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Initiation Report

Full Circle Lithium – Rapid Sales Ramp Ahead

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Rating	Target Price
BUY	**$0.60**
Initiating	*Initiating*

December 8, 2025

Disseminated on Behalf of Full Circle Lithium Corp.

All figures in USD unless otherwise stated

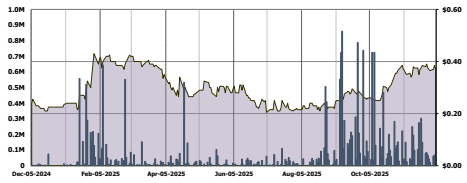
Full Circle Lithium Corp.	FCLI:TSXV
Rating	BUY
Target Price	C$0.60
Return to Target	67%

Market Data	
Share Price	C$0.36
Average Daily Volume (K)	69.7
FD ITM Shares (M)	102.0
Market Cap ($M)	$26.5
Cash ($M)	$4.0
Debt ($M)	$0.0
Enterprise Value ($M)	$22.6

FYE Oct 31	FY25E	FY26E	FY27E
Revenue ($M)	$0.9	$2.9	$7.8
Gross Margin (%)	53%	63%	67%
Adj. EBITDA ($M)	($1.6)	($1.4)	$0.6
Adj. EBITDA Margin (%)	N/A	-49%	8%
Net Income ($M)	($2.2)	($2.0)	$0.0
EPS (Basic)	($0.03)	($0.02)	$0.00

Valuation	FY25E	FY26E	FY27E
EV/EBITDA	N/A	N/A	36.1x
EV/Sales	24.2x	7.8x	2.9x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



FCL is a U.S.-based lithium products manufacturer focused on sustainable solutions for the lithium and battery safety sector. Its flagship product innovation, FCL-X™, is a proprietary, non-hazardous, water-based fire-extinguishing agent designed specifically to combat the growing threat of lithium-ion battery fires. Backed by a world-class technical team, FCL is committed to safe, effective, and environmentally responsible fire mitigation technologies.

What you need to know:

- Full Circle has developed FCL-X, a proprietary fire-extinguishing agent for lithium-ion battery (LIB) fires. The product has shown strong performance in independent testing and is now being commercialized.
- FCLI is building out various sales channels, including fire departments, OEMs, and energy storage systems, and we expect it to start hitting its stride in FY26, offering rapid sales growth.
- LIB fires are becoming more common due to the global growth of LIBs, a market that is expected to grow 3-5x over the next decade.

Full Circle Lithium Corp. (FCLI:TSXV, FCLIF:OTCQB, K0Q:FSE) manufactures a proprietary, non-hazardous, water-based fire-extinguishing agent designed specifically to combat the growing threat of lithium-ion battery fires. The product has very little competition and serves a market growing at 20% annually. We forecast FCLI to have explosive growth over the coming years as it makes inroads into various sales channels, starting with US fire departments. **We are initiating coverage on FCLI with a BUY rating and a $0.60/share target price.**

Investment Thesis Summary

Impressive Testing Results. FCL-X has delivered strong performance in rigorous independent testing, extinguishing LIB fires much faster than its peers while using considerably less solution and is environmentally safe. FCL-X is the only product in the industry that extinguishes the fires, rather than smothering or suppressing it. As such, the product appears to be a game-changer in its field.

Building Out Sales Channels. FCLI is rapidly building a robust, multi-channel sales network for FCL-X, including fire departments, EV and battery manufacturers, energy storage systems, ocean shipping, and retail, amongst others. Full Circle made its first commercial sale in June 2024 and signed 15 distributor agreements in the following quarters. The Company also plans to expand internationally.

Serving a Fast-Growing & Important Market. LIB fires are becoming more prevalent due to the global proliferation of LIBs, where demand is expected to 3-5x over the next decade. This includes electric vehicles, e-bikes, scooters, as well as residential and industrial applications. The fires created in these situations are extremely difficult to extinguish, often creating catastrophic damage.

Rapid Growth Expectations. Given the commercialization of the product and entry into new sales channels, paired with the tailwinds in its end markets, we are expecting rapid sales growth for FCLI. We are modelling $2.9M in sales for FY26E and $7.8M for FY27E, up from the $0.9M in FY25E. The product has an extremely high gross margin (>60%), and as such, we expect breakeven EBITDA by Q4.

Experienced Management. FCLI is backed by proven leadership with experience in fire safety and lithium chemistry. FCLI is led by Carlos Vicens and Paul Fornazzari, who previously built Neo Lithium and sold it to Zijin Mining for C$960M, demonstrating a track record of value creation in the sector. With a combined ~17% ownership and a broader team from Lithium Americas and Minera Exar, the Company benefits from management with deep sector expertise.

Valuation. The closest peer to Full Circle is Perimeter Solutions (PRM:NYSE), which trades at 6.8x 2027E sales compared to FCLI at 2.9x. Given that FCLI is still an early stage, we utilize a five-year DCF to derive our $0.60/share target price.

Catalysts

- Quarterly Financial Results & Sales Partnerships – Ongoing
- Takeout Target – Ongoing

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Investment Thesis

We are initiating coverage on Full Circle Lithium Corp. (FCLI:TSXV, FCLIF:OTCQB, K0Q:FSE) with a BUY rating and a target price of $0.60/share. FCLI's flagship product innovation is FCL-X, a proprietary, non-hazardous, water-based fire-extinguishing agent designed specifically to combat the growing threat of lithium-ion battery (LIB) fires. The product has very little competition and serves a market growing at 20% annually. Beyond LIB fires, FCL-X has also proven very effective in Class A, Class B and Class D fires, which will ultimately increase the addressable market. We forecast FCLI to have rapid growth over the coming years as it makes inroads into various sales channels, including fire departments, OEMs, battery energy storage systems, retail, and more. While US fire departments are the primary focus, the retail household market also presents a potential market, where every household that has LIBs should have an extinguisher. FCLI has also been doing work with potential landfill clients who have been experiencing significant LIB fire issues with no solutions yet.

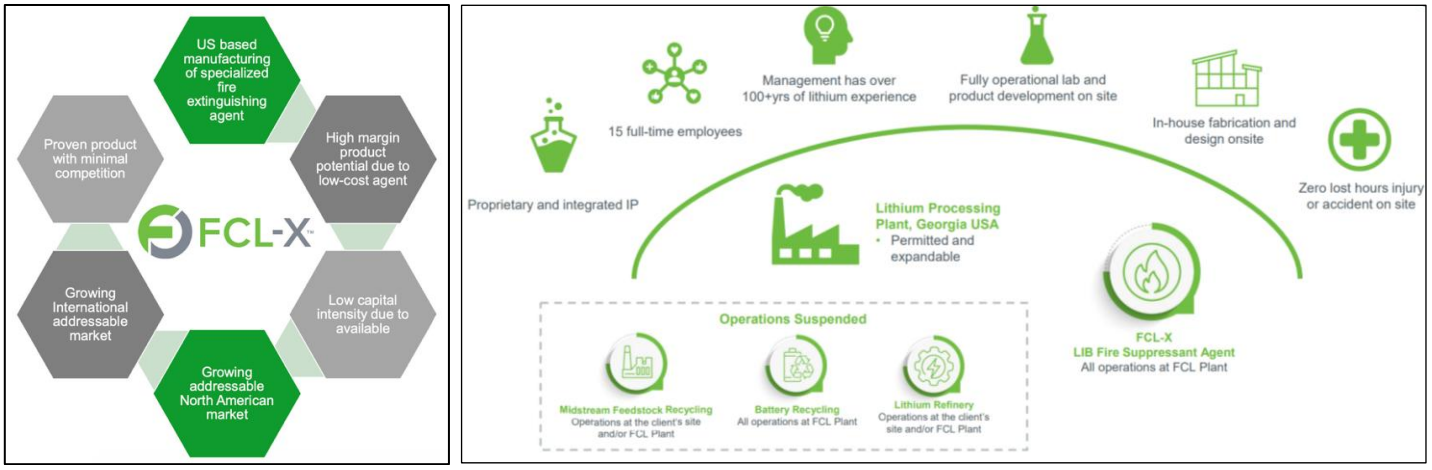

Figure 1: FCLI Overview (Source: Company Documents)

Impressive Testing Results

FCL-X has delivered strong performance in rigorous independent testing, passing the world-renowned NTA 8133 Dutch Standard (the industry's most stringent LIB fire suppression protocol) and earning "Best in Class" recognition as the top-performing specialty suppressant to date. Validated by accredited labs, including SafeLabs, FCL-X extinguished e-bike fires in just ~4 seconds (over 10x faster than water while using only 0.33 gallons of solution), controlled EV-size battery fires in ~15 minutes, and consistently outperformed water and leading competitors in extinguishing speed, temperature reduction, agent efficiency, and toxic smoke suppression. With over 1,000 incident-free demonstrations to government agencies, LIB OEMs, and first responders, plus successful controlled burns on Nissan Leaf and KIA EV9 vehicles, FCL-X sets a new benchmark in LIB fire safety. This work was done over an 18-month period. The product has also been rated UL Class A, which took a number of months of rigorous testing. This gives us confidence that the product is elite in its field, and management can now focus on building out its sales network.

Building Out Sales Channels

FCLI is rapidly building a robust, multi-channel sales network for FCL-X, securing its first commercial sale to a global OEM in Georgia in June 2024 and signing over 15 regional distributor agreements in the US, as well as specialized vertical distributor agreements in strategic sectors. The Company is strategically expanding across high-growth markets, including public sector firefighters, EV and battery manufacturers, energy storage systems, ocean shipping (leveraging FCL-X's saltwater compatibility), retail/residential via distributors, and niche segments like golf carts and garbage trucks. The main priority is fire departments, where there are over 31,500 active fire departments across North America, spending billions per year on consumables.

Additionally, FCLI has strengthened its U.S. presence by expanding its distribution network to 15 partners and by securing a major commercial sale of its FCL-X lithium battery fire extinguisher to a global logistics leader operating across North America. These developments position the Company for meaningful growth as demand for lithium fire protection rises in key markets and high-risk sectors such as government, waste management, and transportation. With potential expansion to 59 additional logistics sites and ongoing marketing and support from Machai Capital and ICP Securities, FCLI is scaling its visibility and accelerating penetration into key industries.

Serving a Fast-Growing & Important Market

LIB fires are becoming more prevalent due to the increasing global proliferation of lithium-ion batteries, where demand is expected to grow 3-5x over the next decade. This includes electric vehicles, e-bikes, scooters, as well as residential and industrial applications. The fires created in these situations are extremely difficult to extinguish, often creating catastrophic damage.

The broader fire-suppression industry is estimated at roughly US$21.5B, and within it, LIB fire solutions are emerging as a fast-growing sub-segment that could represent a substantial share of future demand. Based on industry assumptions we have come across, this portion of the market currently accounts for ~20% globally, or around ~$4.3B. In North America, where the overall fire suppression market is estimated at $7.9B, lithium-related applications represent ~$1.6B of that. We expect this market segment to continue expanding as real-world incidents, regulatory pressures, and insurance requirements highlight the limitations of conventional suppression applications and accelerate the adoption of purpose-built LIB fire solutions like FCL-X.

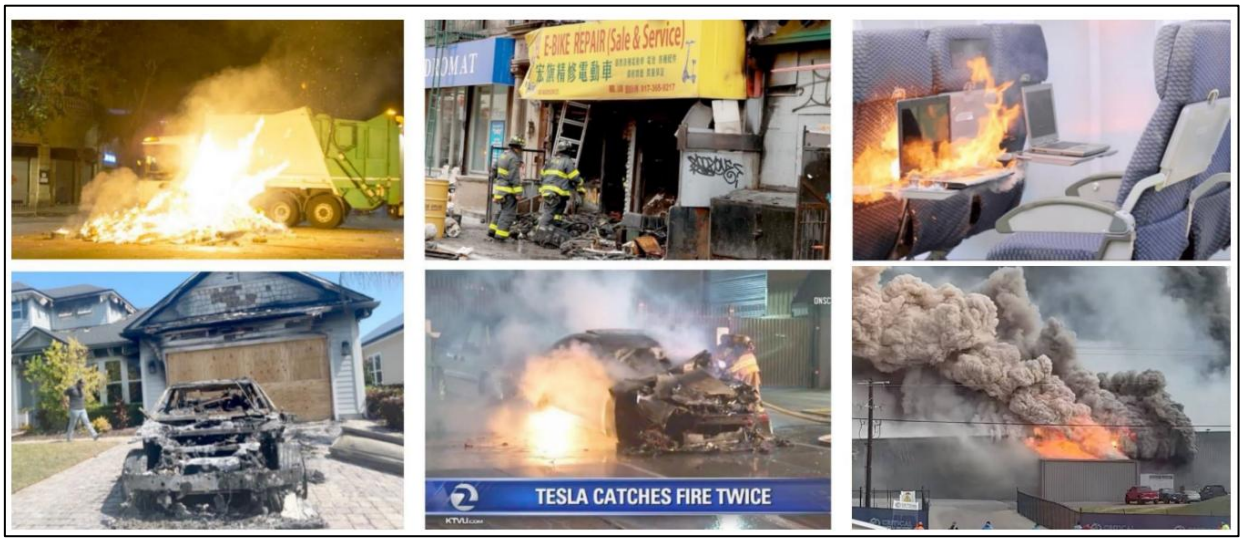

Figure 2: Lithium Fires (Source: Company Documents)

Rapid Growth Expectations

Given the commercialization of the product and entry into the aforementioned sales channels, paired with the tailwinds in its end markets, we are expecting rapid sales growth for FCLI. We are modelling $2.9M in sales for FY26E and $7.8M for FY27E, up from the $0.9M in FY25E. The product has extremely high gross margins, reaching highs of 63% in Q1 when FCLI posted $0.4M in revenue. As such, we expect FCLI to be breakeven on an adjusted EBITDA basis by Q4/26 and profitable in FY27E. A breakdown of the unit economics by industry can be found in the analysis below.

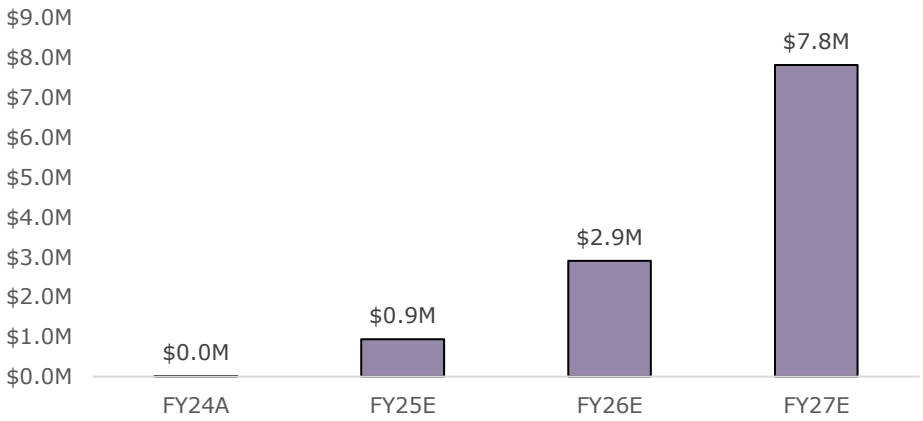

Figure 3: Revenue Growth Estimates

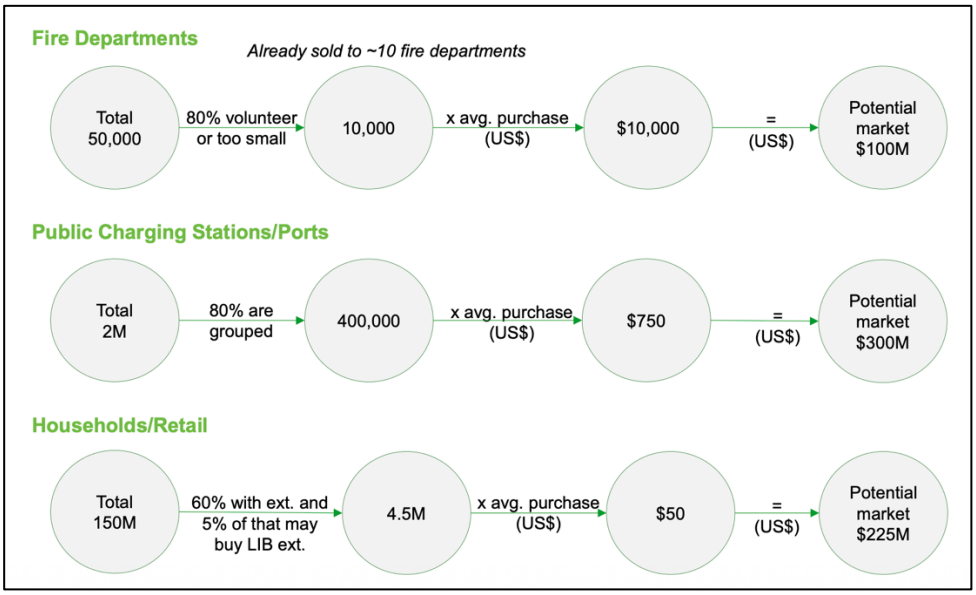

Figure 4: Unit Economics by Industry (Source: Company Documents)

Management & Ownership

Full Circle is led by a team with strong experience across the lithium sector, capital markets, and project development. The Company is headed by Founder and CEO Carlos Vicens, who previously served as CFO of Neo Lithium (acquired in 2022 by Zijin Mining for C$960M), where he helped guide the company through its growth phase and ultimate sale. Supporting him is Non-Executive Chairman Paul Fornazzari, a respected mining and securities lawyer who served as the founding Chairman of Lithium Americas (LAC:TSX, C$1.6B mkt cap) and a founding Director of Neo Lithium. The board also includes two additional leaders with deep sector expertise. Franco Mignacco serves as President of Minera Exar, operator of the Cauchari-Olaroz project owned by Lithium Americas and Ganfeng Lithium (1772:HK, C$30B mkt cap). Mike Cosic, former CFO of Lithium Americas, brings more than 30 years of corporate development, M&A, and financial leadership experience.

Ownership is supported by Chairman Paul Fornazzari at ~9% and Founder and CEO Carlos Vicens at ~8%. Total insider ownership represents a significant position and reflects strong long-term alignment. Institutional investors hold ~6% of the outstanding shares, while retail investors account for the remaining ~76%. We believe meaningful insider ownership, combined with the team's proven success in the lithium sector, provides disciplined leadership as the Company advances the commercialization of FCL-X.

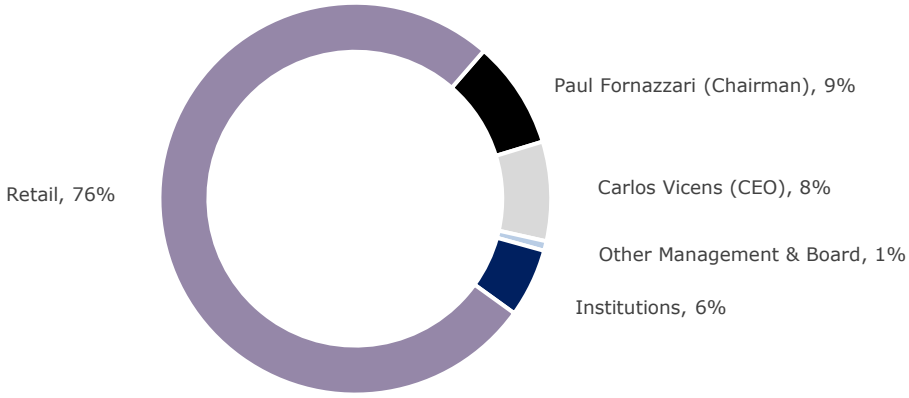

Figure 5: Ownership Summary

Valuation

Peer Group Analysis

While there are not many public peers to FCLI, we have compiled a group of companies that manufacture fire protection equipment. The closest peer is Perimeter Solutions (PRM:NYSE), which is a leader in fire safety and specialty products. Perimeter has been posting solid growth and has excellent margins, with a 52% EBITDA margin expected in 2025. The stock trades at 6.8x 2027E sales compared to FCLI at 2.9x, making it a natural acquirer that can push FCL-X through its developed sales network. The group, on average, trades at 4.1x 2027E sales, slightly lower than FCLI due to their lower growth.

Company	Ticker	Mkt Cap	EV	Sales CAGR	EBITDA Margin	EV/EBITDA			EV/Sales		
		($C)	($C)	2025-2027E	2025E	2025E	2026E	2027E	2025E	2026E	2027E
Perimeter Solutions, Inc.	PRM	$5,862	$6,539	21%	52%	14.0x	14.3x	13.4x	7.2x	7.2x	6.8x
MSA Safety Incorporated	MSA	$8,802	$9,514	4%	25%	14.5x	13.4x	12.6x	3.6x	3.4x	3.3x
IDEX Corporation	IEX	$18,356	$20,228	4%	27%	15.7x	15.1x	13.9x	4.2x	4.1x	3.8x
Mueller Water Products, Inc.	MWA	$5,312	$5,340	4%	24%	10.9x	9.2x	10.5x	2.6x	2.5x	2.5x
Bridger Aerospace Group Holdings	BAER	$140	$920	N/A	43%	14.0x	N/A	N/A	6.0x	N/A	N/A
Average				**8%**	**34%**	**13.8x**	**13.0x**	**12.6x**	**4.7x**	**4.3x**	**4.1x**
Full Circle Lithium Corp.	**FCLI**	**$27**	**$23**	**190%**	**N/A**	**N/A**	**N/A**	**N/A**	**24.2x**	**7.8x**	**2.9x**

Figure 6: Peer Group Analysis (Source: Capital IQ)

Acuren & NV5 Global Merger

In May 2025, Acuren (TIC:NYSE) and NV5 (NVEE:NASDAQ) announced a $1.7B merger, valuing the combined business at roughly 10.3x 2025E EBITDA, when the transaction closed in early August. The deal creates a $2B revenue leader in Testing, Inspection, Certification, and Compliance (TICC) and engineering services, bringing together Acuren's industrial inspection scale with NV5's fire-protection, life-safety, and engineering capabilities. Although both companies operate across a wide range of end markets, the transaction reinforces the value attributed to platforms that sit at the center of fire-risk reduction and compliance. For FCLI, it highlights a longer-term blue-sky scenario, as FCL-X proves itself in industrial environments, pairing the product with deployment support, technical services, or engineered solutions.

Target Price Derivation

Given that FCLI is still early-stage, we will rely on a DCF valuation to obtain our target price rather than the traditional multiples approach. Our model assumes that revenue scales to $28.3M by 2030, mostly from the public sector segment (fire departments), which we project represents >60% of revenue and will frequently reorder product. We anticipate margins to ramp up through the years, taking advantage of the large gross margins on the product. We assume a WACC of 17% and an exit multiple of 8.0x, resulting in a target price of $0.60/share.

	2026E	2027E	2028E	2029E	2030E
Revenue ($M)	2.9	7.8	14.0	21.0	28.3
Adj. EBITDA ($M)	(1.4)	0.6	3.4	6.5	10.8
FCFF ($M)	(2.5)	(1.9)	0.6	3.5	7.8
PV of FCFF	(2.2)	(1.4)	0.4	1.9	3.6

WACC	
Cost of Equity	17%
Cost of Debt	7%
% Equity	100%
% Debt	0%
WACC	17%

DCF	
Sum of PV FCFFs	$2.3
FY29E EBITDA	$10.8
Exit Multiple	8.0x
Terminal Value	$86.1
PV of Terminal Value	$39.3
Enterprise Value	$41.6
(+) Cash	$4.0
(-) Debt	$0.0
Equity Value	$45.5
Target Price (Rounded)	**$0.60**
Upside	*67%*

Figure 7: DCF Summary

		Exit EBITDA Multiple				
		6.0x	7.0x	8.0x	9.0x	10.0x
WACC	15%	$0.55	$0.60	$0.65	$0.75	$0.80
	16%	$0.50	$0.55	$0.65	$0.70	$0.80
	17%	$0.50	$0.55	**$0.60**	$0.70	$0.75
	18%	$0.45	$0.55	$0.60	$0.65	$0.70
	19%	$0.45	$0.50	$0.55	$0.65	$0.70

Figure 8: Sensitivity Analysis

Tear Sheet

Market Data	
Ticker	FCLI:TSXV
Stock Price	$0.36
Rating	BUY
Target Price	$0.60
Upside	67%
Market Cap ($M)	$26.5
Cash ($M)	$4.0
Debt ($M)	$0.0
EV ($M)	$22.6

Capital Structure	
Basic Shares Outstanding (M)	98.4
Warrants (M)	22.5
Options (M)	8.2
FD Shares (M)	129.1
FD ITM Shares (M)	102.0

Ownership	
Management & Board	18%
Institutions	6%
Retail	76%

Financial Estimates	FY24A	Q1/25A	Q2/25A	Q3/25A	Q4/25E	FY25E	Q1/26E	Q2/26E	Q3/26E	Q4/26E	FY26E	FY27E
Revenue ($M)	**0.0**	**0.4**	**0.2**	**0.0**	**0.3**	**0.9**	**0.5**	**0.7**	**0.8**	**0.9**	**2.9**	**7.8**
% YoY	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*9240%*	*30%*	*241%*	*1759%*	*200%*	*211%*	*170%*
Gross Profit ($M)	**0.0**	**0.2**	**0.1**	**(0.0)**	**0.2**	**0.5**	**0.3**	**0.4**	**0.5**	**0.6**	**1.8**	**5.2**
Gross Margin	*80%*	*63%*	*58%*	*-76%*	*55%*	*53%*	*60%*	*62%*	*64%*	*66%*	*63%*	*67%*
Adj. EBITDA ($M)	**(2.9)**	**(0.2)**	**(0.4)**	**(0.5)**	**(0.4)**	**(1.6)**	**(0.5)**	**(0.4)**	**(0.3)**	**(0.1)**	**(1.4)**	**0.6**
Adj. EBITDA Margin	*N/A*	*-64%*	*-212%*	*N/A*	*-125%*	*-172%*	*-105%*	*-63%*	*-41%*	*-14%*	*-49%*	*8%*
Net Income ($M)	(3.8)	(0.3)	(0.6)	(0.7)	(0.5)	(2.2)	(0.7)	(0.6)	(0.5)	(0.3)	(2.0)	0.0
EPS (Basic)	(0.05)	0.00	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)	(0.01)	(0.00)	(0.00)	(0.02)	0.00

Figure 9: Tear Sheet

Company Overview

Business Model

FCL's LIB proprietary battery fire suppressant agent (FCL-X™) was developed through years of experience in lithium chemistry. The Company has a fully permitted and operational plant in Georgia, US and is currently focusing on sales efforts in the US market. FCLI has 15 distributors onboarded with potential for even more. The Company employs 15 full-time staff and operates a fully equipped on-site laboratory with integrated in-house fabrication capabilities.

The Company previously had operations in midstream feedstock recycling, battery recycling, and lithium refinement; however, it has suspended these operations to solely focus on the fire suppressant market. FCL-X was founded through these operations, and all the prior assets and facilities are either being reused or sold.

Product

FCL-X uses conventional technologies with proprietary know-how and IP that extinguish LIB fires quickly with a minimal amount of agent. This reduces temperatures fast and reduces the potential for hazardous, toxic smoke. FCL-X is water-based and stops the chemical reaction at the cellular level compared to its peers, which suppress or cover the reaction. The protocol was developed to replicate current industry standards for lithium-ion battery propagation testing, as well as fire suppression certification testing. FCL-X does not contain any hazardous chemicals, is PFAS-free, and has been proven to be highly effective in extinguishing both small and large LIB format battery fires, safely and quickly, when compared to water and other competitors in the market. The product was developed in January 2023 by FCL's technical team, with a patent application filed in June 2024.

FCL-X Extinguisher

Designed for rapid response, the FCL-X Extinguisher delivers powerful, targeted suppression of lithium-ion battery fires. Pre-filled with FCL-X solution, this portable unit is ideal for first responders and industrial teams facing high-risk environments. Compact, refillable, and easy to deploy, it offers fast knockdown, reduced toxic exposure, and no reignition, making it an essential tool for modern fire threats.

FCL-X ReCharge

Designed for compatibility and specifically formulated to refill the FCL-X 2.5-gallon extinguisher with seamless integration. High efficiency and easy application, while being a cost-effective solution, reduce the need for full extinguisher replacements while extending its lifecycle. The product is eco-friendly, maintaining inert properties and a neutral pH, supporting environmentally safe use.

FCL-X ReCharge 135
The ReCharge 135 is a 135-gallon premixed tote of FCL-X solution, specifically designed for fire departments and extinguisher service providers who want in-house refill capability. Each batch can recharge up to 54 of our 2.5 Gallon FCL-X Extinguishers, offering cost-efficiency and convenience. ReCharge 135 is the smart solution for high-volume readiness.

FCL-X Recharge 275
For large-scale operations, the ReCharge 275 offers 275 gallons of ready-to-use FCL-X premixed solution. Capable of refilling up to 110 of our 2.5 Gallon FCL-X Extinguishers, this bulk option is ideal for major municipal departments, regional service centers, or agencies preparing for widespread deployment. With the same PFAS-free, high-performance formula trusted in critical environments, ReCharge 275 provides reliable protection at scale, ready when and where you need it.

FCL-X Pro
FCL-X Pro is an advanced formulation specifically engineered for lithium-ion battery fires, ensuring rapid suppression. The product has high thermal stability, designed to withstand extreme temperatures, preventing reignition risks. This offers superior coverage, easy deployment, and is non-corrosive

FCL-X Pro Max
This is the higher potency formulation, optimized for extreme fire scenarios or specialized use cases.

Figure 10: Product Offering (Source: Company Documents)

Technical Information
Neutralizing Battery Charge/Thermal Absorption

- In a battery already in thermal runaway, FCL-X neutralizes the charge and immediately reduces thermal output by 20%.
- Neither water alone nor other agents achieve this.

Mitigation of HF

- Beyond the fire itself, the release of gaseous hydrogen fluoride (HF) poses a significant threat in LIB fires.
- HF forms when lithiated hexafluorophosphate, a common electrolyte in LIBs, decomposes at high temperatures and reacts with water. This highly corrosive gas is potentially lethal upon inhalation.
- FCL-X effectively mitigates most or all of the HF by reacting with it to form a non-hazardous salt.
- Again, this is a capability unique to FCL-X compared to water or other agents.

Prevention of Hydrogen Explosion

- LIB anodes typically consist of lithiated graphite. Under extreme heat, lithium separates from the graphite and reacts with the water, often exacerbating the fire and creating dangerously high levels of explosive hydrogen gas.
- FCL-X counteracts this. Its initial thermal absorption reduces heat, and the active ingredients forms a protective layer on the lithiated graphite. The continued application of FCL-X solution then smothers any remaining hydrogen gas production.
- This multi-faceted approach is not offered by water or other extinguishing agents.

Dilution of Internal LIB Solution

- The most critical aspect of extinguishing a LIB fire is diluting the burning solutions within the battery. This requires penetrating the cell, cooling the internal solution, and diluting it.
- FCL-X's enhanced cooling and the active ingredient's ability to remain effective under heat allow it to penetrate the cell more effectively before evaporation, thus facilitating this crucial dilution process.
- This level of internal action is not provided by water or other agents.

Testing

FCL-X has been tested by two independent and accredited external laboratories, including the recent achievement of passing the world-renowned LIB fire extinguishing NTA 8133 Dutch Standard as well as UL Class A Component Recognition. The process has been demonstrated over 1,000 times without incident, including demonstrations to governmental agencies, LIB OEMs, and first responders. FCL-X efficient and effective, because it is orders of magnitude faster in extinguishing LIB fires, using considerably less agent, and limiting the toxic smoke generated. Internally, FCLI has completed testing on controlled EV burns on more than 20 EV vehicles over the past year (including Nissan Leaf, KIA EV6, KIA EV9 and Hyundai Ioniq).

SafeLabs

Additionally, FCL authorized an independent and accredited US third-party testing facility, SafeLabs, to validate the internal results and compare them with water and one of the main competitors on a e-bike battery, EV-size battery, and cylindrical "cluster" batteries. FCL-X beat water and the competitor on time to extinguish, temperature reduction, efficiency of solution used, and reignition/hazardous smoke reduction. On the e-bike test, time to extinguish was ~4 seconds, over 10x faster than using water while using 0.33 gallons of solution. On the EV-size battery, the time to extinguish was ~15 minutes, with further details pending.

Dutch Standard NTA 8133

The Dutch standardized testing organization completed its tests in August 2024, recognizing the product as "Best in Class", where FCL-X achieved the best LIB fire suppression results of all specialty suppressants tested under NTA 8133 to date. The Dutch Standard is well regarded as the most rigorous LIB fire testing protocol, paving the way for industrial and commercial sales. Class A certification is forthcoming, placing FCL-X at the forefront of the industry.

UL Certification

FCL recently received Class A Fire Water-Based Agent Fire Extinguishers Component Recognition for both the US and Canada from Underwriters Laboratories Solutions (UL), a globally trusted authority in safety certification. This milestone not only validates the product's quality, safety, and effectiveness in extinguishing Class A fires but also opens the door to significant new market opportunities across multiple high-growth sectors beyond LIB fires. The new UL Class A Fire Recognition now enables broader adoption of FCL-X in environments where traditional combustibles like wood, paper, textiles, and plastics are common.

Facility

The Company has a fully permitted and operational plant in Georgia, U.S., a state with strong government support for this industry, with >100GWh of gigafactory build-out in the region. Commercialization efforts are currently underway at the facility. The facility has a production capacity of 3M gallons (~$30M), and management can double the capacity with a modest investment. FCLI is also building out a training facility to teach firefighters how to effectively use its products.

Sales Channels

FCLI announced the first sale of FCL-X to a global OEM in Georgia in June 2024, with additional sales in November 2024 for US$300K. Sales for FY25 are expected to be ~US$900K. During 2024 and 2025, the Company has signed roughly 15 regional distribution agreements in the USA. These regional distribution agreements mark important milestones in the Company's efforts to commercialize its proprietary and innovative lithium-ion battery fire fighting agent, FCL-X and reflect a change in the Company's North American strategy by focusing on more regional expertise in the USA and Canada to better address FCL-X across residential, industrial, and commercial settings and most importantly into the first responder fire safety industry. These new distribution agreements primarily emphasize the FCL-X Extinguisher, FCL-X Recharge and FCL-X PRO product lines, granting certain exclusive distribution rights within their respective regions for a defined period. The Company now serves all of the USA and all of Canada directly through its distributors.

International growth is expected to deliver additional coverage and work on this front is ongoing. FCLI has an MOU with Fortune 500 company ITOCHU for the potential distribution of FCL-X in Japan and Korea, doubling the addressable market.

The team is now assessing the size of all marketplaces by type and format, with other distributor and partnership opportunities in the works. This includes tanks, extinguishers, and sprinklers. The team is also working on additional products to better serve markets, providing other formats for first responders, large industrial clients, retail users, and residential clients.

Additionally, the Company is expanding sales channels through a growing U.S. distributor network, which is now ten partners strong, as well as a new commercial foothold in the transportation and logistics sector. With added coverage in major markets like New York and the western U.S., plus a strategic sale to a global logistics company that could scale across 59 additional sites, FCLI is broadening both its regional reach and industry penetration.

The sales channels can include

- The public sector (firefighters)
- The electric vehicle market (OEMs/Battery Manufacturers)
- The battery energy storage systems market
- Ocean shipping, since FCL-X™ can mix with salt water
- Retail/residential sales via distributors and partners
- Other markets, including golf carts and garbage trucks

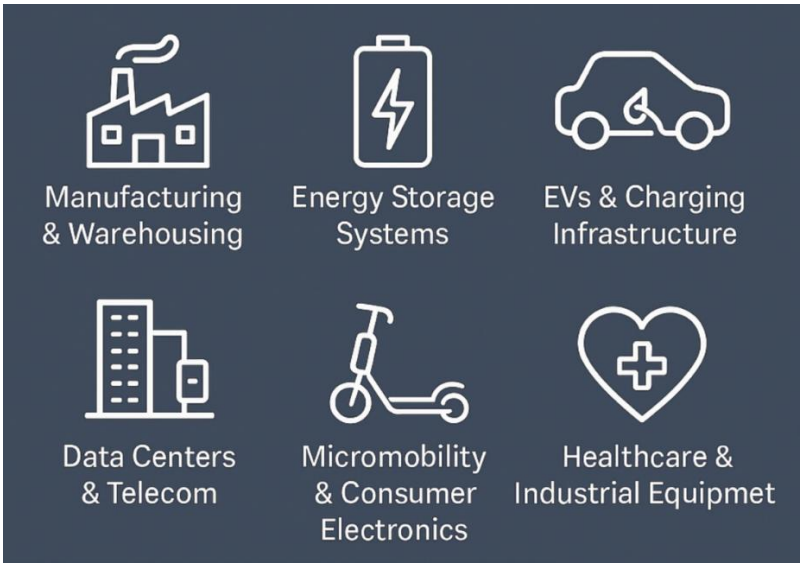

Figure 11: Sales Channels (Source: Company Documents)

History

Full Circle Lithium was incorporated in Ontario in 2021, initially focused on lithium recovery and recycling through its Georgia-based processing plant. Early development centred around refining safe, efficient methods for lithium extraction, but during this technical work, the Company's team identified a novel chemical formulation capable of extinguishing lithium-ion battery fires, leading to the creation of its flagship product, FCL-X.

FCL made a decisive shift in 2023 to concentrate exclusively on its fire suppression technology. That same year, it acquired full ownership of the Georgia Facility and repurposed it for FCL-X production, with capacity reaching up to 360K gallons per month. By late 2024, the Company had fully exited its prior recycling operations, redeploying resources toward product commercialization, leading to initial sales of FCL-X, which included supply to a global EV manufacturer and multiple regional fire departments, followed by distribution agreements across the U.S. and Canada.

This year, the Company continues to strengthen its credibility with recognition from the Underwriters Laboratories Solutions, a globally trusted authority in safety certification and continues to expand its footprint across high-growth markets such as EV, industrials, and municipal safety.

Competitors

CellBlockEX

CellBlockEX, produced by CellBlock FCS, is a mineral-based fire suppression tool designed specifically for lithium-ion battery fires. Like FCL-X, the product targets high-heat thermal runaway scenarios and aims to cool, isolate, and prevent re-ignition. However, instead of a water-based liquid agent, CellBlockEX uses a granulate material that smothers and absorbs heat when poured over burning batteries. While effective for storage and shipping, it is less practical for larger fires or rapid response firefighting, where a sprayable agent is required. This is where FCL-X offers an advantage; its water-based formula can be applied instantly from a safe distance and is more adaptable for first-responders, vehicle incidents, and industrial applications.

E-FireX

E-FireX is a lithium-ion battery fire extinguisher that uses an all-natural, environmentally friendly suppression agent designed to rapidly cool burning cells and reduce the risk of reignition. Similar to FCL-X, it is formulated specifically for LIB incidents rather than relying on traditional foam or dry chemical approaches and emphasizes non-toxic PFAS-free chemistry. E-FireX is primarily used for small-scale applications, specifically in incidents regarding e-bikes, scooters, and personal mobility devices.

Lithex

Lithex, by AVD Fire, is a mist-based extinguisher system designed to cool lithium-ion batteries and suppress re-ignition, making it conceptually similar to FCL-X in its physics-based approach to heat reduction. However, AVD systems tend to be highly specialized, with performance optimized for smaller batteries and consumer applications. FCL-X demonstrates a broader applicability by penetrating battery casings more effectively and being deployable through standard water-flow systems. The wider application of FCLI's product allows for increased adoption across a wider end market, including automotive and municipal firefighting.

RSL Fire & Safety

RSL Fire & Safety produces aerosol-based systems and extinguishers tailored for lithium-ion battery cabinets, storage units, and confined spaces. Like FCL-X, its systems are designed to address high-temperature combustion and reignition risks that are unique to lithium batteries. The key difference is that RSL's solutions are fixed-installation or aerosol dispersal systems rather than liquid agents, making them less flexible for mobile or open-air scenarios such as EV explosions or warehouse fires. FCL-X, however, is commonly deployed from handheld extinguishers as well as pumped through hoses, giving it a broader utility and stronger appeal to emergency response and EV markets.

	FCL-X	Do Nothing	Water	Flame Retardants	Encapsulator	Aggregates	
Type of Agent	Watering Agent	N/A	Water	Blankets	Foam	Vermiculate	Granulates
Ease of Use	A	A+	A	D	B	C	F
Applications on All Lithium Fires	A	F	D	F	D	D	D
Product Hazards	A	A+	A+	A	Unknown	Unknown	A
Extinguishing Capability for Active Fires	A+	F	D	F	C	C	C
Heat Dissipation	A+	F	B	F	B	B	B
Off-gas (HF) Dissipation	A+	F	F	F	F	F	F

Figure 12: Competition Matrix (Source: Company Documents)

Georgia

Georgia has rapidly evolved into one of the leading jurisdictions in the United States for electric mobility and lithium-related industries. Since 2018, more than US$27.3B in e-mobility and battery ecosystem investments have been announced, supporting ~32K expected jobs across 53 projects state-wide (according to the Georgia Department of Economic Development). The state's strong industrial base and pro-investment environment have made it an ideal location for FCLI's fully owned and permitted Georgia Facility, which serves as the Company's production site for its proprietary FCL-X™ fire-extinguishing agent.

Major OEMs such as Hyundai Motor Group and Rivian anchor the state's growing electrification corridor, supported by leading battery manufacturers SK Battery America and Freyr. Hyundai's $12.6B Metaplant in Bryan County is the largest economic development project in Georgia's history and has the capacity to produce up to 500K vehicles annually. The growing network of OEMs and suppliers has reinforced Georgia's position as one of the most strategic jurisdictions for advanced manufacturing and downstream lithium processing in North America.

At the same time, KIA's West Point facility, which produces ~40% of all KIA models sold in the U.S., is also located within the state. During FCLI's most recent controlled EV burn test, KIA provided a brand-new EV9, showcasing the Company's FCL-X™ technology under real-world conditions.

Aside from the companies already mentioned, Georgia is home to a broad network of e-mobility, including Ascend Elements (battery recycling & cathode materials), Plug Power (hydrogen fuel cell manufacturing), Caterpillar (heavy equipment manufacturing), Yamaha Motor Manufacturing (powersports and mobility products), and more. This industrial diversity, combined with business-friendly policies, state-sponsored training programs, and incentives such as the Electric Vehicle Supply Equipment Tax Credit and Georgia Power rebate program, continues to make Georgia one of the most attractive and forward-looking jurisdictions for lithium processing, recycling, and electrification investment.

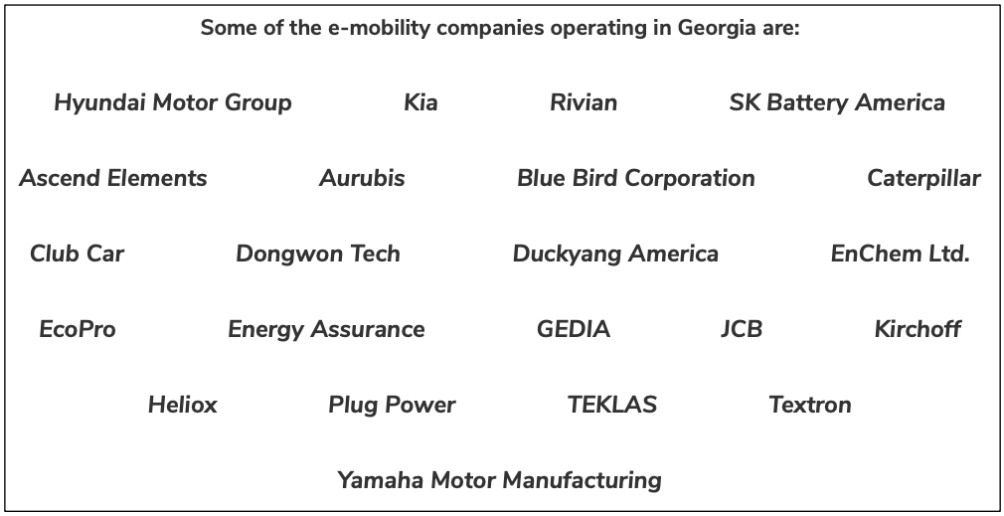

Figure 13: E-Mobility Manufacturers and Suppliers in Georgia (Source: Georgia.org)

Financials

Balance Sheet & Capital Structure

As of June 30th, FCLI had $0.2M in cash and no debt. The Company had $0.5M in current assets and $0.4M in current liabilities, translating to a current ratio of >1.0. This was prior to its September financing, where the Company raised C$4.5M at $0.20/share, including a 2-year half warrant at $0.30/share. As such, the pro-forma cash position is ~US$4.0M, allowing the Company to commercialize and market its products going into FY26.

FCLI has 98.4M shares outstanding with 8.2M options and 22.5M warrants. 5.1M of the options and 15.5M of the warrants are in-the-money, generating C$6.2M in proceeds if exercised over the coming years (mostly mid-2026 and late 2027).

Financial Forecast

Our financial forecasts can be found below. We estimate that revenue will grow to $2.9M in FY26, rising to $7.8M in FY27. FCL-X has a >60% gross margin and has no raw material constraint issues. As such, we expect the Company to be breakeven on Adjusted EBTIDA in Q4/26.

Financial Estimates	FY24A	Q1/25A	Q2/25A	Q3/25A	Q4/25E	FY25E	Q1/26E	Q2/26E	Q3/26E	Q4/26E	FY26E	FY27E
Revenue ($M)	**0.0**	**0.4**	**0.2**	**0.0**	**0.3**	**0.9**	**0.5**	**0.7**	**0.8**	**0.9**	**2.9**	**7.8**
% YoY	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*9240%*	*30%*	*241%*	*1759%*	*200%*	*211%*	*170%*
Gross Profit ($M)	**0.0**	**0.2**	**0.1**	**(0.0)**	**0.2**	**0.5**	**0.3**	**0.4**	**0.5**	**0.6**	**1.8**	**5.2**
Gross Margin	*80%*	*63%*	*58%*	*-76%*	*55%*	*53%*	*60%*	*62%*	*64%*	*66%*	*63%*	*67%*
Adj. EBITDA ($M)	**(2.9)**	**(0.2)**	**(0.4)**	**(0.5)**	**(0.4)**	**(1.6)**	**(0.5)**	**(0.4)**	**(0.3)**	**(0.1)**	**(1.4)**	**0.6**
Adj. EBITDA Margin	*N/A*	*-64%*	*-212%*	*N/A*	*-125%*	*-172%*	*-105%*	*-63%*	*-41%*	*-14%*	*-49%*	*8%*
Net Income ($M)	(3.8)	(0.3)	(0.6)	(0.7)	(0.5)	(2.2)	(0.7)	(0.6)	(0.5)	(0.3)	(2.0)	0.0
EPS (Basic)	(0.05)	0.00	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)	(0.01)	(0.00)	(0.00)	(0.02)	0.00

Figure 14: Financial Forecast

Recent Announcements

On November 12th, Full Circle announced it had begun trading on the Börse Frankfurt under ticker K0Q, expanding access for European investors. The listing strengthens the Company's presence in EU capital markets and supports its strategy to grow in sustainability-focused regions. FCL also plans to file new EU patents covering advancements in lithium-ion battery fire containment and AI-integrated safety systems.

On October 29th, Full Circle announced its first commercial sale of FCL-X fire extinguishers to a leading North American transportation and logistics company. The initial sale covers one logistics hub, with potential expansion to 59 additional sites across 21 states.

On October 20th, Full Circle announced the addition of two new US distribution partners, Golden Enterprises and SHUR-SALES & Marketing, expanding its national network to ten distributors for the FCL-X™ lithium battery fire extinguishing line. The partnerships strengthen coverage in California, New York and several western states.

On September 5th, Full Circle announced the closing of its upsized $4.5M non-brokered private placement. Proceeds will support project development of FCL-X, intellectual property protection, training centre development, and working capital as the Company advances towards full-scale commercialization.

On August 15th, Full Circle announced a non-brokered private placement for gross proceeds of up to C$3.0M through the sale of 15M units at C$0.20 per unit, each unit consisting of one common share and one-half warrant exercisable at C$0.30 for two years. Due to strong demand, the financing was later upsized on August 21st to C$4.5M, with PowerOne Capital Markets acting as Lead Finder.

On July 16th, Full Circle announced that its FCL-X lithium battery fire extinguishing agent received UL Class A Fire Recognition for both the U.S. and Canada. The certification validates the product's safety and performance in extinguishing Class A fires, positioning the Company to enter new industrial, commercial, retail, and government markets.

Industry Overview

Hazards & Complexities of Lithium-Ion Fires

Lithium-ion battery fires behave fundamentally differently from structural or electrical fires because the heat source originates inside the cell. When a damaged or unstable cell reaches a critical temperature, it enters thermal runaway, an uncontrollable chain reaction where temperature rapidly accelerates, separators fail, and neighbouring cells ignite. Peak temperatures can exceed 1,000°C within seconds, releasing toxic and corrosive gases such as hydrogen fluoride, carbon monoxide, methane, and phosphorus compounds. Laboratory testing has recorded hydrogen fluoride levels above 6,000 ppm during failures, which are concentrations immediately dangerous to life and health.

Thermal runaway also creates rapid pressure buildup that can result in explosions or 'jetting' of burning material across a room. In a typical 10×12 ft residential space, the heat release often causes flashover within 60–90 seconds, leaving little time for occupants to escape before the entire room is engulfed. Even after flames are extinguished, cells can remain hot enough to reignite hours or days later, making these events particularly dangerous in dense urban housing.

The Traditional Fire Extinguisher

ABC extinguishers are the most common fire suppression devices found in homes, offices, apartments, and commercial buildings. They are designed to smother three general classes of fire:

- Class A – combustibles that leave ash (wood, paper, cloth)
- Class B – flammable liquids (gasoline, oils, solvents)
- Class C – energized electrical equipment
- Class D – fire involving combustible metals

ABC extinguishers use a non-conductive dry chemical powder that interrupts the fire's chemical reaction. While effective for conventional electrical or fuel fires, they are not designed for lithium-ion failures. Thermal runaway produces its own heat, oxygen, and fuel inside the battery cell, meaning smothering the flames will not stop the underlying reaction or prevent re-ignition. The powder cannot penetrate sealed casings to cool the reaction source and offers no mitigation against explosive jetting. This limitation highlights why traditional extinguishers provide limited protection for lithium-ion events and reinforces the need for dedicated suppression tools.

A Growing Problem

Increasing Frequency and Exposure

Lithium-ion batteries now power almost everything around us, from phones and laptops to power tools, toys, vacuums, e-bikes, and electric vehicles. The average household contains ~33 batteries, and this number increases each year as the electrification trend accelerates. Every additional battery, whether in a drill or an e-scooter, becomes another ignition source.

As adoption expands, the geography of risk is shifting from isolated products to entire urban systems. Electric carts now dominate golf courses, warehouses rely on battery-powered forklifts, and municipalities continue converting service fleets. E-bikes and e-scooters have flooded large metropolitan centres, and Toronto Fire Services (TFS) now identifies them as the largest emerging fire threat. Businesses are encountering similar challenges, with a 2025 Aviva survey of 501 firms showing that more than half experienced a lithium-ion incident and almost one in five reported a full fire or explosion (see here).

Fire Incidents Are Rising Faster Than Fire Services Can Respond

In Toronto, lithium-ion fires have increased 590% since 2020, including a 38% rise from 2023 to 2024. FDNY recorded 289 incidents in 2024 (Figure 15), making lithium-ion devices the third-largest ignition category after electrical wiring and smoking. FDNY data shows that 70% of these fires originate from e-mobility devices (Figure 16). With more devices entering cities and charging density increasing in apartment buildings, incident volumes are expected to continue rising.

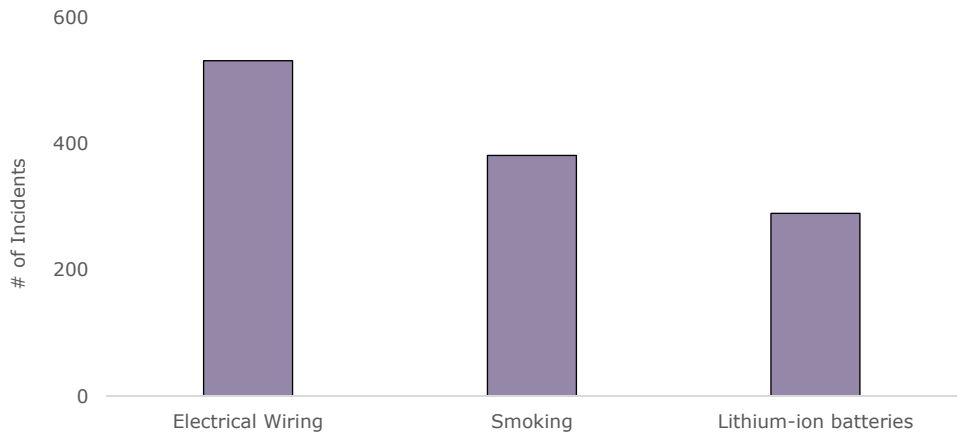

Figure 15: Leading Causes of Accidental Fires in NYC, 2023-2024 (Source: FDNY)

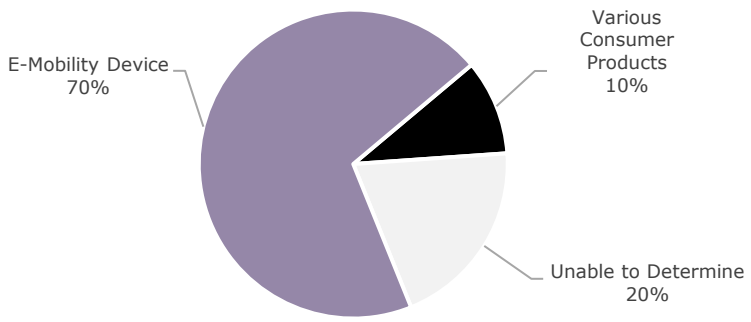

Figure 16: Lithium-Ion Devices that Caused Fires in NYC, 2023-2024 (Source: FDNY)

The technical causes behind these events are straightforward; overcharging and aftermarket chargers remain the leading ignition sources, particularly when paired with aging or damaged batteries stored and charged inside small apartments, rooming houses, and subdivided units. A single compromised cell can overheat and trigger thermal runaway, engulfing a room in under two minutes. Combined with growing device inventories and limited recycling or safe-charging infrastructure, these dynamics reinforce the need for compact, rapidly deployable mitigation tools like FCL-X to help reduce the severity of early-stage lithium-ion incidents.

Regulations

As we continue to mention, regulatory frameworks have not kept pace with rising lithium-ion incidents. Ontario's next fire code update in January 2026 (the first major overhaul since 2018) adds only a narrow reference to large-scale storage facilities, with no protections for residential charging, which reflects a similar pattern across Canada, the United States, Europe, and Asia. Cities such as New York and San Francisco have implemented UL certification requirements, strict charging rules, limits on personal mobility devices in dwellings, and clearer disposal mandates, but these remain local exceptions rather than widely adopted standards. International frameworks like NFPA 855 and the updated International Fire Code offer guidance for industrial-scale systems, although adoption remains slow and uneven. With no enforceable standards in place, fire services have relied heavily on public education. Toronto Fire Service dedicates significant resources to lithium-ion awareness, yet outreach alone cannot overcome language barriers, socioeconomic realities, or the widespread availability of low-cost, unsafe chargers and batteries.

Current Events

As mentioned, LIBs have become deeply embedded across industries without the proper safety infrastructure to manage their fire risks. Now, those oversights are catching up, from grid-scale storage sites to car carriers at sea, industries are facing the consequences of rapid electrification without equally rapid advances in fire suppression. The following examples are just two of many incidents showing how widespread and costly this issue has become.

Moss Landing Battery Fire – California

In January 2025, a massive fire tore through the Moss Landing Power Plant in Monterey County, one of the world's largest lithium-ion battery storage sites. The blaze burned for nearly a week, destroying around 80% of the facility's batteries and forcing 1,200 nearby residents to evacuate as thick plumes of smoke spread over surrounding communities. It was not the first time either; this was the fourth fire at the site since 2019. Local officials called it a wake-up call, warning that the clean energy push has moved faster than the safety systems needed to support it. Lawmakers in the U.S. are now pushing for stricter oversight of where battery storage sites are built and how they're safeguarded.

Figure 17: Flames Rising During Major Fire at the Moss Landing Power Plant (Source: LA Times)

Morning Midas Sinking – Pacific Ocean

In June 2025, the car carrier Morning Midas sank off the coast of Alaska after a lithium-ion battery fire broke out on board earlier that month. The fire started on a deck carrying electric and hybrid vehicles and forced all 22 crew members to evacuate safely before the vessel eventually went under. The blaze burned for weeks, weakening the ship's structure before rough seas caused it to sink, taking over 3,000 vehicles with it. This incident has renewed concern among shipboard fire experts and insurers about the lack of clear standards for handling EV fires at sea. Traditional sprinklers and firefighting systems simply can't contain lithium-ion thermal runaway, and experts warn that without updated training, ship design changes, and proper containment systems, similar disasters are bound to happen again.

Figure 18: Car Carrier Morning Midas on Fire in the Pacific Ocean (Source: Seatrade Maritime)

Market Opportunity

The demand for lithium-ion fire suppression systems is rising rapidly alongside global electrification. The overall fire suppression market is valued at ~$21.5B today, with North America accounting for about $7.9B (Source: SNS Insider). Within this, the lithium-ion segment is expected to grow at a 15–20% CAGR through 2032, reaching an estimated US$6.6B globally and US$2.4B in North America as EV adoption, energy storage, and safety standards continue to accelerate.

Recent real-world incidents (see above) have underscored the urgency of improving fire safety around battery-powered technologies. Fires involving EVs, e-bikes, and large-scale energy storage facilities are becoming increasingly common, revealing how quickly electrification has outpaced advancements in suppression technology. Many first responders still lack the equipment and protocols to manage these events safely, and traditional firefighting methods can sometimes worsen the reaction. This growing safety gap has prompted governments, insurers, and manufacturers to push for more effective, purpose-built solutions.

The U.S. and Canada represent the most immediate opportunities, driven by the rapid expansion of EV manufacturing, grid-scale storage projects, and tightening safety standards. As electrification spreads across transportation, industrial operations, and municipal infrastructure, demand for next-generation suppression solutions like FCL-X is building quickly. Since most municipalities operate on annual procurement cycles and are increasingly vocal about lithium-related fire risks, raising awareness and securing placement in upcoming budgets will be key to driving early adoption across North America.

Management & Board

Carlos Vicens – CEO, Director, & Founder
Mr. Vicens brings over 25 years of global experience in capital markets, corporate development, and investment banking. Before joining the Company, he was the CFO at Neo Lithium Corp. (acquired in 2022 by Zijin Mining Group for $960M), where he played a key role in the company's growth and eventual acquisition. Previously, he held senior roles in investment banking at Scotiabank, advising over $10B in M&A transactions and more than C$5B in equity and debt financings across the mining sector. Mr. Vicens holds an MBA from the Ivey Business School at Western University and a Bachelor's degree in Finance and General Management from Universidad Metropolitana in Venezuela. He holds ~8.1M shares of the Company, representing 8% of the outstanding shares.

Paul Fornazzari – Non-Executive Chairman
Mr. Fornazzari brings over 30 years of global legal experience across capital markets, mergers and acquisitions, and corporate governance. He is a Partner in the corporate and securities group at Fasken Martineau DuMoulin LLP, where he advises boards, executive teams, and investors across the mining, energy, technology, and financial sectors. Mr. Fornazzari was the founding Chairman of Lithium Americas Corp. (LAC:TSX, $1.6B mkt cap) and a founding Director of Neo Lithium Inc. (acquired in 2022 by Zijin Mining Group for $960M). As a fluent Spanish speaker, he has deep transactional experience throughout Latin America and has worked closely with the Ontario Securities Commission on regulatory matters related to NI 43-101. Mr. Fornazzari earned an L.L.B. from the University of Windsor and an LL.M. in Securities Law from Osgoode Hall Law School at York University. He holds ~8.8M shares of FCLI, representing a 9% stake in the Company.

Franco Mignacco – Director
Mr. Mignacco brings extensive experience in the global lithium industry, with over a decade of leadership in project development and operations. He currently serves as President of Minera Exar S.A., the operator of the Cauchari-Olaroz lithium brine project jointly owned by Lithium Americas Corp. and Ganfeng Lithium Co., Ltd. (1772:HK, $30B mkt cap). Mr. Mignacco co-founded Lithium Americas and served as a Director from 2010, later becoming Vice-Chair before its merger with Western Lithium Corp. in 2015. He also serves as President of the Argentine Chamber of Mining Entrepreneurs (CAEM). Mr. Mignacco holds an Honours Degree in Mining from Universidad Austral and an MBA from San Andrés University, both located in Buenos Aires. He holds ~543K of the outstanding shares of FCLI.

Mike Cosic – Director
Mr. Cosic is a strategic executive with over 30 years of experience across multiple industries, including extensive expertise in the lithium and technology sectors. He previously served as CFO of Lithium Americas Corp., where he helped oversee its merger with Western Lithium to create a leading lithium resource company. Earlier in his career, he held senior leadership roles, including Director of Corporate Development at Celestica (CLS:TSX, $52B mkt cap), VP of Corporate Development at ADP Canada, and CFO of DLT Labs, Meta Growth Corp. (acquired by High Tide), and Bridgepoint Financial Group. Mr. Cosic has managed M&A transactions exceeding $1B in value, secured financing for numerous early-stage companies, and chaired the audit committee of a TSX-listed company for six years. He holds a Bachelor of Arts in Finance and Economics from Western University and an MBA from the University of Windsor. Mr. Cosic holds ~195K shares of FCLI.

Orlee Wertheim – Director
Ms. Wertheim brings extensive experience in capital markets, corporate law, and the global mining sector. She began her career as a corporate lawyer advising domestic and international public companies before joining the Toronto Stock Exchange's Listed Issuer Services department, where she guided issuers through listing applications and complex transactions to ensure compliance with TSX policies. She later served as Head of Global Mining Business Development for the Toronto Stock Exchange and TSX Venture Exchange, leading the Exchanges' global strategy to attract new mining listings. Most recently, she acted as Capital Markets Counsel at a leading Canadian law firm. Ms. Wertheim holds a law degree from the University of Ottawa.

Risks

Technological Risk – Average
Full Circle's financial performance could suffer if it fails to develop and commercialize its lithium-ion battery (LIB) fire and safety technologies effectively. Competitors outperforming Full Circle's solutions may erode market share and revenue potential. Increasing competition from established players with greater resources could pressure Full Circle's pricing, margins, and market share. Inability to differentiate FCL-X™ or secure customers may prevent achieving targeted growth and profitability.

Financial Risk – Above Average
As a development-stage company with minimal revenues, Full Circle expects continued short-term losses. There is no assurance of achieving or sustaining profitability amid rising capital and operating expenditures. The Company is reliant on equity financings to continue operating in its current state.

Slow Adoption of EV & Related Technologies – Average
Slower-than-expected EV and grid storage adoption could reduce demand for Full Circle's fire safety services and products. Economic downturns or shifts in consumer preferences may further depress market opportunities.

Lengthy Sales Cycle – Above Average
Lengthy sales efforts involving education and demonstrations may yield no revenue if prospects do not convert. Unrecovered costs from failed pursuits could harm growth prospects and financial health. Securing and retaining suppliers and clients for FCL-X is critical, but dissatisfaction, competitive alternatives, or reduced spending may lead to non-renewals. Failure to predict or maintain customer relationships could cause revenue declines.

Regulatory Risk – Low
Non-compliance with environmental and safety regulations in the LIB fire and safety industry could result in substantial fines, penalties, and reputational damage. Such violations may disrupt operations and undermine stakeholder confidence.

Appendix

FD ITM Shares Calculation	
Basic Shares Outstanding	98.4
Dilutive ITM Shares	20.7
Proceeds	$6.2
Repurchased Shares	17.1
Adj. Dilutive ITM Shares	3.6
FD ITM Shares	**102.0**
Full Diluted	129.1

Figure 19: FD ITM Shares Calculation (CAD, Treasury Stock Method)

	Exercise Price	Outstanding (M)
Basic Shares Outstanding		**98.4**
Options		
2027-08-02	$0.25	1.1
2027-09-08	$0.30	2.0
2028-04-26	$0.70	1.5
2028-09-05	$0.70	0.4
2028-11-21	$0.55	1.2
2029-11-06	$0.28	2.0
2030-01-19	$0.25	0.1
2030-04-01	$0.40	0.0
Total Options		**8.2**
Warrants		
2026-04-21	$0.70	7.0
2026-07-18	$0.35	3.1
2026-07-18	$0.25	0.4
2027-09-05	$0.30	11.3
2027-09-05	$0.20	0.8
Total Warrants		**22.5**

Figure 20: Cap Table

Disclosures

Analyst Certification
Each authoring analyst of Atrium Research on this report certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated securities discussed (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the research, (iii) to the best of the authoring analyst's knowledge, she/he is not in receipt of material non-public information about the issuer, (iv) the analyst does not own common shares, options, or warrants in the company under coverage, (v) the analysts adhere to the CFA Institute guidelines for analyst independence, and (vi) this report belongs to the CFA Institute.

Atrium Research Ratings System
BUY: The stock is expected to generate returns of over 20% over the next 24 months.
HOLD: The stock is expected to generate returns of 0-20% over the next 24 months.
SELL: The stock is expected to generate negative returns over the next 24 months.
NOT RATED (N/R): Atrium does not provide research coverage on the respective company.

RATING	COVERED COMPANIES
BUY	36
HOLD	0
SELL	0

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