



Li-Cycle's Redemption of Outstanding Warrants on January 26, 2022

Frequently Asked Questions (FAQs)

Below is a series of FAQs to serve as a guide to holders of Li-Cycle's warrants (the "**Warrants**"), including the Warrants trading on the New York Stock Exchange (the "**NYSE**") under the ticker symbol "LICY.WS", in connection with Li-Cycle's recent announcement that it will be redeeming all of the Warrants that remain outstanding at 5:00 p.m. New York City time on January 26, 2022 (the "**Redemption Date**"), at a redemption price of \$0.10 per Warrant. The press release announcing the redemption of the Warrants can be found here [\[Li-Cycle - News\]](#).

The Warrants are governed by a Warrant Agreement (the "**Warrant Agreement**") dated as of September 23, 2020 by and between Peridot Acquisition Corp. ("**Peridot**") and Continental Stock Transfer & Trust Company ("**CST**"), as warrant agent (the "**Warrant Agent**"), as amended by a warrant amendment agreement (the "**Warrant Amendment Agreement**") dated as of August 10, 2021 between the Company (as successor to Peridot) and CST. Under the Warrant Agreement, there were 15,000,000 Warrants originally issued pursuant to Peridot's initial public offering (the "**Public Warrants**") and 8,000,000 Warrants originally issued in a private placement to Peridot Acquisition Sponsor, LLC concurrently with the closing of Peridot's initial public offering (the "**Private Placement Warrants**").

The information in these FAQs is only a summary, does not purport to be complete, and is qualified by the terms of: (a) the Warrant Agreement, a copy of which can be found [here](#), (b) the Warrant Amendment Agreement, a copy of which can be found [here](#), (c) Li-Cycle's notice of redemption of the Warrants (the "**Notice of Redemption**"), a copy of which is attached to Li-Cycle's Form 6-K dated December 27, 2021, filed with the U.S. Securities and Exchange Commission ("**SEC**"), a copy of which can be found [here](#), and (d) Li-Cycle's notice of Redemption Fair Market Value (the "**Notice of Redemption Fair Market Value**"), a copy of which is attached to Li-Cycle's Form 6-K dated January 11, 2022, filed with the SEC, a copy of which can be found [\[here\]](#), along with Li-Cycle's other governing documents and SEC filings.

This document is being provided for informational purposes, solely to summarize information which has previously been made available to investors in Li-Cycle's SEC filings. Nothing herein is intended to be or shall be construed as an offer to sell, or the solicitation of an offer to buy, any securities.

Has Li-Cycle issued the Notice of Redemption to the Warrant holders?

Yes. At the direction of the Company, the Warrant Agent delivered the Notice of Redemption to each of the registered holders of the outstanding Warrants on December 27, 2021. A copy of the Notice of Redemption is attached to Li-Cycle's Form 6-K dated December 27, 2021, filed with the SEC, a copy of which can be found [here](#).



The Notice of Redemption states that Li-Cycle will redeem all of the Warrants that remain outstanding at 5:00 p.m. New York City time on January 26, 2022, for a redemption price of \$0.10 per Warrant.

The Warrant Agreement (as amended by the Warrant Amendment Agreement) provides that Li-Cycle is entitled to redeem all of the outstanding Public Warrants at the redemption price of \$0.10 per Public Warrant where:

- (i) the last reported sales price of the common shares of Li-Cycle for any twenty trading days within the thirty trading-day period ending on the third trading day prior to the date on which notice of the redemption is given (the “**Reference Value**”) equals or exceeds \$10.00 per share; and
- (ii) if the Reference Value is less than \$18.00 per share, the Private Placement Warrants are also concurrently called for redemption on the same terms as the outstanding Public Warrants.

As at the date of the Notice of Redemption, the Reference Value exceeded \$10.00 per share and was less than \$18.00 per share, such that Li-Cycle was entitled to call the Warrants for redemption.

What are my choices now that Li-Cycle has notified Warrant holders that it intends to redeem the Warrants on January 26, 2022?

Warrant holders may, at any time prior to 5:00 p.m. New York City time on January 26, 2022, choose to:

- (i) exercise their Warrants for cash (a “**Cash Exercise**”), at an exercise price of \$11.50 per common share; OR
- (ii) surrender their Warrants on a cashless basis (a “**Make-Whole Exercise**”), in which case the surrendering holder will receive 0.253 Li-Cycle common shares per Warrant.

The number of Li-Cycle common shares to be delivered on a “Make Whole Exercise” was determined in accordance with the terms of the Warrant Agreement (as amended by the Warrant Amendment Agreement) and based on (i) the period of time between the Redemption Date and the expiration of the Warrants, and (ii) the volume-weighted average price of the Li-Cycle common shares for the ten trading days immediately following the date of the Notice of Redemption (the “**Redemption Fair Market Value**”).

More information about the Make-Whole Exercise can be found in the table set forth in Section 6.2 of the Warrant Agreement (as amended by the Warrant Amendment Agreement).

How do I exercise my Warrants?

If you are a holder of the Public Warrants, your first call should be to your broker to let them know you want to exercise your Warrants, whether under a Cash Exercise or a Make-



Whole Exercise. Your broker will then instruct The Depository Trust Company (“DTC”), and DTC will work with Li-Cycle’s Warrant Agent, CST, on the exercise process.

How long do I have to make my election?

The exercise period runs from the date of the Notice of Redemption (December 27, 2021) to 5:00 p.m. New York City time on January 26, 2022.

Any Warrants that have not been exercised for cash or surrendered pursuant to a Make-Whole Exercise by 5:00 p.m. New York City time on the Redemption Date of January 26, 2022 will be void and no longer exercisable, and the holders of those Warrants will be entitled to receive only the redemption price of \$0.10 per Warrant.

Are the shares underlying the Warrants registered?

Yes. The Li-Cycle common shares underlying the Warrants have been registered by the Company under the Securities Act of 1933, as amended, and are covered by a registration statement filed on Form F-1 with, and declared effective by, the SEC (Registration No. 333-259895). The SEC maintains an Internet website that contains a copy of this prospectus, at www.sec.gov. Alternatively, you can obtain a copy of this prospectus on the Investor Relations section of the Company's website, at <https://investors.li-cycle.com>.

Is Li-Cycle also redeeming the Private Placement Warrants?

Yes. The Private Placement Warrants will also be redeemed concurrently with and on the same terms as the Public Warrants, on the Redemption Date of January 26, 2022.

Forward-Looking Statements

Certain statements contained in this FAQ 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 1993, 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 “will”, “expect”, “plan”, “potential”, “future”, “continuing” 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 may include, for example, statements about the future financial performance of Li-Cycle. These statements are based on various assumptions, whether or not identified in this FAQ, which Li-Cycle believes are reasonable in the circumstances. There can be no assurance that such estimates or 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 are not guarantees of future performance. These and other risks and uncertainties related to Li-Cycle’s business are



described in greater detail in the section entitled "Risk Factors" in its final prospectus dated August 10, 2021 filed with the Ontario Securities Commission in Canada and the Form 20-F filed with the U.S. Securities and Exchange Commission, and in other filings made by Li-Cycle with securities regulatory authorities. Because of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Actual results could differ materially from those contained in any forward-looking statement.

In addition, forward-looking statements contained in this FAQ reflect Li-Cycle's expectations, plans or forecasts of future events and views as of the date of this FAQ. Li-Cycle anticipates that subsequent events and developments could cause Li-Cycle's assessments, expectations, plans and forecasts to change. While Li-Cycle may elect to update these forward-looking statements at some point in the future, Li-Cycle has no intention and undertakes no obligation to do so, 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 FAQ. Li-Cycle's forward-looking statements are expressly qualified in their entirety by this cautionary statement.