

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 6, 2024

PureCycle Technologies, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-40234
(Commission File Number)

86-2293091
(IRS Employer
Identification No.)

5950 Hazeltine National Drive, Suite 300
Orlando, Florida
(Address of Principal Executive Offices)

32822
(Zip Code)

Registrant's Telephone Number, Including Area Code: 877 648-3565

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	PCT	The Nasdaq Stock Market LLC
Warrants, each exercisable for one share of common stock, \$0.001 par value per share, at an exercise price of \$11.50 per share	PCTTW	The Nasdaq Stock Market LLC
Units, each consisting of one share of common stock, \$0.001 par value per share, and three quarters of one warrant	PCTTU	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, 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.

Item 2.02 Results of Operations and Financial Condition.

On May 7, 2024, the Company issued a press release, attached hereto as Exhibit 99.1 and incorporated herein by reference, announcing the Company's financial results for the first quarter ended March 31, 2024, and certain other information.

The information contained in Item 7.01 concerning the presentation to Company's investors is hereby incorporated into this Item 2.02 by reference.

Item 7.01 Regulation FD Disclosure.

The slide presentation attached hereto as Exhibit 99.2, and incorporated herein by reference, will be presented to certain investors of the Company on May 7, 2024 and may be used by the Company in various other presentations to investors.

Item 8.01 Other Events.

On October 7, 2020, the Southern Ohio Port Authority ("SOPA") issued certain revenue Bonds (as defined below) pursuant to an Indenture of Trust dated as of October 1, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "Indenture"), between SOPA and UMB Bank, N.A., as Trustee ("Trustee"), and loaned the proceeds from their sale to PureCycle: Ohio LLC ("PCO"), an Ohio limited liability company and indirect wholly-owned subsidiary of PureCycle Technologies, Inc. (the "Company"), pursuant to a Loan Agreement dated as of October 1, 2020, between SOPA and PCO (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") to be used to, among other things, acquire, construct and equip the Company's first commercial-scale recycling facility in Lawrence County, Ohio (the "Ironton Facility"). Capitalized terms used but not defined herein have the meanings ascribed thereto in the Indenture.

The Bonds were offered in three series, including (i) Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020A ("Series 2020A Bonds"); (ii) Subordinate Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020B ("Series 2020B Bonds"); and (iii) Subordinated Exempt Facility Revenue Bonds (PureCycle Project), Taxable Series 2020C ("Series 2020C Bonds" and, together with the Series 2020A Bonds and the Series 2020B Bonds, the "Bonds").

All of the Bonds are Outstanding under the Indenture. PureCycle Technologies LLC, a Delaware limited liability company and an indirect wholly owned subsidiary of the Company ("PCT LLC"), purchased \$246,750,000 in aggregate principal amount of Bonds Outstanding under the Indenture on March 5, 2024, of which \$216,750,000 in aggregate principal amount are Series 2020A Bonds.

On May 6, 2024, PCT LLC reached agreement on terms with Pure Plastic LLC ("Pure Plastic"), a Delaware limited liability company, whereby Pure Plastic would purchase approximately \$94.3 million in aggregate par amount of Bonds owned by PCT LLC (the "Purchased Bonds"), including (i) a portion of the Series 2020A Bonds, (ii) all of the Series 2020B Bonds, and (iii) all of the Series 2020C Bonds, at a purchase price of \$800 per \$1,000 principal amount of the Purchased Bonds. PCT LLC and Pure Plastic are expected to execute a bond purchase agreement on or about May 7, 2024 (the "Pure Plastic Purchase Agreement").

As total consideration for the Purchased Bonds, it is expected that the approximately \$45.5 million of principal and interest currently outstanding under the Term Loan Facility (as defined below) will be deemed to be prepaid in full and PCT LLC will receive \$30 million in cash (the "Consideration").

The closing of the transactions contemplated by the Pure Plastic Purchase Agreement is expected to occur in three tranches, and each tranche is subject to the satisfaction of certain conditions.

The Pure Plastic Purchase Agreement is also expected to require PCT LLC to use its best efforts to:

- Obtain SOPA's authorization, on or before June 10, 2024, to enter into a fifth supplemental indenture ("Fifth Supplemental Indenture") and direct the Trustee to execute and deliver the same. The Fifth Supplemental Indenture is expected to amend the definition of "Majority Holders" in Section 1.01 of the Indenture to require a supermajority of the Holders to take various actions.
- Obtain SOPA's authorization, no later than September 30, 2024, to enter into a sixth supplemental indenture ("Sixth Supplemental Indenture") and direct the Trustee to execute and deliver the same. The Sixth Supplemental Indenture is expected to revise the Indenture and the Loan Agreement and any other Financing Document as may be necessary in order to implement the following:
 - The definition of "Outside Completion Date" in Section 1.01 of the Indenture shall be amended to December 31, 2026.
 - Include in the Loan Agreement, covenants to meet the stated Senior Parity Coverage Requirement and the stated Overall Coverage Requirement, beginning with the fiscal year ended December 31, 2026.

oInclude in the Loan Agreement, a revision to the covenant to provide year-end financial statements, such that (a) the requirement shall apply only to PCT LLC and not to PCO, and (b) such financial statements may be provided on a consolidated basis with the Company.

oInclude in the Indenture and in the Loan Agreement customary events of default related to failure to perform financial covenants.

The Term Loan Facility refers to the \$40 million term loan provided to the Company pursuant to the Term Loan Credit Agreement (“Term Loan Credit Agreement”) dated as of May 8, 2023, and subsequently amended, among the Guarantors (as defined therein) and Pure Plastic (as Lender, Administrative Agent, and Security Agent), which matures on December 31, 2025 (the “Term Loan Facility”). Affiliates of Pure Plastic are greater than 5% beneficial owners of the Company.

The Company is expected to be required to pay a 12% prepayment premium on the outstanding principal and interest paid in order to prepay the Term Loan Facility (the “Prepayment Premium”). The Company is expected to issue warrants (“Series B Warrants”) to Pure Plastic pursuant to a Series B Warrant Agreement to satisfy the Prepayment Premium (the “Series B Warrant Agreement”). The Series B Warrants are expected to entitle Pure Plastic to purchase approximately 3.1 million shares of the Company's Common Stock at a price of \$11.50 per share any time after six months from the execution of the Series B Warrant Agreement. The Series B Warrants are expected to expire on December 1, 2030.

The foregoing description of the Pure Plastic Purchase Agreement, Series B Warrant Agreement, Fifth Supplemental Indenture and Sixth Supplemental Indenture are not complete and are subject to further discussion among the parties.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description of Exhibit
99.1	Press Release by PureCycle Technologies, Inc. dated May 7, 2024
99.2	PureCycle Technologies, Inc. presentation to investors
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PureCycle Technologies, Inc.

Date: May 7, 2024

By: /s/ Jaime Vasquez
Jaime Vasquez, Chief Financial Officer



PureCycle Technologies Provides First Quarter 2024 Update

Orlando, Fla. – May 7, 2024, – [PureCycle Technologies, Inc.](#) (Nasdaq: PCT), a U.S.-based company revolutionizing plastic recycling, today, announced a corporate update for the first quarter ending March 31, 2024.

Management Commentary

PureCycle Chief Executive Officer Dustin Olson said, “We had a productive quarter in Ironton and were able to start providing existing and future customers with resin from the commercial facility, so they could begin to sample the material. The production activities in the first quarter also allowed our team to further understand this first-of-its-kind technology and how our purification technology processes various post-consumer feedstocks. The information we gathered was integral to the work completed during the operational pause in April and should help lay the groundwork for continued improvements throughout the rest of 2024.”

Ironton Facility Update

The month of April was spent making improvements to the Ironton Facility. The Company completed several projects that should help to improve the reliability of the Ironton Facility and drive more consistent product quality. These projects included process improvements to both co-product 1 and co-product 2 recovery and removal systems, as well as reliability improvements to seals, pumping systems, and various digital items. The Company extended the planned outage by one week to complete additional projects and plan to begin restarting operations later this week.

PureCycle Financials Update

The Company reported a net loss of \$85.6 million, or \$0.52 per diluted share of common stock, for the first quarter of 2024, compared to a net loss of \$25.8 million, or \$0.16 per diluted share, for the first quarter of 2023. The recent first quarter included a loss of \$21.2 million, or \$0.13 per diluted share, from the purchase of its outstanding Southern Ohio Port Authority Revenue Bonds as announced in March; a \$9.1 million non-cash loss, or about \$0.06 per diluted share versus prior year, from the change in fair value of its warrants; and \$8.0 million or \$0.05 per diluted share versus prior year, from higher depreciation expense as a result of the commissioning of the Ironton assets.

The Company reached an agreement for the sale of \$37.5 million of Series A Revenue Bonds to Pure Plastics LLC at a price of \$800 per \$1,000 of face value. As part of the terms of the sale, the Company will also exchange its Pure Plastics Term Loan, with an amount outstanding of \$45.5 million, for Series A, B, and C Revenue Bonds. In aggregate, the Company will sell \$94.3 million of Series A, B, and C Bonds as part of this transaction. The transaction will close in three tranches, each subject to the achievement of certain conditions, and is expected to be completed in a little over a month.

The early termination of the Pure Plastics Term Loan will also result in a pre-payment premium as required under the Pure Plastic Term Loan. Both parties agreed to the issuance of approximately three million warrants in lieu of a cash payment.

Conference Call

The Company will hold a conference call on Tuesday, May 7 at 10:00 a.m. EST to provide an update on recent corporate developments, including activity from the first quarter.

First Quarter 2024 Conference Call Details

Date: Tuesday, May 7, 2024

Time: 10:00 a.m. EST

Participant Link: [PureCycle Technologies First Quarter 2024 Corporate Update](#)

For participants interested in a listen-only webcast, please access the conference call using the above link. For a calendar reminder, please click [HERE](#).

The conference call will have a live Q&A session. For analyst participants who would like to ask management a question after prepared remarks, please click [HERE](#). You will receive a number and a unique access pin.

During prepared remarks, management will try to answer investor questions submitted in advance. To submit a question, please send an e-mail to investorquestion@purecycle.com.

The corporate update will be available for replay by clicking [HERE](#) or through the Company's website at www.purecycle.com. A replay of the conference call will be available after 3:00 p.m. Eastern Time until May 6, 2025.

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PureCycle Contact

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About PureCycle Technologies

PureCycle Technologies LLC., a subsidiary of PureCycle Technologies, Inc., holds a global license for the only patented solvent-driven purification recycling technology, developed by The Procter & Gamble Company (P&G), that is designed to transform polypropylene plastic waste (designated as No. 5 plastic) into a continuously renewable resource. The unique purification process removes color, odor, and other impurities from No. 5 plastic waste resulting in an ultra-pure recycled (UPR) plastic that can be recycled and reused multiple times, changing our relationship with plastic. www.purecycle.com

Forward-Looking Statements

This press release contains forward-looking statements, including statements about the financial condition, results of operations, earnings outlook and prospects of PCT. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Forward-looking statements generally relate to future events or PureCycle's future financial or operating performance and may refer to projections and forecasts. Forward-looking statements are often identified by future or conditional words such as "plan,"

“believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” “continue,” “could,” “may,” “might,” “possible,” “potential,” “predict,” “should,” “would” and other similar words and expressions (or the negative versions of such words or expressions), but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements are based on the current expectations of PureCycle’s management and are inherently subject to uncertainties and changes in circumstances and their potential effects and speak only as of the date of this press release. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in the section entitled “Risk Factors” in each of PureCycle’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and PureCycle’s Quarterly Reports on Form 10-Q, those discussed and identified in other public filings made with the Securities and Exchange Commission by PureCycle and the following: PCT’s ability to obtain funding for its operations and future growth and to continue as a going concern; PCT’s ability to meet, and to continue to meet, applicable regulatory requirements for the use of PCT’s ultra-pure recycled (“UPR”) resin in food grade applications (including in the United States, Europe, Asia and other future international locations); PCT’s ability to comply on an ongoing basis with the numerous regulatory requirements applicable to the UPR resin and PCT’s facilities (including in the United States, Europe, Asia and other future international locations); expectations and changes regarding PCT’s strategies and future financial performance, including its future business plans, expansion plans or objectives, prospective performance and opportunities and competitors, revenues, products and services, pricing, operating expenses, market trends, liquidity, cash flows and uses of cash, capital expenditures, and PCT’s ability to invest in growth initiatives; the ability of PCT’s first commercial-scale recycling facility in Lawrence County, Ohio (the “Ironton Facility”) to be appropriately certified by Leidos, following certain performance and other tests, and commence full-scale commercial operations in a timely and cost-effective manner or at all; PCT’s ability to meet, and to continue to meet, the requirements imposed upon it and its subsidiaries by the funding for its operations, including the funding for the Ironton Facility; PCT’s ability to minimize or eliminate the many hazards and operational risks at its manufacturing facilities that can result in potential injury to individuals, disrupt its business (including interruptions or disruptions in operations at its facilities), and subject PCT to liability and increased costs; PCT’s ability to complete the necessary funding with respect to, and complete the construction of, (i) its first U.S. multi-line facility, located in Augusta, Georgia; (ii) its first commercial-scale European plant located in Antwerp, Belgium and (iii) its first commercial-scale Asian plant located in Ulsan, South Korea, in a timely and cost-effective manner; PCT’s ability to establish, sort and process polypropylene plastic waste at its plastic waste prep facilities; PCT’s ability to maintain exclusivity under the Procter & Gamble Company license; the implementation, market acceptance and success of PCT’s business model and growth strategy; the success or profitability of PCT’s offtake arrangements; the ability to source feedstock with a high polypropylene content at a reasonable cost; PCT’s future capital requirements and sources and uses of cash; developments and projections relating to PCT’s competitors and industry; the outcome of any legal or regulatory proceedings to which PCT is, or may become, a party including the securities class action and putative class action cases; geopolitical risk and changes in applicable laws or regulations; the possibility that PCT may be adversely affected by other economic, business, and/or competitive factors, including rising interest rates, availability of capital, economic cycles, and other macro-economic impacts; turnover in employees and increases in employee-related costs; changes in the prices and availability of labor (including labor shortages), transportation and materials, including inflation, supply chain conditions and its related impact on energy and raw materials, and PCT’s ability to obtain them in a timely and cost-effective manner; any business disruptions due to political or economic

instability, pandemics, armed hostilities (including the ongoing conflict between Russia and Ukraine and the current conflict in the Middle East); the potential impact of climate change on PCT, including physical and transition risks, higher regulatory and compliance costs, reputational risks, and availability of capital on attractive terms; and operational risk.

PureCycle Technologies, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	(Unaudited)	
<i>(in thousands)</i>	March 31, 2024	December 31, 2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 25,021	\$ 73,411
Debt securities available for sale	2,187	48,226
Restricted cash – current	7,566	25,692
Prepaid expenses and other current assets	16,397	15,316
Total current assets	51,171	162,645
Restricted cash – non-current	7,353	203,411
Prepaid expenses and other non-current assets	4,689	4,772
Operating lease right-of-use assets	28,785	29,799
Property, plant and equipment, net	642,017	638,746
TOTAL ASSETS	\$ 734,015	\$ 1,039,373
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 8,363	\$ 2,881
Accrued expenses	29,406	35,391
Accrued interest	2,597	8,190
Current portion of long-term debt	3,204	9,148
Total current liabilities	43,570	55,610
NON-CURRENT LIABILITIES		
Deferred revenue	5,000	5,000
Long-term debt, less current portion	242,937	467,708
Related party note payable	41,452	39,696
Warrant liability	36,003	22,059
Operating lease right-of-use liabilities	26,270	27,253
Other non-current liabilities	1,944	1,811
TOTAL LIABILITIES	\$ 397,176	\$ 619,137
COMMITMENT AND CONTINGENCIES		
	—	—
STOCKHOLDERS' EQUITY		
Common shares - \$0.001 par value, 250,000 shares authorized; 164,612 and 164,279 shares issued and outstanding as of March 31, 2024 and December 31, 2023	165	164
Preferred shares - \$0.001 par value, 25,000 shares authorized; 0 shares issued and outstanding as of March 31, 2024 and December 31, 2023	—	—
Additional paid-in capital	766,519	764,344
Accumulated other comprehensive income (loss)	2	(32)
Accumulated deficit	(429,847)	(344,240)
TOTAL STOCKHOLDERS' EQUITY	336,839	420,236
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 734,015	\$ 1,039,373

PureCycle Technologies, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)

	Three Months Ended March 31,	
	2024	2023
<i>(in thousands except per share data)</i>		
Costs and expenses		
Operating costs	\$ 21,194	\$ 7,372
Research and development	1,831	1,754
Selling, general and administrative	15,957	12,695
Total operating costs and expenses	38,982	21,821
Interest expense	15,054	657
Interest income	(3,602)	(1,933)
Change in fair value of warrants	13,944	4,835
Loss on debt extinguishment	21,214	—
Other expense	15	462
Total other expense	46,625	4,021
Net Loss	\$ (85,607)	\$ (25,842)
Loss per share		
Basic	\$ (0.52)	\$ (0.16)
Diluted	\$ (0.52)	\$ (0.16)
Weighted average common shares		
Basic	164,355	163,588
Diluted	164,355	163,784
Other comprehensive income		
Unrealized gain on debt securities available for sale	\$ 18	\$ 641
Cumulative translation adjustment	16	—
Total comprehensive loss	\$ (85,573)	\$ (25,201)

PureCycle Technologies, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<i>(in thousands)</i>	Three months ended March 31,	
	2024	2023
Cash flows from operating activities		
Net loss	\$ (85,607)	\$ (25,842)
Adjustments to reconcile net loss to net cash used in operating activities		
Equity-based compensation	2,682	2,166
Change in fair value of warrants	13,944	4,835
Depreciation expense	9,256	1,294
Amortization of debt issuance costs and debt discounts	2,538	265
Accretion of discount on debt securities	(318)	(138)
Operating lease amortization expense	767	926
Loss on extinguishment of debt	21,214	—
Changes in operating assets and liabilities		
Prepaid expenses and other current assets	(340)	(1,148)
Prepaid expenses and other non-current assets	83	(174)
Accounts payable	1,196	1,218
Accrued expenses	214	2,116
Accrued interest	(4,151)	324
Operating right-of-use liabilities	(656)	(597)
Net cash used in operating activities	\$ (39,178)	\$ (14,755)
Cash flows from investing activities		
Purchase of property, plant & equipment	(14,348)	(46,632)
Purchase of debt securities, available for sale	(30,586)	—
Sale and maturity of debt securities, available for sale	76,961	99,371
Net cash provided by investing activities	\$ 32,027	\$ 52,739
Cash flows from financing activities		
Payment to purchase revenue bonds	(253,230)	—
Debt issuance costs	(1,119)	(1,344)
Payments to repurchase shares	(598)	(277)
Other payments for financing activities	(476)	(11)
Net cash used in financing activities	\$ (255,423)	\$ (1,632)
Net (decrease) increase in cash and restricted cash	(262,574)	36,352
Cash and restricted cash, beginning of period	302,514	227,523
Cash and restricted cash, end of period	<u>\$ 39,940</u>	<u>\$ 263,875</u>
Supplemental disclosure of cash flow information		
Non-cash operating activities		
Interest paid during the period, net of capitalized interest	16,383	—
Non-cash investing activities		
Additions to property, plant, and equipment in accrued expenses	15,656	30,809
Additions to property, plant, and equipment in accounts payable	5,903	20,509
Additions to property, plant, and equipment in accrued interest	—	4,271
Non-cash financing activities		
PIK interest on related party note payable	1,441	—
Reconciliation of cash, cash equivalents reported in the consolidated balance sheet		
Cash and cash equivalents	\$ 25,021	\$ 38,381
Restricted cash and cash equivalents - current	7,566	68,028
Restricted cash and cash equivalents - non-current	7,353	157,466
Total cash, cash equivalents and restricted cash	<u>\$ 39,940</u>	<u>\$ 263,875</u>

First Quarter 2024 Corporate Update

May 7, 2024



Forward-Looking Statements

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Q1 Highlights Ironton Showcase



Production Improvements from Q4 to Q1

Operations

- Produced ~1.3MM lbs amount of resin (0.2MM lbs in Q4); limited by Co-Product 2 capacity and overall site reliability
- Continue to process Post-Consumer Recycle feedstocks
- Product quality improving over time; impacted by site reliability and new operational activities
- Completed >100 improvements during outage mostly focused on reliability and product quality improvements
- Extended outage by ~1 week to complete numerous projects

Commercial

- Continue to advance trials with customers in key industry verticals
- Positive feedback in both film and fiber applications; historically difficult applications for mechanically recycled resin

Finance

- Entered into an agreement for sale of the Ironton Revenue Bonds and the exchange of the Pure Plastics Term Loan for Ironton Revenue Bonds



Expanded Outage Scope Completed >100 Improvements

Project Summary

- Focus on reliability to pursue continuous operation and increase production output
- Added Co-Product 2 capacity projects and completed tie-ins designed to further increase capacity without another outage

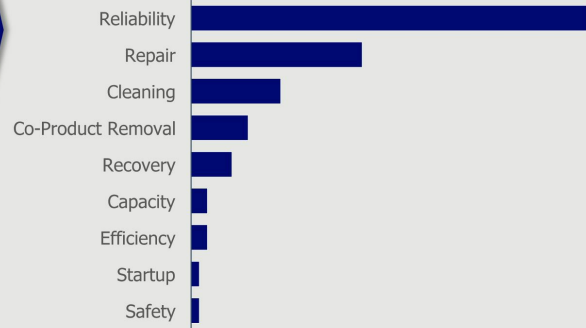
Examples of Completed Projects

- Final product control valve upgrade; originally impacted by adsorbent bead damage
- Co-Product 2 instrumentation; impacted CP2 production and product quality
- Seal system upgrades; continued focus to incrementally improve system reliability

Top Reliability Impacts (since November Outage)

Rotating Equipment	17 days
Co-Product 2 Instrumentation	13 days
Product Transfer Valve	10 days
Other Minor events	9 days

Work Completed During the Outage



Co-Product 2 Improvements Completed Early

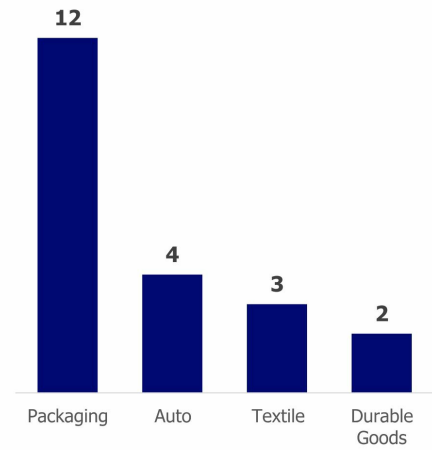
- Pre-Outage Capacity: <5K lbs /day – operated manually due to limited system reliability
- Original outage plan included significant reliability improvements; all were implemented
- New improvement completed during outage; potential to add CP2 removal capacity of 10-20k lbs / day
- Optional final improvement is on track for a Q2 implementation; this improvement is anticipated to add another 15-25k lbs / day capacity
- Each capacity improvement is additive; representing a total potential additional capacity of 25-45k lbs / day



End Market Applications Expand

- Several completed plant outage projects were focused on improving product quality
- PureCycle resin continues to show advantages to mechanically recycled products due to the removal of Co-products 1 & 2
- Mechanically recycled products continue to show industry pricing of \$0.80-\$1.20 per pound; we believe our product will command a premium once continuous operation and consistently higher product quality is achieved
- Film and fiber are shaping up to be viable applications for our UPR resin
 - Film and Fiber represents 78 billion pounds of the global supply of pp¹
- While the site reliability challenges have impacted the overall approval process, we are still making good progress toward gaining final approvals with customers.

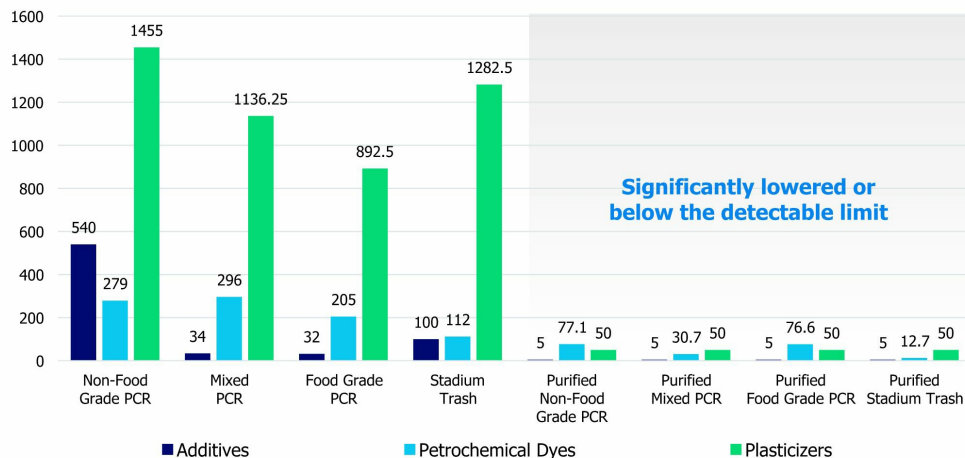
Customer Trials in Development



1. Chemical Market Analytics – Polypropylene Supply & Demand 2023, Global Supply 195 billion pounds

- After the PureCycle purification process, additives, dyes, and plasticizers are **all significantly lowered or below the detectable limit.**
- Received approval for food-grade post-industrial A-H and food-grade post-consumer, stadium trash E-G
- PureCycle/FDA agreed future testing methodology for additional applications
- We continue to work with the FDA to expand the approvals for feedstocks and conditions of use

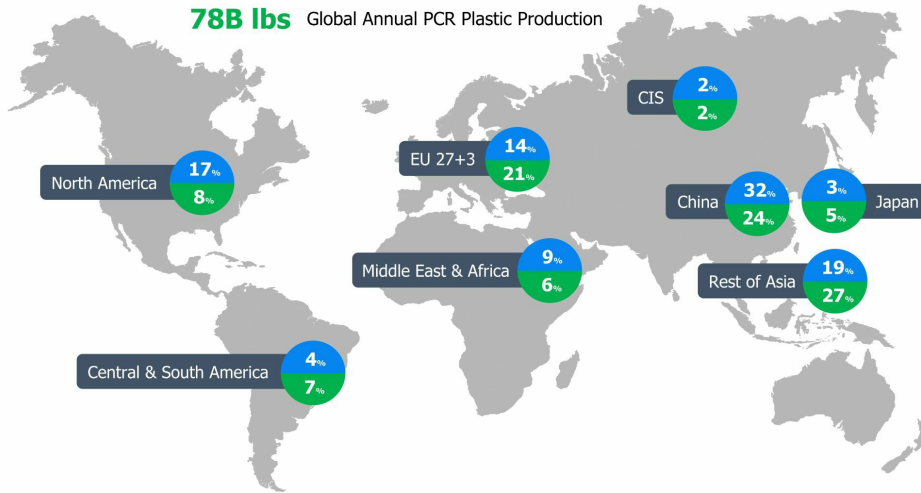
BEFORE & AFTER PURIFICATION



Global Recycle Supply <10% of Global Production

883B lbs Global Annual Plastic Production

78B lbs Global Annual PCR Plastic Production

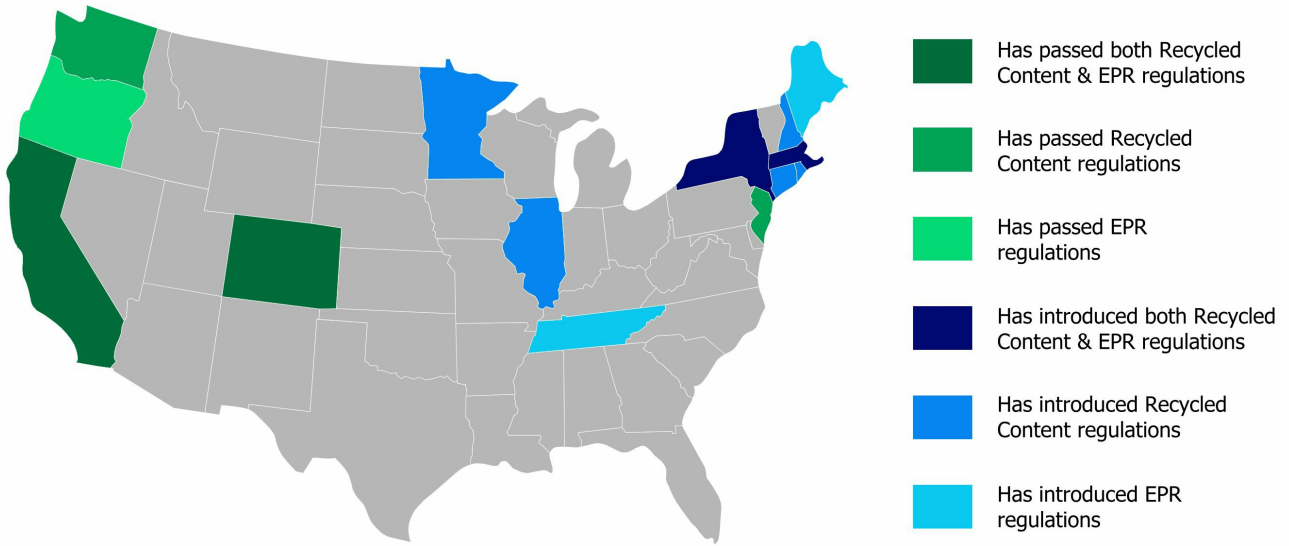


1. <https://plasticseurope.org/wp-content/uploads/2023/10/Plasticsthefastfacts2023-1.pdf>

- Polypropylene continues to be the largest segment produced at 18.9%; 167B lbs/yr
- North America lags the world in terms of recycle production; accounts for 8% of global recycle supply
- Advancing regulations should increase the supply for PCR plastic production; North American regulation is increasing
- The majority of PCR Plastic Production is PET and HDPE; PP continues to lag

Favorable Recycling Regulations Advancing in the US

US States Advancing Recycled Content and/or Extended Producer Responsibility (EPR) Legislation



Q1 2024 Liquidity Update

(in MM)	Dec. 31, 2023	Mar. 31, 2024	change
Total Unrestricted	\$121.6	\$27.2*	\$(94.4)
Restricted Cash			
Ironton Reserves	210.6	3.5	(207.1)
Augusta Construction Escrow	14.4	7.2	(7.2)
Other Corporate Requirements	4.1	4.1	-
Total Restricted	\$229.1	\$14.8	(214.3)
Total Cash	\$350.7	\$42.0	

* Unrestricted cash includes \$2.2M that is collateral and therefore not available for use; \$25.0M available

Pursuing options to increase liquidity in the near term

Summary of Liquidity Changes

Unrestricted Cash Uses:

- (\$74.5MM) to purchase SOPA Revenue Bonds
 - \$25.4MM received from escrow accounts
- (\$18.3MM) general corp (non-payroll), operations and other services
- (\$9.3MM) Payroll/benefits, including bonus
- (\$8.6MM) Convertible Notes interest
- (\$7.4MM) Augusta and PreP

Revenue Bond Sale Agreement

- Agreement to sell \$37.5MM of Series A Revenue Bonds at \$800 per \$1000 face value
- Agreement to exchange \$45.5MM of Pure Plastic Loan for Series A, B and C Revenue Bonds at \$800 per \$1000 face value

First Quarter 2024 Corporate Update

May 7, 2024

