10.C. Material Contracts” for more information about the Glencore Convertible Note and related agreements (including registration rights agreement and standstill agreement).

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

On April 20, 2022 the Company entered into a scrap offer agreement with LGES pursuant to which the Company will have the opportunity to recycle nickel-bearing lithium-ion battery manufacturing scrap and other lithium-ion battery material from LGES’s North American manufacturing sites. In addition, on April 20, 2022, the Company entered into nickel sulphate off-take agreements with each of LGES and LGC pursuant to which the Company will allocate for sale, through its end-product off-take partner, Traxys, a combined initial allocation of 20,000 tonnes of nickel contained in nickel sulphate produced at the Rochester Hub to LGC and LGES over 10 years. These agreements will enable a closed-loop ecosystem for LGC and LGES for key materials in the lithium battery supply chain.

On May 11, 2022, LG and LGES invested a total of approximately \$50.0 million in a subscription for common shares of the Company. See “Item 10C. Material Contracts—LG Subscription Agreements” and “Item 10C. Material Contracts—LG Standstill Agreements” for more information about the equity investment and related standstill agreement.

Koch Strategic Platforms (“KSP”)

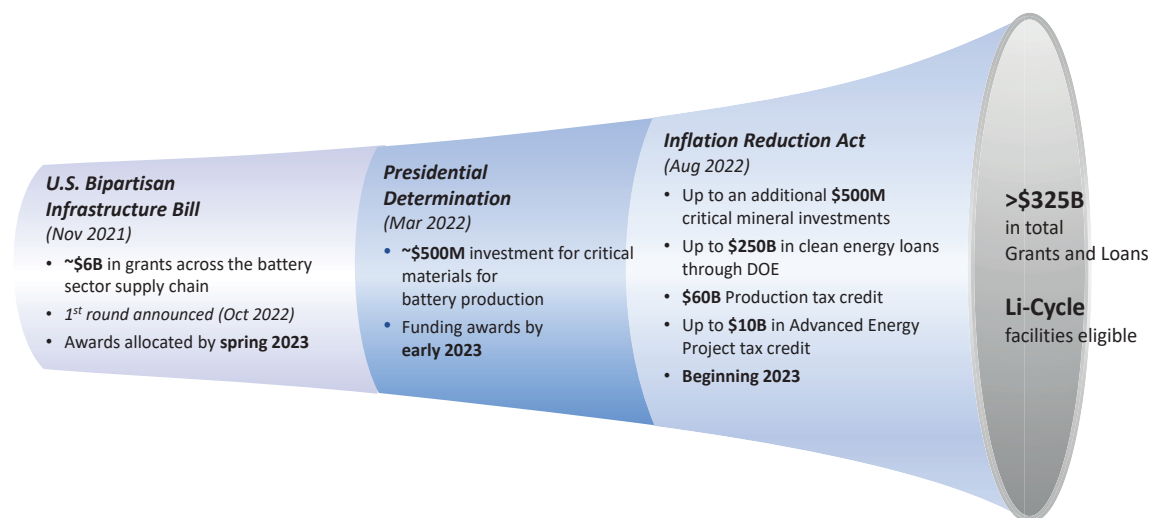
KSP, a subsidiary of Koch Investments Group, through its affiliate, Wood River Capital, LLC, has invested \$100 million in Li-Cycle pursuant to an unsecured convertible note to support the Company’s growth opportunities

in North America, Europe and Asia Pacific. We believe this strategic investment by KSP will provide Li-Cycle with access to key industry expertise and commercial opportunities across the broader Koch Industries ecosystem. See “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Debt Obligations,” “Item 10C. Material Contracts—KSP Convertible Notes,” “Item 10C. Material Contracts” for more information about the KSP Convertible Notes and related standstill agreement.

Well Positioned for Governmental Financing Opportunities

Li-Cycle continues to see favorable tailwinds from a number of new public policy programs in the North America and Europe aimed at providing financial support to facilitate domestic expansion of the battery supply infrastructure, essentially deeming this to be a critical strategic industry.

In the United States, the recent enactment of the Inflation Reduction Act, or the IRA, is expected to provide meaningful benefits to the EV battery recycling industry beginning in 2023. The IRA comes off the heels of the Bipartisan Infrastructure Law and the Presidential Determination investments to support critical materials for battery production, with total potential grants and loans under these programs of more than \$325 billion, as illustrated below:



As a first mover with environmentally sustainable technology, Li-Cycle’s patented technologies are proven in the North American market as a leading way to recycle lithium-ion batteries, providing Li-Cycle with two key advantages: 1) the opportunity to directly explore these government funding opportunities to potentially benefit our Spoke & Hub network growth; and 2) the capability to assist automakers in achieving the Clean Vehicle Tax Credit conditions by meeting their production requirements for domestic content via recycled material.

Intellectual Property

As of October 31, 2022, Li-Cycle had a total of 54 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, Belgium, Germany, France, United Kingdom, Netherlands, Sweden, Spain, Italy, Switzerland, Estonia, Finland, Croatia, Hungary, Norway, Poland and the World Intellectual Property Office. These applications and patents have filing dates between 2018 and 2022, and therefore will expire between 2038 and 2042.

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 Management System (developed on the basis of International Standards Organization (“ISO”) standards) to guide our actions on health and safety, environmental and quality (“HSEQ”) practices.

Our Ontario Spoke and New York Spoke facilities are registered to ISO 9001 quality standards, ISO 14001 environmental standards and ISO 45001 occupational health & safety standards. Our New York Spoke is registered to the Responsible Recycling (“R2”) electronics recycling standard (Version 3) (“R2v3”). Our Ontario Spoke is registered to R2:2013, and it has completed the registration upgrade audit, and is awaiting award of registration, for R2v3. We are currently implementing key elements of the Integrated Management System at our Arizona Spoke and Alabama Spoke and reviewing tactical plans for registration of these facilities under ISO and R2v3 standards. Our corporate headquarters located 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 occupational 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 facilities (including lines, machinery and tools used) are equipped with safety instructions, allot the time to practice emergency procedures and expect our managers and employees to maintain clean and well-organized facilities. Our operating facilities are permitted and/or approved per applicable (and relevant) environmental, safety and building code requirements. Our HSEQ Department is responsible for the continuous improvement and optimization of permitting coverage for all our operations in a proactive manner.

We are tracking the environmental performance (including Scope 1 and 2 emissions) at all our operating sites and sub-systems, as we prepare for the publication of our initial ESG Report.

Regulatory Landscape

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

In North America, various industry groups are focused on working with governments to identify opportunities to support the domestic supply of critical materials through regulation and financial support mechanisms. Government mandates also continue to drive increased infrastructure spending and funding availability for the battery supply chain. In the United States, on August 16, 2022, President Biden signed into law the Inflation Reduction Act, which provides over \$300 billion to fund energy and climate projects aimed at reducing carbon emissions by 40% in 2030. Overall, the law includes numerous investments in climate protection, including investments in clean energy production and tax credits aimed at reducing carbon emissions. The expectation is that the financing mechanisms included in this legislation will further accelerate clean energy manufacturing and investment in the United States.

In the European Union, the recently concluded “trilogue” discussions between the European Commission, Parliament, and Council resulted in the provisional deal on the Battery Regulation, which is one of the most comprehensive legislative frameworks covering battery recycling. The legislation, which could enter into force later in 2023, would set forth bold recycling targets, including minimum material recovery rates of 90% for both cobalt and nickel by December 31, 2027 (also including a ‘high level of ambition’ mandate for at least a 95% material recovery rate for both cobalt and nickel by December 31, 2031); a minimum recovery rate of 50% for lithium by December 31, 2027 (also including a ‘high level of ambition’ mandate for at least an 80% material recovery rate for lithium by December 31, 2031); and a Recycling Efficiency Rate of least 65% by December 31, 2025 (also including a ‘high level of ambition’ mandate for a Recycling Efficiency Rate of at least 70% by December 31, 2030).

Additionally, the European Union is also in discussions to pass the so-called Critical Raw Materials Act (“CRMA”), which aims to boost secure and sustainable access to critical raw materials necessary for the European Union’s ambitions for twin green and digital transitions. We believe that the CRMA will help support the battery recycling industry through increased public finance and new policies to facilitate investments in projects across the entire battery supply chain.

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.

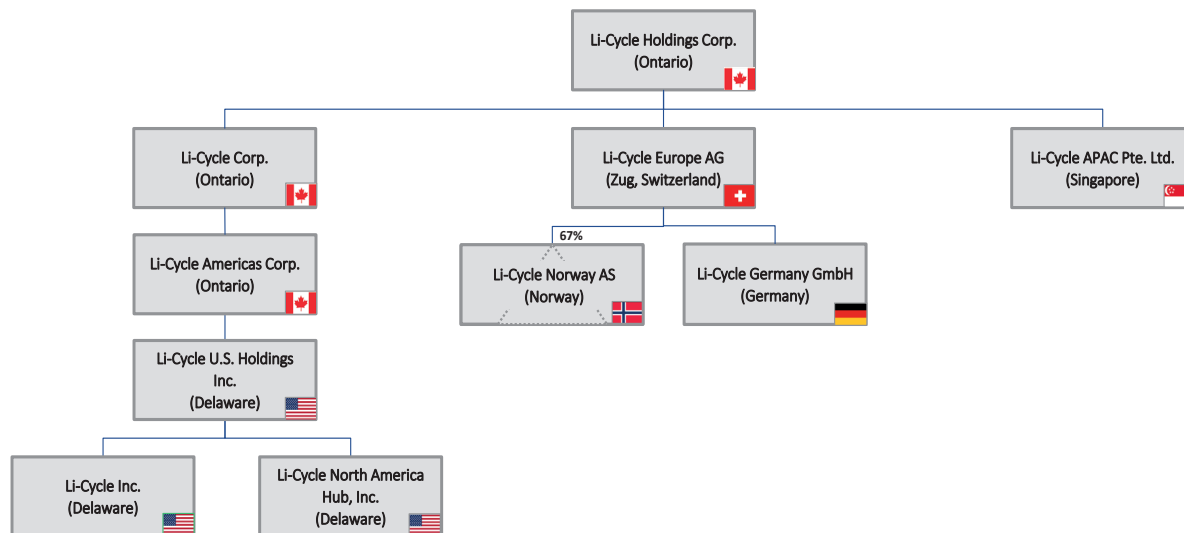
Legal Proceedings

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

On April 19, 2022, a putative securities class action lawsuit was filed in the U.S. District Court for the Eastern District of New York against the Company, its CEO, and its former CFO, on behalf of a proposed class of purchasers of the Company's publicly traded securities during the period from February 16, 2021 through March 23, 2022. The complaint, which is captioned as *Barnish v. Li-Cycle Holdings Corp., et al.*, 1:22-cv-02222 (E.D.N.Y.), alleges that the defendants issued false and misleading statements concerning Li-Cycle's business, which were revealed when Blue Orca Capital published a short seller report on March 24, 2022. The complaint seeks compensatory damages and an award of costs. The original complaint asserted claims under Sections 10(b) and 20(a) of the U.S. Securities Exchange Act of 1934 (the "Exchange Act"). On July 22, 2022, the court appointed The Lanigan Group, Inc. as lead plaintiff. On October 11, 2022, the lead plaintiff filed an amended complaint asserting claims pursuant to Section 14(a) of the Exchange Act and Sections 11 and 15 of the U.S. Securities Act of 1933 on behalf of a proposed class comprising: (a) all persons who were eligible to vote at Peridot Acquisition Corp.'s extraordinary general meeting held during August 2021, and (b) all persons who acquired Li-Cycle publicly traded securities pursuant to Li-Cycle's March 2021 Registration Statement. Unlike the original complaint, the amended complaint does not assert any claims under either Section 10(b) or Section 20(a) of the Exchange Act. The claims in the amended complaint are asserted against both the Company and certain individual defendants, including Li-Cycle's two Co-Founders, Li-Cycle's former CFO, two current directors of Li-Cycle (who were also directors and/or officers of Peridot Acquisition Corp. at the time of the Business Combination), and certain other directors or officers of Peridot Acquisition Corp. at the time of the Business Combination. On December 19, 2022, the Company and each of the individual defendants moved to dismiss the amended complaint in its entirety. The motion to dismiss is not yet fully briefed. The Company believes that the allegations in the amended complaint are without merit and intends to vigorously defend against this matter. No amounts have been recorded for any potential liability arising from this matter. See also Note 18 in our financial statements for the year ended October 31, 2022.

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

Spoke Network

Li-Cycle currently has four operational Spokes in North America, located in Ontario, New York, Arizona and Alabama. The Company is also developing its first two European Spokes, in Germany and Norway. The Company is also continuing to add capacity to its Spoke network, with new developments and expansions of existing sites.

The Company continues to innovate its Spoke technology with each Spoke roll out, incorporating upgrades and improvements from the development of the preceding Spokes. Since the build and installation of the Company's first Spoke (the "Generation 1" Ontario Spoke in 2020), the Company has significantly evolved its Spoke design. The Ontario Spoke was a stick build format with a single shredder design. The Company's next Spoke facility (the "Generation 2" New York Spoke) was a modular build with increased recovery rates and added ancillary processing capacity. Both the Arizona Spoke and the Alabama Spoke are "Generation 3" Spokes and incorporate a modular build format, multi-stage shredding with capabilities to shred full-pack EV batteries, further increases to recovery rates, and optionality for multiple main lines and flex capacity with ancillary processing.

The table below outlines current available Spoke capacity and additional calendar 2023 expected Spoke capacity, by Spoke location:

Annual tonnes of material processed	Main Line ¹	Ancillary Processing			Total Processing Capacity
		Dry Shredding ²	Powder Processing ³	Baling ⁴	
Ontario Spoke	5,000	—	—	—	5,000
New York Spoke	5,000	5,000	3,000	5,000	18,000
Arizona Spoke	10,000	5,000	3,000	—	18,000
Alabama Spoke	10,000	—	—	—	10,000
<i>Current available capacity</i>	<i>30,000</i>	<i>10,000</i>	<i>6,000</i>	<i>5,000</i>	<i>51,000</i>
Germany Spoke	20,000	5,000	—	5,000	30,000
<i>2023 expected capacity</i>	<i>50,000</i>	<i>15,000</i>	<i>6,000</i>	<i>10,000</i>	<i>81,000</i>

Notes

¹ Processes materials using Li-Cycle's patented submerged shredding process or "wet shredding" designed specifically for battery materials that contain electrolyte and have risk of thermal runaway.

² Processes materials that don't contain electrolyte and therefore are less risk of thermal runaway, such as electrode foils.

³ Processes electrode powders to minimize dusting in downstream processes.

⁴ Processes electrode foils into formed cubes for optimizing logistics and downstream processing.

Germany Spoke

In 2022, Li-Cycle announced the development of a European Spoke to be based in Magdeburg, Germany, approximately 160 kilometers from Berlin. The Germany Spoke was planned to have an initial recycling capacity of at least 10,000 tonnes (2 GWh equivalent) per year, with the first main line expected to be operational in 2023. To meet customer demand and increase cost efficiencies, Li-Cycle now plans to install a second main line with capacity of 10,000 tonnes (2 GWh equivalent) per year in Germany by the end of calendar 2023. In addition, the Germany Spoke is expected to have capacity of 10,000 tonnes per year for ancillary processing.

Norway Spoke

In 2022, Li-Cycle entered into a joint venture agreement with ECO STOR AS ("ECO STOR") and Morrow Batteries AS ("Morrow") to form Li-Cycle Norway AS for the purpose of constructing the Norway Spoke. Li-Cycle is the majority owner of Li-Cycle Norway AS, with ECO STOR and Morrow being minority owners and Nordic-headquartered strategic partners. The Norway Spoke will be a Generation 3 Spoke, expected to have a main line recycling capacity of 10,000 tonnes (2 GWh equivalent). The Company has leased a site in Moss, Norway,

approximately 60 kilometers from Oslo, for this operation, and the building is currently under construction. To prioritize the expansion plans for the Germany Spoke, the Company will initially use the Norway Spoke as a consolidation and warehouse facility, with the installation of a Generation 3 Spoke line and start of operations at this facility now planned for 2024.

Ohio Spoke

In 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 announced that it would construct a new building for the Ohio Spoke, where Li-Cycle could install and operate its proprietary Spoke technology and equipment. Initial plans for the Ohio Spoke included recycling capacity of 15,000 tonnes (3 GWh equivalent) per year, with operations to commence in 2023. Based on Li-Cycle’s overall Spoke development plan, which prioritizes the fastest growing electrification demand centers and prudently directing capital, the Ohio Spoke has been deferred. Li-Cycle does not expect the Ohio Spoke to be operational in 2023.

Other Spoke Updates

Li-Cycle completed and operationalized its new Spokes in Arizona and Alabama in 2022. The costs to construct, commission and commence operations for the Arizona and Alabama Spokes were in total approximately \$4.0 million higher than original estimates, due primarily to extended commissioning periods for these facilities, which were the first Generation 3 Spokes. The improvements developed through the commissioning process for these Spokes are expected to benefit the Company's future Generation 3 Spoke projects.

Li-Cycle completed improvements to its New York Spoke by the end of calendar 2022 including upgrading of the shredder and the addition of baling to supplement ancillary processing capacity. The New York Spoke now has variable capacity of up to 18,000 tonnes per year for processing a range of LIB feedstock types.

Li-Cycle is currently working on plans to develop an expanded Generation 3 Spoke and warehouse facility that will replace its existing Spoke in Kingston, Ontario (the “New Ontario Spoke”). Li-Cycle expects initial site work to commence during 2023. The new Ontario Spoke is currently expected to have a main line recycling capacity of 10,000 tonnes (2 GWh equivalent) of LIB per year.

Rochester Hub

Li-Cycle’s first commercial Hub will be located in Rochester, New York, and is currently under construction (the “Rochester Hub”). Li-Cycle’s Spoke facilities will be the primary suppliers of Black Mass & Equivalents feedstock for the Rochester Hub. The location for the Rochester Hub was specifically selected due to the nature of the infrastructure available at the site, including utilities and road/rail networks.

Li-Cycle completed a definitive feasibility study for the Rochester Hub in December 2021. Based on the definitive feasibility study, Li-Cycle expects the Rochester Hub will have the nameplate input capacity to process 35,000 tonnes of BM&E annually (equivalent to approximately 90,000 tonnes or 18 GWh of LIB feed annually). The Rochester Hub is expected to have output capacity of battery grade materials of approximately 42,000 to 48,000 tonnes per annum of nickel sulphate, 7,500 to 8,500 tonnes per annum of lithium carbonate and 6,500 to 7,500 tonnes per annum of cobalt sulphate.

Li-Cycle has engaged Hatch Ltd. as its engineering and procurement contractor for the Rochester Hub. Hatch Ltd. is also providing select construction management services such as onsite field engineering support and overall project scheduling for the project. Li-Cycle has engaged Mastec Inc. as its general contractor for the Rochester Hub. Procurement activities are well-advanced and have commenced on all equipment and select construction materials for the Rochester Hub. Site works and construction commenced on the Rochester Hub site in

January 2022. The Rochester Hub has made significant progress to date on key engineering, procurement and construction milestones and is expected to initiate commissioning in stages in late calendar 2023.

Li-Cycle has been granted a special use permit for hydrometallurgical facility operations, overall site plan approval, and a special use permit with an area variance for hazardous material storage tanks at the Rochester Hub by the Town of Greece, New York, all subject to certain conditions. Li-Cycle will continue to apply for construction-related building permits from the Town of Greece as plans for specific structures become finalized.

Li-Cycle completed the New York State Environmental Quality Review Act process for the Rochester Hub in November 2021. The New York State Department of Environmental Conservation (“NYSDEC”) issued a state facility air permit for the expected emissions from the Rochester Hub in March 2022. A general permit for stormwater discharges from construction activity, and a related stormwater pollution prevention plan that meets criteria set forth by the NYSDEC, is also in place for the Rochester Hub. The remaining anticipated regulatory approvals required to complete and operate the Rochester Hub consist of the granting by the NYSDEC of a general permit for stormwater discharges associated with industrial activity, a chemical bulk storage registration and a petroleum bulk storage registration.

Li-Cycle expects that the Rochester Hub will result in a workforce of approximately 270 employees at its operations.

Leases

We lease the following properties as of October 31, 2022:

Country	Location	Gross Floor Area (square foot)	Use	Lease period	
				Start	End
Canada	Kingston, Ontario	10,193	Plant	4/1/2020	3/31/2025
Canada	Kingston, Ontario	8,580	Storage	12/1/2021	11/30/2023
Canada	Kingston, Ontario	11,244	Storage	11/1/2019	11/30/2022
Canada	Kingston, Ontario	19,300	Storage	5/1/2020	11/30/2022
Canada	Kingston, Ontario	7,360	Storage	12/1/2020	11/30/2022
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	Cottondale, Alabama	120,000	Storage	11/1/2021	12/31/2023
United States of America	North Port, Alabama	108,469	Plant	7/1/2022	6/30/2042
United States of America	Gilbert, Arizona	138,949	Plant	10/1/2021	2/29/2032
United States of America	Mesa, Arizona	69,016	Storage	9/1/2021	12/31/2026
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	4/1/2022	3/31/2042
United States of America	Rochester, New York	45,590	Storage	5/1/2022	4/30/2024
United States of America	Rochester, New York	9,130	Construction Office	2/1/2022	7/31/2023
Germany	Magdenburg, Germany	546,828	Plant	7/1/2022	6/30/2032
Norway	Moss, Norway	165,936	Plant	6/1/2023	5/31/2035
Switzerland	Baar, Switzerland	10,226	Office	6/1/2022	6/30/2027
Singapore	Battery Road, Singapore	1,615	Office	10/1/2022	9/30/2025

On January 12, 2023, the Company entered into a sublease agreement (the “Hub Warehouse Agreement”) with Pike Conductor DEV 1, LLC (the “Landlord”) outlining the parties’ respective rights and obligations with respect to the construction, financing and leasing of a warehouse and administrative building (the “Building”) for the Rochester Hub on leased property of the Landlord (the “Property”). As outlined in the Hub Warehouse Agreement, the Company will directly advance up to a maximum of \$58.6 million to the Landlord for the design, engineering and construction of the Building, and as at October 31, 2022, the Company had advanced \$27.0 million of the \$58.6

million maximum. Upon the successful closing of the Landlord’s financing transaction, the Landlord will reimburse the Company for a portion of its advances, such that the Company will have made a net investment of \$14.5 million for leasehold improvements. Once construction of the Building is complete, the Landlord will lease the Building and Property (together, the “Premises”) to the Company. The term of the Premises lease will be the earlier of the issuance of a certificate of occupancy for the Building or September 1, 2023 and (subject to renewal) may extend for up to 48 years. In the event that the Landlord does not complete its financing transaction by July 1, 2023, the Hub Warehouse Agreement will be amended and restated as a ground lease agreement for the Property.

Owned Property

We had no owned properties as of October 31, 2022.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The information called for by this Item is set forth in Exhibit 99.2 of this annual report and is incorporated by reference into this annual report.

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	31	Director and President and CEO
Tim Johnston	37	Director and Executive Chair
Mark Wellings	59	Director
Rick Findlay	65	Director
Anthony Tse	52	Director
Alan Levande	66	Director
Scott Prochazka	56	Director
Kunal Sinha	42	Director
Jacqueline Dedo	61	Director
Debbie Simpson	56	Chief Financial Officer
Chris Biederman	37	Chief Technology Officer
Carl DeLuca	55	General Counsel and Corporate Secretary
Christine Barwell	57	Chief Human Resources Officer
Richard Storrie	56	Regional President, Americas
Dawei Li	40	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 CEO, Co-Founder, and a director since the consummation of the Business Combination on August 10, 2021. Before founding Li-Cycle, Mr. Kochhar gained extensive technology and project development experience through progressive roles with Hatch’s industrial cleantech and advisory practices. While working in that space, he garnered in-depth engineering and project management experience through clean technology development in the lithium, cobalt, nickel, copper, gold, lead, zinc, molybdenum, and rare earth metals industries. His technical expertise spans the entire project lifecycle, from conceptual and pre-feasibility

study to construction and commissioning. Mr. Kochhar is a graduate of the University of Toronto and holds a Bachelor of Applied Science (BASc) in Chemical Engineering.

Tim Johnston

Tim Johnston has served as our Co-Founder and Executive Chair 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 Lacero 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 28 years of private and public corporate experience in numerous high-growth industries spanning the TMT sector, natural resources and specialty chemicals, and most recently the energy transition sectors covering the EV and LIB value chain. His roles have been predominantly in senior management, with a focus on strategy and development, M&A and corporate finance internationally – he has managed businesses and operations across four continents spanning the Greater China and Asia region, Australia, North and South America.

He is the former Managing Director and Chief Executive Officer of Galaxy Resources, where he served on the board for 11 years - the company merged with Orocobre in 2021 to create Allkem and become one of the Top 5 lithium producers globally. He is now currently a Board Director of Li-Metal (CSE: LIM), a developer of lithium metal and lithium metal anode technologies for next generation lithium solid-state batteries, and also a Senior Advisor to Sicona Battery Technologies, a leading developer of silicon-composite materials for next generation lithium battery anode technologies.

Aside from his industry roles, Mr. Tse is also an Operating Partner with the Global Private Equity Group of Franklin Templeton (NYSE: BEN), a global asset management organization, and a Senior Advisor to EMR Capital (a global natural resources investment group) portfolio of companies, with whom he is focused on upstream through to mid- and downstream investments in the energy transition sector.

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.

Mr. Levande was appointed to the Company's Board of Directors pursuant to the Investor Agreement. See "Item 10C. Material Contracts—Investor Agreement" for additional information.

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.

Mr. Prochazka was appointed to the Company's Board of Directors pursuant to the Investor Agreement. See "Item 10C. Material Contracts—Investor Agreement" for additional information.

Kunal Sinha

Kunal Sinha has served as director of the Company since June 1, 2022. Mr. Sinha has been with Glencore since 2012 and currently serves as Glencore's Head of Recycling. Prior to his current role, Mr. Sinha was the CEO of Glencore's North American Sulfuric Acid business. Prior to joining Glencore, he worked for six years in Management Consulting at ZS Associates. Mr. Sinha holds an MBA from the London Business School, an M.S. in Systems and Entrepreneurial Engineering from the University of Illinois at Urbana-Champaign, and a B.Tech. in Mechanical Engineering from the Indian Institute of Technology (IIT), Kharagpur.

Mr. Sinha was appointed to the Company's Board of Directors pursuant to the Glencore Note Purchase Agreement. See "Item 10C. Material Contracts—Glencore Note Purchase Agreement" for additional information.

Jacqueline Dedo

Jacqueline Dedo has more than 40 years of experience across a variety of functions and verticals in the automotive industry, with a focus on strategy development and creating customer value. She is co-founder of Aware Mobility, LLC. She previously served as Chief Strategy and Supply Chain Officer for Dana Holding Corp. (NYSE: DAN). Ms. Dedo has also held various leadership positions at Piston Group, The Timken Company (NYSE: TKR), Motorola (NYSE: MSI), and Robert Bosch Corporation. Ms. Dedo also has two decades of board membership experience. She currently sits on the Board of Directors of Cadillac Products Automotive Company, a private, internationally-recognized leader in the plastics converting industry, and the Workhorse Group Inc. (Nasdaq: WKHS), an OEM for commercial electric delivery vehicles and delivery drones. Ms. Dedo earned her Bachelor of Science degree in electrical engineering from Kettering University in Flint, Michigan, has been involved in

numerous charitable organizations, and has been honored on multiple occasions by Automotive News as one of the “Top 100 Leading Women in the Automotive Industry.”

Debbie Simpson

Debbie Simpson has served as our Chief Financial Officer since February 1, 2022. 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 Haverhal College.

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.

Christine Barwell

Christine Barwell was appointed Chief Human Resources Officer of the Company on January 1, 2023. She brings over 25 years of experience across a variety of industries as a global people operations leader and has been a change agent for complex corporate challenges balancing the people strategy in partnership with business opportunities. Prior to joining Li-Cycle, Ms. Barwell was the Vice President, Human Resources for Alamos Gold. Ms. Barwell holds her MBA in digital transformation from McMaster University. She also holds a CHRL designation.

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 world’s largest metals and mining corporations. 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 new markets for international companies. Before joining Li-Cycle, Mr. Li served as the Global Business Director for battery-grade lithium carbonate at the Albemarle Corporation, where he developed growth strategy and executed on business development plans and commercial negotiations. Previously, he held roles at Eastman Chemical Company, managing global product lines, leading growth initiatives, and launching efforts to generate demand for existing products while commercializing novel ones. Mr. Li began his career in Shanghai, China working for PricewaterhouseCoopers. Mr. Li holds a BBA in Marketing from Shanghai University of Finance and Economics, and an MBA from the Darden School of Business at the University of Virginia.

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 CEO, CFO and the Company's other three most highly compensated executive officers (collectively, the "Named Executive Officers" or "NEOs"). The NEOs are:

- Ajay Kochhar, CEO;
- Tim Johnston, Executive Chair;
- Debbie Simpson, CFO;
- Richard Storrie, Regional President, Americas;
- Carl DeLuca, General Counsel & Corporate Secretary; and
- Bruce MacInnis, former CFO.

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 and financial 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;
- reward our executive officers for their performance and contribution to our short-term and long-term objectives and success;
- 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 executive officers 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), Jacqueline Dedo, Scott Prochazka and Mark Wellings, each of whom is considered by the Board of Directors to be independent.

Compensation Components

In furtherance of the above-stated compensation objectives, the Company's executive compensation plan includes 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 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 may 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.

For the year ended October 31, 2022, the NEOs were eligible to earn an annual bonus based on a target percentage of base salary. For the CEO and Executive Chair, the target annual bonus was 120% of base salary; for the CFO, the target annual bonus was 100% of base salary; and for the other NEOs the target annual bonus was 70% of base salary. For the CEO, the Executive Chair and the CFO, the annual bonus awards were based entirely on the achievement of corporate-level objectives. For the other NEOs, 80% of the annual bonus was based on the achievement of corporate-level objectives and 20% of the annual bonus was based upon the achievement, by the NEO, of individual goals and objectives. The Company's key corporate-level objectives for the year ended October 31, 2022 were prioritizing safety and sustainability, progressing the execution of the Rochester Hub Project on time and on budget, and expanding production of black mass. In aggregate, the Company's performance on these objectives was assessed at 75% of target.

Long-Term Incentives

In connection with the Business Combination, the Company adopted the Long-Term 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 Long-Term Incentive Plan. For more information on the material terms and conditions of the Long-Term Incentive Plan, see "Long-Term Incentive Plan", below.

For the year ended October 31, 2022, the NEOs were eligible to earn annual long-term incentive awards based on a target percentage of base salary. The CEO and Executive Chair received long-term incentive awards equal to 175% of their base salary, the CFO received a long-term incentive award based on 125% of base salary and the other NEOs received long-term incentive awards based on 60% of base salary. These awards consisted of 50% RSUs and 50% options, vesting ratably over three years.

Summary Compensation Table

The following table shows the compensation earned by, paid to, or awarded to the NEOs in respect of the years ended October 31, 2022 and 2021, respectively.

Name and Principal Position(1)	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>CEO</i>	2022	487,397	437,500	437,500	438,658	—	53,805	1,854,860
	2021	286,850	1,181,500	1,181,500	200,055	—	12,092	2,861,997
Tim Johnston <i>Executive Chair</i>	2022	487,397	437,500	437,500	438,658	—	37,815	1,838,870
	2021	286,850	1,181,500	1,181,500	200,055	—	713	2,850,618
Debbie Simpson (7) <i>CFO</i>	2022	442,466	3,276,541	276,541	357,070	—	43,341	4,395,959
Bruce MacInnis (8) <i>Former CFO</i>	2022	81,900	—	—	—	—	4,410	86,310
	2021	220,916	—	2,077,000	—	—	445,286	2,743,202
Richard Storrie (9) <i>Regional President, Americas</i>	2022	365,685	859,706	859,706	196,080	—	68,053	2,349,230
Carl DeLuca (10) <i>General Counsel & Corporate Secretary</i>	2022	412,192	135,000	135,000	234,867	—	23,626	940,685

Notes:

- (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 for (a) the twelve-month period ended October 31, 2022 of CA\$1.00=US\$0.7773, and (b) the twelve-month period ended October 31, 2021 of CA\$1.00=US\$0.7955.
- (2) Represents the actual base salary earned in the year ended October 31, 2022. As at October 31, 2022, the annual base salary of each of our NEOs was as follows: \$500,000 for Mr. Kochhar, \$500,000 for Mr. Johnston, \$500,000 for Ms. Simpson, \$475,000 for Mr. Storrie and \$450,000 for Mr. DeLuca.
- (3) Represents the grant date fair value of RSUs granted under our Long-Term Incentive Plan.
- (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 grants during the year ended October 31, 2022 using the Black-Scholes Merton option pricing model, see Note 13 in our financial statements for the year ended October 31, 2022.
- (5) See "Short-Term Incentives", above.
- (6) Represents the value of employer's contribution to employee's defined contribution retirement savings plan, standard employee benefits coverage (such as health insurance and life insurance), and other taxable benefits (including electric vehicle allowance, on-site parking and executive medical coverage). The Company generally contributes 6% of each NEO's base salary into a defined contribution registered retirement savings plan, subject to statutory maximums. Mr. Storrie's other compensation includes relocation benefits.
- (7) Ms. Simpson joined the Company on December 13, 2021, during the financial year ended October 31, 2022, and was appointed CFO effective February 1, 2022. She received an on-hire equity award of \$3,000,000 payable in RSUs. She also received a FY 2022 LTIP award, pro rated to reflect her service during the fiscal year, consisting of \$276,541 in RSUs and \$276,541 in options.
- (8) Mr. MacInnis was CFO until his retirement on January 31, 2022. As described below under "Employment Arrangements, Termination and Change in Control Benefits—Bruce MacInnis", the Company and Mr. MacInnis entered into a Retirement Agreement dated July 7, 2021. The Company and Mr. MacInnis subsequently mutually agreed that Mr. MacInnis' retirement date would 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. These payments were made to Mr. MacInnis in August 2021.

- (9) Mr. Storrie joined the Company on January 24, 2022. He received an on-hire cash award of \$50,000. He also received an on-hire equity award, consisting of \$750,000 in RSUs and \$750,000 options. He also received a FY 2022 LTIP award, pro rated to reflect his service during the fiscal year, consisting of \$109,706 in RSUs and \$109,706 in options.
- (10) Mr. DeLuca was joined the Company on March 1, 2021 and became an NEO during the financial year ended October 31, 2022.

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 Long-Term 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 Long-Term Incentive Plan provided that the maximum number of common shares initially available for issuance under the Long-Term Incentive Plan was 14,799,519. The number of common 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 common shares determined by the Board. Accordingly, the current maximum number of common shares available under the Long-Term Incentive Plan is 31,756,328. Any common shares distributed pursuant to an award may consist, in whole or in part, of authorized and unissued common shares, treasury shares or shares purchased on the open market. Notwithstanding the foregoing, the aggregate number of common 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 Long-Term 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 Long-Term 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.

Following the Company’s annual meeting of shareholders, and effective May 1, 2022, the Board approved the following amounts for non-employee director compensation.

Compensation Element	RSU Award Value	Cash Value
Standard Retainer		
Director	\$140,000	\$55,000
Additional Retainers		
Lead Director	—	\$5,000
Audit Committee Chair	—	\$20,000
Compensation Committee Chair	—	\$15,000
Other Committee Chair	—	\$10,000

These amounts reflect market adjustments from the prior year, as recommended by the Compensation Committee and approved by the Board. In particular, the annual RSU award value was increased from \$100,000 to \$140,000 and the cash value of the standard annual retainer was increased from \$50,000 to \$55,000. While the Lead Director's annual retainer remained unchanged at \$25,000, the Audit Committee Chair's retainer was increased from \$15,000 to \$20,000, and the Compensation Committee Chair's retainer was increased from \$10,000 to \$15,000. The Company also eliminated the "on-boarding" equity award for new non-employee directors.

Director Compensation Table

The following table shows the compensation earned by each of our non-employee Directors during the year ended October 31, 2022. Neither Mr. Kochhar, the CEO 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 (\$)	Stock Awards ⁽¹⁾ (\$)	Option Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation (\$)	Total (\$)
Jacqueline Dedo ...	12,554	102,021	—	—	—	—	114,575
Rick Findlay	65,000	140,000	—	—	—	—	205,000
Alan Levande	52,500	140,000	—	—	—	—	192,500
Scott Prochazka ...	70,000	140,000	—	—	—	—	210,000
Kunal Sinha	22,867	128,492	—	—	—	—	151,359
Anthony Tse	54,701	140,000	—	—	—	14,100 ⁽²⁾	208,801
Mark Wellings	87,500	140,000	—	—	—	—	227,500

Notes:

- (1) Following the Company's annual meeting on April 28, 2022, each non-employee director elected at the annual meeting received an RSU award having a value of \$140,000 for service during the year. Each non-employee director appointed thereafter received a similar award, pro rated for the period from the date of their appointment to the next annual meeting. The number of RSUs was determined based on the closing price of the Company's common shares on the NYSE on the date of grant. Each of the annual RSU awards vests on April 28, 2023, subject to the participant's continued service on the Board. The awards granted on April 28, 2022 were based on a closing price of \$6.75 per common share, the awards granted to Mr. Sinha on June 7, 2022 were based on a closing price of \$7.11 per common share, and the awards granted to Ms. Dedo on September 13, 2022 were based on a closing price of \$7.11 per common share.
- (2) This amount represents aggregate fees paid to Anthony Tse in the year ended October 31, 2022 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 "Item 7B. 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

The following summarizes the employment arrangements, termination and change in control benefits for certain of our executive officers in the year ended October 31, 2022 unless as otherwise indicated.

Ajay Kochhar, Tim Johnston, Debbie Simpson, Richard Storrie and Carl DeLuca

Li-Cycle has adopted a standard form of executive employment agreement for use with its executive officers. This form of agreement was entered into with Richard Storrie on October 28, 2021, Debbie Simpson on December 6, 2021, and with each of Ajay Kochhar, Tim Johnston and Carl DeLuca on March 1, 2022 (collectively, the “Employment Agreements”). The Employment Agreements provide for certain payments to the NEO in connection with the termination of the NEO’s employment in various circumstances, as described below.

In the case of Li-Cycle’s termination of the NEO’s employment without cause, or in the case of the NEO’s termination of his or her employment for good reason (as defined in the Employment Agreements), in either case within twelve months following a change in control (as defined in the Employment Agreements), the NEO 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 (or twenty-four months’ base salary for the CEO and Executive Chair) plus the amount of the NEO’s annual bonus target in respect of the fiscal year in which the termination occurs, pro-rated to eighteen months (or twenty-four months for the CEO and Executive Chair); matching contributions to the NEO’s registered retirement savings plan up to and including the last day of the statutory notice period required pursuant to applicable employment standards legislation; continued participation in Li-Cycle’s executive benefit plans and perquisites until the end of the statutory notice period pursuant to applicable employment standards legislation, and after, for a period of eighteen months or until the NEO becomes entitled to participate in similar benefit plans with another employer, participation in primary coverages (health care, dental care, and employee assistance program); a lump-sum for the NEO’s annual bonus award in respect of the fiscal year immediately preceding the termination, to the extent earned and unpaid at the date of the termination, calculated at the annual bonus target for such fiscal year, and annual bonus award in respect of the fiscal year of Li-Cycle in which the termination occurs, pro-rated from the start of such fiscal year to the date of the termination, calculated at the annual bonus target for such fiscal year; post-employment treatment of the NEO’s long term incentive plan awards (including without limitation share options and RSUs) determined in accordance with the terms of the Long-Term Incentive Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy (as described below); and outplacement career counselling ending on the earliest to occur of twelve months following the termination and the date that the NEO obtains full-time employment.

In the case of Li-Cycle’s termination of the NEO’s employment without cause, or in the case of the NEO’s termination of his or her employment for good reason (as defined in the Employment Agreements), in either case prior to a change in control or more than twelve months after a change in control (as defined in the Employment Agreements), the NEO is entitled to accrued and unpaid base salary, accrued vacation pay, and reimbursement for business expenses properly incurred; payment in equal monthly instalments representing twelve months’ base salary (or eighteen months’ base salary for the CEO and Executive Chair) plus the amount of the NEO’s annual bonus target in respect of the fiscal year in which the termination occurs, pro-rated to twelve months (or eighteen months for the CEO and Executive Chair); matching contributions to the NEO’s registered retirement savings plan up to and including last day of the statutory notice period required pursuant to applicable employment standards legislation; continued participation in Li-Cycle’s executive benefit plans and perquisites until the end of the statutory notice period pursuant to applicable employment standards legislation, and after, for a period of twelve months or until the NEO becomes entitled to participate in similar benefit plans with another employer, participation in primary coverages (health care, dental care, and employee assistance program); post-employment treatment of the NEO’s long term incentive plan awards (including without limitation share options and RSUs) determined in accordance with the terms of the Long-Term Incentive Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy (as described below); and outplacement career counselling ending on the earliest to occur of twelve months following the termination and the date that the NEO obtains full-time employment.

If the NEO is terminated for cause, death, mutually agreed retirement or by the executive without good reason, he or she will be entitled to payment of any unpaid base salary, vacation pay and reimbursement for business expenses properly incurred and accrued to the termination date; matching contributions to the NEO’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 the NEO’s long term incentive plan awards (including without limitation share options and RSUs) determined in accordance with the terms of the Long-Term Incentive Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy (as described below).

If the NEO is terminated for permanent disability, he or she will be entitled to a lump-sum payment of any unpaid base salary, vacation pay and reimbursement for business expenses properly incurred and accrued during the applicable elimination period for long-term disability benefits stipulated in Li-Cycle’s long-term disability insurance

plan, less any short-term disability benefit payments provided by Li-Cycle; matching contributions to the NEO's registered retirement savings plan up to and including the end of the applicable elimination period; continued participation in Li-Cycle's executive benefit plans and perquisites up to and including the end of the applicable elimination period; post-employment treatment of the NEO's long term incentive plan awards (including without limitation share options and RSUs) determined in accordance with the terms of the Long-Term Incentive Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy (as described below); and if any, minimum statutory entitlements under applicable employment standards legislation.

The 2021 Executive Severance Policy provides that all unvested options and RSUs will be accelerated and exercisable for the remainder of the term in the case of an executive officer's termination (i) without cause or resignation for good reason within 12 months following a change in control, (ii) in the case of death, and (iii) in the case of disability. An executive officer's unvested options and RSUs will continue to vest in the case of mutually agreed retirement. In all other cases of termination, unvested options and RSUs shall be forfeited.

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. On January 31, 2022, Mr. MacInnis retired.

Mr. MacInnis' retirement agreement (the "Retirement Agreement") sets forth certain terms and conditions relating to his retirement from employment with Li-Cycle, which superseded the terms and conditions of his employment agreement that pertained 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 would have been 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 commenced 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 was 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 would have been null and void in the event that Mr. MacInnis' employment were 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 would 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=US\$0.8075), which amounts would be repayable to the Company if Mr. MacInnis' employment were terminated by the Company for just cause or by Mr. MacInnis by way of voluntary resignation at any time prior to the retirement date. These payments were made in August 2021. Mr. MacInnis retired as agreed on January 31, 2022.

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 nine 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, environment and sustainability committee (the "HSES 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), Jacqueline Dedo, Scott Prochazka and Mark Wellings. The Board has determined that each of the members of the Compensation Committee is an independent director.

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 executive officers 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), Jacqueline Dedo and Scott Prochazka. The Board has determined that each of the members of the Nominating and Governance Committee is an independent director.

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, Environment and Sustainability Committee

The HSES Committee is comprised of Anthony Tse (Chair), Jacqueline Dedo, Rick Findlay and Kunal Sinha. The board has established a written charter setting forth the purpose, composition, authority and responsibility of the HSES Committee. The function and purpose of the HSES Committee is to assist the board in fulfilling its responsibilities with respect to developing and implementing the health, safety, environmental and

sustainability policies, procedures and programs of the Company and its subsidiaries, and monitoring compliance with such policies.

D. Employees

As of October 31, 2022, we had over 405 employees. The majority of our employees are employed on a full-time basis. We have approximately 120 employees at our corporate and engineering offices in Toronto, Ontario. Our other corporate and engineering offices are located in Birmingham, Alabama, Baar, Switzerland and Singapore. Our operational employees are primarily located at our operational Spokes in Ontario, New York, Arizona and Alabama.

As we continue to grow our Spoke & Hub network, we anticipate adding additional employees. We expect that our Rochester Hub will require approximately 270 employment positions once operational.

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 Company’s directors and NEOs for the year ended October 31, 2022, and the following information for each such director and NEO as of January 31, 2023, being the number of common shares, options and RSUs of the Company owned or over which control or direction is exercised by each such director and NEO 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	RSUs	Number of Securities Underlying Options	Option Exercise Price (\$)	Option Expiration Date
Ajay Kochhar, <i>Director, President and CEO</i> (2)	24,930,228	14.14%	None	276,011	159,640 139,685 176,871 92,105 253,028	\$0.02 \$0.37 \$10.93 \$7.58 \$5.77	April 11, 2023 July 19, 2024 August 10, 2031 January 31, 2032 January 27, 2033
Tim Johnston, <i>Director, Executive Chair</i> (3)	11,394,674	6.46%	None	276,011	159,640 199,550 176,871 92,105 253,028	\$0.02 \$0.37 \$10.93 \$7.58 \$5.77	April 11, 2023 July 19, 2024 August 10, 2031 January 31, 2032 January 27, 2033
Debbie Simpson, <i>CFO</i>	—	—	None	541,302	58,219 188,678	\$7.58 \$5.77	January 31, 2032 January 27, 2033
Bruce MacInnis, <i>Former CFO</i>	—	*	None	—	310,928	\$10.93	August 10, 2031

Richard Storrle, Regional President, Americas	—	—	None	142,853	176,857	\$7.58	January 31, 2032
					4,542	\$7.11	September 13, 2032
					50,639	\$5.77	January 27, 2033
Carl DeLuca, General Counsel & Corporate Secretary....	9,048	*	None	97,850	102,470	\$10.93	August 10, 2031
					28,421	\$7.58	January 31, 2032
					66,256	\$5.77	January 27, 2033
Mark Wellings Director	244,708	*	None	29,889	87,003	\$0.37	July 19, 2024
Rick Findlay, Director	688,575	*	None	29,889	—	—	—
Anthony Tse, Director	244,387	*	None	29,889	—	—	—
Alan Levande, Director	950,203	*	None	29,889	—	—	—
Scott, Prochazka, Director	101,543	*	None	29,889	—	—	—
Kunal Sinha, Director	0	—	None	18,072	—	—	—
Jacqueline Dedo, Director	0	—	None	14,349	—	—	—

* Less than 1 percent

Notes:

- (1) The ownership percentage set out in this column is based on a total of 176,254,266 outstanding common shares as of January 31, 2023, in each case rounded down to the nearest hundredth.
- (2) The number of shares owned include 67,616 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”). 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 of the Company held by 2829908 Delaware LLC. Mr. Kochhar is a Director and the President and CEO of the Company.

- (3) The number of shares owned include 347,507 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 Chair 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 as of January 31, 2023 based on 176,254,266 common shares issued and outstanding as of January 31, 2023, with respect to beneficial ownership of our common shares by:

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

In accordance with SEC rules, individuals and entities below are shown as having beneficial ownership over common shares they own or have the right to acquire within 60 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 31, 2023, approximately 69.29% of our common shares are owned by 23 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)	25,319,212	14.33%
Tim Johnston (3)	11,843,523	6.70%
Mark Wellings (4)	331,711	*
Rick Findlay (5)	688,575	*
Anthony Tse (6)	244,387	*
Alan Levande (7)	950,203	*
Scott Prochazka (8)	101,543	*
Kunal Sinha	0	*
Jacqueline Dedo	0	*
Debbie Simpson (9)	19,406	*
Richard Storrie (10)	58,952	*
Carl DeLuca (11)	52,679	*
Chris Biederman (12)	142,440	*
Dawei Li (13)	34,347	*
Christine Barwell	0	*
All directors and executive officers as a group (15 individuals)	39,786,978	22.43%
<i>Five Percent or Greater Shareholders</i>		
Louis M. Bacon (14)	8,473,266	4.80%
CEC Aventurine Holdings, LLC (15)	8,885,499	5.04%
Glencore plc (16)	20,100,503	11.40%

* Less than 1 percent

Notes:

- (1) The ownership percentage set out in this column is based on a total of 176,254,266 outstanding common shares as of January 31, 2023, in each case rounded down to the nearest hundredth, and calculated in accordance with SEC rules.
- (2) Ajay Kochhar's 25,319,212 shares beneficially owned include (1) 67,616 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) 388,984 common shares subject to vested stock options held by Mr. Kochhar which includes options to acquire (i) 159,640 common shares at a price of \$0.02 per share until April 11, 2023, (ii) 139,685 common shares at a price of \$0.37 per share until July 19, 2024, (iii) 58,957 common shares at a price of \$10.93 per share until August 10, 2031 and (iv) 30,702 common shares at a price of \$7.58 per share until January 31, 2032. There is an oral agreement among Mr. Kochhar, the Trust, Maplebriar Holding, and 2829908 Delaware LLC, that grants Mr. Kochhar the sole power to control the voting and disposition of the common shares of the Company held by 2829908 Delaware LLC. Mr. Kochhar is one of three trustees of the Trust, along with Mr. Kochhar's brother and father, and the beneficiaries of the Trust are principally relatives of Mr. Kochhar. Mr. Kochhar is a Director and the President and CEO of the Company.

- (3) Tim Johnston's 11,843,523 shares beneficially owned include (1) 347,507 common shares owned directly by Mr. Johnston, (2) 11,047,167 common shares owned by Keperra Holdings Ltd., a Guernsey corporation ("Keperra") and (3) 448,849 common shares subject to vested stock options, which includes options to acquire (i) 159,640 common shares at a price of \$0.02 per share until April 11, 2023, (ii) 199,550 common shares at a price of \$0.37 per share until July 19, 2024, (iii) 58,957 common shares at a price of \$10.93 per share until August 10, 2031 and (iv) 30,702 common shares at a price of \$7.58 per share until January 31, 2032. 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 Chair of the Company.
- (4) Mark Wellings' 331,711 shares beneficially owned include (1) 14,474 common shares owned directly by Mr. Wellings, (2) 230,234 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) vested options to acquire 87,003 common shares at a price of \$0.37 per share until July 19, 2024. Mr. Wellings is a director of the Company.
- (5) Rick Findlay owns 688,575 shares directly, including 13,000 shares acquired through the PIPE Financing. Mr. Findlay is a Director of the Company.
- (6) Anthony Tse beneficially owns 244,387 common shares. Mr. Tse is a Director of the Company.
- (7) Alan Levande beneficially owns 950,203 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 101,543 common shares directly. Mr. Prochazka previously served as a Director of Peridot and is currently a Director of the Company.
- (9) Debbie Simpson's shares beneficially owned include 19,406 common shares issuable on the exercise of a vested option at a price of \$7.58 per share until January 31, 2032.
- (10) Richard Storrie's shares beneficially owned include 58,952 common shares issuable on the exercise of a vested option at a price of \$7.58 per share until January 31, 2032.
- (11) Carl DeLuca's 52,679 shares beneficially owned include (1) 9,048 common shares owned directly by Mr. DeLuca and (2) 43,631 common shares subject to vested stock options which includes options to acquire (i) 34,157 common shares at a price of \$10.93 per share until August 10, 2031 and (ii) 9,474 common shares at a price of \$7.58 per share until January 31, 2032. Mr. DeLuca is the General Counsel & Corporate Secretary of the Company.
- (12) Chris Biederman's 142,440 shares beneficially owned include (1) 112,090 shares owned directly by Mr. Biederman and (2) 30,350 common shares subject to vested stock options which includes options to acquire (i) 22,455 common shares at a price of \$10.93 per share until August 10, 2031 and (ii) 7,895 common shares at a price of \$7.58 per share until January 31, 2032. Mr. Biederman is the Chief Technical Officer of the Company.
- (13) Dawei Li's 34,347 shares beneficially owned include (1) 11,219 common shares owned directly by Mr. Li and (2) 23,128 common shares subject to vested stock options which includes options to acquire (i) 6,237 common shares at a price of \$10.93 per share until August 10, 2031, (ii) 10,575 common shares at a price of \$13.20 per share until November 22, 2031 and (iii) 6,316 common shares at a price of \$7.58 per share until January 31, 2032. Mr. Li is the Regional President, APAC of the Company.
- (14) Louis M. Bacon beneficially owned 8,473,266 common shares consisting of (1) 667,868 common shares held by MMF LT, LLC, a Delaware limited liability company ("MMF") and (2) 7,805,398 common shares held by Moore Strategic Ventures, LLC, a Delaware limited liability company ("MSV"). According to an amendment no. 1 to a Schedule 13G filed with the SEC on February 14, 2022, Kendall Capital Markets, LLC, a Delaware limited liability company ("KCM") and MSV may be deemed to be the beneficial owner of the 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 the common shares held by MMF. 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. Based solely on the Schedule

13G filed with the SEC on August 20, 2021, MMF LT, LLC beneficially owned 5,075,000 common shares or 3.1% of the outstanding common shares as of August 10, 2021.

- (15) CEC Aventurine Holdings, LLC holdings include common shares held by Peridot Acquisition Sponsor, LLC. CEC Aventurine Holdings, LLC is an affiliate of Peridot Acquisition Sponsor, LLC. The business address of CEC Aventurine Holdings, LLC is 2229 San Felipe Street, Suite 1450, Houston, TX 77019. CEC Aventurine Holdings is controlled by Carnelian Energy Capital III, L.P. (“Carneian Fund III”), its sole member. Carneian Fund III is controlled by its general partner, Carneian Energy Capital GP III, L.P. (“Carneian L.P.”) and Carneian L.P. is controlled by its general partner Carneian Energy Capital Holdings, LLC (“Carneian Holdings”). Tomas Ackerman and Daniel Goodman are the controlling members of Carneian Holdings. Accordingly, Tomas Ackerman and Daniel Goodman have voting and investment control of the common shares held by CEC Aventurine Holdings, LLC. Based solely on the Schedule 13G filed with the SEC on February 20, 2022, CEC Aventurine Holdings, LLC beneficially owned 9,714,165 common shares or 5.75% of the outstanding common shares as of January 31, 2023.
- (16) Represents the number of common shares issuable to Glencore Ltd. upon conversion of all of the Glencore Convertible Note directly owned by Glencore Ltd. assuming an outstanding principal of \$200,000,000 and excluding accrued and unpaid interest which may be payable in PIK at Li-Cycle’s option at the next semi-annual interest payment date. According to a Schedule 13D filed on September 23, 2022, Glencore Ltd. is a direct wholly-owned subsidiary of Glencore International AG and indirect wholly-owned subsidiary of Glencore plc. The address of the principal business and office of Glencore Ltd. is 330 Madison Ave., New York, NY 10017. The address of the principal business and office of Glencore International AG and Glencore plc is Baarermattstrasse 3, CH-6340, Baar, Switzerland.

Based solely on 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 or 7.95% of the outstanding common shares as of August 10, 2021. Based solely on an amendment no. 1 to a Schedule 13G filed with the SEC on May 5, 2022, TechMet Limited beneficially owned 0 common shares as of May 5, 2022. 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

Our Related Party Transaction Policy and Practices

Related Party Transaction Policy

Our board of directors has 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.

Executive Employment Agreements

We have entered into employment agreements with certain of our executive officers. See “Item 6.B. Compensation—Employment Arrangements, Termination and Change in Control Benefits.”

Director & Officer Indemnification Agreements

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

Investor Agreement

At the closing date of the Business Combination, the Company, the Peridot Class B Holders and the Li-Cycle Holders entered into the Investor Agreement, pursuant to which, among other things, the Peridot Class B Holders and the Li-Cycle Holders were granted certain registration rights with respect to the common shares held by

the Peridot Class B Holders and the Li-Cycle Holders. The Investor Agreement provides that the common shares held by the Li-Cycle Holders will be subject to certain restrictions on the transfer of common shares held by them. For additional information, see the section titled “Item 10C. Material Contracts— Investor Agreement.”

Glencore Commercial Agreements

On May 31, 2022, the Company entered into the Glencore Commercial Agreements, including the Master Commercial Agreement, the Amended & Restated Global Feed Sourcing Agreement, the Black Mass Sourcing Agreement, the Sulfuric Acid Supply Agreement, the Black Mass Off-Take Agreement, the End Products Off-Take Agreement and the By-Products Off-Take Agreement. For a description of the Glencore Commercial Agreements, see “Item 4B. Business Overview—Our Broad and Diversified In-Take and Off-Take Commercial Contracts—Glencore Commercial Agreements.”

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 CEO. 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, 2022, the Company incurred \$6,358 in relation to this lease, as compared to \$39,866 for the twelve months ended October 31, 2021.

Related-Party Expenses

The Company engaged Ashlin BPG Marketing, a related party as described above, to provide it with Li-Cycle branded promotional products for both customers and employees, from April 1, 2020 to June 30, 2022. During the twelve months ended October 31, 2022, the Company incurred expenses of \$50,173 attributable to this vendor, as compared to \$46,640 for the twelve months ended October 31, 2021. The Company terminated its relationship with this vendor, effective June 30, 2022.

The Company engaged Consulero Inc., which is controlled by certain members of the immediate family of the Company’s President and CEO, to provide it with technology services in relation to the Company’s inventory management system, from September 1, 2020 to July 31, 2022. During the twelve months ended October 31, 2022, the Company incurred expenses of \$121,950 attributable to this vendor, as compared to \$103,040 for the twelve months ended October 31, 2021. The Company terminated its relationship with this vendor, effective July 31, 2022.

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, 2022, the Company incurred expenses of \$156,215 attributable to this vendor, as compared to \$145,851 for the twelve months ended October 31, 2021.

Director Consulting Agreement

Under the terms of an agreement dated July 19, 2019 between Li-Cycle Corp. and Anthony Tse, Mr. Tse provided consulting services to Li-Cycle Corp. 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, 2022, Mr. Tse was paid aggregate fees under this agreement of \$14,100 as compared to \$56,400 for the twelve months ended October 31, 2021. The consulting agreement was terminated on January 19, 2022.

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 Note 18 to the audited consolidated financial statements included in this annual report and the section entitled “Item 4B. 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

On December 21, 2022, the Company announced a change in its financial year end from October 31 to December 31. The change is being made to better align Li-Cycle's financial reporting calendar with peer group companies. As a result, by March 31, 2023, Li-Cycle will file a transition report on Form 20-F that will provide financial statements for the two-month period from November 1, 2022 through December 31, 2022. Li-Cycle's next financial year will cover the period from January 1, 2023 to December 31, 2023.

On January 12, 2023, the Company entered into the Hub Warehouse Agreement, outlining the parties' respective rights and obligations with respect to the construction, financing and leasing of a warehouse and administrative building for the Rochester Hub. See "Item 4D. Property, Plants and Equipment – Leases".

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our common shares listed on NYSE under the symbol "LICY". Holders of our common shares should obtain current market quotations for their securities. There can be no assurance that our common shares will remain listed on NYSE. If we fail to comply with the NYSE listing requirements, our common shares 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 3D. Risk Factors—Risks Relating to Ownership of Our Securities—NYSE may delist our common shares, which could limit investors' ability to engage in transactions in our common shares and subject us to additional trading restrictions."

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

The following includes a description of the Company's organizational documents, which are included in this annual report as Exhibits 1.1 and 1.2. Certain information called for by this item is set forth in Exhibit 2.2 to this annual report and is incorporated by reference into this annual report.

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 Company 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 Company 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 a quorum of shareholders is present at a meeting of shareholders if the holders of not less than 33 1/3% of the shares entitled to vote at the meeting are present in person or represented by proxy, irrespective of the number of persons actually present at the meeting.

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 its 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 of the Company imposed by Ontario law or by the articles 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 directors of the Company, 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 of the Company and subject to the OBCA, the articles of the Company and applicable securities laws, shareholders of record entitled to vote will nominate persons for election to the board of directors of the Company 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 or 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 the Company's 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 the Company's 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 Company's 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 Company's by-laws provide that, unless the Company consents in writing to the selection of an alternative forum and except as set out below, the Ontario Superior Court of Justice and the appellate courts therefrom will, to the fullest extent permitted by law 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 Company's articles or by-laws of the Company, 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 Company's 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 any action brought to enforce a duty or liability created by the 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 Company, including, but not limited to, changes to the Company's authorized capital structure, changes to the rights privileges, restrictions and conditions in respect of any of the Company's shares, a change in the Company's name, the winding up, dissolution or liquidation of the Company, 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 or 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 OBCA (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 "LICY.WS", 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, 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. The Company has granted certain registration rights to the Holders. The Company has filed with the SEC a shelf registration statement covering the resale of the common shares held by the Holders, which has been declared effective by the SEC. In addition, pursuant to the terms of the Investor Agreement and subject to certain requirements and customary conditions, including with regard to the number of demand rights that may be exercised, the Holders may demand at any time or from time to time, that the Company file a registration statement on Form F-3 (or on Form F-1 if Form F-3 is not available) to register the securities of the Company held by such Holders, and each may specify that such demand registration take the form of an underwritten offering, in each case subject to limitations on the number of demands and underwritten offerings that can be requested by each Holder, as specified in the Investor Agreement. Holders will also have “piggy-back” registration rights, subject to certain requirements and customary conditions. The Investor Agreement also provides that the Company will pay certain expenses relating to such registrations and indemnify the Holders against (or make contributions in respect of) certain liabilities that may arise under the Securities Act.

The Investor Agreement further provided that the securities of the Company held by the Peridot Class B Holders and Li-Cycle Holders were subject to certain transfer restrictions which have now expired.

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 were 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'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. The registration statement on Form F-3 filed by the Company on September 14, 2022 and declared effective by the SEC on September 23, 2022 is intended to satisfy this requirement.

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.

KSP Note Purchase Agreement

On September 29, 2021, the Company entered into a Note Purchase Agreement (the “KSP Note Purchase Agreement”) with Spring Creek Capital, LLC (“Spring Creek Capital”) (an affiliate of Koch Strategic Platforms, LLC, or “KSP”) and issued to Spring Creek Capital under the KSP Note Purchase Agreement an unsecured convertible note, as amended from time to time, in the principal amount of \$100 million (the “Initial KSP

Convertible Note”), in a transaction exempt from registration pursuant to Section 4(a)(2) of the U.S. Securities Act of 1933, as amended (the “Securities Act”). The Company granted certain registration rights to the holder of the KSP Convertible Notes under the KSP Note Purchase Agreement. The Company has filed a registration statement covering the resale of the common shares issued or issuable upon conversion of the KSP Convertible Notes 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 KSP Convertible Notes) effective until the earlier of (x) the third anniversary of the first issuance of the KSP Convertible Notes or (y) the date on which the holder of the KSP Convertible Notes ceases to hold any common shares issued or upon conversion of the KSP Convertible Notes. The registration statement on Form F-3 filed by the Company on September 14, 2022 and declared effective by the SEC on September 23, 2022 is intended to satisfy this requirement.

KSP Convertible Notes

On September 29, 2021, the Company issued to Spring Creek Capital the Initial KSP Convertible Note. On December 31, 2021, the Company issued to Spring Creek Capital an additional unsecured convertible note in the amount of \$1,827,778 in satisfaction of the interest due and payable on the Initial KSP Convertible Note (a “PIK Note” and, together with any other additional unsecured convertible notes issued in satisfaction of interest due and payable, the “PIK Notes”). On May 1, 2022, Spring Creek Capital assigned the Initial KSP Convertible Note and the then-outstanding PIK Notes to an affiliate, Wood River Capital, LLC (“Wood River Capital”) and each of Spring Creek Capital and Wood River Capital signed a joinder agreement under which Wood River Capital agreed to become a party to, to be bound by and to comply with the KSP Note Purchase Agreement and the KSP Standstill Agreement (as defined below); provided, however, that assignment did not relieve Spring Creek Capital of its obligations thereunder. On June 30, 2022, the Company issued a PIK Note to Wood River Capital in the amount of \$4,095,740. The Initial KSP Convertible Note and any PIK Notes issued in satisfaction of interest due and payable thereon are referred to collectively as the “KSP Convertible Notes”.

The KSP Convertible Notes mature five years from the date of first issuance (September 29, 2026) and accrue interest from the date of issuance at the London Interbank Offer Rate (LIBOR) plus five percent (5%) per annum. Interest on the KSP Convertible Notes 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%. On March 5, 2021, The Financial Conduct Authority announced the retirement of the LIBOR rate, ceasing the publication of the LIBOR rate relevant to the KSP Convertible Notes as of June 30, 2023. Once the LIBOR interest rate is no longer published, the interest rate 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 ending on the date on which LIBOR ceases to be published.

The principal and accrued interest owing under the KSP Convertible Notes may be converted at any time by the holder into the Company’s common shares, at a per share price equal to \$13.43 (the “Conversion Price”). If the closing price per share of the Company’s common shares on the New York Stock Exchange is above \$17.46 for 20 consecutive trading days, the Company may elect to convert the principal and accrued interest owing under the KSP Convertible Notes, plus a make-whole amount equal to the undiscounted interest payments that would have otherwise been payable through maturity (the “Make-Whole Amount”) into the Company’s common shares at the Conversion Price.

The Company may redeem the KSP Convertible Notes at any time by payment in cash of an amount equal to 130% of the principal amount of the KSP Convertible Notes and all accrued interest owing under the KSP Convertible Notes, plus the Make-Whole Amount. Upon a change of control transaction, the Company will be required to redeem the KSP Convertible Notes by payment in cash of an amount equal to the outstanding principal amount of the KSP Convertible Notes and all accrued interest owing under the KSP Convertible Notes, plus the Make-Whole Amount.

The KSP Convertible Notes are subject to certain events of default, the occurrence of which would give the holder the right to require the Company to redeem the KSP Convertible Notes by payment in cash of an amount equal to the outstanding principal amount of the KSP Convertible Notes and all accrued interest owing thereunder the KSP Convertible Notes, plus the Make-Whole Amount. The KSP Note Purchase Agreement contains certain customary representations, warranties and covenants by and for the benefit of the parties.

On May 5, 2022, the Company and Wood River Capital entered into a consent and amendment agreement pursuant to which Wood River Capital consented to the issuance of the Glencore Convertible Note and the parties amended certain investor consent-related provisions of the KSP Convertible Notes.

KSP Standstill Agreement

On September 29, 2021, in connection with the KSP Convertible Notes investment, the Company, KSP and Spring Creek Capital entered into a Standstill Agreement (the “KSP Standstill Agreement”), which restricts KSP, Spring Creek Capital and their affiliates (including Wood River Capital) from taking certain actions until the later of

the conversion of the KSP Convertible Notes in full or twelve months from the first issuance of the KSP Convertible Notes (the “KSP Standstill Period”). The actions that KSP, Spring Creek Capital and their affiliates (including Wood River Capital) are restricted from taking during the KSP Standstill Period include, among others, (A) the acquisition of additional voting securities of the Company if 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 after the acquisition (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 U.S. Securities Exchange Act of 1934) with respect to the Company’s securities.

LG Subscription Agreements

On December 13, 2021, Li-Cycle entered into subscription agreements with each of LGES and LGC, each of which were subsequently amended and restated on March 11, 2022 and April 21, 2022 (the “LG Subscription Agreements” and each, an “LG Subscription Agreement”), pursuant to which each of LGES and LGC agreed, subject to the satisfaction of certain conditions, to subscribe for an equal number of the Company’s common shares in transactions exempt from registration under the Securities Act (the “LG Subscription”). The LG Subscription was completed on May 11, 2022 and consisted of the issuance by the Company in accordance with the LG Subscription Agreements of (i) an initial tranche of 4,416,960 common shares, in the aggregate, at a price of \$10.00 per share, for an aggregate initial tranche subscription price of approximately \$44.2 million, and (ii) a second tranche of 883,392 common shares, in the aggregate, at a price of \$6.60 per share (based on the volume-weighted average trading price of the Company’s common shares for the 5 trading days ending immediately prior to April 29, 2022), for an aggregate second tranche subscription price of approximately \$5.8 million, for a total subscription price of approximately \$50.0 million.

The Company has granted certain registration rights to LGES and LGC under the LG Subscription Agreements. The Company has filed with the SEC a shelf registration statement covering the resale of the common shares issued pursuant to the LG Subscription Agreements, which has been declared effective by the SEC. The Company has agreed to keep such shelf registration statement (or another shelf registration statement covering the common shares issued pursuant to the LG Subscription Agreements) effective until the earlier of (x) May 11, 2025 or (y) the date on which LGES or LGC, as applicable, ceases to hold any of the common shares acquired pursuant to the LG Subscription Agreements.

The common shares issued pursuant to the LG Subscription Agreements are subject to certain transfer restrictions.

LG 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.

Glencore Note Purchase Agreement

On May 5, 2022, the Company entered into a Note Purchase Agreement (the “Glencore Note Purchase Agreement”) with Glencore Ltd. pursuant to which the Company issued to Glencore an unsecured convertible note (the “Glencore Convertible Note”) in the aggregate principal amount of \$200,000,000, in a transaction exempt from registration under the Securities Act of 1933, as amended (the “Transaction”).

The Glencore Note Purchase Agreement includes customary representations, warranties and covenants. In addition, Glencore has agreed to certain transfer restrictions with respect to the common shares of the Company issuable upon conversion of the Glencore Convertible Note.

On the closing of the Transaction, the parties entered into the Glencore Commercial Agreements. In addition, Glencore entered into a standstill agreement and the Company granted certain registration rights to Glencore, as described further below.

Subject to certain exceptions and applicable law, following closing of the Transaction, Glencore is entitled to nominate one board member to the board of directors of the Company. Pursuant to the exercise of that right, Kunal Sinha, Glencore's Head of Recycling, has been appointed to the Company's Board of Directors

Glencore Convertible Note

On May 31, 2022, pursuant to the note purchase agreement entered into by the Company and Glencore on May 5, 2022, the Company issued to Glencore the Glencore Convertible Note in the aggregate principal amount of \$200,000,000, in a transaction exempt from registration under the Securities Act. The Glencore Convertible Note matures five years from the date of issuance and interest on the Glencore Convertible Note is payable on a semi-annual basis, either in cash or by PIK, at the Company's option. The Glencore Convertible Note accrues interest from the date of issuance at the forward-looking term rate based on SOFR for a tenor comparable to the relevant interest payment period plus 0.42826% (the "Floating Rate") plus 5% per annum if interest is paid in cash and plus 6% per annum if interest is paid in PIK. The Floating Rate has a floor of 1% and a cap of 2%. The obligations of the Company to make any payment on account of the principal of and interest on the Glencore Convertible Note are subordinate and junior in right of payment and upon liquidation to the Company's obligations to the holders of all current and future senior indebtedness of the Company.

The principal and accrued interest owing under the Glencore Convertible Note may be converted at any time by the holder into the Company's common shares at a per share price equal to \$9.95 (the "Conversion Price"), subject to adjustments. The Company may redeem the Glencore Convertible Note at any time by payment of an amount in cash equal to 100% of the outstanding principal amount of the Glencore Convertible Note and all accrued interest owing under the Glencore Convertible Note. In connection with any optional redemption and provided that the holder of the Glencore Convertible Note has not elected to convert the Glencore Convertible Note into common shares following receipt of an optional redemption notice, the Company must issue warrants (the "Glencore Warrants") to the holder of the Glencore Convertible Note on the optional redemption date that entitle the holder to acquire, until the maturity date of the Glencore Convertible Note, a number of common shares equal to the principal amount of the Glencore Convertible Note being redeemed divided by the then applicable Conversion Price. The initial exercise price of the Glencore Warrants will be equal to the Conversion Price as of the optional redemption date.

The Glencore 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 Glencore Convertible Note by payment of an amount in cash equal to the outstanding principal amount of the Glencore Convertible Note and all accrued interest owing under the Glencore 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"). In addition, the occurrence of certain bankruptcy-related events of default renders the outstanding principal amount of the Glencore Convertible Note, all accrued interest owing thereunder and the Make-Whole Amount immediately due and payable.

Upon a change of control transaction, the Company will be required to redeem the Glencore Convertible Note by payment of an amount in cash equal to the outstanding principal amount of the Glencore Convertible Note and all accrued interest owing under the Glencore Convertible Note, plus the Make-Whole Amount. Glencore has agreed to certain transfer restrictions with respect to the common shares issued or issuable upon conversion of the Glencore Convertible Note, including that Glencore will not transfer common shares other than to permitted transferees until May 5, 2024.

Glencore Registration Rights Agreement

Concurrently with the issuance of the Glencore Convertible Note, the Company entered into a registration rights agreement with Glencore (the "Glencore Registration Rights Agreement"). The Glencore Registration Rights Agreement provides that upon request of the holder of the Glencore Convertible Note, the Company will file with the SEC within 45 days after notice of such request, a resale registration statement covering the resale of the common shares issuable upon conversion of the Glencore Convertible Note and upon exercise of the Glencore Warrants and held by such holder. 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) 45 days after the filing of such registration statement (or 75 days after the filing of such registration statement if the SEC notifies the Company that it will review the registration statement) or (B) 15 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 Glencore Convertible Note and upon exercise of the Glencore Warrants) effective until three years after the holder's receipt of the common shares issued upon conversion of the Glencore Convertible Note or upon exercise of the Glencore Warrants, as applicable.

In addition, subject to certain requirements and customary conditions, including with regard to the number of demand rights that may be exercised, the holder of the Glencore Convertible Note 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 common shares issuable upon conversion of the Glencore Convertible Note and upon exercise of the Glencore Warrants and held by such holder. In addition, the holder of the Glencore Convertible Note may specify that such demand registration take the form of an underwritten offering, subject to limitations on the number of demands and underwritten offerings that can be requested by the holder, as specified in the Glencore Registration Rights Agreement. The holder of the Glencore Convertible Note will also have "piggy-back" registration rights, subject to certain requirements and customary conditions.

The Glencore Registration Rights Agreement also provides that the Company will pay certain expenses relating to such registrations and indemnify the holder of the Glencore Convertible Note against (or make contributions in respect of) certain liabilities that may arise under the Securities Act.

Glencore Standstill Agreement

On May 31, 2022, the Company, Glencore and Glencore plc (the "Glencore Parent") entered into an amended and restated standstill agreement (the "Glencore Standstill Agreement"), which restricts Glencore, the Glencore Parent and their affiliates from taking certain actions until the five years from the date of the Glencore Standstill Agreement (the "Glencore Standstill Period").

The actions that Glencore, the Glencore Parent and their affiliates are restricted from taking during the Glencore Standstill Period include, among others, (A) the acquisition of additional voting securities or of any debt, material assets or material businesses of the Company, provided that Glencore and the Glencore Parent may acquire voting securities of the Company so long as the aggregate beneficial ownership of such securities does not exceed 5.0% of the then-outstanding voting securities of the Company, (B) any tender or exchange offer, 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.

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. This discussion is not a complete description of all tax considerations that may be relevant to a U.S. Holder of common shares; it is not a substitute for tax advice. It applies only to U.S. Holders that will hold common shares 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 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. 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. This summary also does not address the U.S. federal income tax considerations relevant to the acquisition, holding, disposition or conversion of the KSP Convertible Notes into common shares or the payment of any amount of principal or interest on the KSP Convertible Notes.

As used in this section, “U.S. Holder” means a beneficial owner of common shares 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 generally will depend on the status of the partner and the activities of the partnership. Partnerships that hold common shares 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.

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

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 includible in “net investment income” for purposes of the Medicare contribution tax.

Taxation of dispositions of common shares

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 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. 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. 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 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 received by certain non-corporate U.S. Holders generally will be includible 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, 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 (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 U.S. 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.

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 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. 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 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.

Information Reporting and Backup Withholding

Dividends on common shares and proceeds from the sale or other disposition of common shares 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 advisers 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 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 advisers about these and any other reporting obligations arising from their investment in common shares.

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 IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF OWNING AND DISPOSING OF COMMON SHARES 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 an investor who acquires as beneficial owner common shares and who, at all relevant times, for the purposes of the Tax Act and any applicable tax treaty or convention: (i) deals at arm's length with the Company and is not affiliated with the Company; (ii) is not and is not deemed to be resident in Canada; (iii) holds the common shares as capital property; and (iv) does not use or hold, and is not deemed to use or hold, the common shares in connection with, or in the course of carrying on, a business in Canada (a "**Non-Canadian Holder**").

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

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

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

Currency

For the purposes of the Tax Act, all amounts expressed in a currency other than Canadian dollars relating to the acquisition, holding or disposition of a common share, including dividends, adjusted cost base and proceeds of disposition, must be determined in Canadian dollars using the relevant rate of exchange required under the Tax Act.

Dividends

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

Disposition of common shares

A Non-Canadian Holder who disposes or is deemed to dispose of a common share in a taxation year will not be subject to tax in Canada, unless the common share is, or is deemed to be, “taxable Canadian property” to the Non-Canadian Holder at the time of disposition and the Non-Canadian Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Canadian Holder is resident.

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.

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

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

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 and Canadian Securities Administrators National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*) 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, as of October 31, 2022, our disclosure controls and procedures were not effective, due to the material weaknesses in the Company's internal control over financial reporting described below.

In addition, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as defined above) as of October 31, 2021 and on a quarterly basis thereafter. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of those dates, our disclosure controls and procedures were not effective, due to the material weaknesses in the Company's internal control over financial reporting which were disclosed as of those dates. On January 27, 2023, the Company filed with the SEC an amendment to its previously filed Annual Report on Form 20-F for the year ended October 31, 2021 to correct a prior statement that its disclosure controls and procedures were effective on such date.

B. Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing, maintaining and assessing the effectiveness of adequate internal control over financial reporting ("ICFR") as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act and Canadian Securities Administrators National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*. The Company's ICFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Prior to August 10, 2021, Li-Cycle was a private company and addressed internal control over financial reporting with internal accounting and financial reporting personnel and other resources. In the course of preparing for the Business Combination, Li-Cycle identified material weaknesses in its internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Li-Cycle's annual or interim condensed consolidated interim financial statements may not be prevented or detected on a timely basis.

As of October 31, 2022, management assessed the effectiveness of the Company's ICFR based on the criteria established in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO 2013 Framework"). Based on this assessment, management identified the following material weaknesses as of October 31, 2022:

- an ineffective control environment, resulting from an insufficient number of experienced personnel with the appropriate technical training to allow for a detailed review of transactions that would identify errors in a timely manner;
- an ineffective risk assessment process to identify all relevant risks of material misstatement and to evaluate the implications of relevant risks on its internal control over financial reporting, resulting from the insufficient number of experienced personnel described above;
- an ineffective information and communication process to ensure the relevance, timeliness and quality of information used in control activities, resulting from: (i) insufficient communication of internal control information, including objectives and responsibilities; and (ii) ineffective general IT controls and controls over information from a service organization;
- an ineffective monitoring process, resulting from the evaluation and communication of internal control deficiencies not being performed in a timely manner; and
- ineffective control activities related to the design, implementation and operation of process level controls and financial statement close controls, as a consequence of the above, which had a pervasive impact on the Company's internal control over financial reporting.

As a result, management has concluded that the Company did not maintain effective internal control over financial reporting as of October 31, 2022, based on the COSO 2013 Framework described above. These material weaknesses create a reasonable possibility that a material misstatement to the consolidated financial statements will not be prevented or detected on a timely basis.

KPMG LLP, our independent registered public accounting firm, has issued an attestation report on the Company's internal control over financial reporting for the year ended October 31, 2022, which report expresses an adverse opinion on the effectiveness of internal control over financial reporting.

C. Attestation Report of Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Li-Cycle Holdings Corp.:

Opinion on Internal Control Over Financial Reporting

We have audited Li-Cycle Holdings Corp.'s and subsidiaries' (the Company) internal control over financial reporting as of October 31, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO 2013 Framework"). In our opinion, because of the effect of the material weaknesses, described below, on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of October 31, 2022, based on criteria established in the COSO 2013 Framework.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated statement of financial position of the Company as of October 31, 2022, the related consolidated statements of comprehensive loss, changes in equity, and cash flows for the year then ended, and the related notes (collectively, the "consolidated financial statements"), and our report dated February 6, 2023 expressed an unqualified opinion on those consolidated financial statements.

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 the company's annual or interim financial statements will not be prevented or detected on a timely basis. Material weaknesses related to the following have been identified and included in management's assessment:

- an ineffective control environment, resulting from an insufficient number of experienced personnel with the appropriate technical training to allow for a detailed review of transactions that would identify errors in a timely manner;
- an ineffective risk assessment process to identify all relevant risks of material misstatement and to evaluate the implications of relevant risks on its internal control over financial reporting, resulting from the insufficient number of experienced personnel described above;
- an ineffective information and communication process to ensure the relevance, timeliness and quality of information used in control activities, resulting from: (i) insufficient communication of internal control information, including objectives and responsibilities; and (ii) ineffective general IT controls and controls over information from a service organization;
- an ineffective monitoring process, resulting from the evaluation and communication of internal control deficiencies not being performed in a timely manner; and
- ineffective control activities related to the design, implementation and operation of process level controls and financial statement close controls, as a consequence of the above, which had a pervasive impact on the Company's internal control over financial reporting.

The material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements, and this report does not affect our report on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's Report on Internal Control Over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP
Vaughan, Canada
February 6, 2023

D. Changes in Internal Control Over Financial Reporting

Plan for Remediation of Material Weaknesses

We have taken steps to address these material weaknesses and expect to continue to implement the remediation plan, which we believe will address the underlying causes. We have engaged external advisors with subject matter expertise and additional resources to provide assistance with all elements of the internal control over financial reporting program, including: performance of a risk assessment; documentation of process flows; design and remediation of control deficiencies; 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 continue to monitor the longer-term resource needs of our various financial functions, as we grow our capability, capacity, and competency. We have made some improvements to our various IT platforms, including our enterprise resource planning ("ERP") system, and work on further upgrades is ongoing with the intent to further improve and enhance system functionality. Although we have strengthened our controls in these areas, we will not be able to conclude that we have remediated the material weaknesses until all relevant controls are fully implemented and have operated effectively for a sufficient period of time. We will continue to provide updates as we progress through the remediation plan.

Except for the steps taken to address the material weaknesses in the Company's ICFR as described above, no changes in the Company's ICFR occurred during the three months and year ended October 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

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 CEO, Executive Chair, 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 firms (KPMG LLP (PCAOB ID No. 85) for the fiscal year ended October 31, 2022 and Deloitte LLP (PCAOB ID No. 1208) for the fiscal year ended October 31, 2021) for the last two fiscal years, including the fees billed for professional services rendered to Li-Cycle for each of the two years ended October 31, 2022 and 2021. The fees were billed in Canadian dollars and were converted to U.S. dollars at average exchange rates of CA\$1.00=US\$0.7650 and CA\$1.00=US\$0.7955 for the fiscal years ended October 31, 2022 and 2021, respectively.

	<i>For the Year Ended October 31,</i>	
	<i>2021</i>	<i>2022</i>
	(\$)	
<i>Audit Fees</i>	\$ 2,019,224	\$ 783,131.34
<i>Audit-Related Fees</i>	-	\$ 94,536.45
<i>Tax Fees</i>	\$ 646,683	-
<i>All Other Fees</i>	-	
<i>Total</i>	\$ 2,665,927	\$ 877,667.79

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.

None

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

The disclosure called for by this Item 16F was previously reported, as that term is defined in Rule 12b-2 under the Exchange Act, in "Item 16.F. Change in Registrant's Certifying Accountant" of our annual report on Form 20-F for the fiscal year ended October 31, 2021 filed with the SEC on January 31, 2022.

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. While we currently comply with the corporate governance requirements applicable to U.S. domestic companies listed on the NYSE, we may use foreign private issuer exemptions with respect to some of the NYSE listing requirements from time to time. 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 Exhibits 99.1 and 99.2.

ITEM 19. EXHIBITS**EXHIBIT INDEX**

Exhibit No.	Description
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	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 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 (incorporated by reference to Exhibit 4.11 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on January 31, 2022).**
- 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 (incorporated by reference to Exhibit 4.12 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on January 31, 2022).**
- 4.13 Letter Agreement, dated December 15, 2021, between Traxys North America LLC and Li-Cycle Holdings Corp (incorporated by reference to Exhibit 4.13 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the on SEC on January 31, 2022).**

- 4.14 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 Li-Cycle North America Hub, Inc. thereunder (incorporated by reference to Exhibit 10.1 to the Company's Form 6-K filed with the SEC on August 12, 2021).**
- 4.15 Amendment to Ground Lease Agreement to Ground Lease Agreement dated June 9, 2022 by and between Li-Cycle North America Hub, Inc. and Ridgeway Properties I, LLC.
- 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 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).**
- 4.23 Amended and Restated Subscription Agreement, dated April 21, 2022, 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 April 22, 2022).**
- 4.24 Amended and Restated Subscription Agreement, dated April 21, 2022, 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 April 22, 2022).**

- 4.25 Note Purchase Agreement, dated May 5, 2022, by and between Li-Cycle Holdings Corp. and Glencore Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on May 5, 2022).**
- 4.26 Registration Rights Agreement, dated May 31, 2022, by and between Li-Cycle Holdings Corp. and Glencore Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 1, 2022).**
- 4.27 Amended and Restated Standstill Agreement, dated May 31, 2022, by and between Li-Cycle Holdings Corp. and Glencore Ltd. (incorporated by reference to Exhibit 10.2 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 1, 2022).**
- 4.28 Master Commercial Agreement, dated May 31, 2022, by and between Li-Cycle Holdings Corp. and Glencore Ltd. (incorporated by reference to Exhibit 10.3 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 1, 2022).**
- 4.29 Amended & Restated Global Feed Sourcing Agreement, dated May 31, 2022, by and between Glencore Ltd. and Li-Cycle Holdings Corp. (incorporated by reference to Exhibit 10.4 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 1, 2022).**
- 4.30 Black Mass Sourcing Agreement, dated May 31, 2022, by and among Glencore Ltd., Li-Cycle Holdings Corp., Li-Cycle Americas Inc., Li-Cycle Europe AG and Li-Cycle APAC Pte Ltd. (incorporated by reference to Exhibit 10.5 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 1, 2022).**
- 4.31 Black Mass Offtake Agreement, dated May 31, 2022, by and among Glencore Ltd., Li-Cycle Holdings Corp., Li-Cycle Americas Corp., Li-Cycle Europe AG and Li-Cycle APAC Pte Ltd. (incorporated by reference to Exhibit 10.6 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 1, 2022).**
- 4.32 End Products Off-take Agreement, dated May 31, 2022, by and among Glencore Ltd., Li-Cycle Holdings Corp., Li-Cycle Americas Corp., Li-Cycle Europe AG and Li-Cycle APAC Pte Ltd. (incorporated by reference to Exhibit 10.7 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 1, 2022).**
- 4.33 By-Products Off-take Agreement, dated May 31, 2022, by and among Glencore Ltd., Li-Cycle Holdings Corp., Li-Cycle Americas Corp., Li-Cycle Europe AG and Li-Cycle APAC Pte Ltd. (incorporated by reference to Exhibit 10.8 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 1, 2022).**
- 4.34 Amendment to By-Products Off-take Agreement, dated October 24, 2022, by and among Glencore Ltd., Li-Cycle Holdings Corp., Li-Cycle Americas Corp., Li-Cycle Europe AG and Li-Cycle APAC Pte Ltd.

4.35	Sulfuric Acid Supply Agreement, dated May 31, 2022, by and among Glencore Ltd., NorFalco LLC, NorFalco Sales, a division of Glencore Canada Corporation, Li-Cycle Holdings Corp. and Li-Cycle North America Hub, Inc. (incorporated by reference to Exhibit 10.9 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 1, 2022).**
4.36	Sub Lease Agreement by and between Li-Cycle North America Hub, Inc. and Pike Conductor DEV 1, LLC dated as of January 12, 2023 and Guaranty of Li-Cycle Holdings Corp. guaranteeing the obligations of Li-Cycle North America Hub, Inc. thereunder.
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	Consent of KPMG LLP.
99.1	Audited Annual Consolidated Financial Statements for the years ended October 31, 2022, 2021 and 2020 and notes thereto, together with the Report of Independent Registered Public Accounting Firm thereon.
99.2	Management's Discussion and Analysis of the Company for the years ended October 31, 2022, 2021 and 2020.
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.

All schedules have been omitted because they are not required, are not applicable or the information is otherwise set forth in the financial statements or notes thereto.

SIGNATURES

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.

February 6, 2023

LI-CYCLE HOLDINGS CORP.

By: /s/ Ajay Kochhar
Name: Ajay Kochhar
Title: Chief Executive Officer

DESCRIPTION OF SECURITIES

General

The following description of the material terms of our share capital includes a summary of certain provisions of our articles that became effective upon the closing of the Business Combination (the “articles”). This description is qualified in its entirety by reference to our articles which are incorporated by reference as exhibits to the annual report on Form 20-F of which this Exhibit 2.2 is a part.

Share Capital

Our authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series. As of January 31, 2023, there were 176,254,266 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.

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 of series; or (h) add, remove or change restrictions on the issue, transfer or ownership of the shares of such class of 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.

Registration Rights

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. The Company has granted certain registration rights to the Holders. The Company has filed with the SEC a shelf registration statement covering the resale of the common shares held by the Holders, which has been declared effective by the SEC. In addition, pursuant to the terms of the Investor Agreement and subject to certain requirements and customary conditions, including with regard to the number of demand rights that may be exercised, the Holders may demand at any time or from time to time, that the Company file a registration statement on Form F-3 (or on Form F-1 if Form F-3 is not available) to register the securities of the Company held by such Holders, and each may specify that such demand registration take the form of an underwritten offering, in each case subject to limitations on the number of demands and underwritten offerings that can be requested by each Holder, as specified in the Investor Agreement. Holders will also have “piggy-back” registration rights, subject to certain requirements and customary conditions. The Investor Agreement also provides that the Company will pay certain expenses relating to such registrations and indemnify the Holders against (or make contributions in respect of) certain liabilities that may arise under the Securities Act.

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 were 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'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. The registration statement on Form F-3 filed by the Company on September 14, 2022 and declared effective by the SEC on September 23, 2022 is intended to satisfy this requirement.

KSP Note Purchase Agreement

On September 29, 2021, in connection with the Company's entry into the KSP Note Purchase Agreement and issuance of the KSP Convertible Note, the Company granted certain registration rights to the holder of the KSP Convertible Notes under the KSP Note Purchase Agreement. The Company has filed a registration statement covering the resale of the common shares issued or issuable upon conversion of the KSP Convertible Notes 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 KSP Convertible Notes) effective until the earlier of (x) the third anniversary of the first issuance of the KSP Convertible Notes or (y) the date on which the holder of the KSP Convertible Notes ceases to hold any common shares issued or upon conversion of the KSP Convertible Notes. The registration statement on Form F-3 filed by the Company on September 14, 2022 and declared effective by the SEC on September 23, 2022 is intended to satisfy this requirement.

LG Subscription Agreements

On December 13, 2021, Li-Cycle entered into subscription agreements with each of LGES and LGC, each of which were subsequently amended and restated on March 11, 2022 and April 21, 2022 (the "LG Subscription Agreements" and each, an "LG Subscription Agreement"), pursuant to which each of LGES and LGC agreed, subject to the satisfaction of certain conditions, to subscribe for an equal number of the Company's common shares in transactions exempt from registration under the Securities Act (the "LG Subscription"). The LG Subscription was completed on May 11, 2022 and consisted of the issuance by the Company in accordance with the LG Subscription Agreements of (i) an initial tranche of 4,416,960 common shares, in the aggregate, at a price of \$10.00 per share, for an aggregate initial tranche subscription price of approximately \$44.2 million, and (ii) a second tranche of 883,392 common shares, in the aggregate, at a price of \$6.60 per share (based on the volume-weighted average trading price of the Company's common shares for the 5 trading days ending immediately prior to April 29, 2022), for an aggregate second tranche subscription price of approximately \$5.8 million, for a total subscription price of approximately \$50.0 million.

The Company has granted certain registration rights to LGES and LGC under the LG Subscription Agreements. The Company has filed with the SEC a shelf registration statement covering the resale of the common shares issued pursuant to the LG Subscription Agreements, which has been declared effective by the SEC. The Company has agreed to keep such shelf registration statement (or another shelf registration statement covering the common shares issued pursuant to the LG Subscription Agreements) effective until the earlier of (x) May 11, 2025 or (y) the date on which LGES or LGC, as applicable, ceases to hold any of the common shares acquired pursuant to the LG Subscription Agreements.

Glencore Registration Rights Agreement

Concurrently with the issuance of the Glencore Convertible Note, the Company entered into a registration rights agreement with Glencore (the "Glencore Registration Rights Agreement"). The Glencore Registration Rights Agreement provides that upon request of the holder of the Glencore Convertible Note, the Company will file with the SEC within 45 days after notice of such request, a resale registration statement covering the resale of the common shares issuable upon conversion of the Glencore Convertible Note and upon exercise of the Glencore Warrants and held by such holder. 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) 45

days after the filing of such registration statement (or 75 days after the filing of such registration statement if the SEC notifies the Company that it will review the registration statement) or (B) 15 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 Glencore Convertible Note and upon exercise of the Glencore Warrants) effective until three years after the holder's receipt of the common shares issued upon conversion of the Glencore Convertible Note or upon exercise of the Glencore Warrants, as applicable.

In addition, subject to certain requirements and customary conditions, including with regard to the number of demand rights that may be exercised, the holder of the Glencore Convertible Note 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 common shares issuable upon conversion of the Glencore Convertible Note and upon exercise of the Glencore Warrants and held by such holder. In addition, the holder of the Glencore Convertible Note may specify that such demand registration take the form of an underwritten offering, subject to limitations on the number of demands and underwritten offerings that can be requested by the holder, as specified in the Glencore Registration Rights Agreement. The holder of the Glencore Convertible Note will also have "piggy-back" registration rights, subject to certain requirements and customary conditions.

The Glencore Registration Rights Agreement also provides that the Company will pay certain expenses relating to such registrations and indemnify the holder of the Glencore Convertible Note against (or make contributions in respect of) certain liabilities that may arise under the Securities Act.

Transfer Restrictions

The common shares issued pursuant to the LG Subscription Agreements are subject to certain transfer restrictions.

Glencore has agreed to certain transfer restrictions with respect to the common shares issued or issuable upon conversion of the Glencore Convertible Note, including that Glencore will not transfer such common shares other than to permitted transferees until May 5, 2024.

Listing

Our common shares are listed on the NYSE under the symbol "LICY". Holders of our common shares should obtain current market quotations for their securities. There can be no assurance that our common shares will remain listed on NYSE. If we fail to comply with the NYSE listing requirements, our common shares could be delisted from NYSE. A delisting of our common shares would 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 common shares is maintained by Continental Stock Transfer and Trust Company in the United States, who serves as registrar and transfer agent for our equity securities.

Subsidiaries of Li-Cycle Holdings Corp.

Legal Name of Subsidiary	Jurisdiction of Organization
Li-Cycle Corp.	Ontario, Canada
Li-Cycle Europe AG	Switzerland
Li-Cycle APAC Pte. Ltd.	Singapore
Li-Cycle Americas Corp.	Ontario, Canada
Li-Cycle U.S. Holdings Inc.	Delaware, U.S.A.
Li-Cycle Inc.	Delaware, U.S.A.
Li-Cycle North America Hub, Inc.	Delaware, U.S.A.
Li-Cycle Norway AS	Norway
Li-Cycle Germany GmbH	Germany

CERTIFICATION PURSUANT TO RULE 13a-14(a) and 15d-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 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 period covered by this 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: February 6, 2023

/s/ Ajay Kochhar

Ajay Kochhar

Chief Executive Officer

CERTIFICATION PURSUANT TO RULE 13a-14(a) and 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934 AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Deborah K. Simpson, 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 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 period covered by this 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: February 6, 2023

/s/ Deborah K. Simpson

Deborah K. Simpson

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, 2022 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: February 6, 2023

/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, 2022 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: February 6, 2023

/s/ Deborah K. Simpson

Name: Deborah K. Simpson

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 and in Registration Statement No. 333-267419 on Form F-3 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, 2022.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
February 6, 2023



KPMG LLP
100 New Park Place, Suite
1400
Vaughan, ON L4K 0J3
Tel 905-265 5900
Fax 905-265 6390
www.kpmg.ca

Consent of Independent Registered Public Accounting Firm

The Board of Directors

Li-Cycle Holdings Corp.

We consent to the use of:

- our report dated February 6, 2023 on the consolidated financial statements of Li-Cycle Holdings Corp. (the “Entity”) which comprise the consolidated statement of financial position as at October 31, 2022, the related consolidated statements of comprehensive loss, changes in equity and cash flows for the year ended October 31, 2022, and the related notes (collectively the “consolidated financial statements”), and
- our report dated February 6, 2023 on the effectiveness of the Entity’s internal control over financial reporting as of October 31, 2022

each of which is included in the Annual Report on Form 20-F of the Entity for the fiscal year ended October 31, 2022.

We also consent to the incorporation by reference of such reports in the Registration Statement (No. 333-261568) on Form S-8 and in Registration Statement (No. 333-267419) on Form F-3 and related prospectus of the Entity.

/s/ KPMG LLP

February 6, 2023

Vaughan, Canada

Consolidated financial statements of Li-Cycle Holdings Corp.

Years ended October 31, 2022, 2021 and 2020

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Li-Cycle Holdings Corp.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of Li-Cycle Holdings Corp. and subsidiaries (the Company) as of October 31, 2022, the related consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the year then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2022, and the results of its operations and its cash flows for the year then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of October 31, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 6, 2023 expressed an adverse opinion on the effectiveness of the Company's internal control over financial reporting.

Other Matter

Another auditor audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements of the Company, which comprise the consolidated statement of financial position as of October 31, 2021, the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and related notes. In their auditors' report dated January 31, 2022, they expressed an unmodified audit opinion on those consolidated financial statements.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of revenue recognized from the sale of Black Mass & Equivalents

As discussed in Note 3 to the consolidated financial statements, product revenue from Black Mass & Equivalents and shredded metal, and the related trade accounts receivables, are measured at initial recognition using provisional prices for the constituent metals on initial recognition and any unsettled sales are remeasured at the end of each reporting period using the market prices of the constituent metals. As discussed in note 2.12 to the consolidated financial statements, the final consideration for Black Mass & Equivalents and shredded metal sales is based on the mathematical product of: (i) market prices of certain constituent metals at the date of settlement, (ii) product weight, and (iii) final assay results. As discussed in Note 3 to the consolidated financial statements, the Company reported product sales revenue of \$12.1 million, a portion of which related to Black Mass & Equivalents.

We identified the evaluation of revenue recognized from the sale of Black Mass & Equivalents as a critical audit matter. The evaluation of revenue recognized from the sale of Black Mass & Equivalents required a high degree of audit effort and judgment due to the complexity of the revenue recognition process, as a result of the nature of the contract with the customers and the key inputs used for determining revenue from the sale of Black Mass & Equivalents.

The following are the primary procedures we performed to address this critical audit matter. We assessed the appropriateness of the Company's revenue recognition policy by reading the contracts with the Company's customers. We confirmed the pricing terms used for determining the amount of product revenue from the sale of Black Mass & Equivalents with the Company's customers. We tested market prices of certain constituent metals for a sample of revenue transactions by comparing the market prices per the Company's sales invoices to publicly available market price information for the constituent metals. We tested product weight for a sample of revenue transactions by comparing product weight per sales invoices to shipping documents. We tested assay results for a sample of revenue transactions by comparing assay results per sales invoices to confirmation received directly from management's expert.

/s/ KPMG LLP

We have served as the Company's auditor since 2022.
Vaughan, Canada
February 6, 2023



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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Li-Cycle Holdings Corp.:

Opinion on Internal Control Over Financial Reporting

We have audited Li-Cycle Holdings Corp.'s and subsidiaries' (the Company) internal control over financial reporting as of October 31, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO 2013 Framework"). In our opinion, because of the effect of the material weaknesses, described below, on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of October 31, 2022, based on criteria established in the COSO 2013 Framework.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of financial position of the Company as of October 31, 2022, the related consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the year then ended, and the related notes (collectively, the consolidated financial statements), and our report dated February 6, 2023 expressed an unqualified opinion on those consolidated financial statements.

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 the company's annual or interim financial statements will not be prevented or detected on a timely basis. Material weaknesses related to the following have been identified and included in management's assessment:

- an ineffective control environment, resulting from an insufficient number of experienced personnel with the appropriate technical training to allow for a detailed review of transactions that would identify errors in a timely manner;
- an ineffective risk assessment process to identify all relevant risks of material misstatement and to evaluate the implications of relevant risks on its internal control over financial reporting, resulting from the insufficient number of experienced personnel described above;
- an ineffective information and communication process to ensure the relevance, timeliness and quality of information used in control activities, resulting from: (i) insufficient communication of internal control information, including objectives and responsibilities; and (ii) ineffective general IT controls and controls over information from a service organization;
- an ineffective monitoring process, resulting from the evaluation and communication of internal control deficiencies not being performed in a timely manner.
- ineffective control activities related to the design, implementation and operation of process level controls and financial statement close controls, as a consequence of the above, which had a pervasive impact on the Company's internal control over financial reporting.

The material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements, and this report does not affect our report on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Internal Control Over Financial Reporting" found in Management's Discussion and Analysis. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Vaughan, Canada
February 6, 2023



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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 statement of financial position of Li-Cycle Holdings Corp. and subsidiaries (the “Company”) as of October 31, 2021, the related consolidated statements of loss and comprehensive loss, changes in equity, and cash flows, for each of the two 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 its financial performance and its cash flows for each of the two 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 began serving as the Company's auditor in 2019. In 2022 we became the predecessor auditor.

Li-Cycle Holdings Corp.
Consolidated statements of loss and comprehensive loss

\$ millions except for per share amounts, for the years ended October 31, Notes		2022	2021	2020
Revenue				
Product sales	3	\$ 12.1	\$ 6.9	\$ 0.6
Recycling services	3	1.3	0.4	0.2
		13.4	7.3	0.8
Expenses				
Employee salaries and benefits		37.2	12.7	2.8
Share-based compensation	15	17.5	4.0	0.3
Office, administrative and travel		16.9	3.1	0.5
Professional fees		16.5	7.7	3.0
Raw materials and supplies		15.6	3.4	0.6
Depreciation	8,9	10.1	2.9	1.1
Plant facilities		3.7	1.0	0.4
Marketing		2.4	1.0	0.4
Freight and shipping		2.0	1.0	0.1
Research and development	21	1.7	2.7	0.8
Change in finished goods inventory		1.0	(0.3)	—
Operating expenses		124.6	39.2	10.0
Loss from operations		(111.2)	(31.9)	(9.2)
Other income (expense)				
Interest income	4	7.0	0.1	—
Interest expense and other costs	4	(17.0)	(3.8)	(0.1)
Gains (losses) on financial instruments	13, 14	67.5	(38.3)	(0.1)
Excess of fair value over consideration transferred	1	—	(152.7)	—
		57.5	(194.7)	(0.2)
Net loss before taxes		(53.7)	(226.6)	(9.4)
Income tax	22	—	—	—
Net loss		\$ (53.7)	\$ (226.6)	\$ (9.4)
Net loss attributable to				
Shareholders of Li-Cycle Holdings Corp.		\$ (53.6)	\$ (226.6)	\$ (9.4)
Non-controlling interest	16	(0.1)	—	—
Other comprehensive loss				
Foreign currency translation		—	—	(0.2)
Net loss and comprehensive loss		\$ (53.7)	\$ (226.6)	\$ (9.6)
Loss per common share - basic and diluted	19	\$ (0.31)	\$ (2.06)	\$ (0.11)

The accompanying notes are an integral part of the consolidated financial statements.

Li-Cycle Holdings Corp.
Consolidated statements of financial position

\$ millions, as at	Notes	October 31, 2022	October 31, 2021
Assets			
Current assets			
Cash and cash equivalents	23	\$ 578.3	\$ 596.9
Accounts receivable	5	1.5	4.1
Other receivables	5	7.8	1.0
Prepayment and deposits	6	85.8	8.5
Inventories	7	7.5	1.3
		680.9	611.8
Non-current assets			
Plant and equipment	8	147.7	26.4
Right-of-use assets	9	50.1	27.0
Other assets	6	3.6	—
		201.4	53.4
Total assets		\$ 882.3	\$ 665.2
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	\$ 47.5	\$ 18.7
Lease liabilities	12	5.2	2.9
		52.7	21.6
Non-current liabilities			
Lease liabilities	12	46.6	26.5
Convertible debt	13	288.5	100.9
Warrants	14	—	82.1
Restoration provisions		0.4	0.4
		335.5	209.9
Total liabilities		388.2	231.5
Equity			
Share capital	15	771.8	672.1
Other reserves	15	17.1	3.0
Accumulated deficit		(294.7)	(241.1)
Accumulated other comprehensive loss		(0.3)	(0.3)
Equity attributable to the Shareholders of Li-Cycle Holdings Corp.		493.9	433.7
Non-controlling interest	16	0.2	—
Total equity		494.1	433.7
Total liabilities and equity		\$ 882.3	\$ 665.2

Commitments and contingencies (Note 18)

Subsequent events (Note 24)

The accompanying notes are an integral part of the consolidated financial statements.

Li-Cycle Holdings Corp.
Consolidated statements of changes in equity

	Notes	Number of common shares	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive loss	Equity attributable to the Shareholders of Li-Cycle Holdings	Non-controlling interest	Total
\$ millions, except for number of shares									
Balance, October 31, 2019		76.5	\$ 8.5	\$ 0.1	\$ (5.1)	\$ (0.1)	\$ 3.4	\$ —	\$ 3.4
Stock option expense		—	—	0.2	—	—	0.2	—	0.2
Shares issued for cash		6.4	6.5	—	—	—	6.5	—	6.5
Shares issuable for non-cash costs		—	—	0.5	—	—	0.5	—	0.5
Conversion of convertible debt		0.5	0.5	—	—	—	0.5	—	0.5
Comprehensive loss		—	—	—	(9.4)	(0.2)	(9.6)	—	(9.6)
Balance, October 31, 2020		83.4	15.5	0.8	(14.5)	(0.3)	1.5	—	1.5
Series C Class A shares issued for cash	15	11.2	21.6	—	—	—	21.6	—	21.6
Shares issued for non-cash costs	15	0.5	0.5	(0.5)	—	—	—	—	—
Exercise of stock options	15	2.1	0.9	(0.7)	—	—	0.2	—	0.2
Issuance of shares through Business Combination	15	65.7	629.7	—	—	—	629.7	—	629.7
Settlement of RSUs	15	0.4	3.9	—	—	—	3.9	—	3.9
Stock option expense	15	—	—	2.7	—	—	2.7	—	2.7
RSUs expense	15	—	—	0.7	—	—	0.7	—	0.7
Comprehensive loss		—	—	—	(226.6)	—	(226.6)	—	(226.6)
Balance, October 31, 2021		163.3	672.1	3.0	(241.1)	(0.3)	433.7	—	433.7
Stock option expense	15	—	—	6.6	—	—	6.6	—	6.6
Exercise of stock options	15	1.4	0.4	(0.4)	—	—	—	—	—
Shares issued for cash	15	5.3	49.7	—	—	—	49.7	—	49.7
Exercise of warrants	15	5.7	46.0	—	—	—	46.0	—	46.0
RSUs expense	15	—	—	11.5	—	—	11.5	—	11.5
Settlement of RSUs	15	0.3	3.6	(3.6)	—	—	—	—	—
Non-controlling interest in subsidiary	16	—	—	—	—	—	—	0.3	0.3
Comprehensive loss		—	—	—	(53.6)	—	(53.6)	(0.1)	(53.7)
Balance, October 31, 2022		176.0	\$771.8	\$ 17.1	\$ (294.7)	\$ (0.3)	\$ 493.9	\$ 0.2	\$ 494.1

The accompanying notes are an integral part of the consolidated financial statements.

Li-Cycle Holdings Corp.
Consolidated statements of cash flows

\$ millions, for the years ended October 31,	Notes	2022	2021	2020
Operating activities				
Net loss for the period		\$ (53.7)	\$ (226.6)	\$ (9.4)
Items not affecting cash:				
Share-based compensation	15	17.5	4.0	0.3
Excess of fair value over consideration transferred	1	—	152.7	—
Depreciation	8, 9	10.1	2.9	1.1
Amortization of government grants		—	—	(2.2)
Loss on disposal of assets		(0.2)	—	0.1
Foreign exchange (gain) loss on translation		(1.4)	0.7	(0.3)
Fair value (gain) loss on financial instruments	13, 14	(67.5)	38.3	0.1
Share-based professional fees		—	—	0.5
Interest expense	4	17.4	3.0	0.5
Interest income	4	(7.0)	(0.1)	—
Interest paid		(2.4)	(1.9)	(0.5)
Interest received		5.4	0.1	—
		(81.8)	(26.9)	(9.8)
Changes in non-cash working capital items				
Accounts receivable	5	2.6	(3.5)	(0.5)
Other receivables		(5.2)	(0.7)	0.4
Prepayments and deposits		(3.6)	(4.8)	(0.6)
Inventories	7	(6.2)	(1.0)	(0.1)
Accounts payable and accrued liabilities		21.6	12.3	3.2
Cash used by operating activities		(72.6)	(24.6)	(7.4)
Investing activity				
Purchases of plant and equipment	8	(112.3)	(18.2)	(5.1)
Prepaid equipment deposits	6	(76.4)	(3.2)	—
Prepaid construction charges	6	(1.4)	—	—
Cash used by investing activities		(190.1)	(21.4)	(5.1)
Financing activities				
Proceeds from private share issuance, net of share issuance costs		—	21.6	6.5
Proceeds from public share issuance, net of share issuance costs	1, 15	49.7	525.3	—
Proceeds from exercise of stock options		—	0.2	—
Proceeds from exercise of warrants	14	0.1	—	—
Proceeds from convertible debt	13	198.7	98.4	—
Proceeds from loan payable		—	10.1	2.1
Proceeds from government grants		—	—	1.2
Capital contribution from the holders of non-controlling interest	16	0.3	—	—
Repayment of lease principal	12	(4.7)	(0.9)	(0.4)
Repayment of loan payable		—	(12.5)	—
Cash provided by financing activities		244.1	642.2	9.4
Net change in cash and cash equivalents		(18.6)	596.2	(3.1)
Cash and cash equivalents, beginning of year		596.9	0.7	3.8
Cash and cash equivalents, end of year		\$ 578.3	\$ 596.9	\$ 0.7
Non-cash investing activities				
Purchase of plant and equipment in payables and accruals	8	\$ 7.2	\$ 2.1	\$ —
Non cash purchase of plant and equipment		—	2.1	—
Non-cash financing activities				
Equity issued for non-cash costs		—	—	0.9

The accompanying notes are an integral part of the consolidated financial statements.

Li-Cycle Holdings Corp.

Notes to the consolidated financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

1. Corporate information

i. Company overview

Li-Cycle's core business model is to build, own and operate recycling plants tailored to regional needs. Li-Cycle's Spoke & Hub Technologies™ provide an environmentally-friendly resource recovery solution that addresses the growing global lithium-ion battery recycling challenges supporting the global transition toward electrification.

Li-Cycle Holdings Corp. and its subsidiaries, collectively ("Li-Cycle" or the "Company") started their business as Li-Cycle Corp. Li-Cycle Corp. was incorporated in Ontario, Canada under the *Business Corporations Act* (Ontario) on November 18, 2016. The Company's registered address is 207 Queens Quay West - Suite 590, Toronto, Ontario.

On March 28, 2019, Li-Cycle Corp. incorporated a wholly-owned subsidiary, Li-Cycle Inc., under the General Corporation Law of the State of Delaware. This subsidiary operates the Company's U.S. Spoke facilities.

On September 2, 2020, Li-Cycle Corp. incorporated a wholly-owned subsidiary, Li-Cycle North America Hub, Inc., under the General Corporation Law of the State of Delaware. This subsidiary is developing the Company's first commercial Hub, in Rochester, New York.

On August 10, 2021, in accordance with the plan of arrangement to reorganize Li-Cycle Corp., the Company finalized a business combination (the "Business Combination") with Peridot Acquisition Corp., and the combined company was renamed Li-Cycle Holdings Corp. On closing, the common shares of Li-Cycle Holdings Corp. were listed on the New York Stock Exchange and commenced trading under the symbol "NYSE:LICY".

ii. 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 new investors (the "PIPE Investors") at US\$10 per share for a total of US\$315.5 million under a 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 traded under the symbols "LICY" and "LICY.WS", respectively.

Li-Cycle Corp. was identified as the acquirer for accounting purposes. As Peridot Acquisition Corp. did not meet the definition of a business as defined in IFRS 3 - Business Combinations ("IFRS 3"), 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.

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

Li-Cycle Holdings Corp.

Notes to the consolidated financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

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 an excess of fair value over consideration transferred. 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, an excess of fair value over consideration transferred of \$152.7 million was 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, were 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 as follows:

Fair value of consideration transferred:	
Common shares	\$ 656.7
Total fair value of consideration transferred	656.7
Fair value of assets acquired and liabilities assumed:	
Cash and cash equivalents	581.9
Warrants	(48.3)
Other payables	(29.6)
Total fair value of assets acquired and liabilities assumed	504.0
Excess of fair value of consideration transferred over fair value of assets acquired and liabilities assumed	152.7
Gross proceeds	
Transaction-related costs	(27.0)
Other payables acquired	(29.6)
Net proceeds	\$ 525.3

The fair value of the consideration transferred to acquire Peridot Acquisition Corp. and to issue shares to the PIPE Investors was \$656.7 million 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.

2. Basis of preparation

2.1 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").

These consolidated financial statements were approved and authorized for issue by the Board of Directors on February 6, 2023.

Li-Cycle Holdings Corp.

Notes to the consolidated financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

2.2 Basis of measurement

The consolidated financial statements have been prepared on a going concern basis, using historical cost basis, except for financial assets and liabilities that have been measured at amortized cost or fair value through profit and loss.

2.3 Basis of consolidation

These consolidated financial statements include the financial information of the Company and its subsidiaries. The Company's 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. In assessing control, potential voting rights that are presently exercisable or convertible is taken into account. The accounting policies of subsidiaries are aligned with policies adopted by the Company.

The Company's principal subsidiaries and their geographic location as at October 31, 2022 are set forth in the table below:

Company	Location	Ownership interest
Li-Cycle Corp.	Ontario, Canada	100%
Li-Cycle Americas Corp.	Ontario, Canada	100%
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 Europe AG	Switzerland	100%
Li-Cycle APAC PTE. LTD.	Singapore	100%
Li-Cycle Germany GmbH	Germany	100%
Li-Cycle Norway AS	Norway	67%

Intercompany transactions, balances and unrealized gains/losses on transactions between the Company and its subsidiaries have been eliminated.

2.4 Presentation currency

These consolidated financial statements are presented in U.S. dollars, which is the Company's functional currency. All figures are presented in millions of U.S. dollars unless otherwise specified.

2.5 Significant accounting estimates and critical judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, 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.

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 accounting estimates include:

- the determination of net realizable value of inventory;
- the determination of the useful life of plant and equipment;
- the valuation and measurement of the convertible debt and the related conversion features; and
- the valuation and measurement of right-of-use assets and lease liabilities.

Critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the following:

- the determination of transaction price used for revenue recognition;

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- ii. the valuation of the fair value of consideration transferred in the Business Combination in prior year;
- iii. the assessment of impairment of non-financial assets;
- iv. judgment in determining cash-generating units ("CGU") or CGU group for the purpose of impairment testing; and
- v. the determination of reportable segments.

2.6 Newly adopted IFRS Standards

The IASB has published Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual reporting periods beginning on or after January 1, 2021. The Company has assessed the revised impact of the amendments and concluded that they have no impact on the consolidated financial statements.

2.7 Comparative figures

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

2.8 Non-controlling interest

Non-controlling interest is defined as equity in a subsidiary not attributable, directly or indirectly, to a parent where a parent controls one or more entities.

Changes in the Company's ownership interest in a subsidiary that do not result in the loss of control of the subsidiary are accounted for as equity transactions.

Non-controlling interest will be subsequently measured through profit/loss and will be attributed based on ownership interest and distributions/dividends to the non-controlling interest.

2.9 Capitalization of borrowing costs

Borrowing costs on funds from general borrowings used to finance the construction, production, or acquisition of a qualifying asset are capitalized until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale have been completed. A qualifying asset is one that takes a substantial period of time to prepare the asset for its intended use. When money borrowed specifically to finance a project is invested to earn interest income, the income generated is also capitalized to reduce the total capitalized borrowing costs.

Interest is capitalized based on the weighted average interest rate applicable to the general borrowings outstanding during the period of construction.

2.10 Capitalization of internal costs

Employee salaries and share-based compensation costs for employees that are directly attributable to bringing the Hub and Spoke assets to a condition and location necessary for the assets to be capable of operating in the manner intended by management are capitalized to assets under construction.

2.11 Segmented information

The Company has determined that there is one operating and reportable segment based on qualitative and quantitative considerations. The accounting policies of the segments are measured in a manner consistent with that of the consolidated financial statements.

2.12 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:

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- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company recognizes revenue from the following major sources:

- i. Sale of products which includes black mass and black mass equivalents (collectively, "Black Mass & Equivalents") and shredded metal
- ii. Services for recycling lithium-ion batteries which includes coordination of logistics and destruction of batteries

Revenue is measured based on the consideration to which the Company expects to be entitled under a contract with a customer. The Company recognizes revenue when it transfers control of a product or service to a customer. There are no significant financing components associated with the Company's payment terms.

For sale of products, revenue is recognized when control of the goods has transferred, typically when the goods have been transferred to the customer. A receivable is recognized by the Company when the goods are transferred to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Company estimates the amount of consideration to which it expects to be entitled under provisional pricing arrangements, which is based on the initial assay results and market prices of certain constituent metals on the date control is transferred to the customer. The final consideration for Black Mass & Equivalents and shredded metal sales is based on the mathematical product of: (i) market prices of certain constituent metals at the date of settlement, (ii) product weight, and (iii) final assay results (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 receivable are measured using provisional prices for the constituent metals on initial recognition and any unsettled sales are remeasured at the end of each reporting period using the market prices of the constituent metals at the respective measurement dates. Changes in fair value are recognized as an adjustment to product revenue and the related accounts receivable.

Recycling service revenue is recognized at a point in time upon completion of the services. The price 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.

The Company has elected to use the practical expedient for financing components related to its sales contracts. The Company does not recognize interest expense on contracts for which the period between receipt of customer payments and sale to the customer is one year or less.

2.13 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 settlement of any RSUs, the grant date fair value of the instrument is transferred to share capital.

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2.14 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 recognized if, and only if, all of the following conditions have been demonstrated:

- i. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii. the intention to complete the intangible asset and use or sell it;
- iii. the ability to use or sell the intangible asset;
- iv. how the intangible asset will generate probable future economic benefits;
- v. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- vi. the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized 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 recognized, development expenditure is recognized 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.

2.15 Cash and cash equivalents

Cash consists of cash deposits with financial institutions, while cash equivalents consists of short term guaranteed investment certificates with financial institutions.

2.16 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. Write-downs to net realizable value may be reversed, up to the amount previously written down, when circumstances support an increased inventory value.

2.17 Convertible debt

The components of convertible debt instruments issued by the Company are recorded as financial liabilities, in accordance with the substance of the contractual arrangements and the definitions of a financial liability. 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 a liability and requires bifurcation, it is bifurcated as an embedded derivative unless the Company 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 statement of loss and comprehensive loss.

2.18 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses net of any reversals of impairment.

Where significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

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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, residual values and method of depreciation 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
Furniture	7 years
Storage containers	10 years
Processing equipment	10 years
Leasehold improvements	Shorter of term of lease or estimated useful life

Repairs and maintenance costs are expensed as incurred.

2.19 Impairment of long-lived 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.

2.20 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") 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

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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; or
- (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).

The classification and measurement basis of the Company's financial instruments are as follows:

Financial Instrument	Measurement
Cash equivalents	Amortized cost
Trade accounts receivable	FVTPL
Other accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Warrants	FVTPL
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.

2.21 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.

2.22 Government assistance

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.

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2.23 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 regard 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.

2.24 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.

2.25 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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:

- i. Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- ii. Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

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- iii. The amount expected to be payable by the lessee under residual value guarantees;
- iv. The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- v. Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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 recognized 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.

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.

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 'Impairment of long-lived assets' policy.

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.

2.26 New and revised IFRS Standards issued but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

New/Revised Standard	Description
Amendments to IFRS 3	Reference to the Conceptual Framework
IFRS 17 (including the December 2021 amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 1	Disclosure of Accounting Policies
Amendments to IAS 1	Classifying liabilities as current or non-current
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IFRS 16	Lease liability in a sale & leaseback
Amendments to IAS 37	Onerous Contracts - Cost of Fulfilling a Contract

The adoption of the IFRS Standards listed above are not expected to have a material impact on the financial statements of the Company in future periods, except as noted below.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments - Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

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The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments to IAS 1 and IFRS practice statements 2 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The Company is assessing the potential impact of these amendments.

3. Revenue – product sales and recycling services

For the years ended October 31,		2022		2021		2020
Product revenue recognized in the period	\$	14.3	\$	6.1	\$	0.5
Fair value pricing adjustments		(2.2)		0.8		0.1
Product sales revenue		12.1		6.9		0.6
Recycling service revenue recognized in the period		1.3		0.4		0.2
Revenue	\$	13.4	\$	7.3	\$	0.8

For the years ended October 31,		2022		2021		2020
Product revenue recognized in the period	\$	14.3	\$	6.1	\$	0.5
Recycling service revenue recognized in the period		1.3		0.4		0.2
Total revenue before FV pricing adjustment	\$	15.6	\$	6.5	\$	0.7

Product revenue from Black Mass & Equivalents and shredded metal, and the related trade accounts receivables, are measured at initial recognition using provisional prices for the constituent metals on initial recognition and any unsettled sales remeasured at the end of each reporting period using the market prices of the constituent metals. Changes in fair value are recognized as an adjustment to product revenue, and the related accounts receivable, and can result in gains and losses when the applicable metal prices increase or decrease from the date of initial recognition.

Refer to Note 17 for the impact of movements in the Cobalt and Nickel prices.

4. Other income (expense)

The following table summarizes the Company's other income (expense):

For the years ended October 31,		2022		2021		2020
Interest income on short-term investments	\$	7.0	\$	0.1	\$	—
Interest income		7.0		0.1		—

Interest expense and accretion on convertible debt		(15.0)		(1.2)		—
Interest expense and accretion on promissory notes		—		(0.1)		—
Interest expense and accretion on loans		—		(1.3)		—
Interest expense on leases		(2.2)		(0.4)		(0.2)
Other finance costs		(0.2)		—		(0.3)
Foreign exchange gains (losses)		0.4		(0.8)		0.4
Interest expense and other costs		(17.0)		(3.8)		(0.1)

Fair value gain (loss) on embedded derivatives		31.3		(1.3)		—
Fair value gain (loss) on warrants		36.2		(33.8)		—
Fair value gain (loss) on restricted share units		—		(3.2)		(0.1)
Gains (losses) on financial instruments		67.5		(38.3)		(0.1)

Excess of fair value over consideration transferred related to business combination		—		(152.7)		—
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Excess of fair value over consideration transferred		—	(152.7)	—
Total	\$	57.5	\$	(194.7)
			\$	(0.2)

5. Accounts receivable

As at October 31,		2022		2021
Trade receivables	\$	1.5	\$	4.1
Total accounts receivable		1.5		4.1
Sales taxes receivable	\$	3.7	\$	0.4
Other		4.1		0.6
Total other receivables	\$	7.8	\$	1.0

Other receivables consist principally of interest receivable and receivables from non-trade vendors.

Aging Summary

As at October 31,		2022		2021
Current	\$	0.3	\$	3.2
1-30 days		0.6		0.3
31-60 days		0.3		0.1
61-90 days		0.1		—
91 days and over		0.2		0.5
Total accounts receivable	\$	1.5	\$	4.1

For product revenue, the Company estimates the amount of consideration to which it expects to be entitled under provisional pricing arrangements, which is based on the initial assay results and market prices of certain constituent metals on the date control is transferred to the customer. For the twelve months ended October 31, 2022, the fair value loss arising from changes in estimates was \$2.2 million (2021: fair value gain of \$0.8 million), which is included in the respective accounts receivable balance. Refer to Note 3 for additional details on product revenue and fair value adjustments recognized in the period.

The Company assesses the need for allowances related to credit loss for service related receivables based on its past experience, the credit ratings of its existing customer and economic trends. For the year ended October 31, 2022, the Company recorded a nominal credit allowance (2021: \$nil).

The Company's revenue primarily comes from two key customers, as shown in the table below. The Company's remaining customers do not make up significant percentages of these balances. For additional details on product sales and fair value adjustments recognized in the period, refer to Note 3.

Revenue

For the years ended October 31,	2022	2021	2020
Customer A	16.3 %	42.0 %	67.0 %
Customer B	69.6 %	52.0 %	0.0 %

Trade Accounts Receivable

As at October 31,	2022	2021	2020
Customer A	18.3 %	53.0 %	90.0 %
Customer B	42.8 %	45.0 %	0.0 %

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6. Prepayment and deposits

As at October 31,	2022	2021
Prepaid lease deposits	\$ 2.8	\$ 0.9
Prepaid transaction costs	0.3	—
Prepaid construction charges	1.4	—
Prepaid equipment deposits	76.4	3.2
Prepaid insurance	5.7	3.8
Other prepaids	2.8	0.6
Total prepaids and deposits	89.4	8.5
Non-current portion of prepaid lease deposits	(3.6)	—
Current prepaids and deposits	\$ 85.8	\$ 8.5

Other prepaids consist principally of other deposits and subscriptions.

7. Inventories

As at October 31,	2022	2021
Raw materials	\$ 4.7	\$ 0.9
Finished goods	1.7	0.3
Parts and tools	1.1	0.1
Total inventories	\$ 7.5	\$ 1.3

The cost of inventories recognized as an expense during the twelve months ended October 31, 2022 was \$28.8 million (2021: \$8.6 million).

As at October 31, 2022, finished goods inventory balance has been adjusted to net realizable value resulting in a write off of \$1.3 million in the twelve months ended October 31, 2022, included in the Change in finished goods line (2021: \$2.3 million). As at October 31, 2022, raw materials inventory balance has been adjusted to net realizable value resulting in a write off of \$4.8 million in the twelve months ended October 31, 2022, included in the Raw materials and supplies line (2021: \$0.6 million). Refer to Note 17 for additional details on commodity prices.

8. Plant and equipment

For the year ended October 31,	2022					
	Assets under construction	Plant equipment and other	Computer equipment	Vehicles	Leasehold improvements	Total
Cost						
Balance, beginning of the year	\$ 15.6	\$ 6.4	\$ 0.2	\$ 0.2	\$ 6.2	\$ 28.6
Additions	119.5	0.2	1.6	0.1	3.6	125.0
Transfers	(27.7)	27.7	—	—	—	—
Balance, end of the year	107.4	34.3	1.8	0.3	9.8	153.6
Accumulated depreciation						
Balance, beginning of the year	—	(1.6)	—	(0.1)	(0.5)	(2.2)
Depreciation	—	(2.7)	(0.2)	—	(0.8)	(3.7)
Balance, end of the year	—	(4.3)	(0.2)	(0.1)	(1.3)	(5.9)
Net book value	\$ 107.4	\$ 30.0	\$ 1.6	\$ 0.2	\$ 8.5	\$ 147.7

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

For the year ended October 31,							2021
	Assets under construction	Plant equipment and other	Computer equipment	Vehicles	Leasehold improvements		Total
Cost							
Balance, beginning of the year	\$ 1.9	\$ 2.6	\$ —	\$ 0.2	\$ 1.6	\$	6.3
Additions	17.5	—	0.2	—	4.6		22.3
Transfers	(3.8)	3.8	—	—	—		—
Balance, end of the year	15.6	6.4	0.2	0.2	6.2		28.6
Accumulated depreciation							
Balance, beginning of the year	—	(0.5)	—	—	(0.1)		(0.6)
Depreciation	—	(1.1)	—	(0.1)	(0.4)		(1.6)
Balance, end of the year	—	(1.6)	—	(0.1)	(0.5)		(2.2)
Net book value	\$ 15.6	\$ 4.8	\$ 0.2	\$ 0.1	\$ 5.7	\$	26.4

For the twelve months ended October 31, 2022, \$6.2 million in employee salaries and \$0.6 million in share-based compensation costs (2021: \$nil) were capitalized to assets under construction.

For the twelve months ended October 31, 2022, \$5.2 million in borrowing costs (2021: \$nil) were capitalized to assets under construction. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization in the period was a weighted average effective interest rate of 12.3%.

Refer to Note 18 for details of contractual commitments to purchase fixed assets.

9. Right-of-use assets

For the year ended October 31,					2022
	Premises	Equipment			Total
Cost					
Balance, beginning of the year	\$ 28.8	\$ 0.1	\$		28.9
Additions	29.3	0.4			29.7
Termination/derecognition	(1.2)	—			(1.2)
Balance, end of the year	56.9	0.5			57.4
Accumulated depreciation					
Balance, beginning of the year	(1.9)	—			(1.9)
Depreciation	(6.3)	(0.1)			(6.4)
Termination/derecognition	1.0	—			1.0
Balance, end of the year	(7.2)	(0.1)			(7.3)
Carrying amounts	\$ 49.7	\$ 0.4	\$		50.1

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

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For the year ended October 31,			2021
	Premises	Equipment	Total
Cost			
Balance, beginning of the year	\$ 4.4	\$ 0.1	\$ 4.5
Additions	24.2	—	24.2
Modifications	0.2	—	0.2
Balance, end of the year	28.8	0.1	28.9
Accumulated depreciation			
Balance, beginning of the year	(0.6)	—	(0.6)
Depreciation	(1.3)	—	(1.3)
Balance, end of the year	(1.9)	—	(1.9)
Carrying amounts	\$ 26.9	\$ 0.1	\$ 27.0

The weighted average lease term of the Company's premises and equipment leases is 4.6 years.

10. Related party transactions

The remuneration of the executive officers and directors, who are the key management personnel of the Company, is set out below:

For the years ended October 31,	2022	2021	2020
Salaries	\$ 3.5	\$ 1.5	\$ 0.2
Share-based compensation	13.5	1.9	0.1
Fees and benefits	2.9	1.5	0.4
Post employment benefits	0.1	—	—
Total remuneration of key management personnel	\$ 20.0	\$ 4.9	\$ 0.7

During the twelve months ended October 31, 2022, the Company paid directors for providing director and consulting services. Total amounts paid to directors in respect of these activities in the period was \$0.4 million (2021: \$0.3 million, 2020: \$0.2 million).

Outstanding balances of remunerations of the executive officers and directors are summarized as follows:

As at October 31,	2022	2021	2020
Accounts payable and accrued liabilities	\$ 2.3	\$ 0.8	\$ 0.3
Restricted share units liability	—	—	0.2
Outstanding balances	\$ 2.3	\$ 0.8	\$ 0.5

The following table summarizes the other expenses¹ incurred with related parties:

For the years ended October 31,	2022	2021	2020
Related party lease and expense - Ashlin BPG Marketing	\$ 0.1	\$ 0.1	—
Related party expense - Fade In Production Pty. Ltd	0.2	0.1	—
Related party expense - Consulero Inc.	0.1	0.1	—
Consulting agreement - Atria Ltd	—	—	0.5
Director Consulting Agreement - Anthony Tse	—	0.1	—
Total expenses incurred with related parties	\$ 0.4	\$ 0.4	\$ 0.5

¹Related party expenses are recorded at exchange amount

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.

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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.

From April 1, 2020 to June 30, 2022, the Company engaged Ashlin BPG Marketing, a related party as described above, to provide it with Li-Cycle branded promotional products for both customers and employees. The Company terminated its relationship with the vendor, effective June 30, 2022.

From September 1, 2020 to July 31, 2022, the Company engaged Consulero Inc., which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer, to provide it with technology services in relation to the Company's inventory management system. The Company terminated its relationship with the vendor, effective July 31, 2022.

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. common shares at that time, to agree upon and finalize the consideration for certain business development and marketing consulting services that had been previously performed for and on behalf of Li-Cycle from 2018 through April 2020. The fees for the 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 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 Agreement

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 his services. The consulting agreement was terminated on January 19, 2022.

11. Accounts payable and accrued liabilities

As at October 31,	2022		2021
Trade payables	\$	16.3	\$ 9.4
Accrued fixed assets		7.2	2.1
Accrued expenses		16.3	4.4
Accrued compensation		7.7	2.8
Total accounts payable and accrued liabilities	\$	47.5	\$ 18.7

12. Lease liabilities

For the year ended October 31,	2022		
	Premises	Equipment	Total
Lease liabilities			
Balance, beginning of the year	\$ 29.2	\$ 0.2	\$ 29.4
Additions	28.4	0.4	28.8
Lease repayments	(6.8)	(0.1)	(6.9)
Lease interest	2.2	—	2.2
Termination	(0.2)	—	(0.2)
Foreign exchange gains (losses)	(1.5)	—	(1.5)
Balance, end of the year	\$ 51.3	\$ 0.5	\$ 51.8
Non-current portion of lease liabilities	\$ 46.2	\$ 0.4	\$ 46.6
Current lease liabilities	\$ 5.1	\$ 0.1	\$ 5.2

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

For the year ended October 31,			2021
	Premises	Equipment	Total
Lease liabilities			
Balance, beginning of the year	\$ 3.5	\$ 0.1	\$ 3.6
Additions	25.9	0.4	26.3
Modifications	0.3	(0.2)	0.1
Lease repayments	(1.3)	(0.1)	(1.4)
Lease interest	0.4	—	0.4
Foreign exchange gains (losses) and other	0.4	—	0.4
Balance, end of the year	\$ 29.2	\$ 0.2	\$ 29.4
Non-current portion of lease liabilities	\$ 26.4	\$ 0.1	\$ 26.5
Current lease liabilities	\$ 2.8	\$ 0.1	\$ 2.9

In the twelve months ended October 31, 2022, the Company recognized interest expense of \$2.2 million related to lease liabilities (2021: \$0.4 million, 2020: \$0.2 million).

The Company's lease obligations include leases for plant operations, storage facilities, and office space for employees.

The following table summarizes the Company's undiscounted lease obligations:

Maturity analysis (undiscounted)							
As at October 31, 2022	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter	Total
Premises	\$ 7.9	\$ 7.2	\$ 6.9	\$ 6.7	\$ 6.1	\$ 41.3	\$ 76.1
Equipment	0.1	0.1	0.1	0.1	0.1	—	0.5
Total	\$ 8.0	\$ 7.3	\$ 7.0	\$ 6.8	\$ 6.2	\$ 41.3	\$ 76.6

Maturity analysis (undiscounted)							
As at October 31, 2021	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter	Total
Premises	\$ 4.5	\$ 4.6	\$ 3.7	\$ 3.3	\$ 3.3	\$ 16.3	\$ 35.7
Equipment	0.1	0.1	—	—	—	—	0.2
Total	\$ 4.6	\$ 4.7	\$ 3.7	\$ 3.3	\$ 3.3	\$ 16.3	\$ 35.9

13. Convertible Debt

As at October 31,	2022	2021
KSP Note (a)	\$ 92.4	\$ 100.9
Glencore Note (b)	196.1	—
Total convertible debt at end of period	\$ 288.5	\$ 100.9

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(a) KSP Note

As at October 31,	2022	2021
Principal of convertible note at beginning of period	\$ 100.0	\$ —
Issuance of convertible notes	5.9	100.0
Principal of convertible notes at end of period	105.9	100.0
Conversion feature at beginning of period	29.0	—
Conversion feature issued	—	27.7
Fair value (gain) loss on embedded derivative	(19.9)	1.3
Conversion feature at end of period	9.1	29.0
Debt component at beginning of period	71.9	—
Debt component issued	5.9	72.3
Transaction costs	—	(1.6)
Accrued interest paid in kind	(5.9)	—
Accrued interest expense	11.4	1.2
Debt component at end of period	83.3	71.9
Total convertible debt at end of period	\$ 92.4	\$ 100.9

On September 29, 2021, the Company entered into a Note Purchase Agreement (the "KSP Note Purchase Agreement") with Spring Creek Capital, LLC (an affiliate of Koch Strategic Platforms, LLC, being a subsidiary of Koch Investments Group) and issued an unsecured convertible note (the "Initial KSP Note") for a principal amount of \$100 million to Spring Creek Capital, LLC. The KSP Note will mature on September 29, 2026 unless earlier repurchased, redeemed or converted. Interest on the Initial KSP Note is payable semi-annually, and Li-Cycle is permitted to pay interest on the Initial KSP Note in cash or by payment in-kind ("PIK"), at its election. Interest payments made in cash are based on an interest rate of LIBOR plus 5.0% per year, and PIK interest payments are based on an interest rate of LIBOR plus 6.0% per year. Under the terms of the Initial KSP Note, LIBOR has a floor of 1% and a cap of 2%. Once LIBOR interest rate is no longer published, the interest rate 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 ending on the date on which LIBOR ceases to be published. The PIK election results in the issuance of a new note under the same terms as the Initial KSP Note, issued in lieu of interest payments with an issuance date on the applicable interest date. On May 1, 2022, Spring Creek Capital, LLC assigned the KSP Note and the PIK note outstanding at that time to an affiliate, Wood River Capital, LLC. The Company has elected to pay interest on the Initial KSP Convertible note by PIK since the first interest payment date of December 31, 2021. The Initial KSP Note and the PIK notes issued thereunder are referred to collectively as the "KSP Convertible Notes", and as at October 31, 2022, comprised the following:

Note	Date Issued	Amount Issued
KSP Note	September 29, 2021	\$ 100.0
PIK Note	December 31, 2021	1.8
PIK Note	June 30, 2022	4.1
Total		\$ 105.9

Subsequent to year end, on December 31, 2022, the Company elected to pay the accrued interest in kind by issuing a new Note for the amount of \$4.3 million under the same terms as the original Note, in lieu of cash payments.

The conversion feature under the KSP Convertible Notes 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 KSP Note had an initial conversion price of approximately \$13.43 per Li-Cycle common share, subject to customary anti-dilution adjustments, for 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 KSP 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 KSP Convertible Notes. Li-Cycle will settle its conversion obligations through the delivery of its own common shares. As at October 31, 2022, no conversions had taken place.

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The fair value of the embedded derivatives upon issuance of the original KSP Note was determined to be a liability of \$27.7 million whereas the remaining \$72.3 million, net of transaction costs of \$1.6 million, was allocated to the principal portion of the debt. During the twelve months ended October 31, 2022, the Company recognized a fair value gain of \$19.9 million on the embedded derivatives. The embedded derivatives were valued using the Binomial Option Pricing Model. The assumptions used in the model were as follows:

	(Issuance date) September 29, 2021	October 31, 2021	October 31, 2022
Risk free interest rate	1.1%	1.2%	4.4%
Expected life of options	5 years	4.9 years	3.9 years
Expected dividend yield	0.0%	0.0%	0.0%
Expected stock price volatility	66%	62%	63%
Share Price	\$12.56	\$12.94	\$5.96

Expected volatility was determined by calculating the average implied volatility of a group of listed entities that are considered similar in nature to the Company.

(b) Glencore Note

As at October 31,	2022	2021
Principal of convertible note at beginning of period	\$ —	\$ —
Issuance of convertible note	200.0	—
Principal of convertible note at end of period	200.0	—
Conversion feature at beginning of period	—	—
Conversion feature issued	46.2	—
Fair value (gain) loss on embedded derivative	(11.4)	—
Conversion into common shares	—	—
Conversion feature at end of period	34.8	—
Debt component at beginning of period	—	—
Debt component issued	153.8	—
Transaction costs	(1.3)	—
Accrued interest expense	8.8	—
Debt component at end of period	161.3	—
Total convertible debt at end of period	\$ 196.1	\$ —

On May 31, 2022, the Company issued an unsecured convertible note (the "Glencore Note") for a principal amount of \$200 million to Glencore Ltd. ("Glencore"), a subsidiary of Glencore plc (LON: GLEN). The Glencore Note will mature on May 31, 2027 unless there is an earlier repurchase, redemption or conversion. Interest on the Glencore Note is payable semi-annually, with Li-Cycle permitted to pay interest on the Glencore Note in cash or by payment in-kind ("PIK"), at its election. Interest payments made in cash are based on an interest rate of the Secured Overnight Financing Rate ("SOFR") for a tenor comparable to the relevant interest payment period plus 0.42826% (the "Floating Rate") plus 5% per annum if interest is paid in cash and plus 6% per annum if interest is paid in PIK. The Floating Rate has a floor of 1% and a cap of 2%. The PIK election results in the issuance of a new note under the same terms as the original Glencore Note, issued in lieu of interest payments with an issuance date on the applicable interest date.

In connection with any optional redemption and provided that Glencore has not elected to convert the Glencore Note into common shares, the Company must issue warrants (the "Glencore Warrants") to Glencore on the optional redemption date that entitle the holder to acquire, until the maturity date of the Glencore Note, a number of common shares equal to the principal amount of the Glencore Note being redeemed divided by the then applicable conversion price. The initial exercise price of the Glencore Warrants will be equal to the conversion price as of the optional redemption date.

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Subsequent to year end, on November 30, 2022, the Company elected to pay the accrued interest in kind by issuing a new Note for the amount of \$8.1 million under the same terms as the original Note, in lieu of cash payments.

The conversion feature under the Glencore Note has been recorded as an embedded derivative liability as the conversion ratio does not always result in a conversion of a fixed dollar amount of liability for a fixed number of shares. The Glencore Note has a conversion price of approximately \$9.95 per Li-Cycle common share, subject to customary anti-dilution adjustments. As at October 31, 2022, no election had been made as to whether interest payments would be made in cash or PIK.

The fair value of the embedded derivative liability upon issuance of the Glencore Note was determined to be \$46.2 million with the remaining \$153.8 million, net of transaction costs of \$1.3 million, allocated to the initial amortized cost of the host debt instrument. During the twelve months ended October 31, 2022, the Company recognized a fair value gain of \$11.4 million on the embedded derivatives. The embedded derivatives were valued using the Black-Scholes Option Pricing Model. The assumptions used in the model were as follows:

	(Issuance date) May 31, 2022	October 31, 2022
Risk free interest rate	2.9%	4.4%
Expected life of options	5 years	4.6 years
Expected dividend yield	0.0%	0.0%
Expected stock price volatility	68%	63%
Share Price	\$8.15	\$5.96

Expected volatility was determined by calculating the average implied volatility of a group of listed entities that are considered similar in nature to the Company.

14. Warrants

In connection with the completion of the Business Combination on August 10, 2021, the Company assumed obligation for Peridot Acquisition Corp.'s warrants to purchase up to 23,000,000 common shares at their fair market value of \$2.10 per share for a total acquired liability of \$48.3 million.

The total number of warrants was made up of 15,000,000 Public Placement Warrants ("Public Warrants") and 8,000,000 Private Placement Warrants ("Private Warrants"). All of the warrants had a 5-year term, expiring on September 24, 2025. The Public Warrants had an exercise price of \$11.50 per share, with a redemption price of \$0.10 per warrant if the Company's share price exceeded \$10.00, on a cashless basis. If the Company's share price exceeded \$18.00 for any 20 trading days within the 30 trading day period ending three trading days before the Company elected to deliver a notice of redemption, the redemption price was \$0.01 on a cash basis. The Private Warrants had an exercise price of \$11.50 per share, redeemable only at such time that the share price of the Company was between \$10.00 and \$18.00, at \$0.10 per warrant. The Private Warrants were not transferable until 30 days after the close of the Business Combination, which was September 9, 2021.

On December 27, 2021, the Company announced that it would redeem all of its warrants to purchase common shares of the Company that remained 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 of the Company per warrant. As of January 31, 2022, (i) 9,678 warrants were exercised at the exercise price of \$11.50 per common share, and (ii) 22,540,651 warrants were surrendered by holders in the Make-Whole Exercise. The remaining 449,665 unexercised warrants were redeemed at \$0.10 per warrant.

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For the year ended October 31,	2022		2021	
	Number of warrants		Number of warrants	
Balance, beginning of the year	22,999,894	\$ 82.1	—	\$ —
Assumption of warrants - Business Combination (refer to Note 1)	—	—	22,999,994	48.3
Cash exercises	(9,578)	—	(100)	—
Cashless exercises	(22,540,651)	(45.9)	—	—
Redemptions	(449,665)	—	—	—
Fair value (gain) loss on warrants	—	(36.2)	—	33.8
Balance, end of the year	—	\$ —	22,999,894	\$ 82.1

Warrants were re-measured through profit or loss at each period end, using first level inputs. As of October 31, 2022, there are no warrants outstanding.

15. 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. common shares and Class A preferred shares on the consolidated statements of changes in equity have been scaled by the Business Combination exchange ratio of 1:39.91 for periods prior to the completion of the Business Combination on August 10, 2021.

The changes in the Company's outstanding common shares were as follows:

For the years ended October 31,	2022		2021	
Note	Number of shares (in millions)	Capital Stock	Number of shares (in millions)	Capital Stock
Balance, beginning of period	163.3	\$ 672.1	83.4	\$ 15.5
Issuance of shares - Series C private placement	—	—	11.2	21.6
Issuance of shares for non-cash costs	—	—	0.5	0.5
Issuance of shares - Public placement through Business Combination	—	—	65.7	629.7
Exercise of RSUs	0.3	3.6	0.4	3.9
Exercise of stock options	1.4	0.4	2.1	0.9
Exercise of warrants	5.7	46.0	—	—
Issuance of shares to LG Energy Solution, Ltd. and LG Chem, Ltd.	5.3	49.7	—	—
Balance, end of period	176.0	\$ 771.8	163.3	\$ 672.1

On May 12, 2022, the Company announced the successful completion of the \$50 million aggregate investment in common shares of the Company by LG Energy Solution, Ltd. ("LGES") and LG Chem, Ltd. ("LGC"). The Company issued 5,300,352 shares at an average price of \$9.43 per common shares to LGES and LGC (being 2,650,176 common shares each). The investment was split into two tranches: (i) an initial tranche of 4,416,960 common shares, in the aggregate, at a price of \$10.00 per share (for an aggregate initial tranche subscription price of approximately \$44.2 million), and (ii) a second tranche of 883,392 common shares, in the aggregate, at a price of \$6.60 per share (for an aggregate second tranche subscription price of approximately \$5.8 million). The total cash inflow, net of transaction costs, was \$49.7 million.

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Long-term incentive plans

Stock options

For stock options issued under the Company's 2021 Long Term-Incentive Plan ("LTIP plan"), each of the Company's stock options converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. The vesting period is one-third on the first-year anniversary of the grant of the option, and one-third every consecutive year thereafter. If an option remains unexercised after a period of 10 years from the date of grant, the option expires. Options are forfeited if the recipient terminates their employment or contract with the Company before the options vest.

A summary of stock option activities is as follows:

For the years ended October 31,	2022		2021	
\$ millions, except number of options	Number of stock options	Weighted average exercise price of stock options	Number of stock options	Weighted average exercise price of stock options
Balance, beginning of the year	5,296,554	2.81	5,327,980	0.38
Granted	763,829	7.81	2,320,989	6.13
Exercised	(1,547,113)	0.46	(2,172,820)	0.62
Forfeited	(2,619)	10.93	(179,595)	1.06
Balance, end of the year	4,510,651	4.46	5,296,554	2.81
Exercisable stock options	3,253,287	2.70	4,242,707	0.79

During the twelve months ended October 31, 2022, 1,547,113 stock options were exercised on a cashless basis (2021: 1,148,570), resulting in the issuance of 1,446,697 common shares (2021: 1,031,226) of Li-Cycle Holdings Corp., net of stock option issuance costs.

A summary of the outstanding stock options is as follows:

	2022		
Range of exercise prices	Number of stock options	Weighted-average remaining contractual life (years)	Expiration year
0.02 - 0.37	1,268,220	1.24	2023-2024
1.07 - 2.15	1,033,029	7.72	2029-2030
2.15 - 13.20	2,209,402	8.87	2031-2032
Total	4,510,651		

The Company recognized total expenses of \$6.6 million related to stock options during the twelve months ended October 31, 2022 (2021: \$2.7 million, 2020: \$0.2 million).

The fair value of the stock options granted during the twelve months ended October 31, 2022 was determined to be \$3.7 million (2021: \$8.3 million, 2020: \$0.9 million), using the Black-Scholes Merton option pricing model. The assumptions used in the stock option pricing model for the grants during the year ended October 31, 2022 were as follows:

Risk free interest rate	1.4% - 3.6%
Expected life of options	6 years
Expected dividend yield	0.0%
Expected stock price volatility	63% - 70%
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.

Restricted share units

Under the terms of the Company's LTIP plan, restricted share units ("RSUs") of Li-Cycle Holdings Corp. have been issued to executives, directors, employees and advisors. The RSU vesting periods ranged from several months to 3 years. The RSUs represent the right to receive

Li-Cycle Holdings Corp.

Notes to the consolidated financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

common shares from the Company in an amount equal to the fair market value of a common share of Li-Cycle Holdings Corp. at the time of distribution. RSUs issued under the LTIP plan are expected to be settled in common shares. RSUs issued under the LTIP plan are classified as equity on the consolidated statements of financial position.

The Company recognized share-based compensation expense relating to RSUs totaling \$11.5 million in the twelve months ended October 31, 2022 (2021: \$1.3 million, 2020: \$0.1 million).

A summary of RSU activities is as follows:

For the years ended October 31,	2022			2021	
\$ millions, except number of RSUs	Number of RSUs	Weighted average share price on grant date	Number of RSUs	Weighted average share price on grant date	
Balance, beginning of the year	716,763	10.93	87,084	1.07	
Granted ¹	1,703,966	8.38	1,021,955	8.29	
Exercised	(317,619)	11.22	(392,276)	1.87	
Forfeited	(55,073)	9.98	—	—	
Balance, end of the year	2,048,037	8.79	716,763	10.93	

¹Grants prior to August 10, 2021 were issued prior to the Company becoming public.

RSUs granted in the twelve months ended October 31, 2022 vest over 1 to 3 years.

For the twelve months ended October 31, 2022, the Company capitalized \$0.6 million in RSU and stock option costs to assets under construction (2021: \$nil).

16. Non-controlling interest

On January 26, 2022, the Company entered into an agreement with ECO STOR AS ("ECO STOR") and Morrow Batteries AS ("Morrow") to form Li-Cycle Norway AS which will construct a new commercial lithium-ion battery recycling facility in southern Norway. Li-Cycle is the majority owner of Li-Cycle Norway AS with 67% ownership with ECO STOR and Morrow being minority owners and Nordic-headquartered strategic partners with 31% and 2% ownership, respectively. These holdings allow the shareholders to nominate 2 Directors, 1 Director, and 1 observer, respectively, with their ownership holdings.

Summarized financial information for Li-Cycle Norway AS is as follows:

For the year ended October 31,	2022	
Balance, beginning of year	\$	—
Investment to non-controlling interest		0.3
Loss attributable to non-controlling interest during the year		(0.1)
Balance, end of year	\$	0.2
As at October 31,	2022	
Revenue	\$	—
Expenses		(0.4)
Net loss		(0.4)
Net loss attributable to non-controlling interest	\$	(0.1)

17. Financial instruments and financial risk factors

Fair values

The Company's financial instruments consist of cash equivalents, accounts receivable, other receivables, accounts payable and accrued liabilities, and convertible debt. The carrying amounts of other receivables, accounts payable and accrued liabilities approximate fair value due to the short-term maturity of these instruments.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Li-Cycle Holdings Corp.

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All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

- 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 are measured under level 2 of the hierarchy and were calculated as follows:

As at October 31, 2022		Balance	Level 2
Accounts receivable	\$	1.5 \$	1.5
	\$	1.5 \$	1.5
As at October 31, 2021			
Accounts receivable		4.1	4.1
	\$	4.1 \$	4.1

Refer to Note 5 above for additional details related to measurement of accounts receivable.

The Company's financial liabilities measured at fair value on a recurring basis are measured under level 1 and 2 of the hierarchy and were calculated as follows:

As at October 31, 2022		Balance	Level 1	Level 2
Conversion feature of convertible debt (refer to Note 13)	\$	43.9 \$	— \$	43.9
	\$	43.9 \$	— \$	43.9
As at October 31, 2021				
Conversion feature of convertible debt (refer to Note 13)		29.0	—	29.0
Warrants (refer to Note 14)		82.1	53.5	28.6
	\$	111.1 \$	53.5 \$	57.6

Currency risk

The Company is exposed to currency risk as its cash is mainly denominated in U.S. dollars, while its operations also require Canadian dollars, Euros, Swiss Francs and certain other currencies. As at October 31, 2022, the impact of a 5% change in these respective currencies versus the U.S. dollar, would result in an immaterial impact.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is exposed to interest rate risk, as it has variable interest rate debt that includes an interest rate floor and cap. Refer to Note 13.

Credit risk

Credit risks associated with cash are minimal as the Company deposits the majority of its cash with large Canadian and U.S. financial institutions. The Company's credit risks associated with receivables are managed and exposure to potential loss is also assessed as minimal.

The Company's revenue and accounts receivable primarily come from two key customers under long-term contracts. The Company manages this risk by engaging with reputable multi-national corporations in stable jurisdictions and performing a review of a potential customer's financial health prior to engaging in business.

Liquidity risk

Li-Cycle Holdings Corp.
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All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

Management 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.

The Corporation's significant contractual obligations and interest and principal repayments in respect of its financial liabilities and provisions are presented in the following table:

At October 31,		2022				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	
Accounts payable and accrued liabilities	\$ 47.5	\$ 47.5	\$ —	\$ —	\$ —	
Lease liabilities	76.6	8.0	14.3	13.0	41.3	
Restoration	0.4	—	0.2	—	0.2	
Convertible debt principal	300.0	—	—	300.0	—	
Convertible debt interest	146.1	—	—	146.1	—	
Total	\$ 570.6	\$ 55.5	\$ 14.5	\$ 459.1	\$ 41.5	

At October 31,		2021				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	
Accounts payable and accrued liabilities	\$ 18.7	\$ 18.7	\$ —	\$ —	\$ —	
Lease liabilities	35.9	4.5	8.4	6.7	16.3	
Restoration	0.4	—	0.1	0.1	0.2	
Convertible debt principal	100.0	—	—	100.0	—	
Convertible debt interest	42.7	—	—	42.7	—	
Total	\$ 197.7	\$ 23.2	\$ 8.5	\$ 149.5	\$ 16.5	

Market risk

The Company is exposed to commodity price movements for the inventory it holds and the products it produces. Commodity price risk management activities are currently limited to monitoring market prices. The Company's revenues are sensitive to the market prices of the constituent payable metals contained in its products, notably cobalt and nickel.

The following table sets out the Company's exposure, as at October 31, 2022 and 2021, in relation to the impact of movements in the Cobalt and Nickel price for the provisionally invoiced sales volume:

As at October 31,	Cobalt		Nickel	
	2022	2021	2022	2021
Metric tonnes subject to fair value pricing adjustments	4,202	1,728	4,202	1,728
10% increase in prices	\$ 1.1	\$ 0.3	\$ 1.0	\$ 0.4
10% decrease in prices	\$ (1.1)	\$ (0.3)	\$ (1.0)	\$ (0.4)

The following table sets out the period end commodity prices for Cobalt and Nickel as at October 31, 2022 and 2021:

Market price per tonne			
As at October 31,	2022		2021
Cobalt	\$	53,462	\$ 60,407
Nickel		21,710	19,300

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.

Li-Cycle Holdings Corp.

Notes to the consolidated financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

The capital structure of the Company consists of net cash (cash and cash equivalents after deducting convertible debt) and equity of the Company (comprising issued share capital and other reserves as disclosed in Note 15).

The Company is not subject to any externally imposed capital requirements.

18. Commitments and contingencies

As of October 31, 2022, there were \$9.2 million in committed purchase orders or agreements for equipment and services (October 31, 2021: \$6.9 million).

Legal Proceedings

The Company is and may be subject to various claims and legal proceedings in the ordinary course of its business. Due to the inherent risks and uncertainties of the litigation process, we cannot predict the final outcome or timing of claims or legal proceedings. The Company records provisions for such claims when an outflow of resources is considered probable and a reliable estimate can be made. No such provisions have been recorded by the Company.

U.S. Shareholder Class Action

On April 19, 2022, a putative securities class action lawsuit was filed in the U.S. District Court for the Eastern District of New York against the Company, its CEO, and its former CFO, on behalf of a proposed class of purchasers of the Company's publicly traded securities during the period from February 16, 2021 through March 23, 2022. The complaint, which is captioned as *Barnish v. Li-Cycle Holdings Corp., et al.*, 1:22-cv-02222 (E.D.N.Y.), alleges that the defendants issued false and misleading statements concerning Li-Cycle's business, which were revealed when Blue Orca Capital published a short seller report on March 24, 2022. The complaint seeks compensatory damages and an award of costs. The original complaint asserted claims under Sections 10(b) and 20(a) of the U.S. Securities Exchange Act of 1934 (the "Exchange Act"). On July 22, 2022, the court appointed The Lanigan Group, Inc. as lead plaintiff. On October 11, 2022, the lead plaintiff filed an amended complaint asserting claims pursuant to Section 14(a) of the Exchange Act and Sections 11 and 15 of the U.S. Securities Act of 1933 on behalf of a proposed class comprising: (a) all persons who were eligible to vote at Peridot Acquisition Corp.'s extraordinary general meeting held during August 2021, and (b) all persons who acquired Li-Cycle publicly traded securities pursuant to Li-Cycle's March 2021 Registration Statement. Unlike the original complaint, the amended complaint does not assert any claims under either Section 10(b) or Section 20(a) of the Exchange Act. The claims in the amended complaint are asserted against both the Company and certain individual defendants, including Li-Cycle's two Co-Founders, Li-Cycle's former CFO, two current directors of Li-Cycle (who were also directors and/or officers of Peridot Acquisition Corp. at the time of the Business Combination), and certain other directors or officers of Peridot Acquisition Corp. at the time of the Business Combination. On December 19, 2022, the Company and each of the individual defendants moved to dismiss the amended complaint in its entirety. The motion to dismiss is not yet fully briefed. The Company believes that the allegations in the amended complaint are without merit and intends to vigorously defend against this matter. No amounts have been recorded for any potential liability arising from this matter.

19. Loss per share

For the years ended October 31,	2022	2021	2020
Total net loss	\$ (53.7)	\$ (226.6)	\$ (9.4)
Weighted average number of common shares (in millions)	170.7	110.1	82.6
Basic and diluted loss per share	\$ (0.31)	\$ (2.06)	\$ (0.11)

For comparability, the stated weighted average number of common shares and the number of potential common shares have been scaled by the Business Combination exchange ratio of 1:39.91 for periods prior to the completion of the Business Combination on August 10, 2021.

Adjustments for diluted loss per share were not made for the twelve months ended October 31, 2022, 2021, and 2020 as they would be anti-dilutive in nature. The following table presents shares from instruments that could dilute basic loss per share in the future, but were not

Li-Cycle Holdings Corp.
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included in the calculation of diluted loss per share because they are antidilutive for the periods presented:

For the years ended October 31,	2022	2021	2020
Stock options	4.5	5.3	5.3
Warrants	—	23.0	—
Convertible debt	29.4	7.5	—
Restricted share units	2.0	0.7	—
	35.9	36.5	5.3

20. Segment reporting

The consolidated financial information presented in these financial statements is reviewed regularly by the Company's chief operating decision maker ("CODM") for making strategic decisions, allocations resources and assessing performance. The information review by CODM for decision making purposes aligns with the information provided above in the statements of loss and comprehensive loss, financial position, and cash flows. The Corporation's CODM is its Chief Executive Officer.

During the twelve months ended October 31, 2022, the Company operated in Canada and the United States. The Company also began investing in future operations in Europe. Management has concluded that the customers, and the nature and method of distribution of goods and services delivered, if any, to these geographic regions are similar in nature. The risks and returns across the geographic regions are not dissimilar; therefore, the Company operates as a single operating segment.

The following is a summary of the Company's geographical information:

	Canada	United States	Germany	Other	Total
Revenues					
Year ended October 31, 2022	\$ 4.1	\$ 9.3	\$ —	\$ —	\$ 13.4
Year ended October 31, 2021	3.0	4.3	—	—	7.3
Year ended October 31, 2020	0.8	—	—	—	0.8
Non-current assets					
As at October 31, 2022	26.8	161.4	10.7	2.5	201.4
As at October 31, 2021	15.5	37.9	—	—	53.4
As at October 31, 2020	\$ 3.4	\$ 6.1	\$ —	\$ —	9.5

Revenue is attributed to each geographical location based on location of sale.

The Company does not currently have active operations in any other geographical regions.

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:

For the years ended October 31,	2022	2021	2020
Research and development expenses, gross	\$ 1.7	\$ 2.7	\$ 2.8
Less: Government grants	—	—	(2.0)
Research and development expenses, net	\$ 1.7	\$ 2.7	\$ 0.8

In addition, for twelve months ended October 31, 2022, the Company has received \$nil in other government grants recognized as an offset against employee salaries and benefits expenses (2021: \$0.1 million, 2020: \$0.2 million).

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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:

For the years ended October 31,	2022	2021	2020
Net loss for the year before tax	\$ (53.7)	\$ (226.6)	\$ (9.4)
Statutory tax rates	26.5%	26.5%	26.5%
	(14.2)	(60.0)	(2.5)
Change in unrecognized deferred tax amounts	18.4	8.8	2.4
Rate differential	0.5	—	—
Other	0.1	—	—
Non-deductible item and others	(4.8)	51.2	0.1
Income tax expense	—	—	—

As of October 31, 2022, the Company has net operating losses of approximately \$184.1 million (2021: \$53.4 million) available to reduce net income for tax purposes in future years. Management believes the realization of the income tax benefits related to these losses and other potential deferred income tax assets is uncertain at this time. Accordingly, the Company has not recognized the deferred income tax assets in the consolidated financial statements.

As of October 31, 2022, the Company has aggregate non-capital losses for Canadian income tax purposes of approximately \$153.2 million (2021: \$48.7 million), that expire in the period 2037 to 2042. In addition, the Company has net operating losses for US income tax purposes of approximately \$25.0 million (2021: \$4.7 million) that carryforward indefinitely. The net operating losses for rest of the world income tax purposes consists of approximately \$2.2 million which can be carried forward indefinitely and \$3.6 million which will expire beginning 2029 to 2037. 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:

For the years ended October 31,	2022	2021	2020
Tax losses and credits carryforwards	\$ 48.6	\$ 14.3	\$ 3.8
Share issuance costs	10.1	12.6	—
Convertible debt	—	0.3	—
Reserves and provisions	0.1	0.2	0.1
Other	2.5	0.1	—
Plant and equipment, due to differences in amortization	(10.4)	(2.7)	(0.2)
Convertible debt, due to differences in amortization	(7.6)	—	—
Right of use assets, net of lease liabilities	0.5	0.6	(0.1)
Total	\$ 43.8	\$ 25.4	\$ 3.6
Deferred tax assets not recognized	\$ (43.8)	\$ (25.4)	\$ (3.6)
Deferred tax assets, net	—	—	—

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23. Notes to the Consolidated Statement of Cash Flows

As of October 31, 2022, the Company had cash on hand of \$269.3 million (2021: \$6.9 million) and cash equivalents in the form of short term guaranteed investment certificates of \$309.0 million (2021: \$590.0 million).

Changes in liabilities arising from financing activities comprise the following:

For the year ended October 31,	2022			
	Lease liabilities	Restoration provisions	Convertible debt	Conversion feature of convertible debt
Balance, beginning of the year	\$ 29.4	\$ 0.3	\$ 71.9	\$ 29.0
Cash changes:				
Repayments of lease liabilities	(4.7)	—	—	—
Repayment of loans payable	—	—	—	—
Proceeds from convertible debt	—	—	152.5	46.2
Total changes from financing cash flows	(4.7)	—	152.5	46.2
Non-cash changes:				
New leases	28.8	—	—	—
Disposal	(0.2)	—	—	—
Additions to restoration provision	—	0.1	—	—
Accrued interest and accretion	—	—	14.3	—
Foreign exchange gain or (loss)	(1.5)	—	—	—
Fair value gain/loss on conversion feature of convertible debt	—	—	—	(31.3)
Accrued interest paid in kind	—	—	5.9	—
Total non-cash changes	\$ 27.1	\$ 0.1	\$ 20.2	\$ (31.3)
Balance, end of the year	\$ 51.8	\$ 0.4	\$ 244.6	\$ 43.9

24. Subsequent events

Change in year-end

On December 21, 2022, the Company announced a change in its financial year end from October 31 to December 31. The change is being made to better align Li-Cycle's financial reporting calendar with peer group companies. As a result, by March 31, 2023, Li-Cycle will file a transition report on Form 20-F that will provide financial statements for the two-month period from November 1, 2022 through December 31, 2022. Li-Cycle's next financial year will cover the period from January 1, 2023 to December 31, 2023.

Sublease agreement

On January 12, 2023, the Company entered into a sublease agreement (the "Hub Warehouse Agreement") with Pike Conductor DEV 1, LLC (the "Landlord") outlining the parties' respective rights and obligations with respect to the construction, financing and leasing of a warehouse and administrative building (the "Building") for the Rochester Hub on leased property of the Landlord (the "Property"). As outlined in the Hub Warehouse Agreement, the Company will directly advance up to a maximum of \$58.6 million to the Landlord for the design, engineering and construction of the Building, and as at October 31, 2022, the Company had advanced \$27.0 million of the \$58.6 million maximum. Upon the successful closing of the Landlord's financing transaction, the Landlord will reimburse the Company for a portion of its advances, such that the Company will have made a net investment of \$14.5 million for leasehold improvements.

Once construction of the Building is complete, the Landlord will lease the Building and Property (together, the "Premises") to the Company. The term of the Premises lease will be the earlier of the issuance of a certificate of occupancy for the Building or September 1, 2023 and (subject to renewal) may extend for up to 48 years. In the event that the Landlord does not complete its

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financing transaction by July 1, 2023, the Hub Warehouse Agreement will be amended and restated as a ground lease agreement for the Property.

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LI-CYCLE HOLDINGS CORP. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations (“**MD&A**”) is dated February 6, 2023 and provides information which the management of Li-Cycle Holdings Corp. (“**Li-Cycle**” or the “**Company**”) believes is relevant to an assessment and understanding of the consolidated results of operations and financial condition of Li-Cycle for the year ended October 31, 2022 and 2021. This MD&A should be read together with Li-Cycle’s audited historical consolidated financial statements and related notes. In addition to historical financial information, this MD&A contains forward-looking statements based upon current expectations that involve risks, uncertainties and assumptions. For more information about forward-looking statements, refer to 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 the annual report on Form 20-F for the year ended October 31, 2022 (the “**Annual Report**”). References in this section to the “Company”, or “Li-Cycle” refer to Li-Cycle Corp. and its subsidiaries prior to the consummation of the business combination it completed with Peridot Acquisition Corp. on August 10, 2021 (the “**Business Combination**”), and to Li-Cycle Holdings Corp. and its subsidiaries subsequent to the Business Combination, unless the context otherwise requires or indicates otherwise.

Li-Cycle’s annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”), as issued by the International Accounting Standards Board (“**IASB**”). All amounts are in U.S. dollars except as otherwise indicated. Li-Cycle conducts business through one operating segment. For more information about Li-Cycle’s significant accounting policies, refer to Note 2 in the accompanying consolidated financial statements of Li-Cycle for the year ended October 31, 2022.

Certain figures, such as interest rates and other percentages included in this MD&A, have been rounded for ease of presentation. Percentage figures included in this MD&A have in all cases been calculated on the basis of the amounts prior to rounding. For this reason, percentage amounts may vary slightly from those obtained by performing the same calculations using the figures in Li-Cycle’s financial statements or in the associated text. Certain other amounts that appear in this MD&A may similarly not sum due to rounding.

On December 21, 2022, Li-Cycle announced that it would be changing its financial year end from October 31 to December 31. This change is being made to better align Li-Cycle’s financial reporting calendar with peer companies. As a result, by March 31, 2023, Li-Cycle will file a transition report on Form 20-F that will provide financial statements for the two-month period from November 1, 2022 through December 31, 2022. Li-Cycle’s next financial year will cover the period from January 1, 2023 to December 31, 2023.

Company Overview

Li-Cycle is an industry leader in lithium-ion battery (“**LIB**”) resource recovery and the leading LIB recycler in North America. When Li-Cycle refers to itself as the leading LIB recycler in North America, it is referring to its status based on installed permitted capacity for LIB recycling measured in tonnes per year. The Company’s proprietary “Spoke & Hub” recycling and resource recovery process is designed (a) at its Spokes, to process battery manufacturing scrap and end-of-life batteries to produce “black mass” and other intermediate products, and (b) at its Hubs, to process black mass to produce battery grade materials, including nickel sulphate, cobalt sulphate, and lithium carbonate. In 2022, the Company started production of certain products analogous to black mass that have a similar metal content, and, as a result, the Company now tracks its production using a unit of measure called black mass and black mass equivalents (“**Black Mass & Equivalents**” or “**BM&E**”). Li-Cycle has a market-leading position in North America through its four operational Spokes in Kingston, Ontario (the “**Ontario Spoke**”), Rochester, New York (the “**New York Spoke**”), Gilbert, Arizona (the “**Arizona Spoke**”) and Tuscaloosa, Alabama (the “**Alabama Spoke**”). The Company is currently developing its first commercial-scale Hub in Rochester, New York (the “**Rochester Hub**”). Li-Cycle is also developing new Spokes in Europe, including in Magdeburg, Germany (the “**Germany Spoke**”), which is expected to start operations in 2023, and in Moss, Norway (the “**Norway Spoke**”). Refer to the section entitled “Operational Updates” for additional details.

Until 2020, Li-Cycle was a development stage company with no commercial revenues. For the twelve months ended October 31, 2022, Li-Cycle's revenue, net loss, and Adjusted EBITDA¹ loss were \$13.4 million, \$53.7 million, and \$100.7 million, respectively.

To date, Li-Cycle has financed its operations primarily through: (i) proceeds received in connection with the Business Combination; and (ii) private placements of Li-Cycle securities (including convertible notes and subscriptions). Refer to the section entitled "Liquidity and Capital Resources" for definitions and additional details.

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 the terms of the Business Combination, on the closing date of the Business Combination, (i) Peridot and Old Li-Cycle Holdings amalgamated (the "**Amalgamation**"), 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 Corp., and the common share in Old Li-Cycle Holdings held by Li-Cycle was exchanged for a share of Li-Cycle Holdings Corp.; (ii) the share of Li-Cycle Holdings Corp. held by Li-Cycle was purchased for cancellation by Li-Cycle Holdings Corp. 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 Corp. 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 Corp. and remained outstanding on the day following the closing date of the Business Combination) in exchange for common shares of Li-Cycle Holdings Corp. 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.

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 the Company's future results, and therefore those projections should not be relied on as indicative of future results. Demand for LIB recycling has continued to exceed its internal projections and, in order to meet this growing demand, the Company decided to increase and accelerate its investment in the build-out of its recycling capacity in certain respects. For example, since the date of effectiveness of the Proxy/Registration Statement and the date of the Canadian Prospectus, respectively, the Company has, among

¹ Adjusted EBITDA is a non-IFRS financial measure and does not have a standardized meaning under IFRS. Refer to the section entitled "Non-IFRS Measures" in this MD&A for more details, including a reconciliation to the most comparable IFRS financial measure.

other things, opened the Arizona Spoke and Alabama Spokes, and announced the development of other Spoke projects, increasing its processing capacity beyond that of the Company's previous plans and projections. Li-Cycle has also announced the increase of expected processing capacity and development costs at its Rochester Hub. The Company's actual results could differ substantially from the projected financial information contained in the Proxy/Registration Statement and the Canadian Prospectus.

Key Highlights and Strategic Priorities

Highlights for the year ended October 31, 2022

- *Strengthened balance sheet with \$250 million in investment proceeds* – Li-Cycle raised \$200.0 million through a convertible note issued to Glencore Ltd. (“**Glencore**”) (the “**Glencore Convertible Note**”) and \$50.0 million through an equity investment from LG Chem, Ltd. (“**LGC**”) and LG Energy Solution, Ltd. (“**LGES**”), in addition to the \$100.0 million raised in fiscal 2021 from the KSP Convertible Note (as defined below under *Debt Obligations - KSP Convertible Notes*). Refer to the section entitled “Liquidity and Capital Resources” for further details on financing received in fiscal 2022;
- *Advancement of the Rochester Hub, expected to be the first hydrometallurgical battery resource recovery facility in North America* – Li-Cycle has made significant progress on the construction and development of the Rochester Hub to date, including the achievement of key engineering, permitting, procurement and construction milestones and is on track to initiate commissioning in stages in late calendar 2023. Refer to the section entitled “Operational Updates” for further details;
- *Strategic long-term commercial agreements* – In fiscal 2022, Li-Cycle entered into long-term commercial agreements with strategic global participants in the battery materials supply chain. Offtake agreements for a portion of the nickel sulphate to be produced by the Rochester Hub were signed in April 2022 with LGC and LGES. Several long-term commercial agreements with Glencore. were signed in May 2022, including to secure the supply of LIB and black mass, as well as for offtake of certain production from the Rochester Hub and future Hubs;
- *Continued development and expansion of Spoke network in North America* – Li-Cycle operationalized the Arizona Spoke and the Alabama Spoke, and added ancillary processing lines at its Arizona and New York Spokes, increasing total North American capacity to more than 50,000 tonnes of LIB input per year from 18,000 tonnes in 2021. Refer to the section entitled “Operational Updates” for additional details on Spoke capacity. The Company produced approximately 4,023 tonnes of Black Mass & Equivalents for the year ended October 31, 2022, exceeding the revised annual guidance of 3,500 - 3,800 tonnes.

Objectives and focus for the year ending December 31, 2023

- *Capitalizing on strong secular market and government policy* – The U.S. Inflation Reduction Act of 2022 favors the development of a domestic electric vehicle (“**EV**”) supply chain which will help the Company as a U.S. domestic operator. In addition, growing mega-factory investments in North America and globally are expected to drive significant increases in the Company's total addressable market;
- *Advancing first mover roll-out of the Spoke & Hub network in North America and Europe* – The Rochester Hub is on track to commence commissioning in stages in late calendar 2023. The Company is also scheduled to open its first European Spoke in calendar 2023. The Company expects to continue to add key commercial contracts underpinning its investments in both North America and Europe;
- *Funding flexibility and building further balance sheet strength* - The Company intends to pursue potential debt financing options from both traditional and government sources in support of future growth;
- *Optimizing European asset rollout plan* – Li-Cycle is redirecting 10,000 tonnes of the planned Norway Spoke processing capacity to Germany, to meet customer demand and increase operational efficiencies. The Germany Spoke will now have total capacity of 30,000 tonnes of LIB input per year including a

second main line with capacity to process 10,000 tonnes of LIB per year and ancillary processing. Design work for the Germany Spoke and warehouse building have been completed. Construction is on track for both main lines of the Germany Spoke being commissioned in the second half of calendar 2023. Refer to the section entitled “Operational Updates” for additional details on the Company’s Spoke network rollout plan;

- *Maximizing significant lithium value within black mass* – The lithium content within the Black Mass & Equivalents has no payable value under the Company’s current third-party sales contracts. To unlock that value, which has increased in the current market context, Li-Cycle is planning to gradually shift to a strategy of retaining BM&E production for future internal use as feedstock at the Rochester Hub, which is on track to commence commissioning in stages in late calendar 2023. The Rochester Hub will produce battery grade lithium carbonate, among other battery grade materials, from the Company’s BM&E feedstock and the sale of these finished products is expected to unlock the additional metal value contained within the Company’s BM&E.

Select Financial Information

\$ millions, except for per share data, for the year ended October 31,		2022	2021	2020
Revenue	\$	13.4	\$ 7.3	\$ 0.8
Loss from operations		(111.2)	(31.9)	(9.2)
Net loss		(53.7)	(226.6)	(9.4)
Loss per common share - basic and diluted		(0.31)	(2.06)	(0.11)
Total assets	\$	882.3	\$ 665.2	\$ 12.2
Total non-current financial liabilities		335.5	209.9	4.1

Financial Results

\$ millions, except per share data	Three months ended			Twelve months ended		
	October 31,	2021	Change	October 31,	2021	Change
	2022			2022		
<i>Financial highlights</i>						
Revenues	\$ 3.0	\$ 4.4	\$ (1.4)	\$ 13.4	\$ 7.3	\$ 6.1
Operating expenses	(39.4)	(18.5)	(20.9)	(124.6)	(39.2)	(85.4)
Other income (expense)	2.5	(190.8)	193.3	57.5	(194.7)	252.2
Net loss	(33.9)	(204.9)	171.0	(53.7)	(226.6)	172.9
Net loss attributable to the Shareholders of Li-Cycle Holdings Corp.	(33.9)	(204.9)	171.0	(53.6)	(226.6)	173.0
Adjusted EBITDA	(32.6)	(11.7)	(20.9)	(100.7)	(26.2)	(74.5)
Loss per common share - basic and diluted	\$ (0.19)	\$ (1.31)	\$ 1.12	\$ (0.31)	\$ (2.06)	\$ 1.75
<i>Cash</i>						
Cash balance	\$ 578.3	\$ 596.9	\$ (18.6)	\$ 578.3	\$ 596.9	\$ (18.6)
Cash used in operating activities	(8.9)	(8.0)	(0.9)	(72.6)	(24.6)	(48.0)

Revenue

Li-Cycle recognizes revenue from: (i) sales of intermediate products from Li-Cycle’s Spokes, being Black Mass & Equivalents, and shredded metal; and (ii) providing services relating to recycling of LIB, which includes coordination of logistics and destruction of batteries. Sales of intermediate products are presented net of fair value losses recognized in the period. Refer to the section entitled “Significant Accounting Policies and Critical Estimates” for additional details on the Company’s revenue recognition policy.

\$ millions, except sales volume	Three months ended October 31,		Twelve months ended October 31,	
	2022	2021	2022	2021
Product revenue recognized in the period	\$ 3.1	\$ 4.0	\$ 14.3	\$ 6.1
Recycling service revenue recognized in the period	0.4	0.1	1.3	0.4
Revenue before FMV adjustments	3.5	4.1	15.6	6.5
Fair value pricing adjustments	(0.5)	0.3	(2.2)	0.8
Revenue	\$ 3.0	\$ 4.4	\$ 13.4	\$ 7.3

Tonnes of Black Mass & Equivalents sold	1,302	1,092	3,679	1,824
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For the three and twelve months ended October 31, 2022, revenues were \$3.0 and \$13.4 million, respectively, compared to \$4.4 million and \$7.3 million in the corresponding periods of 2021. The Company's revenues are impacted by market prices of certain constituent metals contained in its products, notably cobalt and nickel. The primary driver for the decrease in revenue for the three months ended October 31, 2022 and the change in fair value pricing adjustments for the same period was a decrease in commodity prices for cobalt, offset by a small increase in nickel prices. Sales of Black Mass & Equivalents were 1,302 tonnes and 3,679 tonnes, respectively, in the three and twelve months ended October 31, 2022, compared to 1,092 tonnes and 1,824 tonnes in the corresponding period of 2021. The increase in product revenue for the year was primarily attributable to increased production of BM&E, directly related to the ramp up of operations at the Company's Spoke facilities. The ramp up of operations included the Arizona Spoke, which came on line in the second half of the fiscal year, and the Alabama Spoke, which came on line in October 2022.

The following table sets out the period end and annual average commodity prices for cobalt and nickel:

		Market price per tonne As at October 31,			Average market price per tonne Twelve months ended October 31,	
		2022	2021	2020	2022	2021
Cobalt	\$	53,462	\$ 60,407	\$ 32,500	\$ 70,328	\$ 47,009
Nickel		21,710	19,300	15,256	24,413	18,030

As of October 31, 2022, 4,202 metric tonnes of Black Mass & Equivalents are subject to fair value pricing adjustments. This amount will continue to grow as sales volume increases. The table below shows the expected settlement dates for the metric tonnes of BM&E subject to fair value price adjustments by quarter for the last twelve months:

Expected settlement dates for metric tonnes subject to fair value pricing adjustments					
	October 31, 2022	July 31, 2022	April 30, 2022	January 31, 2022	October 31, 2021
271+ days	1,816	1,559	1,358	1,088	1,072
181-270 days	1,178	678	530	344	78
91-180 days	678	530	344	270	376
1-90 days	530	445	367	394	212
Total metric tonnes	4,202	3,212	2,599	2,096	1,738

Operating expenses

Primary expense categories for Li-Cycle include employee salaries and benefits and share-based compensation (together, "**personnel costs**"), office, administrative and travel, professional fees (which include consulting and other advisor fees), raw materials and supplies, depreciation, and plant facilities. Personnel expenses are presented net of any employee and share based compensation capitalized to assets under construction.

For the three and twelve months ended October 31, 2022, operating expenses increased by \$20.9 million and \$85.4 million, respectively, compared to the corresponding periods of 2021. The main drivers of the increases in the three and twelve months ended October 31, 2022 compared with the corresponding periods in 2021 were increases in personnel costs (\$4.7 million and \$38.0 million) related to the addition of corporate, operational, and

engineering personnel as Li-Cycle continued to expand its Spoke operations, increases in office, administrative, and travel costs (\$3.5 million and \$13.8 million) which were driven by additional insurance costs and coverage, increased levels of travel reflecting the Company's expanding global footprint and a return to pre-pandemic frequency of travel, and ongoing implementation costs for an enterprise resource planning system, and increases in raw materials and supplies (\$7.4 million and \$12.2 million) which were primarily driven by increased volume of production in the period as a result of additional processing capacity in the Spoke network coupled with higher average material costs in the three and twelve months ended October 31, 2022. Inventory costs (inclusive of raw materials and conversion costs) exceeded the net realizable value ("NRV") of Black Mass & Equivalents, leading to inventory write downs of \$3.8 million and \$4.8 million, respectively, in the three and twelve months ended October 31, 2022, compared to \$0.5 million and \$0.6 million in the prior year. The NRV of BM&E inventory is based on cobalt and nickel content with no value assigned to lithium. The increased level of professional fees, plant facilities and depreciation relate to the execution of the Company's growth plans including the impact of additional Company operating sites compared to the corresponding periods of 2021.

Other income (expense)

Other income (expense) consists of interest income, foreign exchange gain or loss and interest expense (together, "**Interest expense and other costs**"), and fair value gain (loss) on financial instruments. Interest expense represents interest paid in kind, actual cash interest costs incurred and any accrued interest payable at a future date, net of interest costs capitalized for qualifying assets if they are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

For the three and twelve months ended October 31, 2022, other income increased by \$193.3 million and \$252.2 million, respectively, compared to the corresponding periods of 2021. The main drivers of the increases compared with the corresponding periods in 2021 were due to losses in the prior year on the transfer of more consideration than the fair value of assets acquired and liabilities assumed in the Business Combination (\$152.7 million and \$152.7 million), fair value gains on financial instruments (\$41.0 million and \$105.8 million), and interest income (\$4.3 million and \$6.9 million), partly offset by an increase in interest expense and other costs (\$4.7 million and \$13.2 million). The decrease in fair value over consideration transferred relates to the one time nature of the Business Combination in the last fiscal quarter of 2021 which resulted in a loss of \$152.7 million. The increases in fair value gains were primarily driven by fair value revaluations of the conversion feature of convertible debt and warrants. The increase in interest expense was due to interest accrued on the Company's convertible debt, comprised of the KSP Convertible Note and the Glencore Convertible Note. The increase reflects interest related to the Glencore Convertible Note, which was issued in May 2022 and a full year of interest for the KSP Convertible Note, compared to two months of interest for the Initial KSP Convertible Note in the corresponding periods of 2021. Refer to the section entitled "Liquidity and Capital Resources" for further details on the Company's convertible debt. Netted in the above expenses were \$1.8 million and \$5.2 million of interest costs which were capitalized in the three and twelve months ended October 31, 2022 related to borrowings directly attributable to qualifying Rochester Hub assets (2021: \$nil). The increase in interest income reflect interest earned on short-term cash deposits.

Net profit (loss) and Adjusted EBITDA

Net loss was \$33.9 million and \$53.7 million in the three and twelve months ended October 31, 2022, compared to a net loss of \$204.9 million and \$226.6 million in the three and twelve months ended October 31, 2021. Net loss for the three and twelve months ended October 31, 2022 were driven by the factors discussed above. In addition, the results for the three and twelve months ended October 31, 2021 included a \$152.7 million loss related to the excess of fair value over consideration transferred in relation to the Business Combination. Adjusted EBITDA loss was \$32.6 million and \$100.7 million in the three and twelve months ended October 31, 2022, compared to \$11.7 million and \$26.2 million in the corresponding periods of 2021. The primary difference between Adjusted EBITDA and net loss for the year is the exclusion of fair value gains on financial instruments. A reconciliation of Adjusted EBITDA loss to Net profit (loss) is provided in the section "*Non-IFRS Measures*" below.

Cash and cash equivalents

Cash and cash equivalents were \$578.3 million as at October 31, 2022 compared to \$596.9 million as at October 31, 2021. The Company raised a total of \$250.0 million in funding during the year from the Glencore Convertible Note issued on May 31, 2022, and the equity investment from LGC and LGES on May 11, 2022. The

Company incurred capital expenditure of \$190.1 million in the year, primarily comprising purchases of equipment and construction materials for the Rochester Hub, the Arizona Spoke and the Alabama Spoke in addition to outflows for ongoing operating expenses. Refer to the section entitled “Liquidity and Capital Resources” for further details of the Company’s cash flows.

Cash flows used in operational activities

For the three and twelve months ended October 31, 2022, cash flows used by operating activities were approximately \$8.9 million and \$72.6 million, respectively, and were primarily driven by the growth and expansion of Li-Cycle’s operations and commercial footprint and the ramp up of operations with the addition of two operational Spokes in the year.

Operational Updates

\$ millions, except production data in tonnes	Three months ended October 31,			Twelve months ended October 31,		
	2022	2021	Change	2022	2021	Change
<i>Operational Highlights</i>						
Capital Expenditure	\$ 60.4	\$ 9.4	543%	\$ 190.1	\$ 21.4	788%
Production - Black Mass & Equivalents	1,640	811	102%	4,023	1,880	114%

Capital expenditure

Capital Expenditures for the three and twelve months ended October 31, 2022 were \$60.4 million and \$190.1 million, respectively, compared to \$9.4 million and \$21.4 million in the three and twelve months ended October 31, 2021. Capital expenditures for the three and twelve months ended October 31, 2022 were primarily driven by purchases of equipment and construction materials for the Rochester Hub of \$49.6 million and \$140.8 million, respectively. Capital spend for detailed engineering, equipment and installation and facility related expenditures for the Company’s Spokes for the three and twelve months ended October 31, 2022 were \$10.8 million and \$49.3 million, respectively, and include the Arizona and Alabama Spoke as well as other Spoke projects in development.

Included in the capital expenditures for the three and twelve months ended October 31, 2022 are \$3.7 million and \$6.8 million, respectively, in personnel costs, which were capitalized to assets under construction as they are costs that are directly attributable to bringing the Company’s Rochester Hub and Spoke development projects to a condition and location necessary for the assets to be capable of operating in the manner intended by management (2021: \$nil).

Production – Black mass & equivalents

The Company produced 1,640 tonnes and 4,023 tonnes of Black Mass & Equivalents in the three and twelve months ended October 31, 2022, compared to 811 tonnes and 1,880 tonnes in the three and twelve months ended October 31, 2021. The Company’s production for the twelve months ended October 31, 2022 exceeded the revised annual guidance of 3,500 - 3,800 tonnes. The increase in production of BM&E was primarily attributable to the ramp up of operations at the Company’s Spoke facilities; the Arizona Spoke and the Alabama Spoke came on line in the second half of the fiscal year, and the Alabama Spoke started operations in October 2022, as well as added ancillary processing capacity at the New York Spoke.

Capital Projects

The Company has a major design and build project underway to establish its first Hub and is developing and evolving a network of Spokes.

Rochester Hub

Li-Cycle's first commercial Hub is currently under construction in Rochester, New York. Li-Cycle's Spoke facilities in North America will be the primary suppliers of Black Mass & Equivalents feedstock for the Rochester Hub. The location for the Rochester Hub was specifically selected due to the nature of the infrastructure available at the site, including utilities and road/rail networks.

Li-Cycle completed a definitive feasibility study for the Rochester Hub in December 2021. Based on the definitive feasibility study, Li-Cycle expects the Rochester Hub will have nameplate input capacity to process 35,000 tonnes of Black Mass & Equivalents annually (equivalent to approximately 90,000 tonnes or 18 GWh of LIB equivalent feed annually). The facility is expected to have an output capacity of battery grade materials of approximately 42,000 to 48,000 tonnes per annum of nickel sulphate, 7,500 to 8,500 tonnes per annum of lithium carbonate and 6,500 to 7,500 tonnes per annum of cobalt sulphate.

Li-Cycle has engaged Hatch Ltd. as its engineering and procurement contractor for the Rochester Hub. Hatch Ltd. is also providing select construction management services such as onsite field engineering support and overall project scheduling for the project. Li-Cycle has engaged MasTec Inc. as its general contractor. Procurement activities are well advanced and have commenced on all equipment and select construction materials for the Rochester Hub. Site works and construction commenced on the Rochester Hub site in January 2022. The Rochester Hub has made significant progress to date on key engineering, procurement and construction milestones and is expected to initiate commissioning in stages in late calendar 2023.

Li-Cycle has been granted a special use permit for hydrometallurgical facility operations, overall site plan approval, and a special use permit with an area variance for hazardous material storage tanks at the Rochester Hub by the Town of Greece, New York, all subject to certain conditions. Li-Cycle will continue to apply for construction-related building permits from the Town of Greece as plans for specific structures become finalized. Li-Cycle completed the New York State Environmental Quality Review Act process for the Rochester Hub in November 2021. The New York State Department of Environmental Conservation ("NYSDEC") issued a state facility air permit for the expected emissions from the Rochester Hub in March 2022. A general permit for stormwater discharges from construction activity, and a related stormwater pollution prevention plan that meets criteria set forth by the NYSDEC, is also in place for the Rochester Hub. The remaining anticipated regulatory approvals required to complete and operate the Rochester Hub consist of the granting by the NYSDEC of a general permit for stormwater discharges associated with industrial activity, a chemical bulk storage registration and a petroleum bulk storage registration.

Li-Cycle expects that the Rochester Hub will result in a workforce of approximately 270 employees at its operations.

Spoke Network

Li-Cycle currently has four operational Spokes in North America: the Ontario Spoke, the New York Spoke, the Arizona Spoke and the Alabama Spoke. As of October 31, 2022, both the Arizona Spoke and the Alabama Spoke were in the ramp-up phase. The Company is also continuing to add capacity to its Spoke network with new development and expansions, as described below.

The Company continues to innovate its Spoke technology with each Spoke roll out, incorporating upgrades and improvements from the development of the preceding Spokes. Since the build and installation of the Company's first Spoke (the "**Generation 1**" Ontario Spoke in 2020), the Company has significantly evolved its Spoke design. The Ontario Spoke was a stick build format with a single shredder design. The Company's next Spoke facility (the "**Generation 2**" New York Spoke) was a modular build with increased recovery rates, including added ancillary processing capacity. Both the Arizona Spoke and the Alabama Spoke are "**Generation 3**" Spokes and incorporates a modular build, multi-stage shredding with capabilities to shred full-pack EV batteries, further increases to recovery rates, and optionality for multiple main lines and flex capacity with ancillary processing.

The table below outlines current available Spoke capacity and additional calendar 2023 expected Spoke capacity, by Spoke location:

Annual tonnes of material processed	Main Line ¹	Ancillary Processing			Total Processing Capacity
		Dry Shredding ²	Powder Processing ³	Baling ⁴	
Ontario Spoke	5,000	—	—	—	5,000
New York Spoke	5,000	5,000	3,000	5,000	18,000
Arizona Spoke	10,000	5,000	3,000	—	18,000
Alabama Spoke	10,000	—	—	—	10,000
<i>Current available capacity</i>	<i>30,000</i>	<i>10,000</i>	<i>6,000</i>	<i>5,000</i>	<i>51,000</i>
Germany Spoke	20,000	5,000	—	5,000	30,000
2023 expected capacity	50,000	15,000	6,000	10,000	81,000

Notes

¹ Processes materials using Li-Cycle's patented submerged shredding process or "wet shredding" specifically for battery materials that contain electrolyte and have risk of thermal runaway.

² Processes materials that don't contain electrolyte with less risk of thermal runaway, such as electrode foils.

³ Processes electrode powders to minimize dusting in downstream processes.

⁴ Processes electrode foils into formed cubes for optimizing logistics and downstream processing.

Germany Spoke

In 2022, Li-Cycle announced the development of a European Spoke to be based in Magdeburg, Germany, approximately 160 kilometers from Berlin. The Germany Spoke was planned to have an initial recycling capacity of at least 10,000 tonnes (2 GWh equivalent) per year, with the first main line expected to be operational in 2023. To meet customer demand and increase cost efficiencies, Li-Cycle now plans to install a second main line with capacity of 10,000 tonnes (2 GWh equivalent) per year in Germany by the end of calendar 2023. In addition, the Germany Spoke is expected to have capacity of 10,000 tonnes per year for ancillary processing.

Norway Spoke

In 2022, Li-Cycle entered into a joint venture agreement with ECO STOR AS ("**ECO STOR**") and Morrow Batteries AS ("**Morrow**") to form Li-Cycle Norway AS for the purpose of constructing the Norway Spoke. Li-Cycle is the majority owner of Li-Cycle Norway AS, with ECO STOR and Morrow being minority owners and Nordic-headquartered strategic partners. The Norway Spoke will be a Generation 3 Spoke, expected to have a main line recycling capacity of 10,000 tonnes (2 GWh equivalent). The Company has leased a site in Moss, Norway, approximately 60 kilometers from Oslo, for this operation, and the building is currently under construction. To prioritize the expansion plans for the Germany Spoke, the Company will initially use the Norway Spoke as a consolidation and warehouse facility, with the installation of a Generation 3 Spoke line and start of operations at this facility now planned for 2024.

Ohio Spoke

In 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 announced that it would construct a new building for the Ohio Spoke, where Li-Cycle could install and operate its proprietary Spoke technology and equipment. Initial plans for the Ohio Spoke included recycling capacity of 15,000 tonnes (3 GWh equivalent) per year and with operations to commence in 2023. Based on Li-Cycle's overall Spoke plan, which prioritizes the fastest growing electrification demand centers and prudently directing capital, the Ohio Spoke has been deferred. Li-Cycle does not expect the Ohio Spoke to be operational in 2023.

Other Spoke Updates

Li-Cycle completed and operationalized its new Spokes in Arizona and Alabama in 2022. The costs to construct, commission and commence operations for the Arizona and Alabama Spokes were in total approximately \$4.0 million higher than original estimates, due primarily to extended commissioning periods for these facilities, which were the first Generation 3 Spokes. The improvements developed through the commissioning process for these Spokes are expected to benefit the Company's future Generation 3 Spoke projects.

Li-Cycle completed improvements to its New York Spoke by the end of calendar 2022 including upgrading of the shredder and the addition of baling to supplement ancillary processing capacity. The New York Spoke now has variable capacity of up to 18,000 tonnes per year for processing a range of LIB feedstock types.

Li-Cycle is currently working on plans to develop an expanded Generation 3 Spoke and warehouse facility that will replace its existing Spoke in Kingston, Ontario (the “**New Ontario Spoke**”). Li-Cycle expects initial site work to commence during 2023. The new Ontario Spoke is currently expected to have a main line recycling capacity of 10,000 tonnes (2 GWh equivalent) of LIB per year.

Capital Expenditure estimates for Rochester Hub and Spoke Network

Li-Cycle estimates that the Rochester Hub will require a total capital investment of approximately \$486 million (+/-15%). Costs for the Rochester Hub are tracking within budget. Spend to date on the Rochester Hub totals \$154.2 million.

Li-Cycle expects to spend approximately \$40.0 million on its Spokes in development in 2023 including the installation of the first and second main lines at the Germany Spoke, further work on the Norway Spoke, and initial work at the new Ontario Spoke location.

Li-Cycle expects to fund its capital projects through a combination of existing liquidity and future fund-raising activities.

Liquidity and Capital Resources

Sources of Liquidity

Li-Cycle intends to meet its currently anticipated capital requirements through cash on hand, cash flow from operations, and additional ongoing fund-raising activities. Li-Cycle has no material debt maturities until September 29, 2026. As at October 31, 2022, the Company had \$578.3 million of cash and cash equivalents on hand and convertible debt of \$288.5 million.

The Company’s primary need for liquidity is to fund working capital requirements of its business, capital expenditures related to the development and construction of its Rochester Hub and new Spoke facilities, and general corporate purposes. The Company’s primary source of liquidity is the funds raised from the Business Combination, the PIPE Financing, the KSP Convertible Note financing, the LGC and LGES share subscription and the Glencore Convertible Note financing.

Li-Cycle’s capital and operating expenditures have increased, and it expects that they will continue to increase, in connection with its ongoing activities and growth, as the Company: completes the development and construction of the Rochester Hub; progresses the development of the Spoke network; develops additional Hubs, including through joint ventures or other contractual arrangements; continues to invest in its technology, R&D efforts and the expansion of its intellectual property portfolio; obtains, maintains and improves its operational, financial and management information systems; hires additional personnel; and operates as a public company.

The Company’s ability to fund its capital and operating expenditures, make scheduled debt payments and repay or refinance indebtedness depends on its 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 its control. Over the short to mid-term, Li-Cycle expects it will need to secure additional equity and debt financing to fund its growth strategy. Additional funds may not be available when the Company needs them on terms that are acceptable to the Company, or at all.

Cash Flows Summary

Presented below is a summary of Li-Cycle’s operating, investing, and financing cash flows for the periods indicated:

\$ millions	Three months ended		Twelve months ended	
	October 31,		October 31,	
	2022	2021	2022	2021
Cash flows used in operating activities	\$ (8.9)	\$ (8.0)	\$ (72.6)	\$ (24.6)
Cash flows used in investing activities	(60.4)	(9.4)	(190.1)	(21.4)
Cash flows from financing activities	(1.4)	611.9	244.1	642.2
Net change in cash	\$ (70.7)	\$ 594.5	\$ (18.6)	\$ 596.2

Cash Flows Used in Operating Activities

For the three and twelve months ended October 31, 2022, cash flows used by operating activities were approximately \$8.9 million and \$72.6 million, respectively, primarily driven by the growth and expansion of Li-Cycle's operations and commercial footprint. The increases in the cash flows used in operating activities were driven by an increase in raw material costs, as well as increased other operating expenses including personnel costs. The increase also reflects the addition of two operational Spokes in the three and twelve months ended October 31, 2022 relative to the corresponding periods of 2021, as well as the addition of new corporate personnel as the Company has implemented its expansion plans.

For the three and twelve months ended October 31, 2021, cash flows used in operating activities were approximately \$8.0 million and \$24.6 million, respectively, and were primarily driven by the growth and commercialization of Li-Cycle's operations, which included adding employees, production costs from the ramp-up phase at the New York Spoke, R&D expenses, and consulting costs relating to the development of the Rochester Hub.

Cash Flows Used in Investing Activities

For the three and twelve months ended October 31, 2022, cash flows used in investing activities were primarily driven by the capital investment in the Rochester Hub and acquisition of equipment, construction materials and leasehold improvements for the Arizona Spoke, the Alabama Spoke and the Rochester Hub. Cash flows used in investing activities in the prior year were for similar activities at a lesser scale.

Cash Flows from Financing Activities

Cash flows from financing activities in the three months ended October 31, 2022 were primarily related to lease repayments, whereas 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 the initial KSP Convertible Note offset by \$11.4 million of loan and promissory note repayments. The cash inflows in the twelve months ended October 31, 2022 related primarily to net proceeds of \$198.7 million from the issuance of the Glencore Convertible Note and net proceeds of \$49.7 million from the investment by LGC and LGES in the Company's common shares, whereas 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.

Debt Obligations

KSP Convertible Notes

On September 29, 2021, the Company entered into a Note Purchase Agreement (the "**KSP Note Purchase Agreement**") with Spring Creek Capital, LLC (an affiliate of Koch Strategic Platforms, LLC, being a company within the Koch Investments Group) and issued a convertible note (the "**Initial KSP Convertible Note**") in the principal amount of \$100 million to Spring Creek Capital, LLC. The KSP Convertible Note will mature on September 29, 2026. Interest on the Initial KSP Convertible Note is payable semi-annually, and Li-Cycle is permitted to pay interest on the Initial KSP Convertible Note in cash or by payment in-kind ("**PIK**"), at its election. Interest payments made in cash are based on an interest rate of LIBOR plus 5.0% per year, and PIK interest payments are based on an interest rate of LIBOR plus 6.0% per year. Under the terms of the Initial KSP Convertible Note, LIBOR has a floor of 1% and a cap of 2%. Once LIBOR interest rate is no longer published, the interest rate 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 ending on the date on which LIBOR ceases to be published. The PIK election results in the issuance of a new note under the same terms as the Initial KSP Convertible Note, issued in lieu of interest payments with an issuance date on the applicable interest date. On May 1, 2022, Spring Creek Capital, LLC assigned the Initial KSP Convertible Note and the PIK note outstanding at that time to an affiliate, Wood River Capital, LLC. The Company has elected to pay interest on the Initial KSP Convertible Note by PIK since the first interest payment date of December 31, 2021. The Initial KSP Convertible Note and the PIK notes issued thereunder are referred to collectively as the “**KSP Convertible Notes**”, and as at October 31, 2022, comprised the following:

Note	Date Issued		Amount Issued
KSP Note	September 29, 2021	\$	100.0
PIK Note	December 31, 2021		1.8
PIK Note	June 30, 2022		4.1
Total		\$	105.9

Subsequent to the fiscal year end, on December 31, 2022, the Company elected to pay the accrued interest on the KSP Convertible Notes in kind by issuing an additional PIK note in the amount of \$4.3 million under the same terms as the original KSP Convertible Notes, in lieu of cash payments.

The principal and accrued interest owing under the KSP Convertible Notes may be converted at any time by the holder into the Company’s common shares, at a per share price equal to \$13.43 (the “**Conversion Price**”). If the closing price per share of the Company’s common shares on the New York Stock Exchange is above \$17.46 for 20 consecutive trading days, then the Company may elect to convert the principal and accrued interest owing under the KSP Convertible Notes, plus a make-whole amount equal to the undiscounted interest payments that would have otherwise been payable through maturity (the “**Make-Whole Amount**”) into the Company’s common shares at the Conversion Price.

The Company may redeem the KSP Convertible Notes at any time by payment in cash of an amount equal to 130% of the principal amount of the KSP Convertible Notes and all accrued interest owing under the KSP Convertible Notes, plus the Make-Whole Amount.

Glencore Convertible Note

On May 31, 2022, the Company issued to Glencore a convertible note in the aggregate principal amount of \$200.0 million (the “**Glencore Convertible Note**”), in a transaction exempt from registration under the Securities Act. The Glencore Convertible Note matures five years from the date of issuance and interest on the Glencore Convertible Note is payable on a semi-annual basis, either in cash or by PIK, at the Company’s option. The Glencore Convertible Note accrues interest from the date of issuance at the forward-looking term rate based on SOFR for a tenor comparable to the relevant interest payment period plus 0.42826% (the “**Floating Rate**”) plus 5% per annum if interest is paid in cash and plus 6% per annum if interest is paid in PIK. The Floating Rate has a floor of 1% and a cap of 2%.

The principal and accrued interest owing under the Glencore Convertible Note may be converted at any time by the holder into the Company’s common shares at a per share price equal to \$9.95 (the “**Conversion Price**”), subject to adjustments. The Company may redeem the Glencore Convertible Note at any time by payment of an amount in cash equal to 100% of the outstanding principal amount of the Glencore Convertible Note and all accrued interest owing under the Glencore Convertible Note. In connection with any optional redemption and provided that the holder of the Glencore Convertible Note has not elected to convert the Glencore Convertible Note into common shares following receipt of an optional redemption notice, the Company must issue warrants (the “**Glencore Warrants**”) to the holder of the Glencore Convertible Note on the optional redemption date that entitle the holder to acquire, until the maturity date of the Glencore Convertible Note, a number of common shares equal to the principal amount of the Glencore Convertible Note being redeemed divided by the then applicable Conversion Price. The initial exercise price of the Glencore Warrants will be equal to the Conversion Price as of the optional redemption date.

Subsequent to year end, on November 30, 2022, the Company elected to pay the accrued interest on the Glencore Convertible Note in kind by issuing a PIK note in the amount of \$8.1 million under the same terms as the original Glencore Convertible Note, in lieu of cash payments.

The obligations of the Company to make any payment on account of the principal of and interest on the Initial KSP Convertible Note and the Glencore Convertible Note are subordinate and junior in right of payment and upon liquidation to the Company's obligations to the holders of all current and future senior indebtedness of the Company.

Contractual Obligations and Commitments

The following table summarizes Li-Cycle's contractual obligations and other commitments for cash expenditures as of October 31, 2022, and the years in which these obligations are due:

Contractual Obligations	Total	Payment due by period			
		Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Accounts payable and accrued liabilities	\$ 47.5	\$ 47.5	\$ —	\$ —	\$ —
Lease liabilities	76.6	8.0	14.3	13.0	41.3
Restoration provisions	0.4	—	0.2	—	0.2
Convertible debt principal	300.0	—	—	300.0	—
Convertible debt interest	146.1	—	—	146.1	—
Total as of October 31, 2022	\$ 570.6	\$ 55.5	\$ 14.5	\$ 459.1	\$ 41.5

As of October 31, 2022, there were \$9.2 million in committed purchase orders or agreements for equipment and services, compared to \$6.9 million as of October 31, 2021.

Li-Cycle expects to enter into premises leases for additional Spokes and Hubs in the twelve months following October 31, 2022.

Quantitative and Qualitative Disclosures About Market Risk

Li-Cycle is exposed to various risks in relation to financial instruments. The main types of risks are currency risk and interest rate risk. While Li-Cycle may enter into hedging contracts from time to time, any change in the fair value of the contracts could be offset by changes in the underlying value of the transactions being hedged. Furthermore, Li-Cycle does not have foreign-exchange hedging contracts in place with respect to all currencies in which it does business.

Currency Risk

The Company is exposed to currency risk as its cash is mainly denominated in U.S. dollars, while its operations also require Canadian dollars, Euros, Swiss Francs and certain other currencies, in addition to U.S. dollars. As at October 31, 2022, the impact of a 5% change in these respective currencies versus the U.S. dollar, would result in an immaterial impact.

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 in the form of convertible debt that includes an interest rate floor and cap.

Credit, liquidity, and market risks

Credit risks associated with cash are minimal as the Company deposits the majority of its cash with large Canadian and U.S. financial institutions. The Company's credit risks associated with receivables are managed and exposure to potential loss is also assessed as minimal.

The Company's revenue and accounts receivable primarily come from two key customers under long-term contracts. The Company manages this risk by engaging with reputable multi-national corporations in stable jurisdictions and performing a review of a potential customer's financial health prior to engaging in business.

Management 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.

The Company is exposed to commodity price movements for the inventory it holds and the products it produces. Commodity price risk management activities are currently limited to monitoring market prices. The Company's revenues are sensitive to the market prices of the constituent payable metals contained its products, notably cobalt and nickel.

The following table sets out the Company's exposure, as of October 31, 2022 and October 31, 2021, in relation to the impact of movements in the cobalt and nickel price for the provisionally invoiced sales volume:

	Cobalt		Nickel	
	2022	2021	2022	2021
Metric tonnes subject to fair value pricing adjustments	4,202	1,728	4,202	1,728
10% increase in prices	\$ 1.1	\$ 0.3	\$ 1.0	\$ 0.4
10% decrease in prices	\$ (1.1)	\$ (0.3)	\$ (1.0)	\$ (0.4)

The following table sets out the period end commodity prices for cobalt and nickel as at October 31, 2022 and 2021:

	Market price per tonne	
As at October 31,	2022	2021
Cobalt	\$ 53,462	\$ 60,407
Nickel	21,710	19,300

Key Factors Affecting Li-Cycle's Performance

The Company believes that its performance and future success is dependent on multiple factors that present significant opportunities for Li-Cycle, but also pose significant risks and challenges, including those discussed below and in the section of the Annual Report entitled "Item 3. Key Information—D. Risk Factors."

Availability of Lithium-Ion Battery Materials for Recycling

Li-Cycle is reliant on obtaining lithium-ion batteries and battery manufacturing scrap for recycling at its Spokes through its contracts with third-party suppliers. The Company maintains commercial contracts with leaders in the EV and LIB ecosystem, including battery manufacturers and automotive original equipment manufacturers, as well as energy storage, consumer electronics and transportation companies. Li-Cycle currently has over 150 suppliers of end-of-life lithium-ion batteries and battery manufacturing scrap and expects 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.

Li-Cycle expects its supply pipeline to grow as suppliers increase volumes of batteries and manufacturing scrap available for recycling due to the continuing trend toward EVs, and as Li-Cycle continues to source additional supplier relationships. The Company's commercial agreements with Glencore also provide for the procurement of battery material for its Spoke facilities, providing access to an additional source of supply to supplement the volumes it is independently sourcing. 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 suppliers or an inability to source new supplier relationships could have a negative impact on Li-Cycle's results of operations and financial condition.

Customer Demand for Recycled Materials

Li-Cycle currently recognizes revenue from, among other things, sales of two intermediate products produced at Li-Cycle's Spokes: Black Mass & Equivalents and shredded metal. After the Rochester Hub becomes operational, and Li-Cycle starts processing black mass internally, Li-Cycle expects to recognize revenue from the sale of end products, including nickel sulphate, cobalt sulphate and lithium carbonate. The demand for Li-Cycle's recycling services and products is driven in part by projected increases in the demand for EVs (including automobiles, e-bikes, scooters, buses and trucks) and other energy storage systems. A decline in the adoption rate of EVs, or a decline in the support by governments for "green" energy technologies could reduce the demand for Li-Cycle's recycling services and products.

Li-Cycle relies on a limited number of customers from whom it generates most of its revenue. Li-Cycle has entered into two agreements with Traxys North America LLC ("**Traxys**") covering the off-take of black mass from its Spokes in North America and certain specialty products from the Rochester Hub. Refer to the section titled "Item 4. Information on the Company—B. Business Overview —our Broad and Diversified Intake and Off-Take Commercial Contracts" in the Annual Report. Li-Cycle has also entered into additional off-take agreements with Glencore, covering substantially all of its other Spoke and Hub products. If the Company's off-take partners are unwilling or unable to fulfil their contractual obligations to the Company, if either party fails to perform under the relevant contract, or if these off-take partners otherwise terminate these agreements prior to their expiration, the Company's business could suffer and Li-Cycle may not be able to find other off-take partners on similar or more favorable terms, which could have a material adverse effect on its business, results of operations and financial condition.

Fluctuations in Commodity Prices

The prices that Li-Cycle pays for battery feedstock for its Spokes, and the revenue that Li-Cycle currently recognizes from the sale of Black Mass & Equivalents and shredded metal produced at Li-Cycle's Spokes, are impacted by the commodity prices for the metals contained in those battery feedstocks or products, notably nickel, cobalt and copper. As a result, fluctuations in the prices of these commodities will affect Li-Cycle's costs and revenues. After the Rochester Hub becomes operational, and Li-Cycle starts processing black mass internally, Li-Cycle expects to recognize revenue from the sale of end products, including lithium carbonate, nickel sulphate and cobalt sulphate. The amount of revenue that Li-Cycle will recognize from the sale of these end products will also be impacted by the commodity prices for the metals contained in these end products, notably lithium, nickel, and cobalt. While Li-Cycle's costs and revenues may vary with commodity prices and specialty product prices, the Company believes the wide range of end products that Li-Cycle expects to produce will result in a diversification effect that will provide it with a natural hedge against significant variations in the commodity pricing related to a single product.

Ability to Build Out Additional Facilities

Li-Cycle's continued growth is dependent on its ability to scale the business as currently planned, and build out additional facilities in North America and internationally. Li-Cycle has a market-leading position in North America through its operational Spokes in Kingston, Ontario, Rochester, New York, Gilbert, Arizona and Tuscaloosa, Alabama. Li-Cycle is also advancing the construction of its first commercial Hub, in Rochester, New York. Li-Cycle has also announced its first European Spokes, in Germany and Norway, and 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.

The development of Li-Cycle's Rochester Hub, its Spoke network and other future projects is subject to risks, including engineering, permitting, procurement, construction, commissioning and ramp-up, and Li-Cycle cannot guarantee that these projects will be completed within expected timeframes or at all, that costs will not be significantly higher than estimated, that it will have sufficient capital to cover any increased costs or that the completed projects will meet expectations with respect to their production rates, unit costs or specifications of their

end products, among others. While the expansion of Li-Cycle's business in international markets, including the construction and operation of the Germany Spoke and the Norway Spoke, is an important element of its strategy, but it also involves exposure to risks inherent in doing business globally, which could delay or otherwise adversely affect the Company's expansion plans.

Global Supply Chain

The COVID-19 pandemic and geopolitical events, including Russia's invasion of Ukraine, have resulted in significant disruptions in the global supply chain. Shortages, price increases and/or delays in shipments of supplies, equipment and raw materials have occurred and may continue to occur in the future which may result in operational or construction slowdowns. Such disruptions to the global supply chain may have a material adverse effect on Li-Cycle's operations, development and construction activities and financial condition.

Research and Development

Li-Cycle continues to conduct 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 and is specifically focused on continuous optimization of operating parameters and preparation for operations. Li-Cycle also continues to develop and evaluate new concepts with an eye to the future, including solid-state battery processing and other technologies and concepts related to its Spoke & Hub Technologies™.

Related Party Transactions

For information about Li-Cycle's related party transactions refer to Note 10 in the accompanying consolidated financial statements of Li-Cycle for the year ended October 31, 2022 and the section of the Annual Report entitled "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions."

Outstanding Share Data

As of January 31, 2023, and including the results of the redemption of outstanding warrants to purchase common shares of the Company, Li-Cycle had the following issued and outstanding common shares, and common shares issuable upon conversion of convertible debt, exercise of stock options and settlement of restricted share units:

Number of common shares outstanding or issuable upon conversion or exercise	
Common shares outstanding	176,254,266
Convertible debt	29,922,783
Stock options	5,398,859
Restricted share units	3,850,190
Total	215,426,098

Summary of Quarterly Results

The table below sets forth certain summarized unaudited quarterly financial data for the eight most recently completed quarters. This quarterly information has been prepared in accordance with IFRS. The operating results for any quarter are not necessarily indicative of the results to be expected for any future period.

\$ millions, except per share data	Three months ended							
	October 31,		July 31,		April 30,		January 31,	
	2022	2021	2022 ¹	2021	2022	2021	2022	2021
Revenues	\$ 3.0	\$ 4.4	\$ (2.0)	\$ 1.7	\$ 8.6	\$ 0.2	\$ 3.8	\$ 1.0
Net profit (loss)	(33.9)	(204.9)	(27.5)	(7.0)	(20.8)	(7.9)	28.5	(6.8)
Net profit (loss) attributable to:								
Shareholders of Li-Cycle Holdings Corp.	(33.9)	(204.9)	(27.6)	(7.0)	(20.6)	(7.9)	28.5	(6.8)
Non-controlling interest	—	—	(0.1)	—	—	—	—	—
Earnings (loss) per share, basic and diluted	\$ (0.19)	\$ (1.31)	\$ (0.16)	\$ (0.07)	\$ (0.12)	\$ (0.08)	\$ 0.17	\$ (0.07)

¹ The decrease in cobalt and nickel prices over the three months ended July 31, 2022 has resulted in fair value adjustment losses which exceed the new product sales revenue recognized in the period.

Li-Cycle became a reporting issuer for the purposes of Ontario securities laws on August 10, 2021. Over the last eight quarters, the Company's results were primarily impacted by the continued development, construction and commissioning of its Spoke network; the development and construction of the Rochester Hub; and costs and expenses incurred in connection with its growth plan, including personnel and facilities costs and legal, audit and tax advisory services in support of the Company's growth plans as a public company. The results were also impacted by costs and expenses incurred in connection with the completion of the Business Combination in August 2021, including excess of fair value over consideration transferred of \$152.7 million in the three months ended October 31, 2021, and by fair value gain (loss) on financial instruments relating to warrants and convertible debt.

2021 Results of Operations

Comparison of the year ended 2021 and 2020

	Year Ended October 31,		
	2021	2020	Change
<i>Financial highlights</i>			
Revenues	\$ 7.3	\$ 0.8	\$ 6.5
Operating expenses	39.2	10.0	29.2
Other income (expense)	(194.7)	(0.2)	(194.5)
Net loss	(226.6)	(9.4)	(217.2)
Comprehensive loss	(226.6)	(9.6)	(217.0)
Loss per common share - basic and diluted	\$ (2.06)	\$ (0.11)	\$ (1.95)
<i>Cash</i>			
Cash balance	\$ 596.9	\$ 0.7	\$ 596.2
Cash flows used in operating activities	(24.6)	(7.4)	(17.2)
Cash flows used in investing activities	(21.4)	(5.1)	(16.3)
Cash flows from financing activities	642.2	9.4	632.8

Revenue

For the twelve months ended October 31, 2021, Li-Cycle's revenues increased by \$6.5 million, when compared to 2020. The revenue growth was mainly attributable to increases in product sales primarily as a result of the New York Spoke ramping up to process meaningful quantities of Black Mass & Equivalents, with production reaching

1,880 tonnes of BM&E in the twelve months ended October 31, 2021, as compared to 226 tonnes of BM&E produced in 2020.

Operating expenses

For the twelve months ended October 31, 2021, operating expenses increased by \$29.2 million compared to 2020, as Li-Cycle ramped up its operations in North America. The main drivers of the increases compared to 2021 were personnel costs (\$13.6 million), professional fees (\$4.7 million), raw materials and supplies (\$2.8 million), and office, administrative and travel (\$2.6 million). The increase in personnel costs reflected the ramp up of operations of the Ontario Spoke and New York Spoke as well as the addition of corporate team members as Li-Cycle ramped up its expansion plans. The level of professional fees was commensurate with requisite legal, audit and tax advisory services in support of Company's growth plans as a public company. The increase in raw materials and supplies was mainly a result of increased inventory production during the ramp-up phase of the Ontario Spoke and New York Spoke operations. Office and administrative expenses increased mainly as a result of higher insurance premiums associated with being a public company.

Other income (expenses)

Other expenses increased by \$194.5 million in the twelve months ended October 31, 2021 compared to 2021. The main drivers of the increase were losses due to excess of fair value over consideration transferred (\$152.7 million) and fair value losses on financial instruments (\$38.2 million). The increase in fair value over consideration transferred of \$152.7 million relates to the completion of the Business Combination in the last fiscal quarter of 2021. The increase in fair value loss was primarily driven by fair value revaluations of the conversion feature of the initial KSP Convertible Note and fair value revaluations of the Company's warrants.

Net loss

Net loss was \$226.6 million in the twelve months ended October 31, 2021, compared to \$9.4 million in 2020. Net loss was driven by the factors discussed above. Adjusted EBITDA loss excludes the one-time Business Combination loss and other fair value losses and was \$26.2 million in the twelve months ended October 31, 2021, compared to \$7.7 million in 2020. 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.

Cash and cash equivalents

Cash and cash equivalents were \$596.9 million as at October 31, 2021 compared to \$0.7 million as at October 31, 2020. The Company raised net proceeds of \$525.3 million from the Business Combination with Peridot, \$98.4 million from the issuance of convertible note to Spring Creek Capital, and net proceeds of \$21.6 million from a private placement of 281,138 Class A shares of Li-Cycle Corp in November 2020, offset by repayment of \$4.4 million of loan in full to BDC Capital Inc and repayment of \$7.0 million of Promissory Notes in full to entities affiliated with the Chief Executive Officer and the Executive Chair of Li-Cycle. The period over period increases in cash flows used in operating activities were primarily the result of an increase in operating expenses in 2021 compared to 2020, partially offset by cash receipts from increased sales. The increase in cash flows used in investing activities were primarily driven by the acquisition of equipment and leasehold improvements for the Arizona Spoke, New York Spoke and the Rochester Hub.

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.

Significant Accounting Policies and Critical 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, 2022, as summarized in Note 2 of the

accompanying financial statements of Li-Cycle for the twelve months ended October 31, 2022, which 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, 2022.

Revenue

The Company's principal activities generate revenues from the operation of LIB 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 for recycling lithium-ion batteries which includes coordination of logistics and destruction of batteries; and
- Sale of products which includes Black Mass & Equivalents and shredded metal.

Revenue is measured based on the consideration to which the Company expects to be entitled under a contract with a customer. The Company recognizes revenue when it transfers control of a product or service to a customer. There are no significant financing components associated with the Company's payment terms.

For sale of products, revenue is recognized when control of the goods has transferred, typically when the goods have been transferred to the customer. A receivable is recognized by the Company when the goods are transferred to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Company estimates the amount of consideration to which it expects to be entitled under provisional pricing arrangements, which is based on the initial assay results and market prices of certain constituent metals on the date control is transferred to the customer. The final consideration for BM&E and shredded metal sales is based on the mathematical product of: (i) market prices of certain constituent metals at the date of settlement, (ii) product weight, and (iii) final assay results (ratio of the constituent metals 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 receivable are measured using provisional prices for the constituent metals on initial recognition and any unsettled sales are remeasured at the end of each reporting period using the market prices of the constituent metals at the respective measurement dates. Changes in fair value are recognized as an adjustment to product revenue and the related accounts receivable.

Recycling service revenue is recognized at a point in time upon completion of the services. The price 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.

The Company has elected to use the practical expedient for financing components related to its sales contracts. The Company does not recognize interest expense on contracts for which the period between receipt of customer payments and sale to the customer is one year or less.

Convertible debt instruments

The components of convertible debt instruments issued by the Company are recorded as financial liabilities, in accordance with the substance of the contractual arrangements and the definitions of a financial liability. 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 a liability and requires bifurcation, it is bifurcated as an embedded derivative unless the Company 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.

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 Corp. (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 Corp. 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 were treated as a reduction of the cash proceeds and deducted from Li-Cycle Holdings Corp.'s additional paid-in capital.

As a consequence result of the Business Combination, Li-Cycle Holdings Corp. became the successor to an SEC-registered and NYSE-listed company, which has required Li-Cycle to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. Li-Cycle expects to continue 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.

Recently Issued Accounting Standards Not Yet Adopted

From time to time, new accounting standards, amendments to existing standards, and interpretations are issued by the IASB. Unless otherwise discussed, and as further highlighted in Note 2 to the fiscal October 31, 2022 consolidated annual financial statements of Li-Cycle for the twelve months ended October 31, 2022 and 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.

Disclosure Controls and Procedures

Li-Cycle's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and

15d-15(e) under the Exchange Act and Canadian Securities Administrators National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings) as of the end of the period covered by this annual report. Based on such evaluation, its Chief Executive Officer and Chief Financial Officer have concluded that as of October 31, 2022, its disclosure controls and procedures were not effective, due to the material weaknesses in the Company's internal control over financial reporting described below.

Internal Control Over Financial Reporting

Management is responsible for establishing, maintaining and assessing the effectiveness of adequate internal control over financial reporting ("ICFR") as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act and Canadian Securities Administrators National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings. The Company's ICFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Prior to August 10, 2021, Li-Cycle was a private company and addressed internal control over financial reporting with internal accounting and financial reporting personnel and other resources. In the course of preparing for the Business Combination, Li-Cycle identified material weaknesses in its internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Li-Cycle's annual or interim condensed consolidated interim financial statements may not be prevented or detected on a timely basis.

As of October 31, 2022, management assessed the effectiveness of the Company's ICFR based on the criteria established in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "**COSO 2013 Framework**"). Based on this assessment, management identified the following material weaknesses as of October 31, 2022:

- an ineffective control environment, resulting from an insufficient number of experienced personnel with the appropriate technical training to allow for a detailed review of transactions that would identify errors in a timely manner;
- an ineffective risk assessment process to identify all relevant risks of material misstatement and to evaluate the implications of relevant risks on its internal control over financial reporting, resulting from the insufficient number of experienced personnel described above;
- an ineffective information and communication process to ensure the relevance, timeliness and quality of information used in control activities, resulting from: (i) insufficient communication of internal control information, including objectives and responsibilities; and (ii) ineffective general IT controls and controls over information from a service organization;
- an ineffective monitoring process, resulting from the evaluation and communication of internal control deficiencies not being performed in a timely manner; and,
- ineffective control activities related to the design, implementation and operation of process level controls and financial statement close controls, as a consequence of the above, which had a pervasive impact on the Company's internal control over financial reporting.

As a result, management has concluded that the Company did not maintain effective internal control over financial reporting as of October 31, 2022, based on the COSO 2013 Framework described above. These material weaknesses create a reasonable possibility that a material misstatement to the consolidated financial statements will not be prevented or detected on a timely basis.

KPMG LLP, the Company's independent registered public accounting firm, has issued an attestation report on the Company's internal control over financial reporting for the year ended October 31, 2022, which report expresses an adverse opinion on the effectiveness of internal control over financial reporting.

Plan for Remediation of Material Weaknesses

We have taken steps to address these material weaknesses and expect to continue to implement the remediation plan, which we believe will address the underlying causes. We have engaged external advisors with subject matter expertise and additional resources to provide assistance with all elements of the internal control over

financial reporting program, including: performance of a risk assessment; documentation of process flows; design and remediation of control deficiencies; and evaluation of the design and operational effectiveness of the Company's internal controls. Li-Cycle also expects to engage additional external advisors to provide assistance in the areas of information technology and financial accounting. The Company continues to monitor the longer-term resource needs of its various financial functions, as the Company grows its capability, capacity, and competency. Li-Cycle has made some improvements to its various IT platforms, including our enterprise resource planning (“**ERP**”) system, and work on further upgrades is ongoing with the intent to further improve and enhance system functionality. Although Li-Cycle has strengthened its controls in these areas, the Company will not be able to conclude that it has remediated the material weaknesses until all relevant controls are fully implemented and have operated effectively for a sufficient period of time. The Company will continue to provide updates as we progress through the remediation plan.

Changes in internal control over financial reporting

Except for the steps taken to address the material weaknesses in the Company's ICFR as described in “Item 15B. Management's Report on Internal Control over Financial Reporting — Plan for Remediation of Material Weakness”, no changes in the Company's ICFR occurred during the three months and year ended October 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Non-IFRS Measures

The Company uses the non-IFRS measure of Adjusted EBITDA. Management believes that this non-IFRS measure provides useful information to investors in measuring the financial performance of the Company and 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. These measures do not have a standardized meaning prescribed by IFRS and the term therefore may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS. Accordingly, it should not be considered in isolation nor as a substitute for the analysis of the Company's financial information reported under IFRS.

Adjusted EBITDA is defined as earnings before depreciation and amortization, interest expense (income), income tax expense (recovery) adjusted for items that are not considered representative of ongoing operational activities of the business and items where the economic impact of the transactions will be reflected in earnings in future periods. These adjustment items include fair value (gain) loss on financial instruments and non-recurring expenses such as forfeited Special Purpose Acquisition Company (“**SPAC**”) transaction cost. Foreign exchange (gain) loss is excluded from the calculation of adjusted EBITDA. The following table provides a reconciliation of net profit (loss) to Adjusted EBITDA loss.

\$ millions	Three months ended		Twelve months ended		
	October 31,		October 31,		
	2022	2021	2022	2021	2020
Net profit (loss)	\$ (33.9)	\$ (204.9)	\$ (53.7)	\$ (226.6)	\$ (9.4)
Income Tax	—	—	—	—	—
Depreciation	3.3	1.1	10.1	2.9	1.1
Interest expense	7.6	2.1	17.4	3.0	0.5
Interest income	(4.4)	(0.1)	(7.0)	(0.1)	—
EBITDA (loss)	(27.4)	(201.8)	(33.2)	(220.8)	(7.8)
Fair value (gain) loss on financial instruments ¹	(5.2)	35.8	(67.5)	38.3	0.1
Excess of fair value over consideration transferred ²	—	152.7	—	152.7	—
Forfeited SPAC transaction cost	—	—	—	2.0	—
Share-based compensation ³	—	1.6	—	1.6	—
Adjusted EBITDA (loss)	\$ (32.6)	\$ (11.7)	\$ (100.7)	\$ (26.2)	\$ (7.7)

¹ Fair value gain on financial instruments relates to warrants, which were redeemed and no longer outstanding as of January 31, 2022, and convertible debt.

² Excess of fair value over consideration transferred relates to listing fees associated with the Business Combination.

³ Share-based compensation relates to accelerated vesting of existing stock options upon completion of the Business Combination.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this MD&A may be considered “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, as amended, Section 21 of the U.S. Securities Exchange Act of 1934, as amended, and applicable Canadian securities laws. Forward-looking statements may generally be identified by the use of words such as “believe”, “may”, “will”, “continue”, “anticipate”, “intend”, “expect”, “should”, “would”, “could”, “plan”, “potential”, “future”, “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters, although not all forward-looking statements contain such identifying words. Forward-looking statements in this MD&A include but are not limited to statements about: the expectation that growing megafactory investments in North America and globally will drive significant increases in the Company’s total addressable market; the Company’s expected addition of key commercial contracts underpinning its investments in both North America and Europe; the Company’s intention to pursue potential debt financing options from both traditional and government sources in support of future growth; expected settlement dates for the metric tonnes of BM&E subject to fair value price adjustments by quarter for the last twelve months; the Company’s plan to gradually shift to a strategy of retaining BM&E production for future internal use as feedstock at the Rochester Hub; the expectation that the Rochester Hub will be the first hydrometallurgical battery resource recovery facility in North America; the timing of expected commencement of commissioning of the Rochester Hub, its input and output capacity, its total capital cost and the expected size of its workforce; the expected timing and capital investment requirements for the Company’s Spokes in development and the expected main line processing capacity and ancillary processing capacity of the Germany, Norway, and expanded Ontario Spokes; the Company’s expectation to increase the total main line processing capacity and ancillary processing capacity at its Spokes to just over 80,000 tonnes LIB material input/year in 2023; and the Company’s expectation that it will need to secure additional equity and debt financing to fund its growth strategy and its intention to meet its currently anticipated capital requirements through cash on hand, cash flow from operations, and additional ongoing fundraising activities. These statements are based on various assumptions, whether or not identified in this communication, including but not limited to assumptions regarding the timing, scope and cost of Li-Cycle’s projects; the processing capacity and production of Li-Cycle’s facilities; Li-Cycle’s ability to source feedstock and manage supply chain risk; Li-Cycle’s ability to increase recycling capacity and efficiency; Li-Cycle’s ability to obtain financing on acceptable terms; Li-Cycle’s ability to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners; general economic conditions; currency exchange and interest rates; compensation costs; and inflation. There can be no assurance that such assumptions will prove to be correct and, as a result, actual results or events may differ materially from expectations expressed in or implied by the forward-looking statements.

These forward-looking statements are provided for the purpose of assisting readers in understanding certain key elements of Li-Cycle’s current objectives, goals, targets, strategic priorities, expectations and plans, and in

obtaining a better understanding of Li-Cycle's business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes and is not intended to serve as, and must not be relied on, by any investor as a guarantee, an assurance, a prediction or a definitive statement of fact or probability.

Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Li-Cycle, and which may cause actual results to differ materially from the forward-looking information. Li-Cycle believes that these risks and uncertainties include, but are not limited to, the following: Li-Cycle's inability to economically and efficiently source, recover and recycle lithium-ion batteries and lithium-ion battery manufacturing scrap, as well as third party black mass, and to meet the market demand for an environmentally sound, closed-loop solution for manufacturing waste and end-of-life lithium-ion batteries; Li-Cycle's inability to successfully implement its global growth strategy, on a timely basis or at all; Li-Cycle's inability to manage future global growth effectively; Li-Cycle's inability to develop the Rochester Hub, and other future projects including its Spoke network expansion projects in a timely manner or on budget or that those projects will not meet expectations with respect to their productivity or the specifications of their end products; Li-Cycle's failure to materially increase recycling capacity and efficiency; 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 incurrence of debt, or prove not to be successful; one or more of Li-Cycle's current or future facilities becoming inoperative, capacity constrained or if its operations are disrupted; additional funds required to meet Li-Cycle's capital requirements in the future not being available to Li-Cycle on acceptable terms or at all when it needs them; Li-Cycle expects to continue to incur significant expenses and may not achieve or sustain profitability; problems with the handling of lithium-ion battery cells that result in less usage of lithium-ion batteries or affect Li-Cycle's operations; Li-Cycle's inability to maintain and increase feedstock supply commitments as well as 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; decreases in benchmark prices for the metals contained in Li-Cycle's products; changes in the volume or composition of feedstock materials processed at Li-Cycle's facilities; the development of an alternative chemical make-up of lithium-ion batteries or battery alternatives; Li-Cycle's revenues for the Rochester Hub are derived significantly from a single customer; Li-Cycle's insurance may not cover all liabilities and damages; Li-Cycle's heavy reliance on the experience and expertise of its management; Li-Cycle's reliance on third-party consultants for its regulatory compliance; Li-Cycle's inability to complete its recycling processes as quickly as customers may require; Li-Cycle's inability to compete successfully; increases in income tax rates, changes in income tax laws or disagreements with tax authorities; significant variance in Li-Cycle's operating and financial results from period to period due to fluctuations in its operating costs and other factors; fluctuations in foreign currency exchange rates which could result in declines in reported sales and net earnings; unfavourable economic conditions, such as consequences of the global COVID-19 pandemic; natural disasters, unusually adverse weather, epidemic or pandemic outbreaks, cyber incidents, boycotts and geo-political events; failure to protect or enforce Li-Cycle's intellectual property; Li-Cycle may be subject to intellectual property rights claims by third parties; Li-Cycle's failure to effectively remediate the material weaknesses in its internal control over financial reporting that it has identified or if it fails to develop and maintain a proper and effective internal control over financial reporting. These and other risks and uncertainties related to Li-Cycle's business and the assumptions on which the forward-looking information is based are described in greater detail in the sections entitled "Item 3D. Risk Factors" and "Item 5. Operating and Financial Review and Prospects - Key Factors Affecting Li-Cycle's Performance" in its Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission and the Ontario Securities Commission in Canada and elsewhere in this MD&A.

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

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Corporate Governance and Leadership

Board of Directors*

Ajay Kochhar

Co-Founder,
President and Chief Executive Officer
Director

Tim Johnston

Co-Founder, Executive Chairman
Director

Susan Alban

Director Nominee

Jacqueline Dedo

Director
Chair, Compensation Committee
Member, Nominating and Corporate
Governance Committee
Member, Health, Safety, Environment
& Sustainability (HSE&S) Committee

Scott Prochazka

Director
Chair, Audit Committee
Member, Compensation Committee
Member, Nominating and
Corporate Governance Committee

Kunal Sinha

Director
Member, HSE&S Committee

Anthony Tse

Director
Chair, HSE&S Committee

Mark Wellings

Lead Director
Chair, Nominating and Corporate
Governance Committee
Member, Audit Committee
Member, Compensation Committee

*Upon confirmation at 2023 AGM

Management Team

Ajay Kochhar

Co-Founder,
President and Chief Executive Officer

Tim Johnston

Co-Founder, Executive Chairman

Debbie Simpson

Chief Financial Officer

Chris Biederman

Chief Technology Officer

Carl DeLuca

General Counsel and Corporate Secretary

Christine Barwell

Chief Human Resources Officer

Richard Storrie

Regional President, Americas

Dawei Li

Regional President, APAC

Tom Biddulph

Senior Vice President,
Enterprise Process Improvement

Nahla Azmy

Senior Vice President, Investor Relations
and Financial Communications



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Website

<https://investors.li-cycle.com>

ESG Interim Report — March 2023

<https://li-cycle.com/sustainability/>

Investor Relations

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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

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Vaughn, ON L4K 0J3
Phone: +1 (905) 265-5900

2023 Annual General Meeting (AGM) of Shareholders

Record Date: March 6, 2023
Meeting: April 27, 2023 at 8:30 a.m. ET
Virtual meeting only
www.virtualshareholdermeeting.com/LICY2023



Driving Sustainable Solutions for Battery Materials



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