

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2024
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission File Number: 001-40234



PureCycle Technologies, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

86-2293091
(I.R.S. Employer
Identification No.)

5950 Hazeltine National Drive, Suite 300
Orlando, Florida 32822
(877) 648-3565

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

<u>Title of each class</u>	<u>Trading Symbols</u>	<u>Name of each exchange on which registered</u>
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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 3, 2024, there were approximately 164,630,907 shares of the registrant's common stock, par value \$0.001 per share, outstanding.

PureCycle Technologies, Inc.
QUARTERLY REPORT on FORM 10-Q
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PureCycle Technologies, Inc.

PART I - FINANCIAL INFORMATION

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including statements about the financial condition, results of operations, earnings outlook and prospects of PureCycle Technologies, Inc. ("PCT"). Forward-looking statements generally relate to future events or PCT's future financial or operating performance and may refer to projections and forecasts. Forward-looking statements are typically identified by 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 the management of PCT and are inherently subject to uncertainties and changes in circumstances and their potential effects and speak only as of the date of this Quarterly Report on Form 10-Q. 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 of PCT's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "Annual Report on Form 10-K") entitled "Risk Factors," those discussed and identified in other public filings made with the U.S. Securities and Exchange Commission (the "SEC") by PCT 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 UPR resin (as defined below) 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 (as defined below), 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;

PureCycle Technologies, Inc.

PART I - FINANCIAL INFORMATION — CONTINUED

- 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 (the "Augusta Facility"); (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 procure, sort and process polypropylene plastic waste at its planned plastic waste prep ("Feed PreP") facilities;
- PCT's ability to maintain exclusivity under the Procter & Gamble Company ("P&G") license (as described below);
- 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 interest rates, availability of capital, economic cycles, and other macro-economic impacts;
- turnover or increases in employees and 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 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.

PCT undertakes no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law.

Should one or more of these risks or uncertainties materialize or should any of the assumptions made prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events.

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

The accompanying notes are an integral part of these financial statements.

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)

The accompanying notes are an integral part of these financial statements.

PureCycle Technologies, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

For The Three Months Ended March 31, 2024							
Common stock							
<i>(in thousands)</i>	Shares	Amount	Additional paid-in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total stockholders' equity	
Balance, December 31, 2023	164,279	\$ 164	\$ 764,344	\$ (32)	\$ (344,240)	\$ 420,236	
Options exercised	16	—	92	—	—	92	
Share repurchase	(99)	—	(598)	—	—	(598)	
Equity based compensation	416	1	2,681	—	—	2,682	
Unrealized gain on available for sale debt securities	—	—	—	18	—	18	
Cumulative translation adjustment	—	—	—	16	—	16	
Net loss	—	—	—	—	(85,607)	(85,607)	
Balance, March 31, 2024	164,612	\$ 165	\$ 766,519	\$ 2	\$ (429,847)	\$ 336,839	

For The Three Months Ended March 31, 2023							
Common stock							
<i>(in thousands)</i>	Shares	Amount	Additional paid-in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total stockholders' equity	
Balance, December 31, 2022	163,550	\$ 164	\$ 753,885	\$ (641)	\$ (242,525)	\$ 510,883	
Share repurchase	(48)	—	(277)	—	—	(277)	
Equity-based compensation	169	—	2,166	—	—	2,166	
Unrealized gain on available for sale debt securities	—	—	—	641	—	641	
Net loss	—	—	—	—	(25,842)	(25,842)	
Balance, March 31, 2023	163,671	\$ 164	\$ 755,774	\$ —	\$ (268,367)	\$ 487,571	

The accompanying notes are an integral part of these financial statements.

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>

The accompanying notes are an integral part of these financial statements.

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

NOTE 1 - ORGANIZATION

Formation and Organization

PureCycle Technologies, Inc. ("PCT" or "Company") is a Florida-based corporation focused on commercializing a patented purification recycling technology (the "Technology"), originally developed by The Procter & Gamble Company ("P&G"), for restoring waste polypropylene into resin, called ultra-pure recycled ("UPR") resin, which has nearly identical properties and applicability for reuse as virgin polypropylene. PCT has a global license for the Technology from P&G. PCT's goal is to create an important new segment of the global polypropylene market that will assist multinational entities in meeting their sustainability goals, providing consumers with polypropylene-based products that are sustainable, and reducing overall polypropylene waste in the world's landfills and oceans.

Business Combination

On March 17, 2021, PureCycle consummated the previously announced business combination ("Business Combination") by and among Roth CH Acquisition I Co., a Delaware corporation ("ROCH"), Roth CH Acquisition I Co. Parent Corp., a Delaware corporation and wholly owned direct subsidiary of ROCH ("ParentCo"), Roth CH Merger Sub LLC, a Delaware limited liability company and wholly owned direct subsidiary of Parent Co, Roth CH Merger Sub Corp., a Delaware corporation and wholly owned direct subsidiary of ParentCo and PureCycle Technologies LLC ("PCT LLC" or "Legacy PCT") pursuant to the Agreement and Plan of Merger dated as of November 16, 2020, as amended from time to time (the "Merger Agreement").

Upon the completion of the Business Combination and the other transactions contemplated by the Merger Agreement (the "Transactions", and such completion, the "Closing"), ROCH changed its name to PureCycle Technologies Holdings Corp. and became a wholly owned direct subsidiary of ParentCo, PCT LLC became a wholly owned direct subsidiary of PureCycle Technologies Holdings Corp. and a wholly owned indirect subsidiary of ParentCo, and ParentCo changed its name to PureCycle Technologies, Inc. The Company's common stock, units and warrants are now listed on the Nasdaq Capital Market ("NASDAQ") under the symbols "PCT," "PCTTU" and "PCTTW," respectively.

Legacy PCT unitholders were to be issued up to 4.0 million additional shares of the Company's common stock if certain conditions are met ("the Earnout"). The Legacy PCT unitholders were entitled to 2.0 million shares if, after 1 year after the Closing and prior to or as of the third anniversary of the Closing, the closing price of the common stock is greater than or equal to \$18.00 over any 20 trading days within any 30-trading day period. The Company failed to achieve this milestone by March 17, 2024, and those shares have been forfeited and can no longer be earned by the Legacy PCT unitholders.

The Legacy PCT unitholders will be entitled to 2.0 million shares upon the Ironton Facility becoming operational, as certified by Leidos Engineering, LLC ("Leidos"), an independent engineering firm, in accordance with criteria established in agreements in connection with construction of the plant.

Unless the context otherwise requires, "Registrant," "PureCycle," "Company," "PCT," "we," "us," and "our" refer to PureCycle Technologies, Inc., and its subsidiaries at and after the Closing and give effect to the Closing. "Legacy PCT," "ROCH" and "ParentCo" refer to PureCycle Technologies LLC, ROCH and ParentCo, respectively, prior to the Closing.

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

Liquidity and Going Concern

The accompanying consolidated financial statements have been prepared assuming that PCT will continue as a going concern; however, the conditions described below raise substantial doubt about PCT's ability to do so, which management believes has been alleviated through its plans to mitigate these conditions and obtain additional unrestricted liquidity.

The Company has sustained recurring losses and negative cash flows from operations since its inception. As reflected in the accompanying consolidated financial statements, the Company has begun limited commercial operations but does not have any significant sources of revenue. The following is a summary of the components of our current liquidity (in thousands):

	As of	
	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 25,021	\$ 73,411
Debt securities available for sale	2,187	48,226
Restricted Cash (current and non-current)	\$ 14,919	\$ 229,103
Working capital	\$ 7,601	\$ 107,035
Accumulated deficit	\$ (429,847)	\$ (344,240)
	For the three months ended	
	March 31, 2024	March 31, 2023
Net loss	\$ (85,607)	\$ (25,842)

As of March 31, 2024, PCT had \$25.0 million of Cash and Cash Equivalents, Debt Securities Available for Sale of \$2.2 million, and Restricted Cash of \$14.9 million. PCT also has a \$200.0 million revolving credit facility with Sylebra Capital (the "Revolving Credit Facility") that is currently unused and expires on September 30, 2025.

PCT sold an immaterial amount of UPR resin in 2023 and through March 31, 2024. Due to intermittent mechanical challenges during the commissioning process, the Ironton Facility has not yet reached the point of producing meaningful volumes and on-spec product. While these mechanical issues are not uncommon for a first-of-its kind manufacturing facility, the downtime needed to correct these issues is a significant contributing factor to the delay of the Ironton Facility reaching the point of producing meaningful volumes and on-spec product. We expect the Ironton Facility to be fully operational later in 2024.

As of March 31, 2024, PCT anticipates that up to \$12.5 million will be needed to complete the investment in the Ironton Facility, which relates to a performance guarantee payment due after successful completion of a performance testing milestone. PCT also has other capital commitments of approximately \$47.1 million related to long-lead equipment and pre-construction work for the Augusta Facility, and \$17.0 million for equipment and leases related to future Feed PreP and purification facilities, both in the U.S. and internationally. Moreover, there are interest payments of at least \$18.5 million, as well as other ongoing monthly costs associated with managing the Company and possible draws on the Revolving Credit Facility.

Pursuant to the requirements of the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 205-40, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, management must evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year from the date the

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

consolidated financial statements are issued. This evaluation does not take into consideration the potential mitigating effect of management's plans that have not been fully implemented or are not within control of the Company as of the date the financial statements are issued. When substantial doubt exists under this methodology, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued, and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued.

PCT believes that its current level of unrestricted liquidity is not sufficient to fund operations, fund outstanding commitments, and further its future growth plans. The conditions described above raise substantial doubt regarding PCT's ability to continue as a going concern for a period of at least one year from the date of issuance of the consolidated financial statements included in this Quarterly Report on Form 10-Q.

In an effort to alleviate these conditions, PCT is currently performing certain operational enhancements that are expected to correct the production issues with the Ironton Facility. Further, on March 5, 2024, the Purchaser (as defined below) purchased 99% of the outstanding Bonds (as defined below), which used \$50.8 million, net, of unrestricted cash, and reduced Restricted Cash by \$207.1 million. The purchased Bonds are held in an account with PCT LLC. PCT intends to, and has the ability to, re-market some or all of these Bonds based on the need for additional liquidity. The re-marketing process may require the addition of certain covenants to enhance the marketability of the purchased Bonds. The ability to re-market the purchased Bonds with any such additional new covenants would require a further amendment to, or waiver of, provisions included within the Revolving Credit Facility and Term Loan Credit Agreement (as defined below). After considering management's plans to mitigate these conditions, including adjustment of expenditure timing and execution of the amendment to the Revolving Credit Facility, PCT believes this substantial doubt has been alleviated and it has sufficient liquidity to continue as a going concern for the next twelve months.

PCT's future capital requirements will depend on many factors, including the funding mechanism and construction schedule of the Augusta Facility and other anticipated facilities outside the United States, build-out of multiple Feed PreP facilities, funding needs to support other business opportunities, funding for general corporate purposes, and other challenges or unforeseen circumstances. As a low-revenue operating company, PCT continually reviews its cash outlays, pace of hiring, professional services and other spend, and capital commitments to proactively manage those needs in tandem with its Cash balance. For future growth and investment, PCT expects to seek additional debt or equity financing from outside sources, which it may not be able to raise on terms favorable to PCT, or at all. If PCT is unable to raise additional debt or sell additional equity when desired, or if PCT is unable to manage its cash outflows, PCT's business, financial condition, and results of operations would be adversely affected. In addition, any financing arrangement may have potentially adverse effects on PCT and/or its stockholders. Debt financing (if available and undertaken) will increase expenses, must be repaid regardless of operating results and may involve restrictions limiting PCT's operating flexibility. If PCT consummates an equity financing to raise additional funds, the percentage ownership of its existing stockholders will be reduced, and the new equity securities may have rights, preferences or privileges senior to those of the current holders of PCT's common stock.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed consolidated interim financial statements include the accounts of the Company. The condensed consolidated interim financial statements are presented in U.S. Dollars. Certain information in footnote disclosures normally included in annual financial statements was condensed or omitted for the interim periods presented in accordance with the rules and regulations of the SEC and accounting principles generally accepted in the United States of America ("U.S. GAAP"). Intercompany balances and transactions were eliminated upon consolidation. The results of operations for the three months ended March 31, 2024 are not necessarily indicative of the results to be expected for the entire year ending December 31, 2024. The accompanying condensed consolidated interim financial statements reflect all adjustments, consisting of normal recurring adjustments, that are, in the opinion of management, necessary to present a fair statement of the results for the interim periods presented.

The unaudited condensed consolidated financial statements should be read in conjunction with the information contained in the Company's 2023 Annual Report on Form 10-K for the year ended December 31, 2023; as filed with the SEC on March 6, 2024. Interim results are not necessarily indicative of the results that may be expected for a full year.

Reclassifications

Certain amounts in prior periods have been reclassified to conform with the report classifications of the three months ended March 31, 2024 and 2023. Specifically, the Company reclassified certain expenses between Operating costs, Research and development, and Selling, general, and administrative to more accurately reflect the activities of the business. Total operating costs and expenses did not change for prior years.

Restricted Cash

Cash pledged as collateral for future capital purchases and leased properties is deemed restricted and included within restricted cash. Restricted cash that is expected to be spent or released from restriction within twelve months is classified as current on the consolidated balance sheet. Restricted cash that is expected to be spent or released from restriction after twelve months is classified as noncurrent on the consolidated balance sheet.

Recently Issued Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2023-09—Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which enhances the transparency and decision usefulness of income tax disclosures. The amendments in this Update address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information and includes certain other amendments to improve the effectiveness of income tax disclosures. The updated standard is effective for our annual periods beginning after December 15, 2024. Early adoption is permitted. We are currently evaluating the impact that the updated standard will have on our financial statement disclosures.

In November 2023, the FASB issued Accounting Standards Update ("ASU") No. 2023-07, Segment Reporting, which expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. The updated standard is effective for our annual periods beginning in fiscal year 2025 and interim periods beginning in the first quarter of fiscal year 2026. Early adoption is permitted. We are currently evaluating the impact that the updated standard will have on our financial statement disclosures.

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

NOTE 3 – NOTES PAYABLE AND DEBT INSTRUMENTS

The Company's debt balances, including related party debt, consist of the following at March 31, 2024 and December 31, 2023 (in thousands):

	March 31, 2024	December 31, 2023
Green Convertible Notes, interest at 7.25% due semiannually; balance due at maturity in August 2030	\$ 250,000	\$ 250,000
CSC Equipment Financing Payable, currently bearing interest at a monthly charge of 3.1% of the outstanding balance financed; 36 month term expected to commence December 1, 2024, bearing interest at 7.25% (based on lease rate factor indexed to WSJ Prime Rate)	19,747	19,747
Revenue Bonds, interest at 7% due semiannually; semiannual principal repayments beginning 2031 maturing 2042	2,800	249,550
Other Equipment Financing Payable	1,216	1,762
	273,763	521,059
Less: Original issue discount and debt issuance costs classified as a reduction to long-term debt	(27,622)	(44,203)
Less: Current portion	(3,204)	(9,148)
Long-term debt, less current portion	\$ 242,937	\$ 467,708

Related Party Debt

Pure Plastic Note Payable, interest at applicable rate plus margin, as defined (12.9% and 13.0% as of March 31, 2024 and December 31, 2023, respectively); balance due at maturity in December 2025	44,566	43,125
Less: Original issue discount and debt issuance costs classified as a reduction to note payable	(3,114)	(3,429)
Related party note payable	\$ 41,452	\$ 39,696

Sylebra Line of Credit, \$200.0M borrowing capacity remaining, interest at applicable rate plus margin, as defined; maturing September 2025	\$ —	\$ —
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Revenue Bonds

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 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 Revenue 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 Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

(PureCycle Project), Taxable Series 2020C ("Series 2020C Bonds" and, together with the Series 2020A Bonds and the Series 2020B Bonds, the "Bonds" or "Revenue Bonds").

On February 10, 2024, PCO announced that it had agreed in principle with the Holders (as defined in the Indenture) of a majority in the aggregate principal amount of the Series 2020A Bonds outstanding (the "Majority Holders") that PCO or an affiliate of PCO would purchase ("Purchase") from Holders for cash, upon the terms and subject to the conditions to be set forth in a definitive purchase agreement, by and among PCO and any Holder of Bonds that elects to be a party to the purchase agreement (each, a "Seller" and collectively, "Sellers"), any and all Bonds held by Sellers at a purchase price equal to \$1,050 per \$1,000 principal amount of the Bonds purchased, which amount is calculated in part to compensate the Sellers for default interest accruing from January 2, 2023 through December 31, 2023, as well as other accrued and unpaid interest from the last interest payment to, but not including, the Closing Date (as defined below) of the Purchase as consideration for consent to the Third Supplemental Indenture, by and among SOPA, PCO, the Guarantor, PCTO Holdco LLC and the Trustee (the "Third Supplemental Indenture"), which sets forth certain proposed amendments to the Bond Documents ("Proposed Amendments") that will eliminate a substantial portion of the covenants, Events of Default (as defined below), and other material terms and protections for the benefit of the Holders contained in the Indenture, the Loan Agreement, the Guaranty (as defined below) and other transaction documents that are permitted by the terms of the Indenture and/or the Loan Agreement to be eliminated with the consent of Majority Holders. The Purchase will occur only if Sellers include at least the Majority Holders and if Sellers consent to the Proposed Amendments. The purchase price shall not include any default or penalty interest accruing from January 1, 2024 that may otherwise be owed to Sellers, and each Seller will waive its respective right to such default or penalty interest as additional compensation for the Purchase.

The Third Supplemental Indenture amended and supplemented the Indenture and certain of the other Financing Documents (as defined by the Indenture) by, among other things and without limitation, eliminating substantially all covenants and events of default contained in the Indenture ("Events of Default"), the Loan Agreement and certain of such other Financing Documents including, but not limited, to the following changes:

- elimination of the Milestones and Revised Milestones;
- amendments extending the Outside Completion Date to December 31, 2030;
- amendments to the definition of each of "Outstanding," "Bonds Outstanding," and "Outstanding Bonds" in the Indenture such that any Bonds owned by or on behalf of PureCycle or an affiliate of PureCycle or the Issuer or an affiliate of the Issuer will have the same approval voting or consent rights as other Holders;
- elimination of the requirement to produce sufficient annual gross revenues in order to provide a Senior Debt Service Coverage Ratio ("DSCR") equal to at least 150% for each fiscal year, and a ratio of at least 110% of net income available for debt service;
- elimination of certain financial prerequisites that placed limitations on the issuance of additional senior parity indebtedness, subordinate indebtedness and non-parity indebtedness;
- elimination of the DSCR requirement for certain equipment liens;
- elimination of delivery of interim financial statements on a quarterly basis for PCO and the Guarantor;
- elimination of requirement for an unqualified opinion of the independent certified public accountant for year-end financials for PCO;
- elimination of quarterly operating statements and monthly reconciliation statements;

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

- elimination of the Operating Revenue Escrow Fund;
- elimination of the restrictions on distributions by PCO on any of its membership interests, including management fees;
- elimination of the requirement to disclose transactions with affiliates to the Trustee and bondholders and to seek approval of Majority Holders for affiliate transactions;
- elimination of the requirement that offtake contracts provide revenues to PCO sufficient to meet a Senior Parity Coverage Requirement ratio (“SPCR”) of 125% for any fiscal year, commencing December 31, 2023;
- elimination of the requirement that feedstock supply contracts provide feedstock to PCO sufficient to permit PCO to meet a SPCR of 125% for any fiscal year, commencing December 31, 2023;
- elimination of the requirement that the Guarantor replenish the Contingency Account from the Liquidity Reserve Escrow Fund and replenish the Liquidity Reserve Escrow Fund;
- amendments providing that the occurrence of an Event of Default (other than an Event of Default under the Loan Agreement, the Mortgage or the Tax Compliance Agreement, each as defined in the Indenture) will not be an Event of Default under the Indenture;
- provide for a potentially earlier termination of the Guaranty and release of funds remaining in the Liquidity Reserve Escrow Fund after the Purchase;
- provide for the release of funds (solely to the extent such release may be effectuated with the consent of the Majority Holders) on deposit in accounts in the Trust Estate (as defined in the Indenture) in an amount proportionate to the percentage of aggregate principal amount of Bonds that are submitted for Purchase (with such released funds being used by the Purchaser, together with other available funds of the Purchaser, to effectuate the Purchase); and
- amendments to various escrow accounts and other funds managed by the Trustee and US Bank to permit the release of funds from such accounts in an amount proportionate to the percentage of aggregate principal amount of Bonds purchased by PCO or an affiliate of PCO from time to time.

As of March 5, 2024, (the “Closing Date”) PCO and the Majority Holders closed on the Purchase Agreement and Consent (“Purchase Agreement”) comprising the definitive purchase agreement and, as additional consideration, the consent to the Third Supplemental Indenture, including the Proposed Amendments described therein. PureCycle Technologies LLC, an affiliate of PCO and the Guarantor under the Guaranty, will be the purchaser (“Purchaser”) of Bonds under the Purchase Agreement. The Purchase Agreement was executed by each Holder that elects to sell its Bonds to the Purchaser and by PCO and the Purchase was effective on the Closing Date.

The Purchaser purchased 99% of the outstanding Bonds with \$74.5 million of unrestricted cash and \$184.6 million of restricted cash. The Purchase was determined to be an extinguishment of the underlying debt obligation due to PCO being a wholly-owned subsidiary of the Purchaser. PCT intends to, and has the ability to, re-market some or all of these Bonds based on the need for additional liquidity. Of the \$259.1 million paid for the purchase, \$5.9 million represented payment of accrued and unpaid interest prior to the Closing Date and \$253.2 million was allocated to the outstanding carrying value at the Closing Date of \$232.0 million. A \$21.2 million loss on extinguishment of the Bonds was recognized in the condensed consolidated statement of comprehensive loss for the three months ended March 31, 2024.

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

On March 25, 2024, SOPA, as Issuer, PCO, the Guarantor, PCTO Holdco LLC, a Delaware limited liability company and affiliate of PCO (the pledgor under the Equity Pledge and Security Agreement) and the Trustee entered into the Fourth Supplemental Indenture (the "Fourth Supplemental Indenture") which amended certain provisions of the Indenture, the Loan Agreement and that certain Amended and Restated Guaranty of Completion, entered into as of May 11, 2021, and effective as of October 7, 2020 (the "Guaranty"), by instructing the Trustee to release \$22.1 million from the Senior Bonds Debt Service Reserve Fund and \$3.3 million from the Repair and Replacement Fund, in each case, to PCO. In addition, the Fourth Supplemental Indenture provides that the Senior Bonds Debt Service Reserve Requirement, the Subordinate Bonds Debt Service Reserve Requirement, and the Repair and Replacement Fund Requirement shall each be reduced to \$0, respectively, and that certain provisions of the Indenture and/or the Loan Agreement, as applicable, relating to the funding and maintenance of the Senior Bonds Debt Service Reserve Fund, the Subordinate Bonds Debt Service Reserve Fund, and the Repair and Replacement Fund, will be suspended until the effectiveness of an amendment to the Indenture, the Loan Agreement and/or other applicable Financing Documents provides otherwise in accordance with the terms of the Indenture, the Loan Agreement and such other applicable Financing Documents.

Sylebra Credit Facility

On March 15, 2023, PCT entered into a \$150 million Revolving Credit Facility pursuant to a credit agreement (the "Revolving Credit Agreement") dated as of March 15, 2023, with PureCycle Technologies Holdings Corp. and PureCycle Technologies, LLC (the "Guarantors"), Sylebra Capital Partners Master Fund, LTD, Sylebra Capital Parc Master Fund, and Sylebra Capital Menlo Master Fund (collectively, the "Lenders"), and Madison Pacific Trust Limited (the "Administrative Agent" and "Security Agent"). The Lenders and their affiliates are greater than 5% beneficial owners of PCT.

On March 1, 2024, PCT increased the Revolving Credit Facility from \$150.0 million to \$200.0 million, extended the maturity date to September 30, 2025, and obtained a carveout to permit the Company to purchase the Revenue Bonds, pursuant to an amendment to the Revolving Credit Agreement with PCT, the Guarantors, the Lenders, and the Administrative Agent and Security Agent.

The Pure Plastic Term Loan Facility

On May 8, 2023, the Company entered into a \$40 million term loan facility pursuant to the Term Loan Credit Agreement ("Term Loan Credit Agreement") dated as of May 8, 2023, among the Guarantors and Pure Plastic LLC (as Lender, Administrative Agent, and Security Agent), which matures on December 31, 2025 (the "Term Loan Facility"). The Term Loan Credit Agreement was amended on August 21, 2023. Affiliates of the Lender are greater than 5% beneficial owners of the Company.

On March 1, 2024, PCT increased the amount available to the Company under the Term Loan Credit Agreement's permitted indebtedness covenant basket for the Revolving Credit Facility from \$150.0 million to \$200.0 million and obtained a carve out to permit the Company to purchase the Revenue Bonds. Each of PureCycle Technologies Holdings Corp. and PureCycle Technologies, LLC are subsidiaries of the Company.

Green Convertible Notes

On August 21, 2023, the Company priced its private offering of \$215.0 million in aggregate principal amount of 7.25% Green Convertible Senior Notes due 2030 (the "Initial Notes"). On August 22, 2023, the initial purchaser in such offering exercised its option to purchase an additional \$35.0 million in aggregate principal amount of the 7.25% Green Convertible Senior Notes due 2030 (together with the "Initial Notes", the "Notes"), bringing the total aggregate principal amount of the Notes to \$250.0 million. Entities affiliated with a greater than 5% beneficial owner

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

of the Company purchased \$50.0 million aggregate principal amount at maturity of the Notes. As of March 31, 2024, the fair value of the Green Convertible Notes was \$137.6 million.

Principal repayments due on Long-term debt and Related party note payable over the next five years are as follows (in thousands):

Years ending December 31,	Long-term debt	Related party note payable
2024 (April through December)	\$ 1,708	\$ —
2025	6,150	44,566
2026	6,611	—
2027	6,494	—
2028	—	—
2029	—	—
Thereafter	252,800	—
	\$ 273,763	\$ 44,566
Less: Original issue discount and debt issuance costs classified as a reduction to long-term debt	(27,622)	(3,114)
Less: Current Portion	(3,204)	—
Total	\$ 242,937	\$ 41,452

NOTE 4 - EQUITY-BASED COMPENSATION

2021 Equity Incentive Plan

On March 17, 2021, our stockholders approved the PureCycle Technologies, Inc. 2021 Equity and Incentive Compensation Plan (the "Plan").

The Plan provides for the grant of stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units ("RSUs"), performance shares, performance units, dividend equivalents, and certain other awards. In general, the amount of shares issuable under the Plan will be automatically increased on the first day of each fiscal year, beginning in 2022 and ending in 2031, by an amount equal to the lesser of (a) 3% of the shares of the Company's common stock outstanding on the last day of the immediately preceding fiscal year, and (b) such smaller number of shares as determined by the Board of Directors (the "Board") of the Company.

As of March 31, 2024, approximately 17.0 million shares of common stock are currently authorized for issuance under the Plan, of which approximately 12.8 million shares remain available for issuance under the Plan (assuming maximum performance with respect to the performance goals applicable to the issued Plan awards).

Restricted Stock Agreements

RSUs issued pursuant to the Plan are time-based and vest over the period defined in each individual grant agreement or upon a change of control event as defined in the Plan. The Company recognizes compensation expense for the shares equal to the fair value of the equity-based compensation awards and is recognized on a straight-line basis over the vesting period of such awards. The fair value of the awards is equal to the fair value of the Company's common stock at the date of grant. The Company has the option to repurchase all vested shares upon a stockholder's termination of employment or service with the Company.

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

A summary of restricted stock activity for the three months ended March 31, 2024 is as follows (in thousands except per share data):

	Number of RSUs	Weighted average grant date fair value	Weighted average remaining recognition period
Non-vested at December 31, 2023	2,847	\$ 9.31	2.3
Granted	1,109	5.68	
Vested	(434)	6.29	
Forfeited	(71)	6.29	
Non-vested at March 31, 2024	3,451	\$ 8.57	2.6

Stock Options

The stock options issued pursuant to the Plan are time-based and vest over the period defined in each individual grant agreement or upon a change of control event as defined in the Plan.

The Company recognizes compensation expense for the shares equal to the fair value of the equity-based compensation awards and is recognized on a straight-line basis over the vesting period of such awards. The fair value of the stock is estimated on the date of grant using the Black-Scholes option-pricing model using the following assumptions:

	March 31, 2024	March 31, 2023
Expected annual dividend yield	0.0 %	0.0 %
Expected volatility	88.5 %	77.3 %
Risk-free rate of return	4.3 %	3.5 %
Expected option term (years)	6.5	6.5

The expected term of the shares granted is determined based on the period of time the shares are expected to be outstanding. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. The expected volatility was based on the Company's capital structure and volatility of similar entities referred to as guideline companies. In determining similar entities, the Company considered industry, stage of life cycle, size and financial leverage. The dividend yield on the Company's shares is assumed to be zero as the Company has not historically paid dividends. The fair value of the underlying Company shares was determined using the Company's closing stock price on the grant date.

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

A summary of stock option activity for the three months ended March 31, 2024 is as follows (in thousands except per share data):

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)
Balance, December 31, 2023	983	\$ 20.17	5.4
Granted	345	5.73	10.0
Exercised	(16)	5.72	—
Forfeited	(7)	5.72	—
Balance, March 31, 2024	1,305	\$ 16.25	6.3
Exercisable	613		
Weighted avg grant date fair values		4.45	

Performance-Based Restricted Stock Agreements

The shares issued pursuant to the Performance-Based Restricted Stock Agreements vest depending on if the performance obligations are met. In general, the performance-based stock units ("Performance PSUs") will be earned based on achievement of pre-established financial and operational performance objectives and will vest on the date the attainment of such performance objectives as determined by the Compensation Committee (the "Committee") of the Board, subject to the participant's continued employment with the Company. The Company has also issued performance-based stock units that vest if the market price of the Company's common stock exceeds a defined target during the performance period ("Market PSUs," together with the Performance PSUs, the "PSUs").

The Company issued 0.4 million PSUs for the three months ended March 31, 2024. As of March 31, 2024, the performance-based provision has not been achieved for any of the outstanding performance-based awards.

The Company recognizes compensation expense for the Performance PSUs equal to the fair value of the equity-based compensation awards and on a straight-line basis over the vesting period of such awards as the Company has concluded the performance condition is probable to be met. The fair value of the awards is equal to the fair value of the Company's common stock at the date of grant.

A summary of the PSU activity for the three months ended March 31, 2024 is as follows (in thousands except per share data):

	Number of PSUs	Weighted average grant date fair value	Weighted average remaining recognition period
Balance, December 31, 2023	1,246	\$ 8.85	1.7
Granted	353	5.73	
Vested	—	—	
Forfeited	(208)	17.43	
Balance, March 31, 2024	1,391	\$ 6.75	1.9

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

Equity-based compensation cost is recorded within the selling, general and administrative expenses within the condensed consolidated statements of comprehensive loss. Equity-based compensation expense for the three months ended March 31, 2024 and 2023 is presented in the following table (in thousands):

	Three Months Ended	
	March 31, 2024	March 31, 2023
Total equity-based compensation for RSUs	\$ 2,564	\$ 2,418
Total equity-based compensation for PSUs	(52)	(268)
Total equity-based compensation for stock options	170	14
	<u>\$ 2,682</u>	<u>\$ 2,164</u>

NOTE 5 - WARRANTS

RTI Warrants

RTI Global ("RTI") holds warrants to purchase 971 thousand shares of PCT common stock. RTI can exercise these warrants as of March 17, 2022. The warrants expire on December 31, 2024. The Company determined the warrants are a liability classified under ASC 480. Accordingly, the warrants were held at their initial fair value and will be remeasured at fair value at each subsequent reporting date with changes in the fair value presented in the condensed consolidated statements of comprehensive loss.

A summary of the RTI warrant activity for three months ended March 31, 2024 is as follows (in thousands, except per share data):

	Number of warrants	Weighted average exercise price	Weighted average grant date fair value	Weighted average remaining contractual term (years)
Outstanding at December 31, 2023	971	\$ 5.56	\$ 0.03	1.0
Granted	—			—
Exercised	—			—
Outstanding at March 31, 2024	971	\$ 5.56	\$ 0.03	0.8
Exercisable	971			

Refer to Note 9 – Fair Value of Financial Instruments for further information.

Public Warrants and Private Warrants

The Company has outstanding public and private warrants which entitle each holder to exercise its warrants only for a whole number of shares of common stock. Each whole warrant entitles the registered holder to purchase one whole share of the Company's common stock at a price of \$11.50 per share at the later of the closing of the Business Combination or one year after ROCH's initial public offering, provided that the Company has an effective registration statement under the Securities Act covering the shares of common stock issuable upon exercise of the warrants and a current prospectus relating to them is available and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder. The warrants will expire five years after March 17, 2021, or earlier upon redemption or liquidation. The private warrants are identical

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

to the public warrants, except that the private warrants and the common stock issuable upon exercise of the private warrants were not transferable, assignable or salable until after March 17, 2021, subject to certain limited exceptions. Additionally, the private warrants are non-redeemable so long as they are held by the initial holder or any of its permitted transferees. If the private warrants are held by someone other than the initial holder or its permitted transferees, the private warrants will be redeemable by the Company and exercisable by such holders on the same basis as the public warrants.

The Company may redeem the outstanding warrants in whole, but not in part, at a price of \$0.01 per warrant upon a minimum of 30 days' prior written notice of redemption, if and only if the last sale price of the Company's common stock equals or exceeds \$18.00 per share for any 20-trading days within a 30-trading day period ending three business days before the Company sends the notice of redemption to the warrant holders. If the Company calls the warrants for redemption, management will have the option to require all holders that wish to exercise the warrants to do so on a cashless basis. In no event will the Company be required to net cash settle the warrant exercise. The public warrants are accounted for as equity classified warrants as they were determined to be indexed to the Company's stock and meet the requirements for equity classification.

The Company has classified the private warrants as a warrant liability as there is a provision within the warrant agreement that allows for private warrants to be exercised via a cashless exercise while held by CR Financial Holdings, Inc. (the "Sponsor") and affiliates of the Sponsor, but would not be exercisable at any time on a cashless basis if transferred and held by another investor. Therefore, the Company will classify the private warrants as a liability pursuant to ASC 815 until the private warrants are transferred from the initial purchasers or any of their permitted transferees.

There were approximately 5.7 million public warrants and 0.2 million private placement warrants outstanding at March 31, 2024 and 2023. Refer to Note 9 - Fair Value of Financial Instruments for further information.

Series A Warrants

On March 7, 2022, the Company entered into subscription agreements (the "Subscription Agreements") with certain investors (the "2022 PIPE Investors"), pursuant to which the Company agreed to sell to the Investors, in a private placement, shares of the Company's common stock, par value \$0.001 per share, and Series A warrants to purchase shares of common stock (the "Series A Warrants") at a price of \$7.00 per share of common stock and one-half (1/2) of one Series A Warrant (the "2022 PIPE Offering").

On March 17, 2022, the Company closed the 2022 PIPE Offering and issued to the 2022 PIPE Investors an aggregate of 35,714,272 shares of common stock and Series A Warrants to purchase an aggregate of 17,857,136 shares of common stock. Each whole warrant entitles the registered holder to purchase one whole share of the Company's common stock at a price of \$11.50 per share any time after September 17, 2022 (the "Initial Exercise Date"), provided that the Company has an effective registration statement under the Securities Act covering the shares of common stock issuable upon exercise of the warrants and a current prospectus relating to them is available and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of shares of common stock. The warrants will expire on March 17, 2026.

The Company may redeem the outstanding Series A Warrants in whole, but not in part, at a price of \$0.01 per warrant upon a minimum of 30 days' prior written notice of redemption, if and only if the last sale price of the Company's common stock equals or exceeds \$18.00 per share for any 20-trading days within a 30-trading day period commencing after the Series A Warrants become exercisable and ending three business days before the Company sends the notice of redemption to the warrant holders. If the Company calls the Series A Warrants for

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

redemption, management will have the option to require all holders that wish to exercise the warrants to do so on a cashless basis. In no event will the Company be required to net cash settle the warrant exercise.

The agreements governing the Series A Warrants (the “Series A Warrant Agreements”) provide for a Black-Scholes value calculation (“Black-Scholes Value”) in the event of certain transactions (“Fundamental Transactions”), which includes a floor on volatility utilized in the value calculation at 100% or greater. The Company has determined this provision introduces leverage to the holders of the Series A Warrants that could result in a value that would be greater than the settlement amount of a fixed-for-fixed option on the Company’s own equity shares. Therefore, the Company will classify the Series A Warrants as a liability pursuant to ASC 815.

As of March 31, 2024, there were approximately 17.9 million Series A Warrants outstanding. Refer to Note 9 – Fair Value of Financial Instruments for further information.

Warrant expense (benefit) recognized for each period is presented in the following table (in thousands):

	Three Months Ended March 31,	
	2024	2023
RTI warrants	\$ 1,097	\$ (58)
Private placement warrants	\$ 168	\$ 72
Series A warrants	\$ 12,679	\$ 4,821

NOTE 6 – NET LOSS PER SHARE

The Company follows the two-class method when computing net loss per common share when shares are issued that meet the definition of participating securities. The two-class method requires income available to common shareholders for the period to be allocated between common and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. The two-class method also requires losses for the period to be allocated between common and participating securities based on their respective rights if the participating security contractually participates in losses. As holders of participating securities do not have a contractual obligation to fund losses, undistributed net losses are not allocated to nonvested restricted stock for purposes of the loss per share calculation.

Presented in the table below is a reconciliation of the numerator and denominator for the basic earnings per share (“EPS”) calculations for the three months ended March 31, 2024 and 2023 (in thousands):

	Three months ended March 31,	
	2024	2023
Numerator:		
Net loss attributable to common shareholders	\$ (85,607)	\$ (25,842)
Denominator:		
Weighted average common shares outstanding, basic	164,355	163,588
Net loss per share attributable to common stockholder, basic	\$ (0.52)	\$ (0.16)

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

Presented in the table below is a reconciliation of the numerator and denominator for the diluted EPS calculations for the three months ended March 31, 2024 and 2023 (in thousands):

	Three months ended March 31,	
	2024	2023
Numerator:		
Net loss attributable to PureCycle Technologies	\$ (85,607)	\$ (25,842)
Less change in fair value of RTI Warrants	—	(58)
Net loss attributable to common shareholders	<u>\$ (85,607)</u>	<u>\$ (25,900)</u>
Denominator:		
Weighted average common shares outstanding, basic	164,355	163,588
Add common equivalent shares from warrants	—	196
Weighted average common shares outstanding, diluted	164,355	163,784
Net loss per share attributable to common stockholder, diluted	<u>\$ (0.52)</u>	<u>\$ (0.16)</u>

Certain outstanding common share equivalents were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented as including them would have been anti-dilutive. A summary of those outstanding common share equivalents is presented in the following table:

<i>(in thousands)</i>	Three months ended March 31,	
	2024	2023
Anti-dilutive awards		
Warrants, vested not exercised	24,747	23,776
Stock options, vested not exercised	1,309	613
RSU, non-vested	3,439	3,478
PSU, non-vested	1,393	1,413
Contingently - issuable shares related to the earnout	2,000	4,000
Shares issuable upon conversion of Green Convertible Notes	16,869	—

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT

Presented in the table below are the major classes of property, plant and equipment by category as of the below dates (in thousands):

	March 31, 2024		
	Cost	Accumulated Depreciation	Net Book Value
Building	\$ 81,703	\$ 3,200	\$ 78,503
Machinery and equipment	353,576	28,660	324,916
Leasehold Improvements	3,017	1,612	1,405
Fixtures and Furnishings	736	203	533
Land improvements	150	35	115
Land	1,150	—	1,150
Construction in process	235,395	—	235,395
Total property, plant and equipment	<u>\$ 675,727</u>	<u>\$ 33,710</u>	<u>\$ 642,017</u>

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

	December 31, 2023		
	Cost	Accumulated Depreciation	Net Book Value
Building	\$ 81,593	\$ 2,440	\$ 79,153
Machinery and equipment	349,796	20,415	329,381
Leasehold Improvements	2,972	1,447	1,525
Fixtures and Furnishings	711	177	534
Land improvements	150	32	118
Land	1,150	—	1,150
Construction in process	226,885	—	226,885
Total property, plant and equipment	<u>\$ 663,257</u>	<u>\$ 24,511</u>	<u>\$ 638,746</u>

Depreciation expense is recorded in the condensed consolidated statements of comprehensive loss as follows:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2024	2023
Operating costs	\$ 8,322	\$ 388
Research and development expense	760	749
Selling, general, and administrative expense	174	157
Total depreciation expense	<u>\$ 9,256</u>	<u>\$ 1,294</u>

NOTE 8 - INCOME TAXES

The Company has determined that any net deferred tax assets are not more likely than not to be realized in the future, and a full valuation allowance is required. In addition, the Company has determined that any current forecasted operations would result in federal and state income tax losses which are also not more likely than not to be realized. As a result, for the periods ended March 31, 2024 and 2023, the Company has reported tax expense of \$0 and \$0, respectively.

Management has evaluated the Company's tax positions and has determined that the Company has taken no uncertain tax positions that require adjustment to the condensed consolidated interim financial statements for the respective periods.

NOTE 9 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. Assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 - Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value is determined through the use of models or other valuation methodologies

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

Level 3 - Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

Assets and liabilities measured and recorded at Fair Value on a recurring basis

As of March 31, 2024 and December 31, 2023, the Company's financial assets and liabilities measured and recorded at fair value on a recurring basis were classified within the fair value hierarchy as follows (in thousands):

	March 31, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Cash equivalents	\$ 8	\$ —	\$ —	\$ 8	\$ 36,277	\$ 35,215	\$ —	\$ 71,492
Restricted cash equivalents - current	7,566	—	—	7,566	25,692	—	—	25,692
Restricted cash equivalents - noncurrent	7,353	—	—	7,353	203,411	—	—	203,411
Investments:								
Commercial paper, available for sale	—	—	—	—	—	46,049	—	46,049
US Treasury Notes	2,187	—	—	2,187	2,177	—	—	2,177
Total investments	\$ 2,187	\$ —	\$ —	\$ 2,187	\$ 2,177	\$ 46,049	\$ —	\$ 48,226
Liabilities								
Warrant liability:								
RTI warrants	—	—	2,534	2,534	—	—	1,437	1,437
Private warrants	—	—	433	433	—	—	265	265
Series A warrants	—	33,036	—	33,036	—	20,357	—	20,357
Total warrant liability	\$ —	\$ 33,036	\$ 2,967	\$ 36,003	\$ —	\$ 20,357	\$ 1,702	\$ 22,059

Measurement of the Private Warrants

The private warrants are measured at fair value on a recurring basis using a Black-Scholes model. The private warrants are classified as Level 3 and were valued using the following assumptions:

	March 31, 2024	December 31, 2023
Expected annual dividend yield	— %	— %
Expected volatility	91.7 %	100.2 %
Risk-free rate of return	4.6 %	4.1 %
Expected option term (years)	2.0	2.2

The expected term of the warrants granted are determined based on the duration of time the warrants are expected to be outstanding. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. The expected volatility was based on the implied volatility calculated for the Company's public warrants, which have similar characteristics to the private warrants. The dividend yield on the Company's warrants is assumed to be zero as the Company has not historically paid dividends. The fair value of the underlying Company shares was determined using the Black-Scholes calculation.

The aggregate values of the private warrants were \$0.4 million and \$0.3 million on March 31, 2024 and December 31, 2023, respectively.

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

A summary of the private warrants activity from December 31, 2023 to March 31, 2024 is as follows (in thousands):

		Fair value (Level 3)
Balance, December 31, 2023	\$	265
Change in fair value		168
Balance, March 31, 2024	\$	433

Refer to Note 5 – Warrants for further information.

Measurement of the RTI warrants

Significant changes in any of the significant unobservable inputs in isolation would not result in a materially different fair value estimate. The interrelationship between these inputs is insignificant.

The Company has determined its warrant to be a Level 3 fair value measurement and has remeasured using a Binomial Tree option pricing model to calculate its fair value using the following assumptions:

	March 31, 2024	December 31, 2023
Expected annual dividend yield	— %	— %
Expected volatility	112.9 %	118.1 %
Risk-free rate of return	5.1 %	4.7 %
Expected option term (years)	0.8	1.0

The expected term of the warrants granted are determined based on the duration of time the warrants are expected to be outstanding. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. The expected volatility was calculated based on the specific volatility of PCT's publicly-traded common stock. In determining similar entities, the Company considered industry, stage of life cycle, size and financial leverage. The dividend yield on the Company's warrants is assumed to be zero as the Company has not historically paid dividends. The fair value of the underlying Company shares was determined using the Binomial Tree model calculation.

The Company has an option to repurchase the warrants at any time. The maximum fair value of the warrants is limited by the fair value of the repurchase option, which cannot exceed \$15.0 million.

Changes in Level 3 liabilities measured at fair value from December 31, 2023 to March 31, 2024 are as follows (in thousands):

		Fair value (Level 3)
Balance, December 31, 2023	\$	1,437
Change in fair value		1,097
Balance, March 31, 2024	\$	2,534

Measurement of the Series A Warrants

The Series A Warrants meet the definition of derivative instruments and are measured at fair value on a recurring basis using the market price of the Company's publicly traded warrants, with changes in fair value recorded in current earnings. The Company has determined the publicly traded warrants to be an appropriate proxy to value the Series A Warrants as both warrants have similar redemption features and the same exercise price. The Series A Warrants are classified as Level 2 for both initial measurement at issuance and subsequent measurement each period.

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

Assets and liabilities recorded at carrying value

In determining the appropriate levels, the Company performs a detailed analysis of the assets and liabilities that are subject to fair value measurements.

The Company records cash and accounts payable at cost, which approximates fair value due to their short-term nature or stated rates. The Company records debt at cost.

NOTE 10 - AVAILABLE-FOR-SALE INVESTMENTS

The Company classifies its investments in debt securities as available-for-sale. Debt securities have been historically comprised of highly liquid investments with minimum "A" rated securities. The debt securities have historically been reported at fair value with unrealized gains or losses recorded in accumulated other comprehensive income in the condensed consolidated balance sheets. Refer to Note 9 – Fair Value of Financial Instruments for information related to the fair value measurements and valuation methods utilized.

The following table represents the Company's available-for-sale investments by major security type as of March 31, 2024 and December 31, 2023 (in thousands):

	March 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total Fair Value
US Treasury Notes	\$ 2,188	\$ —	\$ (0.1)	\$ 2,187
Corporate Bonds	—	—	—	—
Municipal Bonds	—	—	—	—
Total	<u>\$ 2,188</u>	<u>\$ —</u>	<u>\$ (0.1)</u>	<u>\$ 2,187</u>

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total Fair Value
Commercial Paper	\$ 46,069	\$ —	\$ (20)	\$ 46,049
Corporate Bonds	2,175	2	—	2,177
Municipal Bonds	—	—	—	—
Total	<u>\$ 48,244</u>	<u>\$ 2</u>	<u>\$ (20)</u>	<u>\$ 48,226</u>

The following table represents the Company's available-for-sale investments by contractual maturity as of March 31, 2024 and December 31, 2023 (in thousands):

	March 31, 2024		December 31, 2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	\$ 2,188	\$ 2,187	\$ 48,244	\$ 48,226
Due after one year through five years	—	—	—	—
Total	<u>\$ 2,188</u>	<u>\$ 2,187</u>	<u>\$ 48,244</u>	<u>\$ 48,226</u>

Debt securities as of March 31, 2024 had an average remaining maturity of 0.25 years.

The Company reviews available-for-sale investments for other-than-temporary impairment loss periodically. The Company considers factors such as the duration, severity and the reason for the decline in value, the potential recovery period and our intent to sell. For debt securities, we also consider whether (i) it is more likely than not that

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

the Company will be required to sell the debt securities before recovery of their amortized cost basis and (ii) the amortized cost basis cannot be recovered as a result of credit losses. During the three months ended March 31, 2024 and 2023, the Company did not recognize any other-than-temporary impairment losses. All marketable securities with unrealized losses have been in a loss position for less than twelve months, and the Company does not anticipate any material losses upon maturity of these investments. The fair value for fixed-rate debt securities is based on quoted market prices for the same or similar debt instruments and is classified as Level 2. The fair value for the Company's other securities holdings, primarily under commercial paper, equals the carrying value and is classified as Level 2.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Financial Assurance

On March 14, 2024, PCT renewed a surety bond in the amount of \$25.0 million to provide financial assurance related to its performance under a certain vendor contract, which expires at the earlier of satisfaction of the obligation, termination of the related vendor contract, or one year from issuance (subject to renewal within one year).

These financial instruments are issued in the normal course of business and are not considered company indebtedness. Because PCT currently has no liability for these financial assurance instruments, they are not reflected in its consolidated balance sheets.

Legal Proceedings

PCT is subject to legal and regulatory actions that arise from time to time in the ordinary course of business. The assessment as to whether a loss is probable or reasonably possible, and as to whether such loss or a range of such losses is estimable, often involves significant judgment about future events, and the outcome of litigation is inherently uncertain. Other than as described below, there is no material pending or threatened litigation against PCT that remains outstanding as of March 31, 2024.

Shareholder Securities Litigation

Beginning on or about May 11, 2021, two putative class action complaints were filed against PCT, certain senior members of management and others, asserting violations of federal securities laws under Section 10(b) and Section 20(a) of the Exchange Act. The complaints generally allege that the applicable defendants made false and/or misleading statements in press releases and public filings regarding the Technology, PCT's business and PCT's prospects. The first putative class action complaint was filed in the U.S. District Court for the Middle District of Florida by William C. Theodore against PCT and certain senior members of management (the "Initial Theodore Lawsuit"). The second putative class action complaint was filed in the U.S. District Court for the Middle District of Florida by David Tennenbaum against PCT, certain senior members of management and others (the "Tennenbaum Lawsuit"). On July 14, 2021, the court granted a motion to consolidate the Initial Theodore and Tennenbaum Lawsuits (consolidated as the "Consolidated Theodore Lawsuit") and on July 27, 2021, Tennenbaum filed a motion to voluntarily dismiss his complaint without prejudice. On August 5, 2021, the Court entered an order appointing Mariusz Ciecko and Robert Ciecko as Co-Lead Plaintiffs ("Lead Plaintiffs") and Pomerantz LLP as Lead Counsel.

On September 27, 2021, the Lead Plaintiffs filed a consolidated amended complaint. The consolidated amended complaint seeks to represent a class of investors who purchased or otherwise acquired PCT's securities between November 16, 2020, and May 5, 2021, certification of the alleged class, as well as compensatory and punitive

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

damages. The consolidated amended complaint relies on information included in a research report published by Hindenburg Research LLC.

On November 12, 2021, PCT and the individual defendants affiliated with PCT ("PCT Defendants") and Byron Roth each filed separate motions to dismiss Lead Plaintiffs' amended complaint. Additional submissions by the parties were filed in December 2021 and January 2022.

On August 4, 2022, the U.S. District Court for the Middle District of Florida dismissed the Consolidated Theodore Lawsuit, without prejudice. Plaintiffs filed their second amended complaint on August 18, 2022, in which they seek to represent a class of investors who purchased or otherwise acquired PCT's securities between November 16, 2020, and November 10, 2021, and alleged violations of Section 10(b) and Section 14(a) of the Exchange Act.

On September 15, 2022, the PCT Defendants and Byron Roth each filed a motion to dismiss the second amended complaint, and the parties filed additional responsive pleadings in October 2022. On June 15, 2023, the U.S. District Court for the Middle District of Florida granted the PCT Defendants' motion solely with regard to named defendant Tamsin Etefagh, but denied the motion as to all other defendants. On June 30, 2023, the PCT Defendants filed a Motion for Reconsideration. Further, on July 14, 2023, each of the PCT and Roth Defendants filed their respective Answers and Counterclaims. The Motion for Reconsideration remains pending.

On November 30, 2023, Lead Plaintiffs filed their motion to certify two classes: a Section 14(a) class and a Section 10(b) class. On January 17, 2024, Lead Plaintiffs amended their motion for class certification to seek certification of only the Section 10(b) class. On January 23, 2024, PCT, the Individual Defendants and Bryon Roth submitted a joint opposition to Lead Plaintiffs' motion for class certification. Plaintiffs' reply in support of their motion for class certification was filed on February 21, 2024. The parties have been engaged in discovery, which is currently scheduled to close in July 2024. On March 21, 2024, the Court agreed to stay the litigation for thirty days in order to give the parties an opportunity to try to resolve the action through mediation.

On September 29, 2023, Jay Southgate, a purported shareholder, filed a complaint in the U.S. District Court for the Southern District of New York against PCT, and certain senior members of management ("Individual Southgate Defendants"), asserting violations of federal securities laws under Section 10(b) and Section 20(a) of the Exchange Act (the "Southgate Lawsuit"). The complaints generally allege that the applicable defendants made false and/or misleading statements in press releases and public filings between August 8, 2023 and September 13, 2023, regarding the status of commissioning activities at the Ironton Facility, and specifically the impact of a power outage at the Ironton Facility in August 2023 and subsequent seal system failure in September 2023. Purported shareholders have filed motions to be appointed lead plaintiff in the action, and on February 20, 2024, the Court appointed James Smith as Lead Plaintiff and Glancy Prongay & Murray LLP as Lead Counsel.

On April 5, 2024, plaintiffs in the Southgate matter filed an amended complaint ("Amended Southgate Complaint"), in which the plaintiffs allege the Company and the Individual Southgate Defendants violated Section 10(b) and Section 20(a) of the Exchange Act. The Amended Southgate Complaint alleges that beginning in April 2023 through December 2023, the Company and the Individual Southgate Defendants made misleading and inaccurate statements and omissions regarding the operations at the Ironton Facility, PCT's ability to meet certain milestones and alleged issues with certain third-party contractors. On May 6, 2024, the Company and the Individual Southgate Defendants filed a motion to dismiss the Southgate complaint.

PCT, the PCT Defendants and the Individual Southgate Defendants intend to vigorously defend against the

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

Consolidated Theodore Lawsuit and the Amended Southgate Lawsuits. Given the stage of the litigation, PCT cannot reasonably estimate at this time whether there will be any loss, or if there is a loss, the possible range of loss, that may arise from the unresolved Theodore and Amended Southgate Lawsuits.

Derivative Litigation

On November 3, 2021, Byung-Gook Han, a purported PCT shareholder, derivatively and purportedly on behalf of PCT, filed a shareholder derivative action in the United States District Court for the District of Delaware (Byung-Gook Han v. Otworth et. al., Case No. 1:21-cv-01569-UNA) against certain senior members of PCT's management, PCT's directors and Byron Roth, who was subsequently dismissed (collectively, the "Individual Han Defendants"), alleging violations of Section 20(a) of the Exchange Act and breaches of fiduciary duties and bringing claims for unjust enrichment and waste of corporate assets ("Han Derivative Lawsuit"). On January 19, 2022, the court granted the parties' joint stipulation to stay the Han Derivative Lawsuit and administratively closed the matter pending the disposition of the motions to dismiss in the Class Action Lawsuits.

On January 27, 2022, Patrick Ayers, a purported PCT shareholder, derivatively and purportedly on behalf of PCT, filed a shareholder derivative action in the United States District Court of the District of Delaware, captioned Patrick Ayers v. Otworth et. al., Case No. 1:22-cv-00110, against certain members of PCT's management, PCT's directors and others (collectively, the "Individual Ayers Defendants"), alleging violations of Section 20(a) of the Exchange Act and breaches of fiduciary duties, as well as claims for unjust enrichment, gross mismanagement, contribution, and indemnification ("Ayers Derivative Lawsuit").

On March 17, 2022, the court granted the parties' joint stipulation to stay the Ayers Derivative Lawsuit and administratively closed the matter pending the disposition of the motions to dismiss in the Class Action Lawsuits.

After the court in the Consolidated Theodore Lawsuit ruled on the second motion to dismiss, the stay in the derivative actions was lifted. Ayers and Han (collectively the "Derivative Plaintiffs"), PCT and the Individual Ayers and Han Defendants (collectively, the "Individual Derivative Defendants") filed a joint stipulation to consolidate the related derivative actions on June 26, 2023. The court granted the motion to consolidate the derivative actions on June 27, 2023, and ordered the Consolidated Derivative Action to be captioned In re: PureCycle Technologies, Inc. Derivative Litigation, Lead Case No. 21-1569-RGA (D. Del.) ("Consolidated Derivative Litigation"). In light of the Motion for Reconsideration in the Consolidated Theodore Lawsuit, the Derivative Plaintiffs, PCT, and Individual Derivative Defendants filed a joint stipulation to continue the stay of the Consolidated Derivative Litigation until thirty days after the court in the Class Action rules on the Motion for Reconsideration. Because the Motion for Reconsideration in the Consolidated Theodore Lawsuit remains pending, the stay of the Consolidated Derivative Litigation remains in effect.

On February 23, 2024, Ayers filed an amended derivative complaint under seal. The Consolidated Amended Derivative Complaint generally alleges that the Individual Derivative Defendants made materially false and misleading statements and omissions in press releases, webinars and other public filings regarding PCT's business, the technology, PCT's prospects, the background and experience of the Individual Derivative Defendants, PCT's internal controls, and various production issues and delays. The Consolidated Amended Derivative Complaint seeks unspecified monetary damages, reform of the corporate governance and internal procedures, unspecified restitution from the Individual Han Defendants, and costs and fees associated with bringing the action. At this stage of the litigation, neither PCT nor the Individual Ayers Defendants have answered the Consolidated Amended Derivative Complaint, moved to dismiss the complaint, or otherwise responded to the complaint.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

On March 29, 2024, John Brunson, a purported PCT shareholder, and on behalf of whom the February 2023 Delaware 220 demand referenced below was issued to the Company, derivatively and purportedly on behalf of PCT, filed a shareholder derivative action under seal in the Court of Chancery in the State of Delaware, captioned John Brunson v. Otworth et. al., against certain members of PCT's management, PCT's directors and others (collectively, the "Individual Brunson Defendants"), alleging breaches of fiduciary duties, aiding and abetting breaches of fiduciary duty, corporate waste, and unjust enrichment ("Brunson Derivative Lawsuit"). The Brunson Derivative Lawsuit generally contains similar allegations as contained in Consolidated Derivative Amended Derivative Complaint, as well as allegations regarding undisclosed operational risks, production issues and delays, persistent failure to remediate known material deficiencies, including inadequate staffing, lack of segregation of duties, unfamiliarity with financial reporting requirements, and lack of accounting resources, leading to revisions of prior financial statements. The Brunson Derivative Lawsuit also references two reports by Bleeker Street Research in November 2023 which alleged that the Company had misled investors about the launch of the Ironton Facility, and would not meet its production targets. Plaintiffs also point to and discuss the Theodore Securities Class Action and allege that PCT is exposed to liability in that case. The Brunson Derivative Lawsuit seeks unspecified monetary damages, declaratory relief, unspecified disgorgement and restitution from the Individual Brunson Defendants, and costs and fees associated with bringing the action.

The Individual Derivative Defendants intend to vigorously defend against the Consolidated Derivative Litigation and the Brunson Derivative Lawsuit. Given the stage of the litigation, PCT cannot reasonably estimate at this time whether there will be any loss, or if there is a loss, the possible range of loss, that may arise from the unresolved Consolidated Derivative Litigation or Brunson Derivative Lawsuit.

In the future, PCT may become party to additional legal matters and claims arising in the ordinary course of business. While PCT is unable to predict the outcome of the above or future matters, it does not believe, based upon currently available facts, that the ultimate resolution of any such pending matters will have a material adverse effect on its overall financial position, results of operations, or cash flows.

Denham-Blythe Arbitration

On October 7, 2020, PCO, a subsidiary of PCT and Denham-Blythe Company, Inc. ("DB") executed an Engineering, Procurement, and Construction Agreement for certain construction activities associated with the Ironton Facility ("EPC Contract").

On June 16, 2023, following unsuccessful efforts at mediating various disputes over certain unapproved change orders and payment applications, DB filed a demand for binding arbitration ("Arbitration Demand") with the American Arbitration Association ("AAA"), seeking approximately \$17.0 million related to certain fee applications, change orders and amounts currently held in retainage by PCO, and, on June 21, 2023, filed a mechanics lien in Lawrence County, Ohio for the same sum. On July 20, 2023, PCO filed its Answer and Counterclaim, in which PCO contends that various deficiencies in DB's work resulted in damages to PCO in excess of DB's \$17.0 million Arbitration Demand, including, but not limited to, the following: DB's insufficient and incomplete engineering drawings and packages, insufficient and unorganized material management, insufficient and inefficient contractor management, insufficient and rudimentary schedule management, incomplete and inefficient procurement procedures, and that the Company was required to undertake significant re-work at additional cost resulting from DB's failure to adequately perform its obligations under the EPC Contract. On September 14, 2023, DB filed a motion with the AAA seeking to join ThermalTech Engineering, Inc., and ThermalTech Turnkey Solutions LLC, a subcontractor engaged by DB to provide engineering services for the Ironton Project. PCO and ThermalTech Engineering, Inc. have objected to the joinder and the matter remains pending.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

On August 30, 2023, DB filed a breach of contract claim against PCO and others in Lawrence County Ohio, alleging the same facts contained in its arbitration demand, as well as an action to foreclose on a lien filed in Lawrence County, Ohio. Concurrently DB requested the complaint be stayed pending the resolution of all issues in the arbitration. On December 12, 2023, defendant UMB Bank, N.A. ("UMB") filed an Answer and Counterclaim against DB. On January 9, 2024, the Lawrence County Court granted DB's request for a stay of the lawsuit pending the resolution of the arbitration proceeding.

PCO intends to vigorously defend itself against DB's claims and to pursue recovery of damages resulting from DB's failure to perform adequately under the EPC Contract. Given the stage of the arbitration, PCT cannot reasonably estimate at this time whether there will be any loss, or if there is a loss, the possible range of loss, that may result from the Arbitration Demand.

Other Matters

On February 3, 2023, the Company received a books and records demand pursuant to Section 220 of the Delaware General Corporation Law, from a purported stockholder of the Company, in connection with the stockholder's investigation of, among other matters, potential breaches of fiduciary duty, mismanagement, self-dealing, corporate waste or other violations of law by the Company's Board with respect to these matters. We are currently unable to predict the outcome of this matter.

On October 6, 2023 and October 27, 2023, the Company received two additional books and records demands pursuant to Section 220 of the Delaware General Corporation Law, from two purported stockholders of the Company, in connection with the stockholders' investigation of, among other matters, potential breaches of fiduciary duty, mismanagement, self-dealing, corporate waste or other violations of law by the Company's Board with respect to these matters. We are currently unable to predict the outcome of this matter.

NOTE 12 - SUBSEQUENT EVENTS

In connection with the preparation of the condensed consolidated interim financial statements for the period ended March 31, 2024, management has evaluated events through May 8, 2024 to determine whether any events required recognition or disclosure in the condensed consolidated interim financial statements. The following subsequent events were identified through the date of these condensed consolidated interim financial statements:

On April 2, 2024, the Company reached tentative settlement of the Consolidated Theodore Lawsuit (the "Securities Settlement"), which was memorialized in a Stipulation of Settlement dated May 6, 2024. Pursuant to the terms of the Securities Settlement, all known and unknown claims shall be settled for \$12 million in exchange for a complete release of the Company and the individually named defendants in each of the referenced matters. The Securities Settlement shall be funded by the remainder of the Company's self-insured retention under its directors and officers liability insurance policies applicable to the claims ("D&O Insurance") and contributions by various carriers comprising part of the D&O Insurance tower available to the Company and defendants. The Securities Settlement is subject to court approval.

On May 7, 2024, the Company entered into an MOU agreement to settle the Ayers Derivative Lawsuit, the Brunson Derivative Lawsuit and certain shareholder demands (the "Demand Letters"), including demands under Delaware Code Section 220 and/or investigation demands (the "Derivative Settlement"). Under the proposed terms of the MOU in the Derivative Settlement, all claims shall be settled in exchange for certain corporate therapeutics and a monetary component of \$3 million, out of which plaintiffs' counsel may seek up to \$2 million in attorneys' fees (as approved by the Court), in exchange for a complete release of all claims set forth in the Ayers and Brunson derivative actions and the Demand Letters. Carriers comprising part of the D&O insurance tower will contribute \$3

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

million of applicable policy limits to fund the monetary component of the Derivative Settlement. The Derivative Settlement is subject to final documentation and court approval.

Pure Plastic Bond Purchase

On May 7, 2024, PCT LLC entered into an agreement with Pure Plastic LLC ("Pure Plastic"), a Delaware limited liability company, whereby Pure Plastic will 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 (the "Pure Plastic Purchase Agreement"). Affiliates of Pure Plastic are greater than 5% beneficial owners of the Company.

As total consideration for the Purchased Bonds, the aggregate amount of principal outstanding, together with accrued but unpaid interest thereon, of approximately \$45.5 million under the Term Loan Facility will be deemed to be prepaid in full and PCT LLC will receive \$30 million in cash, as further provided for in the Payoff and Release Letter (as defined below).

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

The Pure Plastic Purchase Agreement requires PCT LLC to make best efforts to:

- Obtain SOPA's authorization, on or before June 5, 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 will 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 will 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.
 - Include 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.
 - Include in the Indenture and in the Loan Agreement customary events of default related to failure to perform financial covenants.

Pursuant to the Payoff and Release Letter, by and among the Company, the Credit Facility Guarantors (as defined in the Pure Plastic Purchase Agreement) and Pure Plastic (the "Payoff and Release Letter"), which is to be entered into as of the Initial Closing Date (as defined in the Pure Plastic Purchase Agreement), the Company is 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") plus certain expenses. The Company will issue warrants ("Series B Warrants") to Pure Plastic pursuant to a Series B Warrant Agreement to satisfy the Prepayment Premium (the "Series B

PureCycle Technologies, Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

(Unaudited)

Warrant Agreement”). The Series B Warrants 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 on or after November 6, 2024. The Series B Warrants will expire on December 1, 2030. The Company will pay the expenses in cash.

The Payoff and Release Letter also provides that if the Term Loan Facility is not paid off by a certain date, the Payoff Amount (as defined therein) will be increased by a specific amount on a daily basis. The Payoff and Release Letter will terminate and be of no force or effect if the Payoff Date (as defined therein) does not occur by 5:00 p.m. (Eastern Time) on May 17, 2024.

Lastly, the Payoff and Release Letter provides that all of the Obligations (as defined therein) under the Term Loan Facility shall be deemed paid and satisfied in full upon the satisfaction of certain conditions and, furthermore, upon the satisfaction of such conditions, all liens securing the Obligations shall be deemed to be fully released and discharged.

PureCycle Technologies, Inc.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information which PCT's management believes is relevant to an assessment and understanding of PCT's condensed consolidated results of operations and financial condition. The discussion should be read together with the audited Consolidated Financial Statements and the accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Company's most recent Annual Report on Form 10-K, as well as the unaudited condensed consolidated interim financial statements, together with related notes thereto, included elsewhere in this Quarterly Report on Form 10-Q. This discussion may contain forward-looking statements based upon current expectations that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" in the Company's most recent Annual Report on Form 10-K. Unless the context otherwise requires, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" to "we," "us," "our," and "the Company" are intended to mean the business and operations of PCT and its consolidated subsidiaries.

Overview

PureCycle Technologies, Inc. ("PCT" or "Company") is a Florida-based corporation focused on commercializing a patented purification recycling technology (the "Technology"), originally developed by The Procter & Gamble Company ("P&G"), for restoring waste polypropylene into resin, called ultra-pure recycled ("UPR") resin, which has nearly identical properties and applicability for reuse as virgin polypropylene. PCT has a global license for the Technology from P&G. PCT's goal is to create an important new segment of the global polypropylene market that will assist multinational entities in meeting their sustainability goals, providing consumers with polypropylene-based products that are sustainable, and reducing overall polypropylene waste in the world's landfills and oceans.

PCT's process includes two steps: Feed Pre-Processing ("Feed PreP") and the use of PCT's recycling technology for purification. The Feed PreP step will collect, sort, and prepare polypropylene waste ("feedstock") for purification. The purification step is a purification recycling process that uses a combination of solvent, temperature, and pressure to return the feedstock to near-virgin condition through a novel configuration of commercially available equipment and unit operations. The purification process puts the plastic through a physical extraction process using super critical fluids that both extract and filter out contaminants and purify the color, opacity, and odor of the plastic without changing the bonds of the polymer. By not altering the chemical makeup of the polymer, the Company is able to use significantly less energy and reduce production costs as compared to virgin resin.

The Ironton Facility

PCT commenced commissioning activities at its first commercial-scale plant in Lawrence County, Ohio (referred to herein as the "Ironton Facility"), in April 2023, achieved mechanical completion of the plant and commenced pellet production from post-industrial and post-consumer materials later in 2023. The Ironton Facility leverages the existing infrastructure of PCT's pilot facility known as the Feedstock Evaluation Unit (the "FEU"), which became operational in 2019, and the Ironton Facility is expected to have UPR resin capacity of approximately 107 million pounds/year when fully operational. PCT sold an immaterial amount of UPR resin through the first quarter of 2024 but has not yet reached meaningful volumes and on-spec product. PCT has experienced intermittent mechanical challenges during the commissioning process including, but not limited to, limits in the rates at which certain contaminants can currently be removed from the purification process, as well as challenges with continuous operations of the pelletizing system for finished product. While these mechanical issues are not uncommon for

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

first-of-its kind manufacturing facilities, the down-time needed to correct these issues is delaying the Ironton Facility from reaching consistent sustainable production rates. We expect the Ironton Facility to be fully operational later in 2024.

As of March 31, 2024, PCT anticipates that up to \$12.5 million will be needed to complete the investment in the Ironton Facility, which relates to a performance guarantee payment due after successful completion of a performance testing milestone.

The Augusta Facility

In July 2021, PCT reached an agreement with The Augusta Economic Development Authority ("AEDA") to build its first U.S. facility with multiple lines for both Feed PreP and purification ("multi-line facility") in Augusta, Georgia (the "Augusta Facility"). PCT expects the approximately 200-acre location to eventually include up to eight production lines, which are expected to collectively have UPR resin production capacity of approximately 1 billion pounds per year. When fully operational, each purification line at the Augusta Facility is expected to have annual production capacity of approximately 130 million pounds of PCT's UPR resin. PureCycle has allocated 40% of the Augusta Facility output, for Lines 1 and 2, to existing customers and expects that additional offtake agreements will continue to be negotiated.

On June 30, 2023, PCT and the AEDA executed an Economic Development Agreement ("EDA") related to the Company's plans to construct the Augusta Facility. Pursuant to the EDA, PCT expects to receive certain property tax abatement benefits as well as certain other incentives, including site infrastructure development assistance ("Incentive Benefits"). In order to receive the Incentive Benefits under Phase One (as defined below) of the Augusta Project, PCT will be obligated to create 82 full-time jobs with investments of at least \$440 million no later than December 31, 2026. Through March 31, 2024, PCT has invested approximately \$88.0 million for pre-construction engineering and long-lead equipment for the benefit of Phase One investments. If PCT elects to activate the second phase of the Augusta Project, PCT will be required to create an additional 25 full-time jobs and investments of \$295 million no later than December 31, 2028. To the extent PCT fails to achieve an average of 80% of the jobs and investment commitments in any year over the 20-years of each phase, PCT will be required to make a repayment to the AEDA of a pro rata portion of the total value of the Incentive Benefits received by PCT in such year.

Also on June 30, 2023, PCT entered into a series of agreements with the AEDA to construct phase one ("Phase One") of the Augusta Facility. PCT is leasing 150 acres of land ("Real Property") owned by the AEDA and will construct buildings, building equipment, and other structures (the "Improvements") on the land. PCT will also acquire and install the necessary processing, warehousing, and other equipment, as well as conveyors and pipelines (the "Equipment", together with the Real Property and the Improvements, the "Augusta Project"). The Improvements and Equipment will be transferred to the AEDA and leased back by PCT. As noted above, PCT anticipates that the first portion of Phase One will consist of one purification line and construction commenced prior to the end of 2023. Also as noted above, construction of the first purification line must be completed by December 31, 2026.

The legal sale-leaseback structure provides the Incentive Benefits to PCT as lessee of the Augusta Project. PCT will remain the owner of the Improvements and Equipment for accounting purposes during the term of the lease as PCT will have the right to acquire title to the Augusta Project for a nominal amount during the term and at the conclusion of the arrangement, which has an initial expiration date in 2044. The payments PCT makes to the AEDA during the term of the arrangement are not otherwise expected to be material.

At the end of 2023, the Company commenced site preparation activities, including debris removal and site stabilization activities, and continued with payments to vendors for certain long lead-time equipment. Pursuant to the EDA, PCT must also show continuous construction progress, with regard to the first purification line under the first phase of the Augusta Project during 2024 or risk losing certain future Incentive Benefits. Market conditions

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

remain challenging and have created uncertainty as to the timing or likelihood of success of the currently anticipated project financing for the Augusta Facility. As a result, PCT is currently pursuing various structures for project financing of the Augusta Facility. While PCT remains confident in its ability to finance the Augusta Facility, it is limiting its expenses and adjusting its timeline in light of this uncertainty. If PCT is unable to raise additional debt or equity, when desired, or on terms favorable to PCT, PCT's business, financial condition, and results of operations would be adversely affected.

Feedstock Pricing

PCT sees a robust pipeline of demand for its recycled polypropylene and PCT is seeing market acceptance of its "Feedstock+" pricing model for its UPR resin. The "Feedstock+" pricing model divides the market cost of feedstock by a set yield-loss and adds a fixed price, which effectively passes on the cost of feedstock and de-risks PCT's operating margin volatility.

For the Ironton Facility, PCT's feedstock price was linked, in part, to changes in the Chemical Market Analysis, the index for virgin polypropylene, in a price schedule that contained a fixed, collared price around an index price range, which was further adjusted based on the percentage of polypropylene in the feedstock supplied. For the Augusta Facility and future purification facilities, PCT plans to link the feedstock price, in part, to the price of a no. 5 plastic bale of polypropylene as reported by recyclingmarkets.net ("Feedstock Market Pricing"). PCT will procure both feedstock in line with Feedstock Market Pricing as well as low value feedstocks that can be processed by PCT, below Feedstock Market Pricing for the Augusta Facility.

PreP Facilities

In conjunction with the Augusta Facility, PCT also plans to build and operate Feed PreP facilities in locations geographically near the feed sources to optimize PCT's supply chain economics. During the third quarter of 2022, PCT experienced challenges obtaining the necessary water and sewer permits to construct its first planned Feed PreP facility in Central Florida. PCT is evaluating its available recourses, including legal requirements and remedies with regard to its obligations for the remaining 8 years of its 11-year lease agreement for the Central Florida facility. PCT is also evaluating alternative preprocessing sites in other locations. Also, on August 24, 2022, PCT signed a lease for a future PreP facility in Denver, Pennsylvania, which is expected to be operationally ready in late 2024. Throughout the second half of 2021, PCT developed a feedstock processing system with advanced sorting capabilities that can handle various types of plastics in addition to polypropylene (designated as no. 5 plastic). PCT's enhanced sorting should allow PCT to process plastic bales between no. 1 and no. 7. PCT's new Feed PreP facilities will extract polypropylene and ship it to PCT's purification lines, while the non-polypropylene feed will be sorted, baled, and subsequently sold on the open market.

Letter of No Objection Submission and the Granting of FDA Food Packaging Clearances for Certain Feedstocks

On September 10, 2021, PCT filed for a U.S. Food and Drug Administration ("FDA") Letter of No Objection ("LNO"), for Conditions of Use A – H. Conditions of Use describe the temperature and duration at which a material should be tested to simulate the way the material is intended to be used. Conditions of Use C – H address many consumer product packaging requirements, including applications for hot filled and pasteurized, as well as room temperature, refrigerated and frozen applications. Generally speaking, Conditions of Use A and B relate to extreme temperature applications. The LNO submission also defines the feedstock sources for the Company's planned commercial recycling process, and this LNO submission pertained to (i) food grade post-industrial recycled feedstocks and (ii) food grade curbside post-consumer recycled feedstocks.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

The FDA confirmed receipt of the submission on September 13, 2021 and followed up with additional questions and requests for clarification in a letter received by PCT on January 7, 2022. PCT responded to the FDA's questions on February 17, 2022.

On September 6, 2022, PCT received two separate notifications from the FDA with respect to the following two feedstock sources:

- (i) Food grade post-industrial recycled feedstocks: an FDA opinion letter approving Conditions of Use A – H and
- (ii) Food-grade post-consumer recycled feedstock from stadiums: an FDA LNO for Conditions of Use E – G.

The Company's FDA food contact grades are capable of being used for all food types per the conditions of use listed and per all applicable authorizations in the food contact regulations listed in the 21 CFR (Code of Federal Regulations, Title 21).

The Company is conducting additional testing and plans to make further LNO submissions for additional post-consumer recycled feedstock sources and expanded Conditions of Use.

Future Expansion

On January 17, 2023, the Company announced that its first European purification facility will be in Antwerp, Belgium. On October 20, 2022, the Company executed a Joint Venture Agreement with SK geo centric Co., Ltd., to develop a UPR purification facility in Ulsan, South Korea. The parties will each hold an equal stake in the joint venture with commencement of construction activities pending necessary financing. The Company is also planning to expand its production capabilities into Asia through negotiation of joint ventures with Mitsui & Co. Ltd. in Japan for in-country production and sales. Future expansion is dependent on successful completion of project financing.

Components of Results of Operations

Revenue

PCT generated an immaterial amount of revenue through the first quarter of 2024 but has not yet reached (i) significant continuous operational volumes at the Ironton Facility or (ii) significant revenue generation. The Ironton Facility is expected to be fully operational later in 2024.

Operating Costs

Operating expenses to date have consisted mainly of personnel costs (including wages, salaries and benefits) and other costs directly related to operations at PCT's operating facilities, including rent, depreciation, repairs and maintenance, utilities and supplies. Costs attributable to the design and development of the Ironton Facility, Augusta Facility, and Feed PreP facilities in Central Florida and Denver, Pennsylvania, are capitalized and, when placed in service, will be depreciated over the expected useful life of the asset. We expect our operating costs to increase as we continue to scale operations and increase headcount.

Research and Development Expense

Research and development expenses consist primarily of costs related to the development of the Technology, the facilities and equipment that will use the Technology to purify recycled polypropylene, and the processes needed to collect, sort, and prepare feedstock for purification. These include mainly personnel costs, depreciation for long-lived assets, third-party consulting costs, and the cost of various recycled waste. We expect our research and development expenses to increase for the foreseeable future as we increase investment in feedstock evaluation, including investment in new front-end feedstock mechanical separators to improve feedstock purity and increase the range of feedstocks PCT can process economically. In addition, we are increasing our in-house feedstock analytical capabilities, which will include additional supporting equipment and personnel.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Selling, General and Administrative Expense

Selling, general and administrative expenses consist primarily of personnel-related expenses for our corporate, executive, finance and other administrative functions and professional services, including legal, audit and accounting services. We expect our selling, general, and administrative expenses to increase for the foreseeable future as we scale headcount with the growth of our business, and as a result of operating as a public company, including compliance with the rules and regulations of the SEC, legal, audit, additional insurance expenses, investor relations activities, and other administrative and professional services.

Results of Operations

Comparison of three ended March 31, 2024 and 2023

The following table summarizes our operating results for the three ended March 31, 2024 and 2023:

(in thousands, except %)	Three Months Ended March 31,			
	2024	2023	\$	%
			Change	Change
Costs and expenses				
Operating costs	\$ 21,194	\$ 7,372	\$ 13,822	187 %
Research and development	1,831	1,754	77	4 %
Selling, general and administrative	15,957	12,695	3,262	26 %
Total operating costs and expenses	38,982	21,821	17,161	79 %
Interest expense	15,054	657	14,397	2,192 %
Interest income	(3,602)	(1,933)	(1,669)	86 %
Change in fair value of warrants	13,944	4,835	9,109	188 %
Loss on debt extinguishment	21,214	—	21,214	100 %
Other expense	15	462	(447)	(97) %
Net loss	\$ (85,607)	\$ (25,842)	\$ (59,765)	231 %

Operating costs

The increase for the three month period was primarily attributable to higher depreciation expense related to assets supporting operations of \$7.9 million due primarily to placing the Ironton Facility assets in service in the second quarter of 2023, increased operational site costs of \$4.3 million related to operating the Ironton Facility, higher labor costs of \$1.0 million due primarily to increased contract labor at the Ironton Facility related to plant optimization activities, and higher rent for operating facilities of \$0.7 million.

Research and development expenses

Research and development expenses did not significantly change period over period.

Selling, general and administrative expenses

The increase for the three month period was principally attributable to \$2.1 million higher legal and professional consulting fees primarily related to the purchase of the Revenue Bonds in the first quarter of 2024, and higher insurance cost of \$0.7 million.

Interest expense

The increase for the three month period was attributable to additional financing incurred in the second and third quarters of 2023, including closing of \$250.0 million of green convertible senior notes in August 2023, as well as ceasing capitalization of interest on the Revenue Bonds beginning in June 2023 as the plant is now in service.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Interest income

The increase for the three month period was attributable to higher interest earned on PCT's investment portfolio and money market funds due to rising interest rates, as well as a higher average balance of invested funds in the first quarter of 2024 compared to the same period in 2023.

Change in fair value of warrants

The increased expense for the three month period was attributable to the change in fair value of the Company's liability-classified warrants, of which the primary drivers of the change in valuation related to changes in the underlying price of PCT's common stock, as well as fluctuations in volatility and reduction in the warrant terms with the passage of time.

Loss on debt extinguishment

The amount reported in the first quarter of 2024 relates to the loss recorded on the purchase of the majority of the outstanding Revenue Bonds.

Other expense

Other expenses were not material for either period presented.

Liquidity and Capital Resources

During 2023 and through March 31, 2024, PCT commenced commercial operations and sold an immaterial amount of UPR resin but has not yet reached significant continuous operational volumes. PCT's ongoing operations have, to date, been funded by a combination of equity financing through the issuance of units and debt financing through the issuance of various debt instruments. The following is a summary of the components of our current liquidity. The Debt Securities Available for Sale represent investment holdings in highly liquid debt securities and commercial paper with an average maturity of less than one year. As of December 31, 2023, Restricted Cash consisted primarily of certain amounts required for the Series 2020A Bonds and other initial construction commitments for the Augusta Facility. On March 5, 2024, a subsidiary of the Company purchased 99% of the outstanding Bonds which, among other things, released Restricted Cash to be used to purchase the Bonds. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Indebtedness – Revenue Bonds" for more information.

(in millions)	March 31, 2024		December 31, 2023	
Cash and Cash Equivalents	\$	25.0	\$	73.4
Debt Securities Available for Sale		2.2		48.2
Ironton Facility Bond Reserves	\$	3.5	\$	210.6
Augusta Construction Escrow		7.3		14.4
Letters of Credit and Other Collateral		4.1		4.1
Restricted Cash (current and non-current)	\$	14.9	\$	229.1
Green Convertible Notes	\$	222.3	\$	220.7
Equipment Financing Payable		21.0		21.6
Pure Plastic Related Party Note Payable		41.5		39.7
Revenue Bonds		2.8		234.6
Add: Discount and Issuance Costs		30.7		47.6
Gross Long-term Debt and Related Party Note Payable	\$	318.3	\$	564.2

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

As of March 31, 2024, PCT had \$25.0 million of Cash and Cash Equivalents, Debt Securities Available for Sale of \$2.2 million, and Restricted Cash of \$14.9 million. PCT also has a \$200.0 million revolving credit facility with Sylebra Capital (the "Revolving Credit Facility") that is currently unused and expires on September 30, 2025.

PCT sold an immaterial amount of UPR resin in 2023 and through March 31, 2024. Due to intermittent mechanical challenges during the commissioning process of the Ironton Facility, the Ironton Facility has not yet reached the point of producing meaningful volumes and on-spec product. While these mechanical issues are not uncommon for a first-of-its kind manufacturing facility, the downtime needed to correct these issues is a significant contributing factor to the delay of the Ironton Facility reaching the point of producing meaningful volumes and on-spec product. We expect the Ironton Facility to be fully operational later in 2024.

As of March 31, 2024, PCT anticipates that up to \$12.5 million will be needed to complete the investment in the Ironton Facility, which relates to a performance guarantee payment due after successful completion of a performance testing milestone. PCT also has other capital commitments of approximately \$47.1 million related to long-lead equipment and pre-construction work for the Augusta Facility and \$17.0 million for equipment and leases related to future Feed PreP and purification facilities, both in the U.S. and internationally. Moreover, there are interest payments of at least \$18.5 million, as well as other ongoing monthly costs associated with managing the Company and possible draws on the Revolving Credit Facility.

Pursuant to the requirements of the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 205-40, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, management must evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year from the date the consolidated financial statements included in this Quarterly Report on Form 10-Q are issued. This evaluation does not take into consideration the potential mitigating effect of management's plans that have not been fully implemented or are not within control of the Company as of the date the financial statements are issued. When substantial doubt exists under this methodology, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued, and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued.

PCT believes that its current level of unrestricted liquidity is not sufficient to fund operations, outstanding commitments, and further its future growth plans. The conditions described above raise substantial doubt regarding PCT's ability to continue as a going concern for a period of at least one year from the date of issuance of the consolidated financial statements included in this Quarterly Report on Form 10-Q.

In an effort to alleviate these conditions, PCT is currently performing certain operational enhancements that are expected to correct the production issues with the Ironton Facility. Further, on March 5, 2024, PureCycle Technologies LLC ("PCT LLC") purchased 99% of the outstanding Bonds, which used \$50.8 million, net, of unrestricted cash, and reduced Restricted Cash by \$207.1 million. The purchased Bonds are held in an account with PCT LLC. PCT intends to, and has the ability to, re-market some or all of these Bonds based on the need for additional liquidity. The re-marketing process may require the addition of certain covenants to enhance the marketability of the purchased Bonds. The ability to re-market the purchased Bonds with any such additional new covenants would require a further amendment to, or waiver of, provisions included within the Revolving Credit Facility and Term Loan Credit Agreement. After considering management's plans to mitigate these conditions,

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

including adjustment of expenditure timing and execution of the amendment to the Revolving Credit Facility, PCT believes this substantial doubt has been alleviated and it has sufficient liquidity to continue as a going concern for the next twelve months.

PCT's future capital requirements will depend on many factors, including the funding mechanism and construction schedule of the Augusta Facility and other anticipated facilities outside the United States, build-out of multiple Feed PreP facilities, funding needs to support other business opportunities, funding for general corporate purposes, and other challenges or unforeseen circumstances. As a low-revenue operating company, PCT continually reviews its cash outlays, pace of hiring, professional services and other spend, and capital commitments to proactively manage those needs in tandem with our Available Unrestricted Liquidity balance. For future growth and investment, PCT expects to seek additional debt or equity financing from outside sources, which it may not be able to raise on terms favorable to PCT, or at all. If PCT is unable to raise additional debt or sell additional equity when desired, or if PCT is unable to manage its cash outflows, PCT's business, financial condition, and results of operations would be adversely affected. In addition, any financing arrangement may have potentially adverse effects on PCT and/or its stockholders. Debt financing (if available and undertaken) will increase expenses, must be repaid regardless of operating results and may involve restrictions limiting PCT's operating flexibility. If PCT consummates an equity financing to raise additional funds, the percentage ownership of its existing stockholders will be reduced, and the new equity securities may have rights, preferences or privileges senior to those of the current holders of PCT's common stock.

PCT has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. PCT does not have any off-balance sheet arrangements or interests in variable interest entities that would require consolidation. Note that while certain legally binding offtake arrangements have been entered into with customers, these arrangements are not unconditional and definite agreements subject only to customer closing conditions, and do not qualify as off-balance sheet arrangements required for disclosure.

Cash Flows

A summary of our cash flows for the periods indicated is as follows:

(in thousands, except %)	Three Months Ended March 31,			
	2024	2023	\$ Change	% Change
Net cash used in operating activities	\$ (39,178)	\$ (14,755)	\$ (24,423)	166 %
Net cash provided by investing activities	32,027	52,739	(20,712)	(39)%
Net cash used in financing activities	(255,423)	(1,632)	(253,791)	15,551 %
Cash and cash equivalents, beginning of period	302,514	227,523	74,991	33 %
Cash and cash equivalents, end of period	\$ 39,940	\$ 263,875	\$ (223,935)	(85)%

Cash Flows from Operating Activities

The \$24.4 million increase in net cash used in operating activities for the three months ending March 31, 2024 compared to the same period in 2023 was primarily attributable to higher interest payments on debt of \$16.4 million (including \$8.6 million paid for the green convertible notes and \$5.9 million in outstanding interest paid in connection with the purchase of the Revenue Bonds), an increase in cash payments related to operating expenses of \$5.5 million primarily driven by an increase in operational site costs at the Ironton Facility, higher cash paid related to employee costs of approximately \$3.2 million, higher lease payments for operating facilities and equipment rentals of approximately \$0.8 million, partially offset by higher interest income of \$1.7 million driven primarily by interest earned on the Company's investment portfolio.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Cash Flows from Investing Activities

The \$20.7 million decrease in cash provided by investing activities for the three months ending March 31, 2024 compared to the same period in 2023 was attributable to \$30.6 million higher investment purchases and \$22.4 million lower maturities and sales of investments, offset by \$32.3 million lower capital expenditure payments.

Cash Flows from Financing Activities

The \$253.8 million increase in net cash used in financing activities for the three months ending March 31, 2024 compared to the same period in 2023 was primarily attributable to \$253.2 million paid to purchase the outstanding Revenue Bonds.

Indebtedness

There have been no material changes regarding the Company's indebtedness from the information we provided in our most recent Annual Report on Form 10-K, except as outlined in the information below. Refer to Note 3 ("Notes Payable and Debt Instruments") to the Notes to the Interim Condensed Consolidated Financial Statements appearing elsewhere in this Quarterly Report on Form 10-Q for additional information regarding the Company's outstanding indebtedness.

Revenue Bonds

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 Revenue 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" or "Revenue Bonds").

All of the Bonds are Outstanding under the Indenture. PureCycle Technologies LLC, a Delaware limited liability company (the "Guarantor"), purchased \$246.8 million in aggregate principal amount of Bonds Outstanding under the Indenture on March 5, 2024, of which \$216.8 million in aggregate principal amount are Series 2020A Bonds, and continues to hold all of those purchased Bonds such that the Guarantor comprises the Majority Holders. The Purchase was determined to be an extinguishment of the underlying debt obligation due to PCO being a wholly-owned subsidiary of the Purchaser. PCT intends to, and has the ability to, re-market some or all of these Bonds based on the need for additional liquidity. The re-marketing process may require the addition of certain covenants to enhance the marketability of the purchased Bonds.

On March 25, 2024, SOPA, as Issuer, PCO, the Guarantor, PCTO Holdco LLC, a Delaware limited liability company and affiliate of PCO (the pledgor under the Equity Pledge and Security Agreement) and the Trustee entered into the Fourth Supplemental Indenture (the "Fourth Supplemental Indenture") which amended certain provisions of the Indenture, the Loan Agreement and that certain Amended and Restated Guaranty of Completion, entered into as of

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

May 11, 2021, and effective as of October 7, 2020 (the "Guaranty"), by instructing the Trustee to release \$22.1 million from the Senior Bonds Debt Service Reserve Fund and \$3.3 million from the Repair and Replacement Fund, in each case, to PCO. In addition, the Fourth Supplemental Indenture provides that the Senior Bonds Debt Service Reserve Requirement, the Subordinate Bonds Debt Service Reserve Requirement, and the Repair and Replacement Fund Requirement shall each be reduced to \$0, respectively, and that certain provisions of the Indenture and/or the Loan Agreement, as applicable, relating to the funding and maintenance of the Senior Bonds Debt Service Reserve Fund, the Subordinate Bonds Debt Service Reserve Fund, and the Repair and Replacement Fund, will be suspended until the effectiveness of an amendment to the Indenture, the Loan Agreement and/or other applicable Financing Documents provides otherwise in accordance with the terms of the Indenture, the Loan Agreement and such other applicable Financing Documents.

See Part II, Item 5 of this Quarterly Report on Form 10-Q for additional information regarding the Bonds from the period covered by this Quarterly Report on Form 10-Q to the filing of this Quarterly Report on Form 10-Q.

Sylebra Credit Facility

On March 15, 2023, PCT entered into a \$150 million revolving credit facility (the "Revolving Credit Facility") pursuant to a Credit Agreement (as amended, the "Revolving Credit Agreement") dated as of March 15, 2023, with PureCycle Technologies Holdings Corp. and PureCycle Technologies, LLC (the "Guarantors"), Sylebra Capital Partners Master Fund, LTD, Sylebra Capital Parc Master Fund, and Sylebra Capital Menlo Master Fund (collectively, the "Lenders"), and Madison Pacific Trust Limited (the "Administrative Agent" and "Security Agent"). The Lenders and their affiliates are greater than 5% beneficial owners of PCT.

On March 1, 2024, PCT increased the Revolving Credit Facility from \$150.0 million to \$200.0 million, extended the maturity date to September 30, 2025, and obtained a carveout to permit the Company to purchase the Revenue Bonds, pursuant to an amendment to the Revolving Credit Agreement.

The Pure Plastic Term Loan Facility

On May 8, 2023, the Company entered into a \$40 million term loan facility pursuant to the Term Loan Credit Agreement ("Term Loan Credit Agreement") dated as of May 8, 2023, among the Guarantors and Pure Plastic LLC (as Lender, Administrative Agent, and Security Agent), which matures on December 31, 2025 (the "Term Loan Facility"). The Term Loan Credit Agreement was amended on August 21, 2023. Affiliates of the Lender are greater than 5% beneficial owners of the Company.

On March 1, 2024, PCT increased the amount available to the Company under the Term Loan Credit Agreement's permitted indebtedness covenant basket for the Revolving Credit Facility from \$150.0 million to \$200.0 million and obtained a carve out to permit the Company to purchase the Revenue Bonds. Each of PureCycle Technologies Holdings Corp. and PureCycle Technologies, LLC are subsidiaries of the Company.

Financial Assurance

On March 14, 2024, PCT renewed a surety bond in the amount of \$25.0 million to provide financial assurance related to its performance under a certain vendor contract, which expires at the earlier of satisfaction of the obligation, termination of the related vendor contract, or one year from issuance (subject to renewal within one year).

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

These financial instruments are issued in the normal course of business and are not considered company indebtedness. Because PCT currently has no liability for these financial assurance instruments, they are not reflected in its consolidated balance sheets.

Critical Accounting Policies and Estimates

There have been no significant changes in our critical accounting policies and estimates from the information we provided in our most recent Annual Report on Form 10-K.

Recent Accounting Pronouncements

See Note 2 to the unaudited condensed consolidated interim financial statements included elsewhere in this Quarterly Report on Form 10-Q for more information about recent accounting pronouncements, the timing of their adoption, and our assessment, to the extent we have made one, of their potential impact on our financial condition and our results of operations.

PureCycle Technologies, Inc.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information about market risks as of March 31, 2024 does not differ materially from that included in our most recent Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

PCT's management, with the participation of its principal executive and financial officers, has evaluated the effectiveness of its disclosure controls and procedures in ensuring that the information required to be disclosed in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including ensuring that such information is accumulated and communicated to management (including the principal executive and financial officers) as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, PCT's principal executive and financial officers have concluded that such disclosure controls and procedures were effective as of March 31, 2024 (the end of the period covered by this Quarterly Report on Form 10-Q).

Changes in Internal Control over Financial Reporting

There have been no changes during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, PCT's internal control over financial reporting.

PureCycle Technologies, Inc.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of the legal proceedings pending against us, see “Legal Proceedings” in Note 11 (“Commitments and Contingencies”) to the Notes to the Interim Condensed Consolidated Financial Statements appearing elsewhere in this Quarterly Report on Form 10-Q.

In the future, PCT may become party to additional legal matters and claims arising in the ordinary course of business. While PCT is unable to predict the outcome of the above or future matters, it does not believe, based upon currently available facts, that the ultimate resolution of any such pending matters will have a material adverse effect on its overall financial position, results of operations, or cash flows.

ITEM 1A. RISK FACTORS

There have been no material changes from risk factors previously disclosed in our most recent Annual Report on Form 10-K in response to Part 1, Item 1A.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information with respect to the Company’s purchases of its common stock for the first quarter of 2024:

Period	(a) Total number of shares (or units) purchased*	(b) Average price paid per share (or unit)*	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs
January 1 to January 31	—	\$ —	—	\$ —
February 1 to February 29	—	—	—	—
March 1 to March 31	98,651	6.07	—	—
Total	98,651	\$ 6.07	—	\$ —

* Shares withheld to cover tax withholding obligations under the net settlement provision upon vesting of restricted stock units

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II — OTHER INFORMATION — CONTINUED

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

None of the Company's directors or officers adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K, during the Company's fiscal quarter ended March 31, 2024.

Entry into a Material Definitive Agreement

On May 7, 2024, PCT LLC entered into an agreement with Pure Plastic LLC ("Pure Plastic"), a Delaware limited liability company, whereby Pure Plastic will 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 (the "Pure Plastic Purchase Agreement"). Affiliates of Pure Plastic are greater than 5% beneficial owners of the Company.

As total consideration for the Purchased Bonds, the aggregate amount of principal outstanding, together with accrued but unpaid interest thereon, of approximately \$45.5 million under the Term Loan Facility will be deemed to be prepaid in full and PCT LLC will receive \$30 million in cash, as further provided for in the Payoff and Release Letter (as defined below).

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

The Pure Plastic Purchase Agreement requires PCT LLC to make best efforts to:

- Obtain SOPA's authorization, on or before June 5, 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 will 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 will 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.
 - Include 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.
 - Include in the Indenture and in the Loan Agreement customary events of default related to failure to perform financial covenants.

Pursuant to the Payoff and Release Letter, by and among the Company, the Credit Facility Guarantors (as defined in the Pure Plastic Purchase Agreement) and Pure Plastic (the "Payoff and Release Letter"), which is to be entered

PART II — OTHER INFORMATION — CONTINUED

into as of the Initial Closing Date (as defined in the Pure Plastic Purchase Agreement), the Company is 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") plus certain expenses. The Company will 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 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 on or after November 6, 2024. The Series B Warrants will expire on December 1, 2030. The Company will pay the expenses in cash.

The Payoff and Release Letter also provides that if the Term Loan Facility is not paid off by a certain date, the Payoff Amount (as defined therein) will be increased by a specific amount on a daily basis. The Payoff and Release Letter will terminate and be of no force or effect if the Payoff Date (as defined therein) does not occur by 5:00 p.m. (Eastern Time) on May 17, 2024.

Lastly, the Payoff and Release Letter provides that all of the Obligations (as defined therein) under the Term Loan Facility shall be deemed paid and satisfied in full upon the satisfaction of certain conditions and, furthermore, upon the satisfaction of such conditions, all liens securing the Obligations shall be deemed to be fully released and discharged.

The foregoing descriptions of the Pure Plastic Purchase Agreement, the Fifth Supplemental Indenture (which is included as Exhibit D to the Pure Plastic Purchase Agreement), the Payoff and Release Letter, and the Series B Warrant Agreement (which is included as Exhibit B to the Payoff and Release Letter) and are not complete and are qualified in their entirety by reference to the full text of the agreements or the "form of" the agreements, which are attached hereto as Exhibits 10.6, 10.7, 10.8, and 10.9 and incorporated herein by reference.

Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information contained under the section above entitled "Entry into a Material Definitive Agreement" is incorporated here by reference. Upon the occurrence of an Event of Default (as defined in the Indenture), the amount outstanding under the Bonds may be accelerated. Refer to Note 3 ("Notes Payable and Debt Instruments") to the Notes to the Interim Condensed Consolidated Financial Statements appearing elsewhere in this Quarterly Report on Form 10-Q for additional information regarding the material terms of the Bonds.

Unregistered Sales of Equity Securities

The information contained under the section above entitled "Entry into a Material Definitive Agreement" is incorporated here by reference. The Company offered and sold the Purchased Bonds and the Series B Warrants to Pure Plastic in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act") and Regulation D thereunder. Pure Plastic represented that it is an "accredited investor" within the meaning of Regulation D under the Securities Act and that it acquired the securities for investment purposes, and not with a current view to, or for resale in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof. The securities are not registered under the Securities Act and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act and any applicable state securities laws.

PureCycle Technologies, Inc.

PART II — OTHER INFORMATION — CONTINUED

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
2.1	<u>Agreement and Plan of Merger, dated as of November 16, 2020, by and among Roth CH Acquisition I Co., Roth CH Acquisition I Co. Parent Corp., Roth CH Merger Sub, LLC, Roth CH Merger Sub, Inc. and PureCycle Technologies, LLC. (incorporated herein by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-4, as amended (File No. 333-250847)) †</u>
3.1	<u>Amended and Restated Certificate of Incorporation of PureCycle Technologies, Inc., filed with the Secretary of State of Delaware on March 17, 2021 (incorporated herein by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1, as amended (File No. 333-251034))</u>
3.2	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation of PureCycle Technologies, Inc. to Declassify the Board of Directors (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 15, 2023)</u>
3.3	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation of PureCycle Technologies, Inc. to Incorporate Certain Other Changes (incorporated herein by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on May 15, 2023)</u>
3.4	<u>Second Amended and Restated Bylaws of PureCycle Technologies, Inc. (incorporated herein by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed on May 15, 2023)</u>
10.1	<u>Second Amendment to Credit Agreement, dated as of March 1, 2024, among PureCycle Technologies, Inc., as the Borrower, PureCycle Technologies Holdings Corp. and PureCycle Technologies, LLC, as Guarantors, Pure Plastic LLC, as the Lender and Pure Plastic LLC, as the Administrative Agent and Security Agent (incorporated herein by reference to Exhibit 10.45 to the Company's Annual Report on Form 10-K filed on March 6, 2024)</u>
10.2	<u>Fourth Amendment to Credit Agreement, dated as of March 1, 2024, among PureCycle Technologies, Inc. as the Borrower, PureCycle Technologies, LLC and PureCycle Technologies Holdings Corp., as Guarantors, the Lenders party thereto, and Madison Pacific Trust Limited, as Administrative Agent and Security Agent (incorporated herein by reference to Exhibit 10.46 to the Company's Annual Report on Form 10-K filed on March 6, 2024)</u>
10.3	<u>Bond Purchase Agreement and Consent, dated as of March 5, 2024, by and among PureCycle: Ohio LLC, PureCycle Technologies LLC, as the Guarantor and Purchaser, and the consenting Holders of the Bonds, as Sellers (incorporated herein by reference to Exhibit 10.47 to the Company's Annual Report on Form 10-K filed on March 6, 2024)</u>
10.4	<u>Third Supplemental Indenture, dated as of March 5, 2024, among the Southern Ohio Port Authority, PureCycle: Ohio LLC, PureCycle Technologies LLC, PCTO Holdco LLC and UMB Bank, N.A., as Trustee (incorporated herein by reference to Exhibit 10.48 to the Company's Annual Report on Form 10-K filed on March 6, 2024)</u>
10.5	<u>Fourth Supplemental Indenture, dated as of March 25, 2024, among the Southern Ohio Port Authority, PureCycle: Ohio LLC, PureCycle Technologies LLC, PCTO Holdco LLC and UMB Bank, N.A., as Trustee (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 25, 2024)</u>
10.6	<u>Bond Purchase Agreement, dated as of March 7, 2024, by and between Pure Plastic LLC as Purchaser and PureCycle Technologies LLC as Seller and Guarantor*</u>
10.7	<u>Form of Fifth Supplemental Indenture (included as Exhibit D to the Bond Purchase Agreement filed as Exhibit 10.6 to this Quarterly Report)*</u>

PureCycle Technologies, Inc.

PART II — OTHER INFORMATION — CONTINUED

- 10.8 [Form of Payoff and Release Letter, by and among PureCycle Technologies, Inc. as the Borrower, PureCycle Technologies LLC and PureCycle Technologies Holdings Corp., as Guarantors, and Pure Plastic LLC, as the Administrative Agent and Security Agent* †](#)
- 10.9 [Form of Series B Warrant \(included as Exhibit B to the Form of Payoff and Release Letter filed as Exhibit 10.8 to this Quarterly Report\)*](#)
- 31.1 [Rule 13a – 14\(a\) Certification by Dustin Olson, Chief Executive Officer, for the quarter ended March 31, 2024*](#)
- 31.2 [Rule 13a – 14\(a\) Certification by Jaime Vasquez, Chief Financial Officer, for the quarter ended March 31, 2024*](#)
- 32.1 [Section 1350 Certification by Dustin Olson, Chief Executive Officer, for the quarter ended March 31, 2024*](#)
- 32.2 [Section 1350 Certification by Jaime Vasquez, Chief Financial Officer, for the quarter ended March 31, 2024*](#)
- 101.1 The following financial statements from PureCycle Technologies, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024, formatted in Inline XBRL (eXtensible Business Reporting Language):
- (i) Condensed Consolidated Balance Sheets as of March 31, 2024 (Unaudited) and December 31, 2023.
 - (ii) Unaudited Condensed Consolidated Statements of Comprehensive Loss for the Three Months Ended March 31, 2024 and 2023.
 - (iii) Unaudited Condensed Consolidated Statements of Stockholders Equity for the Three Months Ended March 31, 2024 and 2023.
 - (iv) Unaudited Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2024 and 2023.
 - (v) Notes to the Interim Condensed Consolidated Financial Statements.
- 104.1 Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Filed herewith.

† Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish copies of any of the omitted schedules upon request by the Securities and Exchange Commission.

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, thereunto duly authorized.

PURECYCLE TECHNOLOGIES INC.

(Registrant)

By: /s/ Dustin Olson

Dustin Olson

Chief Executive Officer

(Principal Executive Officer)

By: /s/ Jaime Vasquez

Jaime Vasquez

Chief Financial Officer

(Principal Financial Officer)

Date: May 8, 2024

BOND PURCHASE AGREEMENT

This BOND PURCHASE AGREEMENT (this “*Agreement*”) is entered into as of May 7, 2024, by and between Pure Plastic LLC, a Delaware limited liability company (the “*Purchaser*”), and PureCycle: Technologies LLC, a Delaware limited liability company, qualified to do business in the State of Ohio (the “*Seller*” or the “*Guarantor*” and together with the Purchaser, the “*parties*”). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Indenture (as defined herein).

WHEREAS, Southern Ohio Port Authority, a port authority and a body corporate and politic duly organized under the laws of the State of Ohio (the “*Issuer*”) and UMB Bank, N.A., as trustee (the “*Trustee*”), are party to that certain Indenture of Trust, dated as of October 1, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the “*Indenture*”), pursuant to which the Issuer has issued the \$219,550,000 Southern Ohio Port Authority Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020A (the “*Series 2020A Bonds*” or the “*Senior Bonds*”), the \$20,000,000 Southern Ohio Port Authority Subordinate Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020B (the “*Series 2020B Bonds*” and together with the Series 2020A Bonds, the “*Tax-Exempt Bonds*”), and the \$10,000,000 Southern Ohio Port Authority Subordinate Exempt Facility Revenue Bonds (PureCycle Project), Taxable Series 2020C (the “*Series 2020C Bonds*” or the “*Taxable Bonds*” and together with the Series 2020B Bonds, the “*Subordinate Bonds*”, and together with the Tax-Exempt Bonds, the “*Bonds*”);

WHEREAS, all of the Bonds are Outstanding;

WHEREAS, the Issuer and PureCycle: Ohio LLC, an Ohio limited liability company (the “*Company*”) are party to that certain Loan Agreement, dated as of October 1, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the “*Loan Agreement*”), pursuant to which the proceeds derived from the issuance and sale of the Bonds have been loaned to the Company in order to assist the Company in, among other things, financing the acquisition, construction, equipping and installation of a portion of a plastics recycling facility located in Lawrence County, Ohio;

WHEREAS, the Seller is party to that certain Amended and Restated Guaranty of Completion, entered into as of May 11, 2021, and effective as of October 7, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the “*Guaranty*”), pursuant to which the Seller, in its capacity as Guarantor, has provided a guaranty with respect to Obligations of the Company under the Loan Agreement on the terms set forth therein in favor of the Trustee;

WHEREAS, pursuant to that certain Purchase Agreement and Consent dated as of March 5, 2024, Guarantor purchased (i) all of the Subordinate Bonds, and (ii) all but \$2,800,000 in aggregate principal amount of the Senior Bonds; and as of this date, the Guarantor is the Holder of the aforesaid Subordinate Bonds and all but \$2,800,000 of the Senior Bonds;

WHEREAS, the Seller is willing to sell to Purchaser those Bonds listed on Exhibit A to this Agreement (the “*Purchased Bonds*”), at a purchase price of \$800 per \$1,000 principal amount of Purchased Bonds (the “*Purchase Price*”) upon the terms and conditions set forth in this Agreement;

WHEREAS, the Purchaser agrees with the Seller that Purchaser will purchase the Purchased Bonds from Seller at the Purchase Price and upon the terms and conditions set forth herein;

WHEREAS, on May 8, 2023, PureCycle Technologies, Inc., a Delaware corporation and parent of the Seller and the Company ("**PCT Inc.**"), entered into \$40.0 million Term Loan Facility (the "**Loan**") pursuant to a Term Loan Credit Agreement dated as of May 8, 2023, as amended August 21, 2023 and March 1, 2024 (the "**Term Loan Credit Agreement**"), among PCT Inc., PureCycle Technologies Holdings Corp. and the Seller (collectively, the "**Credit Facility Guarantors**"), and the Purchaser, which matures on December 31, 2025;

WHEREAS, amounts outstanding under the Term Loan Credit Agreement bear interest at a variable annual rate equal to Term SOFR (as defined in the Term Loan Credit Agreement) in effect for such period plus an applicable margin equal to 7.5%, and the interest rate for the outstanding Loan was 12.91929% as of May 6, 2024; the Loan was issued with a 5% original issue discount; and there is a prepayment premium of 12% of the amount paid (the "**Prepayment Premium Amount**");

WHEREAS, as of May 10, 2024, the aggregate amount of principal outstanding, together with accrued but unpaid interest thereon under the Term Loan Credit Agreement is Forty-Five Million Four Hundred Fifty Thousand Five Hundred and Thirty-Eight Dollars (\$45,450,538) (the "**Outstanding Principal and Interest Payoff Amount**"), all as more particularly described in that certain Payoff and Release Letter dated as of Initial Closing Date (the "**Payoff and Release Letter**") by and among PCT, Inc., the Credit Facility Guarantors and the Purchaser;

WHEREAS, the Purchaser and the Seller agree that the Purchase Price for the Purchased Bonds shall be paid to the Seller by the Purchaser (i) by the deemed satisfaction of the Outstanding Principal and Interest Payoff Amount in accordance with and subject to the terms and conditions of the Payoff and Release Letter to be delivered on the Initial Closing Date, (ii) together with cash in the amount of Thirty Million Dollars (\$30,000,000), to be paid as provided herein, and that any and all other Payoff Amounts (as defined in the Payoff and Release Letter) payable in connection with Payoff and Release Letter, including, with limitation, any Prepayment Premium Amount (all such Payoff Amounts other than the Outstanding Principal and Interest Amount, the "**Other Payoff Amounts**"), shall be paid by PCT, Inc. from other sources and in the manner provided in the Payoff and Release Letter;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained in this Agreement, and for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereto agree as follows:

1. Preambles. The parties acknowledge and agree that the preambles to this Agreement are accurate; and hereby agree that the preambles are incorporated in this Agreement.

2. Closing Date. The "**Initial Closing Date**" shall be the earliest date on which the Conditions set forth in Sections 3(a) and 3(d) are satisfied, anticipated to be May 10, 2024. The "**First Additional Delivery Date**" shall be May 15, 2024. The "**Final Additional Delivery Date**" shall be June 5, 2024, provided that the condition described in Section 5(a) of this Agreement has been met. On the Initial Closing Date those Purchased Bonds in the aggregate par amount of \$69,315,000 and identified on Exhibit A shall be delivered to the Purchaser upon satisfaction of the conditions set forth in Sections 3(a) and 3(d) of this Agreement; on the First Additional Delivery Date, those Purchased Bonds in the aggregate par amount of \$6,250,000 and identified on Exhibit A shall be delivered to the Purchaser upon satisfaction of the conditions set forth in Sections 3(b) and 3(e) of this Agreement and payment to Seller of the Purchase Price allocable to said Purchased Bonds; and on the Final Additional Delivery Date, those Purchased Bonds in the aggregate par amount of \$18,750,000 and identified on Exhibit A shall be delivered to the Purchaser upon satisfaction of the conditions set forth in Sections 3(c) and 3(f) of this Agreement and payment to Seller of the Purchase Price allocable to said Purchased Bonds. The

Purchaser shall deliver cash in the amount of \$10,000,000 on the Initial Closing Date; cash in the amount of \$5,000,000 on the First Additional Delivery Date; and cash in the amount of \$15,000,000 on the Final Additional Delivery Date.

3. Conditions to Purchase of Bonds and Effectiveness of Consents.

(a) *Conditions to be Satisfied by the Seller.* On or prior to the Initial Closing Date:

i. Seller shall have performed and complied in all material respects with the covenants and agreements required to be performed or complied with by the Seller hereunder on or prior to the Initial Closing Date.

ii. Seller shall have validly delivered or caused to be delivered to the Purchaser that portion of the Purchased Bonds for which payment is received on the Initial Closing Date in accordance with the methods of and restrictions on transfer set forth in the Indenture.

iii. Purchaser shall have received the Payoff and Release Letter, duly executed on behalf of PCT Inc. and each of the Credit Facility Guarantors, and shall have received all Payoff Amounts, including, without limitation, all Other Payoff Amounts to be paid by PCT, Inc, in connection therewith and shall otherwise be satisfied that all other Release Conditions (as defined therein) have been satisfied in the manner provided for therein.

iv. Purchaser shall have received this Purchase Agreement, duly executed on behalf of the Seller.

v. The following additional conditions shall have been met:

(A) Seller shall obtain from Frost Brown Todd LLP ("**Bond Counsel**") a reliance letter addressed to Purchaser permitting Purchaser to rely on the opinion of Bond Counsel dated March 26, 2024 stating that execution and delivery of the Fourth Supplemental Indenture will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal income tax purposes; provided, however, that interest on any Tax-Exempt Bond for any period during which such Tax-Exempt Bond is held by a "substantial user" of the facilities financed by the Tax-Exempt Bonds, or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as Amended (the "Code"), is not excludible from gross income for purposes of federal income taxation pursuant to Section 103 of the Code. Such form of opinion is referred to herein as the "Tax Opinion."

(B) Seller shall obtain a Tax Opinion related to the Tax-Exempt Bonds from Bond Counsel with respect to the execution of this Bond Purchase Agreement together with a reliance letter addressed to Purchaser permitting Purchaser to rely on such Tax Opinion.

(C) Seller shall obtain from Bond Counsel the forms of Tax Opinion and reliance letters addressed to the Purchaser that it will deliver on the date of adoption of the Supplemental Indentures referred to in Sections 5(a) and 5(b) below with respect to the Tax-Exempt Bonds and Bond Counsel's statement that,

with appropriate assumptions, it will deliver those opinions and reliance letters on adoption of the Fifth Supplemental Indenture and the Sixth Supplemental Indenture (each, as defined herein), respectively.

(b) *Conditions to be Satisfied by the Seller.* On or prior to the First Additional Delivery Date:

- i. Seller shall have performed and complied in all material respects with the covenants and agreements required to be performed or complied with by the Seller hereunder on or prior to the First Additional Delivery Date.
- ii. Seller shall have validly delivered or caused to be delivered to the Purchaser that portion of the Purchased Bonds for which payment is received on the First Additional Delivery Date in accordance with the methods of and restrictions on transfer set forth in the Indenture.

(c) *Conditions to be Satisfied by the Seller.* On or prior to the Final Additional Delivery Date:

- i. Seller shall have performed and complied in all material respects with the covenants and agreements required to be performed or complied with by the Seller hereunder on or prior to the Final Additional Delivery Date.
- ii. Seller shall have validly delivered or caused to be delivered to the Purchaser that portion of the Purchased Bonds for which payment is received on the Final Additional Delivery Date in accordance with the methods of and restrictions on transfer set forth in the Indenture.
- iii. The Fifth Supplemental Indenture shall have been duly authorized, executed and delivered and Seller shall have provided a fully executed copy of the Fifth Supplemental Indenture to the Purchaser.

(d) *Conditions to be Satisfied by the Purchaser.* On or prior to the Initial Closing Date:

- i. Purchaser shall have performed and complied in all material respects with the covenants and agreements required to be performed or complied with by it, respectively, hereunder on or prior to the Initial Closing Date, including the due execution and delivery of the Investor Letter substantially in the form attached hereto as Exhibit B with respect to all of the Purchased Bonds. Purchaser shall have provided the securities account information to which the Purchased Bonds to be delivered on the Initial Closing Date shall be transferred within the Depository Trust Company “book-entry” system. Purchaser represents that it agrees to settling the transaction by “free delivery” through UBS Financial Services, Inc.
- ii. Purchaser shall deliver, or cause to be delivered, to the Seller’s account indicated on Exhibit C attached hereto, funds aggregating the cash component of that portion of the Purchased Bonds for which payment is due on the Initial Closing Date by wire transfer of immediately available funds.
- iii. Purchaser shall deliver to Seller the Payoff and Release Letter, duly executed on behalf of the Purchaser, and, subject to the satisfaction of all Release Conditions

(as defined therein), any and all documentation related to termination of all security interests granted in favor of the Seller in connection with the Loan, in each case, in the manner provided therein.

iv. Seller shall have received this Purchase Agreement, duly executed on behalf of the Purchaser.

(e) *Conditions to be Satisfied by the Purchaser.* On or prior to the First Additional Delivery Date:

i. Purchaser shall have performed and complied in all material respects with the covenants and agreements required to be performed or complied with by it, respectively, hereunder on or prior to the First Additional Delivery Date. Purchaser shall have provided the securities account information to which the Purchased Bonds to be delivered on the First Additional Delivery Date shall be transferred within the Depository Trust Company “book-entry” system. Purchaser represents that it agrees to settling the transaction by “free delivery” through UBS Financial Services, Inc.

ii. Purchaser shall deliver, or cause to be delivered, to the Seller’s account indicated on Exhibit C attached hereto, funds aggregating the cash due with respect to that portion of the Purchased Bonds for which payment is due on the First Additional Delivery Date by wire transfer of immediately available funds.

(f) *Conditions to be Satisfied by the Purchaser.* On or prior to the Final Additional Delivery Date:

i. Purchaser shall have performed and complied in all material respects with the covenants and agreements required to be performed or complied with by it, respectively, hereunder on or prior to the First Additional Delivery Date. Purchaser shall have provided the securities account information to which the Purchased Bonds to be delivered on the First Additional Delivery Date shall be transferred within the Depository Trust Company “book-entry” system. Purchaser represents that it agrees to settling the transaction by “free delivery” through UBS Financial Services, Inc.

ii. Purchaser shall deliver, or cause to be delivered, to the Seller’s account indicated on Exhibit C attached hereto, funds aggregating the cash due with respect to that portion of the Purchased Bonds for which payment is due on the First Additional Delivery Date by wire transfer of immediately available funds.

(g) *Expenses of the Parties.* Each party shall pay its respective fees and expenses relating to the performance of this Agreement, including all attorney fees.

4. Purchase of Bonds.

(a) On the Initial Closing Date, upon the satisfaction of the conditions set forth in Section 3 with respect to the Initial Closing Date:

i. The Purchaser shall acquire the component of the Purchased Bonds from the Seller due on the Initial Closing Date, free and clear of all taxes,

liens, security interests, options, purchase rights or other encumbrances of any kind.

(b) On the Additional Delivery Date, upon the satisfaction of the conditions set forth in Section 3 with respect to the Additional Delivery Date:

i. The Purchaser shall acquire the component of the Purchased Bonds from the Seller due on the Additional Delivery Date, free and clear of all taxes, liens, security interests, options, purchase rights or other encumbrances of any kind.

5. Supplemental Indentures.

(a) Seller agrees that it shall make best efforts to obtain the Issuer's authorization on or before June 5, 2024 to enter into a Supplemental Indenture (the "*Fifth Supplemental Indenture*") in substantially the form attached hereto as Exhibit D supplementing the Indenture, and to direct the Trustee to execute and deliver said Supplemental Indenture. Seller shall obtain from Bond Counsel a Tax Opinion dated as of the date of the Fifth Supplemental Indenture with respect to the Fifth Supplemental Indenture together with a reliance letter addressed to Purchaser as described in Section 3(a)(v)(C), above.

(b) Seller agrees that it shall make best efforts to obtain the Issuer's authorization no later than September 30, 2024, to enter into a Supplemental Indenture (the "*Sixth Supplemental Indenture*") supplementing the Indenture and the Loan Agreement and any other Financing Document as may be necessary in order to implement covenants listed on Exhibit E attached hereto, and to direct the Trustee to execute and deliver said Supplemental Indenture. Seller shall obtain from Bond Counsel a Tax Opinion dated as of the date of the Sixth Supplemental Indenture with respect to the Sixth Supplemental Indenture together with a reliance letter addressed to Purchaser as described in Section 3(a)(v)(C), above.

6. Amendment and Waiver. No modification, amendment or waiver of any provision of this Agreement shall be effective against the Seller or the Purchaser unless such modification, amendment or waiver is approved in writing by the Seller and the Purchaser.

7. Governing Law. ALL ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF OHIO OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAW OF ANY JURISDICTION OTHER THAN THE STATE OF OHIO.

8. Counterparts. This Agreement may be executed (manually, electronically or digitally) in any number of counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same instrument but will not be binding upon any party hereto unless and until executed by and delivered to all parties hereto. When properly executed and delivered, this Agreement will be binding upon and inure to the benefit of the Purchaser and the Seller, and each of their respective successors and permitted assigns. The execution and delivery of this Agreement by each party hereto may be evidenced by facsimile or other

electronic transmission (including scanned documents delivered by email in pdf format), which will be binding upon all parties hereto.

9. Severability, Entire Agreement, Etc. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. Except as otherwise expressly set forth herein, this Agreement and the other agreements expressly mentioned herein embody the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

SELLER:

PureCycle Technologies LLC

By: /s/ Brad S. Kalter
Brad S. Kalter
Secretary

PURCHASER:

Pure Plastic LLC

By: /s/ Dan Gibson

[Signature page to Bond Purchase Agreement]

Exhibit A

Purchased Bonds

I. Purchased Bonds to be delivered to Purchaser on the Initial Closing Date include the following:

<u>Par Amount</u>	<u>CUSIP Numbers</u>
\$10,000,000	84355A AF9
\$10,000,000	84355A AE2
\$10,000,000	84355A AD4
\$12,370,000	84355A AA0
<u>\$26,945,000</u>	84355A AB8
<u>\$69,315,000</u>	

II. Purchased Bonds to be delivered to Purchaser on the First Additional Delivery Date include the following:

<u>Par Amount</u>	<u>CUSIP Number</u>
\$6,250,000	84355A AB8

III. Purchased Bonds to be delivered to Purchaser on the Final Additional Delivery Date include the following:

<u>Par Amount</u>	<u>CUSIP Numbers</u>
\$ 5,505,000	84355A AB8
<u>\$13,245,000</u>	84355A AC6
<u>\$18,750,000</u>	

IV. Total Par Amount of Bonds Purchased \$94,315,000

V. Total Purchase Price \$75,452,000

Exhibit B

Investor Letter

FORM OF INVESTOR LETTER

May [10], 2024

PureCycle Technologies LLC
5950 Hazeltine National Drive, Suite 300
Orlando, Florida 32822

Locke Lord LLP
7850 Five Mile Road
Cincinnati, OH 45230

Re: \$10,000,000 Southern Ohio Port Authority Subordinate Exempt Facility Revenue Bonds (PureCycle Project), Taxable Series 2020C (the “Series 2020C Bonds”);

\$20,000,000 Southern Ohio Port Authority Subordinate Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020B (the “Series 2020B Bonds”); and

\$ _____ Southern Ohio Port Authority Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020A (the “Series 2020A Bonds” and collectively with the Series 2020C Bonds and the Series 2020B Bonds, the “Bonds”)

Ladies and Gentlemen:

The undersigned, being the purchaser (the “Purchaser”) of the above-referenced Bonds from PureCycle Technologies LLC (the “Seller”) on this date, hereby represents and acknowledges to you as follows:

1. The Purchaser has purchased the Bonds on the date hereof at the price of \$800 per \$1,000 principal amount of the Bonds purchased, said Bonds having been issued pursuant to that certain Indenture of Trust, dated as of October 1, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the “Trust Indenture”), between the Southern Ohio Port Authority (the “Issuer”) and UMB Bank, N.A., as trustee (the “Trustee”).

2. The Purchaser has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bonds in particular, to enable the Purchaser to evaluate the Bonds, the credit of PureCycle: Ohio LLC (the “Company”) and the Seller, the collateral and the terms of the Bonds. The Purchaser has made its own independent credit analysis and decision to purchase the Bonds based on its independent examination and evaluation of the Limited Offering Memorandum dated September 23, 2020 relating to the Bonds and the documents listed in paragraph 4 hereof.

3. The Purchaser acknowledges that no credit rating has been sought or obtained with respect to the Bonds.

4. The Purchaser acknowledges that it has been offered copies of the Financing Documents (as defined in the Trust Indenture), and such financial and other information by the Seller and the Company and has been provided the opportunity to ask such questions as Purchaser deems

necessary to enable the Purchaser to make an informed investment decision with respect to the purchase of the Bonds.

5.The Purchaser acknowledges that at this date the Seller is the Majority Holder of Bonds under the terms of the Trust Indenture, and that upon execution and delivery of the Fifth Supplemental Indenture described in the Bond Purchase Agreement of even date herewith, by and between the Seller and the Purchaser, the definition of Majority Holders in the Trust Indenture will be revised and the Seller will no longer be the Majority Holder under the Trust Indenture.

6.The Purchaser’s investment in the Bonds constitutes an investment that is suitable for and consistent with its investment program, and the Purchaser is able to bear the economic risk of an investment in the Bonds, including a complete loss of such investment.

7.The Purchaser is an “Accredited Investor” within the meaning of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”) or a “Qualified Institutional Buyer” within the meaning of Rule 144A under the Securities Act.

8.The Purchaser is purchasing the Bonds for investment purposes, and not with a current view to, or for resale in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof, provided that, although the Purchaser does not intend at this time to dispose of all or any part of the Bonds, the Seller acknowledges that the Purchaser has the right to sell and transfer the Bonds in accordance with the terms and conditions of the Trust Indenture. The Purchaser acknowledges that it is solely responsible for compliance with the provisions of this paragraph, and covenants and agrees with the Seller that it will comply with the Trust Indenture and all applicable federal or state securities laws then in effect with respect to any subsequent sale, transfer or other disposition of the Bonds, and will notify any subsequent purchaser of Bonds of the resale restriction referred to in the Trust Indenture.

9.The Purchaser acknowledges that the Bonds (i) have not been registered under the Securities Act, and (ii) have not been registered or qualified for sale under any state securities or “Blue Sky” laws, and that the Trust Indenture has not been qualified under the Trust Indenture Act of 1939, as amended.

10.The Purchaser acknowledges that you will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

PURE PLASTIC LLC

By: _____

Name: _____

Title: _____

Exhibit C

Wire Instructions for Seller's Account

XXXXXXXXXXXX

ABA #XXXXXXXXXXXX

Account Name: XXXXXXXXXXXXXXX

Account No.: XXXXXXXXXXXXXXX

Further Credit: XXXXXXXXXXXXXXX

Exhibit D

Substantial Form of Fifth Supplemental Indenture

FIFTH SUPPLEMENTAL INDENTURE

This FIFTH SUPPLEMENTAL INDENTURE, dated as of _____. 2024 (this “*Fifth Supplemental Indenture*”), is entered into by and among SOUTHERN OHIO PORT AUTHORITY, a port authority and a body corporate and politic duly organized under the laws of the State of Ohio (the “*Issuer*”), PURECYCLE: OHIO LLC, a limited liability company organized and existing under the laws of the State of Ohio (the “*Company*”), PURECYCLE TECHNOLOGIES LLC, a Delaware limited liability company (the “*Guarantor*”), PCTO HOLDCO LLC, a Delaware limited liability company (the “*Pledgor*”; and together with the Company and the Guarantor, the “*Company Parties*”), and UMB BANK, N.A., a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States and having a corporate trust office in Minneapolis, Minnesota, as trustee (the “*Trustee*”). All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Indenture (as defined below).

WITNESSETH:

WHEREAS, the Issuer and the Trustee are party to that certain Indenture of Trust, dated as of October 1, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the “*Indenture*”), pursuant to which the Issuer has issued its \$219,550,000 Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020A (the “*Series 2020A Bonds*” or the “*Senior Bonds*”), its \$20,000,000 Subordinate Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020B (the “*Series 2020B Bonds*” and, together with the Series 2020A Bonds, the “*Tax-Exempt Bonds*”), and its \$10,000,000 Subordinate Exempt Facility Revenue Bonds (PureCycle Project), Taxable Series 2020C (the “*Series 2020C Bonds*” and, together with the Series 2020B Bonds, the “*Subordinate Bonds*” and, the Series 2020C Bonds collectively with the Series 2020A Bonds and Series 2020B Bonds, the “*Bonds*”);

WHEREAS, the Issuer and the Company are party to that certain Loan Agreement, dated as of October 1, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the “*Loan Agreement*”), pursuant to which the proceeds derived from the issuance and sale of the Bonds have been loaned to the Company in order to, among other things, assist the Company in financing the acquisition, construction, equipping and installation of a portion of a plastics recycling facility located in Lawrence County, Ohio;

WHEREAS, the Guarantor is party to that certain Amended and Restated Guaranty of Completion, entered into as of May 11, 2021, and effective as of October 7, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the “*Guaranty*”), pursuant to which the Guarantor has provided a guaranty with respect to the Obligations (as defined in the Guaranty) of the Company on the terms set forth therein, in favor of the Trustee;

WHEREAS, the Pledgor is party to that certain Equity Pledge and Security Agreement, dated as of October 7, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the “*Equity Pledge and Security Agreement*”), pursuant to which the Pledgor has secured the Company’s obligations under the Financing Documents and Bond Documents by, among other things, pledging the Pledged Interests (as defined in the Equity Pledge and Security Agreement) to the Trustee on the terms set forth therein;

WHEREAS, pursuant to the terms of that certain Purchase Agreement and Consent, dated as of March 5, 2024, by and among the Company, the Guarantor, and each of the other signatories thereto, the Guarantor purchased, and as of the date hereof is the Holder of, (i) all of the Outstanding Subordinate Bonds, and (ii) \$216,750,000 in aggregate principal amount of the Outstanding Senior Bonds, with the effect that, as of the date hereof the Guarantor is the Holder of a majority in aggregate principal amount of the Senior Bonds Outstanding and, therefore, constitutes the Majority Holders;

WHEREAS, the Company has requested that the Trustee, at the direction of the Majority Holders, amend certain provisions of the Indenture and other Financing Documents as described herein;

WHEREAS, pursuant to such request, the Guarantor, in its capacity as Majority Holders, has agreed to amend certain provisions of the Indenture and other Financing Documents, subject to the terms and conditions set forth herein, and has directed the Trustee to execute this Fifth Supplemental Indenture pursuant to that certain Direction and Indemnity, dated as of _____, 2024 (the “*Direction and Indemnity*”); and

WHEREAS, at the request of the Company, by passage on _____, 2024 of Resolution No. 2024- ___ by its Board of Directors (the “*Amending Resolution*”), the Issuer has approved the substantial form of the Fifth Supplemental Indenture and authorized its execution and delivery.

NOW, THEREFORE, in consideration of the foregoing recitals, mutual agreements contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendments to the Indenture. Subject to the satisfaction or waiver of the conditions precedent set forth in Section 4 hereof:

(a) Section 1.01 of the Indenture is hereby amended by adding the following defined term in appropriate alphabetical order:

““Fifth Supplemental Indenture” means the Fifth Supplemental Indenture, dated as of _____, 2024, by and among the Issuer, the Company, the Guarantor, the Pledgor, and the Trustee, as amended, restated, supplemented or otherwise modified from time to time.”

(b) The definition of “Majority Holders” set forth in Section 1.01 of the Indenture is hereby deleted and replaced by the following definition:

““Majority Holders” means (i) so long as any Senior Bonds are Outstanding, the Holders of seventy-five percent (75%) in aggregate principal amount of the Senior Bonds then Outstanding, and (ii) if no Senior Bonds are then Outstanding, the Holders of seventy-five percent (75%) in aggregate principal amount of Bonds then Outstanding.”

(c) Notwithstanding anything to the contrary in the Indenture, the Loan Agreement or any other Financing Document or Bond Document, the lead-in paragraph of Section 10.02(a) of the Indenture shall be deleted in its entirety and replaced with the following text:

“(a) Except as provided in Section 10.01 hereof, the Holders of not less than 75% in aggregate principal amount of the Outstanding Senior Bonds shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such Supplemental Indentures as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in this Indenture, any Supplemental Indenture or the Bonds; provided, however, that nothing contained in this Section shall permit:”

SECTION 2. Representations And Warranties Of Company Parties. In order to induce the Trustee to enter into this Fifth Supplemental Indenture, each Company Party hereby represents and warrants that:

(a) Each Company Party (i) is a corporation, partnership or limited liability company duly organized, validly existing, and in active status or good standing under the laws of its state of incorporation or formation, (ii) has the corporate or limited liability company power and authority to own or lease and operate its properties and to carry on its business as now being and hereafter proposed to be conducted, and (iii) is duly qualified and is in active status or good standing as a foreign corporation or limited liability company, and authorized to do business, in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization, except with respect to this clause (iii) where the failure to qualify, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(b) Each Company Party has the power and has taken all necessary action, corporate or otherwise, to authorize it to execute, deliver, and perform its obligations under this Fifth Supplemental Indenture and each of the other Financing Documents and Bond Documents to which it is a party in accordance with the terms thereof and to consummate the transactions contemplated hereby and thereby. Each of this Fifth Supplemental Indenture and each other Financing Document and Bond Document to which a Company Party is a party has been duly executed and delivered by such Company Party, and is a legal, valid and binding obligation of such Company Party, enforceable against it in accordance with its terms except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditor’s rights generally or by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

(c) The execution, delivery, and performance of this Fifth Supplemental Indenture and each of the other Financing Documents and Bond Documents in accordance with their respective terms and the consummation of the transactions contemplated hereby and thereby do not and will not (i) violate any applicable law, except where any such violation could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (ii) conflict with, result in a breach of or constitute a default under the certificate of incorporation or formation, by-laws, partnership agreement, operating agreement or other governing documents of any Company Party or under any contract to which any Company Party is a party or by which any Company Party or any of its properties may be bound, or (iii) result in or require the creation or imposition of any Lien upon or with any assets or property of any Company Party except Permitted Liens.

(d) All of the representations and warranties of the Company Parties under this Fifth Supplemental Indenture and the other Financing Documents and Bond Documents (after giving

effect to this Fifth Supplemental Indenture) are true and correct in all material respects (without duplication of any materiality qualifier contained herein or therein, as applicable), and there exists no Default or Event of Default, in each case after giving effect to this Fifth Supplemental Indenture.

SECTION 3. Representations And Warranties Of Issuer. In order to induce the Trustee to enter into this Fifth Supplemental Indenture, the Issuer hereby represents and warrants that:

(a) The Issuer is a port authority and body corporate and politic validly existing under the laws of the State.

(b) The Issuer has the necessary power under the Act and has duly taken all action on its part required to execute and deliver this Fifth Supplemental Indenture, to undertake the transactions contemplated by this Fifth Supplemental Indenture and to carry out its obligations hereunder.

(c) Neither the execution and delivery of this Fifth Supplemental Indenture, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Fifth Supplemental Indenture will conflict with or result in a breach by the Issuer of any of the terms, conditions or provisions of the Act or any restriction, agreement, instrument, order or judgment to which the Issuer is a party or by which it is bound, or will constitute a default by the Issuer under any of the foregoing.

(d) Pursuant to the Amending Resolution, the Issuer has duly authorized the execution and delivery of this Fifth Supplemental Indenture.

(e) When duly executed and delivered on behalf of the Issuer, and assuming the due authorization, execution and delivery by the other parties hereto, this Fifth Supplemental Indenture shall constitute a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms; *provided*, that the enforceability of this Fifth Supplemental Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or limiting creditors' rights generally and the application of general principles of equity.

(f) To the best knowledge of the Issuer, as of this date, there is no action, suit or proceeding at law or in equity, pending or threatened against the Issuer to restrain or enjoin the execution and delivery of this Fifth Supplemental Indenture or in any way contesting the validity or affecting the power of the Issuer with respect to the documents or instruments executed by the Issuer in connection herewith or the existence of the Issuer or the power or the right of the Issuer to enter into this Fifth Supplemental Indenture.

(g) The Amending Resolution was duly passed by the Issuer at a public meeting of the Board of Directors of the Issuer held in accordance with all applicable laws and at which a quorum was present and acting throughout, and the Amending Resolution remains in full force and effect and has not been repealed, amended, modified or superseded.

(h) The Issuer has no knowledge of (i) any existing Event of Default under the Indenture, or (ii) any event, fact or circumstance that, with the passage of time, the giving of notice or both, could constitute an Event of Default under the Indenture.

SECTION 4. Conditions Precedent To Effectiveness. This Fifth Supplemental Indenture shall be effective upon the satisfaction of each of the following conditions:

(a) The Trustee shall have received (i) this Fifth Supplemental Indenture, duly executed by each of the Issuer, the Company, the Guarantor, the Pledgor, and the Trustee, and (ii) the Direction and Indemnity, duly executed by the Guarantor in its capacity as Majority Holders.

(b) The representations and warranties of the Company Parties contained herein shall be true and correct in all material respects (without duplication of any materiality qualifier), and there shall exist no Default or Event of Default, in each case after giving effect to this Fifth Supplemental Indenture (and the Trustee shall have received a certificate of an Authorized Representative of the Company, the Guarantor and the Pledgor certifying as to the matters set forth in this clause (b)).

(c) The representations and warranties of the Issuer contained herein shall be true and correct in all material respects (and the Trustee shall have received a certificate of the Issuer certifying as to the matters set forth in this clause (c)).

(d) The Trustee shall have received an Officer's Certificate and opinion of Independent Counsel covering such matters as required pursuant to the Indenture and such other matters as are reasonably requested by the Trustee or the Majority Holders.

(e) The Trustee shall have received a customary legal opinion of Locke Lord LLP, counsel to the Company Parties, in form and substance reasonably satisfactory to the Trustee and the Majority Holders.

(f) The Company shall have reimbursed the Trustee for all reasonable and documented out-of-pocket costs and expenses, including the reasonable fees and disbursements of Arnold & Porter Kaye Scholer LLP in connection with the review and execution of this Fifth Supplemental Indenture.

(g) The Trustee shall have received a certificate of the secretary or assistant secretary of each of the Company, the Guarantor and the Pledgor, certifying (A) that attached thereto is a true and complete copy of each organizational document of such applicable party certified (to the extent applicable) as of a recent date by the Secretary of State of the state of its organization, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors (or equivalent governing body) of such applicable party authorizing the execution, delivery and performance of this Fifth Supplemental Indenture and that such resolutions have not been modified, rescinded or amended and are in full force and effect, and (C) as to the incumbency and specimen signature of each officer executing this Fifth Supplemental Indenture or any other document delivered in connection herewith on behalf of such applicable party (together with a certificate of another officer as to the incumbency and specimen signature of the secretary or assistant secretary executing the certificate required by this clause (g)).

(h) The Trustee shall have received a certificate as to the good standing (to the extent such concept is legally recognized in the applicable jurisdiction) of each of the Company, the Guarantor and the Pledgor (in so-called "long-form" if available) as of a recent date, from the Secretary of State of the state of its organization.

(i) The Trustee shall have received a certificate of the Issuer covering such matters as are reasonably requested by the Trustee or the Majority Holders.

SECTION 5. Reference To And Effect Upon The Financing Documents.

(a) Except as expressly modified hereby, all terms, conditions, covenants, representations and warranties contained in the Indenture, the Loan Agreement, the Guaranty, the Equity Pledge and Security Agreement, and the other Financing Documents and Bond Documents, and all rights of the Trustee and the Holders and all of the obligations of the Company Parties, shall remain in full force and effect. Each of the Company Parties hereby confirms that the Indenture, the Loan Agreement, the Guaranty, the Equity Pledge and Security Agreement, and the other Financing Documents and Bond Documents are in full force and effect and that, as of the date hereof, no Company Party has any right of setoff, recoupment or other offset or any defense, claim or counterclaim with respect to any of the obligations of the Company Parties pursuant to the Indenture, the Loan Agreement, the Guaranty, the Equity Pledge and Security Agreement, and the other Financing Documents and Bond Documents.

(b) Except as expressly provided herein, the execution, delivery and effectiveness of this Fifth Supplemental Indenture shall not directly or indirectly (i) constitute a consent or waiver of any past, present or future violations of any provisions of the Indenture, the Loan Agreement, the Guaranty, the Equity Pledge and Security Agreement, this Fifth Supplemental Indenture, and the other Financing Documents and Bond Documents, or (ii) amend, modify, or operate as a waiver of any provision of the Indenture, the Loan Agreement, the Guaranty, the Equity Pledge and Security Agreement, and the other Financing Documents and Bond Documents or any right, power, or remedy of the Trustee or any Holder.

(c) From and after the date on which this Fifth Supplemental Indenture shall be effective, (i) all references to the Indenture, the Loan Agreement, or the Guaranty in any Financing Document or Bond Document, shall mean such agreement, as modified hereby, and (ii) the term "Financing Documents" or "Bond Documents" in the Indenture, the Loan Agreement, the Guaranty, and the other Financing Documents and Bond Documents shall include, without limitation, this Fifth Supplemental Indenture and any agreements, instruments and other documents executed and/or delivered in connection herewith.

(d) This Fifth Supplemental Indenture shall not be deemed or construed to be a satisfaction, reinstatement, novation or release of the Indenture, the Loan Agreement, the Guaranty, the Equity Pledge and Security Agreement, or any other Financing Document or Bond Document.

SECTION 6. Costs And Expenses. Notwithstanding anything to the contrary in the Indenture, Loan Agreement, the Guaranty, and the other Financing Documents and Bond Documents, the Company shall pay promptly after written demand therefor from and after the date of this Fifth Supplemental Indenture all reasonable and documented, out-of-pocket legal costs of the Trustee, in connection with the administration of the Indenture, Loan Agreement, the Guaranty, and the other Financing Documents and Bond Documents and any amendments, modifications or waivers thereof and in connection with the enforcement or protection of its rights in connection with the Indenture, Loan Agreement, the Guaranty, and the other Financing Documents and Bond Documents.

Documents or in connection with the Bonds, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect thereof.

SECTION 7. Issuer and Company Party Confirmations. Each of the Issuer and the Company Parties hereby confirm that all actions required to be taken by the Issuer, the Company, the Guarantor, the Pledgor, and the Trustee pursuant to the Indenture, the Loan Agreement, and the other Financing Documents and Bond Documents have been taken in accordance with such documents. Each of the Issuer and the Company Parties confirm that entry into this Fifth Supplemental Indenture is permitted under the Indenture, the Loan Agreement, and the other Financing Documents and Bond Documents.

SECTION 8. Reaffirmation. Except as expressly modified by this Fifth Supplemental Indenture, each of the Company Parties hereby (i) acknowledges and agrees that all of its pledges, grants of security interests and Liens and other obligations under the Indenture, the Loan Agreement, the Guaranty, the Equity Pledge and Security Agreement, or any other Financing Document or Bond Document to which it is a party are reaffirmed and remain in full force and effect on a continuous basis, (ii) reaffirms (x) each Lien granted by it to the Trustee, and (y) in the case of the Guarantor, the guarantees made by it pursuant to the Guaranty, and (iii) acknowledges and agrees that the grants of security interests and Liens and other obligations and guarantees, as applicable, are, and shall remain, in full force and effect on and after the effective date of this Fifth Supplemental Indenture. Except as specifically modified herein, the Indenture, the Loan Agreement, the Guaranty, the Equity Pledge and Security Agreement, and the other Financing Documents and Bond Documents and the obligations of the Company Parties thereunder are in all respects ratified and confirmed (*mutatis mutandis*) and shall remain in full force and effect in accordance with their terms.

SECTION 9. Release. The Company, the Guarantor and the Pledgor (collectively, the “**Releasing Parties**”) hereby release, acquit and forever discharge the Trustee, the Holders, and their respective investment advisors and Affiliates, and any of their and their investment advisors’ and Affiliates’ respective officers, directors, agents, employees, attorneys, consultants, or representatives, or any of the respective predecessors, successors or assigns of any of the foregoing (collectively, the “**Released Parties**”) from and against any and all manner of actions, causes of action, suits, debts, controversies, damages, judgments, executions, claims (including, without limitation, crossclaims, counterclaims and rights of set-off and recoupment) and demands whatsoever, whether known or unknown, whether asserted or unasserted, in contract, tort, law or equity, which any Releasing Party may have against any of the Released Parties by reason of any action, failure to act, matter or thing whatsoever arising from or based on facts occurring on or prior to the date hereof that relate to the Indenture, the Loan Agreement, the Guaranty, the Equity Pledge and Security Agreement, this Fifth Supplemental Indenture, the other Financing Documents or Bond Documents or the transactions contemplated thereby or hereby (except to the extent arising from the willful misconduct or gross negligence of any Released Parties), including, but not limited to, any such claim or defense to the extent that it relates to (a) any covenants, agreements, duties or obligations set forth in the Indenture, the Loan Agreement, the Guaranty, the Equity Pledge and Security Agreement, this Fifth Supplemental Indenture, or the other Financing Documents or Bond Documents, or (b) any actions or omissions of any of the Released Parties in connection with the initiation or continuing exercise of any right or remedy contained in the Indenture, the Loan Agreement, the Guaranty, the Equity Pledge and Security Agreement, this

Fifth Supplemental Indenture, or the other Financing Documents or Bond Documents or at law or in equity with respect to the Indenture, the Loan Agreement, the Guaranty, the Equity Pledge and Security Agreement, this Fifth Supplemental Indenture, or the other Financing Documents or Bond Documents.

SECTION 10. Trustee. For the avoidance of doubt, with respect to all matters contained in this Fifth Supplemental Indenture, the Trustee shall have all rights, protections, indemnities and exculpations set forth in the Indenture, the Loan Agreement, or any other Financing Document or Bond Document, and such rights, protections, indemnities and exculpations are hereby incorporated by reference herein.

SECTION 11. GOVERNING LAW; Jurisdiction.

(a) Governing Law. This Fifth Supplemental Indenture shall be governed exclusively by the applicable laws of the State of Ohio.

(b) Jurisdiction. To the fullest extent permitted by applicable law, the parties hereto irrevocably submit to the jurisdiction of the United States District Court or the United States Bankruptcy Court for the Southern District of Ohio or any State court located in Scioto County, Ohio or Lawrence County, Ohio, in any suit, action or proceeding based on or arising out of or relating to this Fifth Supplemental Indenture and irrevocably agree that all claims in respect of such suit or proceeding may be determined in any such court. The parties hereto irrevocably waive, to the fullest extent permitted by law, any objection which they may have to the laying of the venue in any such court. Any final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon the parties hereto and may be enforced in any courts to the jurisdiction of which each such party is subject by a suit upon such judgment; *provided*, that service of process is effected upon such party in the manner specified herein or as otherwise permitted by law.

(c) Waiver of Jury Trial. EACH OF THE COMPANY, THE ISSUER, THE HOLDERS, AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS FIFTH SUPPLEMENTAL INDENTURE, THE BONDS, OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 12. Headings. Section headings in this Fifth Supplemental Indenture are included herein for convenience of reference only and shall not constitute a part of this Fifth Supplemental Indenture for any other purposes.

SECTION 13. Severability. The illegality or unenforceability of any provision of this Fifth Supplemental Indenture or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Fifth Supplemental Indenture or any instrument or agreement required hereunder.

SECTION 14. Counterparts. This Fifth Supplemental Indenture may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same agreement. In proving this Fifth

Supplemental Indenture or any other Financing Document in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signatures hereto delivered by Electronic Transmission shall be deemed an original signature hereto.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Fifth Supplemental Indenture to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

ISSUER:

SOUTHERN OHIO PORT AUTHORITY

By: _____
Name: Robert Horton
Title: Chair, Board of Directors

COMPANY:

PURECYCLE: OHIO LLC

By: _____
Name:
Title:

GUARANTOR:

PURECYCLE TECHNOLOGIES LLC

By: _____
Name:
Title:

PLEDGOR:

PCTO HOLDCO LLC

By: _____
Name:
Title:

[Signature Page to Fifth Supplemental Indenture]

TRUSTEE:

UMB BANK, N.A., as Trustee

By: _____
Name:
Title:

[Signature Page to Fifth Supplemental Indenture]

Exhibit E

Sixth Supplemental Indenture Covenants

1. The definition of "Outside Completion Date" in Section 1.01 of the Indenture shall be amended to December 31, 2026.

 2. 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.

 3. Include in the Loan Agreement a revision to the covenant to provide year-end financial statements, such that (a) the requirement shall be required only of PureCycle Technologies LLC and shall not be required of PureCycle: Ohio LLC, and (b) such financial statements may be provided on a consolidated basis with PCT, Inc.

 4. Include in the Indenture and in the Loan Agreement customary events of default related to the failure to perform financial covenants.
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PURE PLASTIC LLC

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[
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May [], 2024

PureCycle Technologies, Inc.
5950 Hazeltine Drive Suite 300
Orlando, FL 32822
Attention: Jaime Vasquez, Chief Financial Officer
Email: jvasquez@purecycle.com

Re: Payoff and Release Letter

Reference is hereby made to the Credit Agreement dated as of May 8, 2023 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement") by and among PURECYCLE TECHNOLOGIES, INC., a Delaware Corporation (the "Borrower"), PURECYCLE TECHNOLOGIES HOLDINGS CORP., a Delaware Corporation ("Holdings"), PURE CYCLE TECHNOLOGIES, LLC, a Delaware limited liability company ("PureCycle LLC" and, together with Holdings, collectively, the "Guarantors"), the Lenders party thereto and PURE PLASTIC LLC, a Delaware limited liability company ("Pure Plastic"), as the Administrative Agent for the Lenders thereunder (in such capacity, the "Administrative Agent") and Security Agent for the Secured Parties thereunder (in such capacity, the "Security Agent" and, together with the Administrative Agent, collectively, the "Agents"). Capitalized terms used and not otherwise defined herein shall have the same meanings as specified in the Credit Agreement.

Reference is further hereby made to the Bond Purchase Agreement dated as of May 7, 2024 (the "Bond Purchase Agreement") by and between PureCycle LLC and Pure Plastic, pursuant to which, among other things, PureCycle LLC intends to sell to Pure Plastic certain Ironton Bonds (collectively, the "Purchased Bonds"), subject to the terms and conditions set forth therein.

In connection with the consummation of the transactions contemplated under the Bond Purchase Agreement, the Administrative Agent has been informed that on the Scheduled Payment Date (as defined below) the Borrower intends to pay and satisfy in full all of the Obligations, indebtedness and liabilities owing by the Loan Parties to the Secured Parties under and in respect of, and otherwise in accordance with, the Credit Agreement and the other Loan Documents (collectively, the "Obligations").

1. Payoff Amount. As of May 10, 2024 (the "Scheduled Payoff Date"), the aggregate amount payable to discharge the Obligations in full, including principal, accrued interest, fees and expenses is \$[] (the "Payoff Amount"), the details of which are set forth below:

<u>Description</u>	<u>\$ Amount</u>
Outstanding Principal <i>plus</i> Accrued but Unpaid Interest	\$45,450,538
Prepayment Premium	\$[3,200,000]
Legal Fees and Expenses	\$[_____]
Payoff Amount	\$[_____]

If the Payoff Date (as defined below) does not occur until after 12:00 noon (Eastern Time) on the Scheduled Payoff Date, the Payoff Amount shall be increased by \$[_____] (the “Per Diem Amount”) on a daily basis until the Payoff Date. This Letter shall terminate and be of no force or effect if the Payoff Date does not occur by 5:00 p.m. (Eastern Time) on May 17, 2024. Nothing in this Letter, including the inclusion of the Per Diem Amount, shall be construed as an amendment to Section 2.07 of the Credit Agreement, which provides that all accrued and unpaid Obligations are due and payable on the Termination Date.

2. Release Conditions. This letter agreement (this “Letter”) confirms that, upon the satisfaction of each of the following conditions (collectively, the “Release Conditions”) to the reasonable satisfaction of the Administrative Agent, all of the Obligations (other than the Surviving Obligations as described in Section 3 below) shall be deemed paid and satisfied in full (the date on which all of the Release Conditions shall first be satisfied, the “Payoff Date”):

(a) The Administrative Agent shall have received a counterpart of this Letter duly executed by each Loan Party.

(b) The Administrative Agent shall have received (i) the Bond Purchase Agreement, in the form attached hereto as Exhibit A, duly executed by PureCycle LLC and Pure Plastic and (ii) Purchased Bonds in the aggregate par amount of \$56,813,173, which shall satisfy the portion of the Payoff Amount comprised of outstanding principal plus accrued but unpaid interest described in Section 1 above;

(c) The transactions contemplated to occur on the Initial Closing Date (as defined in the Bond Purchase Agreement) shall have been consummated;

(d) The Administrative Agent shall have received the Series B Warrant, in the form attached hereto as Exhibit B, dated as of the date hereof and duly executed by the Borrower, which shall satisfy the portion of the Payoff Amount comprised of the prepayment premium described in Section 1 above;

(e) Nixon Peabody LLP, as counsel to the Agents, shall have received a wire transfer in immediately available funds in aggregate amount equal to the portion of the Payoff Amount comprised of the legal fees and expenses described in Section 1 above, in accordance with the following wire instructions:

Name of Bank:	[_____]
ABA No.:	[_____]
Account Name:	[_____]
Account No.:	[_____]
Reference:	[_____]

(f) The Administrative Agent shall have received a wire transfer of immediately available funds in the amount of any increase to the Payoff Amount on account of any Per Diem Amount due and

payable hereunder as a result of the Payoff Date occurring after 12:00 noon (Eastern Time) on the Scheduled Payoff Date, in accordance with the following wire instructions:

Name of Bank:	[]
ABA No.:	[]
Account Name:	[]
Account No.:	[]

3. Termination of Obligations; Release of Liens. Upon the satisfaction of each of the Release Conditions, (a) all commitments of the Lenders to make Loans and extend further credit to Borrower under the Credit Agreement and the other Loan Documents shall terminate, (b) all Obligations (other than the Surviving Obligations as described below) shall be deemed paid and satisfied in full, (c) all obligations of each Guarantor under the Credit Agreement and the other Loan Documents to guarantee the Obligations (other than the Surviving Obligations as described below) shall automatically be deemed released and discharged and (d) all liens of the Security Agent on, and security interests of the Security Agent in, the Collateral (as defined in the Credit Agreement) securing the Obligations shall be deemed to be fully released and discharged; provided, however, that the Secured Parties' receipt of the Payoff Amount, and the occurrence of the Payoff Date, shall not affect the following obligations (collectively, the "Surviving Obligations"): (i) any rights of any Agent or Lender or obligations of Borrower or any other Loan Party under the Credit Agreement or any other Loan Documents that expressly survive repayment of the Obligations (including, without limitation, contingent indemnity and reimbursement obligations) and (ii) any rights of any Agent or Lender or obligations of Borrower or any Loan Party arising under this Letter.

4. Delivery of Documents. Upon the satisfaction of each of the Release Conditions, (a) each applicable Loan Party is authorized by each of the Agents and Lenders to (y) file the UCC-3 termination statements attached hereto as Exhibit C hereto and (z) record an intellectual property release duly executed and delivered by the Security Agent substantially in the form attached hereto as Exhibit D hereto, (b) the Security Agent, at the Borrower's or such other applicable Loan Party's expense, will promptly deliver to Borrower or any other applicable Loan Party, termination statements, releases and other agreements reasonably requested by Borrower as necessary or advisable in connection with the above described release and termination of liens and security interests of the Security Agent on and in any of the Collateral (all of which shall be prepared by Borrower and reasonably acceptable to the Security Agent) and (c) the Security Agent, at the Borrower's or such other applicable Loan Party's expense, will promptly forward to Borrower or any other applicable Loan Party all items or the proceeds of all checks, drafts, or other instruments received by the Security Agent in connection with the Collateral.

5. Release of Lender. Each of the Loan Parties, for and in consideration of the releases and terminations agreed to by each of the Agents and the Lenders above, does hereby release, discharge and acquit each of the Agents and the Lenders (and their respective officers, directors, agents and employees and its successors and assigns), from all obligations to such Loan Party (and each of its successors and assigns) and from any and all claims, demands, debts, accounts, contracts, liabilities, actions and causes of action, whether at law or in equity, that such Loan Party at any time had or have, now or in the future, against such Agent or Lender (and its officers, directors, agents or employees and its successors and assigns), arising out of the Credit Agreement and the other Loan Documents or any transactions contemplated thereby.

6. Indemnification for Returned Items and Related Expenses. For and in consideration of the releases and terminations agreed to by each of the Agents and the Lenders above, (a) each Loan Party jointly and severally agrees to indemnify each of the Agents and the Lenders from, and to reimburse and pay, within three (3) days of written demand therefor, in immediately available funds, all losses, liabilities, charges, expenses and fees that such Agent or Lender may incur as a result of any non-payment, claim,

refund or charge back of any checks or other items which have been credited by such Agent or Lender to Borrower's loan account with such Agent or Lender, together with all expenses and other charges incident thereto, and (b) each Loan Party jointly and severally agrees to reimburse and pay, within three (3) days of demand therefor, in immediately available funds, all losses, liabilities, charges, expenses and fees that (i) such Agent or Lender may have incurred or may now or hereafter incur in connection with the transactions contemplated hereby which have not as yet been reflected in Borrower's loan account that Borrower is, or may be, required to bear pursuant to the Credit Agreement or any other Loan Documents, and (ii) such Agent or Lender may incur as a result of errors in calculation of any amounts due such Agent or Lender by Borrower or any other Loan Party.

7. Reinstatement. Notwithstanding anything to the contrary contained herein, in the event any payment made to, or other amount or value received by, any Agent or Lender from or for the account of any Loan Party is avoided, rescinded, set aside or must otherwise be returned or repaid by such Agent or Lender whether in any bankruptcy, reorganization, insolvency or similar proceeding involving such Loan Party, any of its subsidiaries or otherwise, the indebtedness and liabilities intended to be repaid thereby shall be reinstated (without any further action by any party) and shall be enforceable against such Loan Party and its successors or assigns. In such event, such Loan Party shall be and remain liable to such Agent or Lender, as applicable, for the amount so repaid or recovered to the same extent as if such amount had never originally been received by such Agent or Lender with interest accruing thereon at the applicable rates set forth in the Credit Agreement from and after the date such amount is so repaid or recovered.

8. Waiver of Certain Prepayment Requirements. Solely with respect to the prepayment contemplated hereby, each Agent and Lender hereby waives the requirement set forth in Section 2.05(a)(i) of the Credit Agreement that it receive at least two (2) Business Days prior written notice from the Borrower of its intent to prepay the Loans.

9. Counterparts; Facsimile Delivery. Each Agent and Lender hereby requests that each Loan Party acknowledge its receipt and acceptance of and agreement to the terms and conditions set forth in this Letter by signing a copy of it in the appropriate space indicated below and returning it to the Administrative Agent. This Letter may be signed by each Loan Party in several counterparts, but this Letter shall not become effective unless and until it is so accepted and agreed to by each Loan Party and returned to the Administrative Agent. Delivery of a photocopy, facsimile or electronic copy of an executed counterpart of this Letter shall be effective as delivery of a manually executed original counterpart of this Letter.

10. Governing Law. This Letter shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles that would require application of another law.

[remainder of the page intentionally left blank; signatures follow]

Very truly yours,

PURE PLASTIC LLC, as Administrative Agent

By: _____

Name: Daniel Gibson

Title: Member

PURE PLASTIC LLC, as Security Agent

By: _____

Name: Daniel Gibson

Title: Member

[Signature Page to Payoff Letter (Pure Plastic Credit Agreement)]

IC.

OLDINGS CORP.

LC

[Signature Page to Payoff Letter (Pure Plastic Credit Agreement)]

EXHIBIT A

Bond Purchase Agreement
(see attached)

EXHIBIT B

Series B Warrant
(see attached)

EXHIBIT C

UCC-3 Termination Statements
(see attached)

EXHIBIT D

Intellectual Property Release
(see attached)

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

**SERIES B WARRANT
PURECYCLE TECHNOLOGIES, INC.**

Warrant Shares: 3,003,000

Initial Exercise Date: November 6, 2024

THIS SERIES B WARRANT (this "Series B Warrant") certifies that, for value received, _____ or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after November 6, 2024 (the "Initial Exercise Date") and on or prior to the earlier of (i) 5:00 p.m. (New York City time) on December 1, 2030 and (ii) the date fixed for redemption of the Series B Warrants (defined below) as provided in Section 4 (the "Termination Date") but not thereafter, to subscribe for and purchase from PureCycle Technologies, Inc., a Delaware corporation (the "Company"), up to 3,003,000 shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Series B Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. In addition to the terms defined elsewhere in this Series B Warrant, for all purposes of this Series B Warrant, the following terms have the meanings set forth in this Section 1.

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of the Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as

determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Series B Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

“Black Scholes Value” means the value of this Series B Warrant based on the Black-Scholes Option Pricing Model obtained from the “OV” function on Bloomberg determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the greater of (i) the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (ii) the highest VWAP during the period beginning on the Trading Day immediately preceding the announcement of the applicable Fundamental Transaction (or the consummation of the applicable Fundamental Transaction, if earlier) and ending on the Trading Day of the Holder’s request pursuant to this Section 3(d) and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, and (E) a zero cost of borrow. The payment of the Black Scholes Value will be made by wire transfer of immediately available funds (or such other consideration) within the later of (i) five business days of the Holder’s election and (ii) the date of consummation of the Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the “Successor Entity”) to assume in writing all of the obligations of the Company under this Series B Warrant in accordance with the provisions of this Section 3(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Series B Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Series B Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Series B Warrant (without regard to any limitations on the exercise of this Series B Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Series B Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Series B Warrant referring to the “Company” shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Series B Warrant with the same effect as if such Successor Entity had been named as the Company herein.

“Business Day” and “business day” mean a day other than Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close.

“Common Stock” means the Company’s common stock, par value \$0.001 per share.

“Common Stock Equivalents” means any securities of the Company that would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

“Series B Warrants” means warrants to purchase Common Stock of the Company designated as a “Series B Warrant” with terms identical to those of this Series B Warrant, except with respect to the number of Warrant Shares and the identity of the Holder.

“Trading Day” means a day on which the principal Trading Market is open for trading.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange (or any successors to any of the foregoing).

“VWAP” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Series B Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

“Warrant Agent” shall be any duly appointed agent selected by the Company. The Warrant Agent shall initially be Continental Transfer & Trust Company.

Section 2.Exercise.

(a)Exercise of Series B Warrant.

(i)Exercise by Holder. Exercise of the purchase rights represented by this Series B Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (with a copy to the Warrant Agent) of a duly executed facsimile copy

or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the “Notice of Exercise”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier’s check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required.

(ii)Exercise Procedures. Notwithstanding anything herein to the contrary, subject to Section 2(d)(ii), the Holder shall not be required to physically surrender this Series B Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and this Series B Warrant has been exercised in full, in which case, the Holder shall surrender this Series B Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company (with a copy to the Warrant Agent). Partial exercises of this Series B Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) business day of receipt of such notice. **The Holder and any assignee, by acceptance of this Series B Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

(iii)Maximum Percentage. The Holder may notify the Company in writing in the event it elects to be subject to the provisions contained in this Section 2(a)(iii); provided however, no Holder shall be subject to this Section 2(a)(iii) unless he, she or it makes such election. If the election is made by the Holder, the Warrant Agent shall not effect the exercise of all or a portion of this Series B Warrant, and such Holder shall not have the right to exercise all or a portion of this Series B Warrant, to the extent that after giving effect to such exercise, such person (together with such person’s affiliates), to the Warrant Agent’s actual knowledge, would beneficially own in excess of 19.9% (or such other amount as a Holder may specify) (the “Maximum Percentage”) of the shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number shares of Common Stock beneficially owned by such person and its affiliates shall include the number of shares of Common Stock issuable upon exercise of all or a portion of this Series B Warrant with respect to which the determination of such sentence is being made, but shall exclude Common Stock that would be issuable upon (x) exercise of the remaining, unexercised

portion of this Series B Warrant beneficially owned by such person and its affiliates and (y) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such person and its affiliates (including, without limitation, any convertible notes or convertible preferred shares or warrants), subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended. For purposes of this Series B Warrant, in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (1) the Company's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other public filing with the U.S. Securities and Exchange Commission (the "Commission") as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company setting forth the number of shares of Common Stock outstanding. For any reason at any time, upon the written request of the Holder, the Company shall, within five (5) Business Days, confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. By written notice to the Company, the Holder may from time to time increase or decrease the Maximum Percentage applicable to it to any other percentage specified in such notice; provided, however, that any such increase shall not be effective until the sixty-first (61st) day after such notice is delivered to the Company.

(b)Exercise Price. The exercise price per share of Common Stock under this Series B Warrant shall be \$11.50, subject to adjustment hereunder (the "Exercise Price").

(c)Cashless Exercise. If at any time after the Initial Exercise Date, there is no effective registration statement registering, or the prospectus contained therein is not available for the resale of the Warrant Shares by the holder, then this Series B Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(68) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Stock on the principal Trading Market as reported by Bloomberg L.P. ("Bloomberg") as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of

Exercise is executed during “regular trading hours” on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of “regular trading hours” on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of “regular trading hours” on such Trading Day;

(B) = the Exercise Price of this Series B Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Series B Warrant in accordance with the terms of this Series B Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the characteristics of this Series B Warrant being exercised, and the holding period of the Warrant Shares being issued may be tacked on to the holding period of this Series B Warrant. The Company agrees not to take any position contrary to this Section 2(c).

(d) Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Company’s transfer agent (the “Transfer Agent”) to the Holder by crediting the account of the Holder’s or its designee’s balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system (“DWAC”) if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 (assuming cashless exercise of this Series B Warrant), and otherwise by physical delivery of a certificate, registered in the Company’s share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder by the date that is the earliest of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, (ii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the “Warrant Share Delivery Date”). Upon delivery of the Notice of Exercise the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Series B Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that

payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each \$1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), \$5.00 per Trading Day (increasing to \$10.00 per Trading Day on the fifth Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Series B Warrant remains outstanding and exercisable. As used herein, “Standard Settlement Period” means the standard settlement period, expressed in a number of Trading Days, on the Company’s primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

(ii)Delivery of New Series B Warrants Upon Exercise. If this Series B Warrant shall have been exercised in part, the Company shall, at the request of the Holder and upon surrender of this Series B Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Series B Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Series B Warrant, which new Series B Warrant shall in all other respects be identical with this Series B Warrant.

(iii)Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

(iv)Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder’s brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a “Buy-In”), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder’s total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of this Series B Warrant and

equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of this Series B Warrant as required pursuant to the terms hereof.

(v)No Fractional Warrant Shares, Shares or Scrip. No fractional Warrant Shares, shares or scrip representing fractional shares shall be issued upon the exercise of this Series B Warrant. To the extent the Holder would be entitled to a fractional Warrant Share, the Company shall round down to the nearest whole number of Warrant Shares to be issued to the Holder. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(vi)Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that, in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Series B Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto as Exhibit B duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to The Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

(vii)Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Series B Warrant, pursuant to the terms hereof.

Section 3. Certain Adjustments.

(a)Stock Dividends and Splits. If the Company, at any time while this Series B Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Series B Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Series B Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Series B Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(b)Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Series B Warrant (without regard to any limitations on exercise hereof) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

(c)Pro Rata Distributions. During such time as this Series B Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Series B Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Series B Warrant (without regard to any limitations on exercise hereof) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record

holders of shares of Common Stock are to be determined for the participation in such Distribution.

(d)Fundamental Transaction. If, at any time while this Series B Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of the consolidated assets of the Company in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another person or group of persons whereby such other person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other person or other persons making or party to, or associated or affiliated with the other persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Series B Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Series B Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Series B Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Series B Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Series B Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public

announcement of the applicable Fundamental Transaction), purchase this Series B Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value (as defined below) of the remaining unexercised portion of this Series B Warrant on the date of the consummation of such Fundamental Transaction; provided, however, that, if the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors, Holder shall only be entitled to receive from the Company or any Successor Entity the same type or form of consideration (and in the same proportion), at the Black Scholes Value of the unexercised portion of this Series B Warrant, that is being offered and paid to the holders of Common Stock of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Stock are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction; provided, further, that if holders of Common Stock of the Company are not offered or paid any consideration in such Fundamental Transaction, such holders of Common Stock will be deemed to have received common stock of the Successor Entity (which Successor Entity may be the Company following such Fundamental Transaction) in such Fundamental Transaction.

(e)Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

(f)Notice to Holder.

(i)Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

(ii)Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of its assets, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the

applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Series B Warrant constitutes, or contains, material, non-public information regarding the Company, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Series B Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

(g)Voluntary Adjustment By Company. Subject to the rules and regulations of the Trading Market, the Company may at any time during the term of this Series B Warrant, subject to the prior written consent of the Holder, reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the board of directors of the Company.

Section 4.Redemption.

(a)Redemption. Subject to Section 4(d), at any time following January 1, 2028 all (and not less than all) of the outstanding Series B Warrants may be redeemed, in whole and not in part, at the option of the Company, at any time after the Series B Warrants become exercisable, and prior to their expiration, at the office of the Warrant Agent, upon the notice referred to in Section 6(b), at the price of \$0.01 per Warrant Share ("Redemption Price"); provided that the last sales price of the shares of Common Stock has been equal to or greater than \$18.00 per share (subject to adjustment for splits, dividends, recapitalizations and other similar events) for any twenty (20) Trading Days within a thirty (30) Trading Day period commencing after the Series B Warrants become exercisable and ending on the third business day prior to the date on which notice of redemption is given and provided further that there is a current registration statement in effect with respect to the shares of Common Stock underlying the Series B Warrants for each day in the 30-Trading Day period and continuing each day thereafter until the Redemption Date (defined below).

(b)Date Fixed for, and Notice of, Redemption. In the event the Company shall elect to redeem all of the Series B Warrants, the Company shall fix a date for the redemption (the "Redemption Date"). Notice of redemption shall be mailed by first class mail, postage prepaid, by the Company not less than 30 days prior to the date fixed for

redemption to the holders of the Series B Warrants to be redeemed at their last addresses as they shall appear on the Warrant Register (defined below). Any notice mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder received such notice.

(c)Exercise After Notice of Redemption. This Series B Warrant may be exercised in accordance with Section 2 at any time after notice of redemption shall have been given by the Company pursuant to Section 6(b) hereof and prior to the Redemption Date; provided that the Company may require the Holder to exercise this Series B Warrant to elect “cashless exercise” in accordance with the procedures of Section 2(c), and the Holder must exercise this Series B Warrant on a cashless basis if the Company so requires. On and after the Redemption Date, the Holder of this Series B Warrant shall have no further rights except to receive, upon surrender of this Series B Warrant, the Redemption Price.

(d)No Other Rights to Cash Payment. Except for a redemption in accordance with this Section 4, the Holder shall not be entitled to any cash payment whatsoever from the Company in connection with the ownership, exercise or surrender of this Series B Warrant.

(e)Exclusion of Certain Series B Warrants. The Company understands that the redemption rights provided for by this Section 4 apply only to outstanding Series B Warrants. To the extent a person holds rights to purchase Series B Warrants, such purchase rights shall not be extinguished by redemption. However, once such purchase rights are exercised, the Company may redeem the Series B Warrants issued upon such exercise provided that the criteria for redemption is met.

Section 5. Transfer of Series B Warrant.

(a)Transferability. Subject to compliance with any applicable securities laws, this Series B Warrant and all rights hereunder are transferable, in whole or in part, upon surrender of this Series B Warrant at the principal office of the Company or its designated Warrant Agent, which shall initially be the Company, together with a written assignment of this Series B Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Series B Warrant or Series B Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Series B Warrant evidencing the portion of this Series B Warrant not so assigned, and this Series B Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Series B Warrant to the Company unless the Holder has assigned this Series B Warrant in full, in which case, the Holder shall surrender this Series B Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Series B Warrant in full. The Series B Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Series B Warrant issued.

(b)New Series B Warrants. This Series B Warrant may be divided or combined with other Series B Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Series B Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 5(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Series B Warrant or Series B Warrants in exchange for the Series B Warrant or Series B Warrants to be divided or combined in accordance with such notice. All Series B Warrants issued on transfers or exchanges shall be dated the original issuance date and shall be identical with this Series B Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(c)Series B Warrant Register. The Company shall register this Series B Warrant, upon records to be maintained by the Company for that purpose (the "Series B Warrant Register"), in the name of the record Holder hereof from time to time. The Company and the Warrant Agent may deem and treat the registered Holder of this Series B Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary. The Company has appointed the Warrant Agent to maintain the Series B Warrant Register, as the Company's agent. The Company shall remain responsible for the contents of the Series B Warrant Register, notwithstanding the appointment of a Warrant Agent. The Company shall provide thirty (30) days' prior written notice to the Holder of any appointment of or change in Warrant Agent and the new Warrant Agent's contact information, including if the Company shall itself directly maintain the Series B Warrant Register after a third-party Warrant Agent has been appointed.

Section 6. Miscellaneous.

(a)No Rights as Stockholder Until Exercise; No Settlement in Cash. This Series B Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof, except as expressly set forth in Section 3. Without limiting any rights of a Holder to receive Warrant Shares on a "cashless exercise" pursuant to Section 2(c) or to receive cash payments pursuant to Section 2(d)(i) and Section 2(d)(iv) herein, in no event shall the Company be required to net cash settle an exercise of this Series B Warrant.

(b)Loss, Theft, Destruction or Mutilation of Series B Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Series B Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of this Series B Warrant, shall not include the posting of any bond), and upon surrender and cancellation of this Warrant or stock certificate, if mutilated, the Company will make and deliver a new Series B Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Series B Warrant or stock certificate.

(c)Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a business

day, then such action may be taken or such right may be exercised on the next succeeding business day.

(d)Authorized Shares. The Company covenants that, during the period this Series B Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Series B Warrant. The Company further covenants that its issuance of this Series B Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Series B Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Series B Warrant will, upon exercise of the purchase rights represented by this Series B Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Series B Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Series B Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Series B Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Series B Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Series B Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

(e)Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Series B Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated

by this Series B Warrant (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of this Series B Warrant), and hereby irrevocably waives, and agrees not to assert in any action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Series B Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action or proceeding to enforce any provisions of this Series B Warrant, the prevailing party in such action or proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

(f)Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Series B Warrant, if not registered or if the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

(g)Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of the Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Series B Warrant, if the Company willfully and knowingly fails to comply with any provision of this Series B Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(h)Notices. Any notice or communication required or permitted hereunder shall be in writing and either delivered personally, emailed or sent by overnight mail via a reputable overnight carrier, or sent by certified or registered mail, postage prepaid, and shall be deemed to be given and received (i) when so delivered personally, (ii) when sent, with no mail undeliverable or other rejection notice, if sent by email, or (iii) three (3) business days after the date of mailing to the address below or to such other address or addresses as such person may hereafter designate by notice given hereunder:

(i) if to a Holder, to its address, email address and/or facsimile number set forth on the register of Holders on file with the Company, with copies to such

Holder's representatives as set forth on such register, or to such other address, email address and/or to the attention of such other person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change;

(ii) if to the Company, to:

PureCycle Technologies Inc.
5950 Hazeltine National Drive, Suite 650
Orlando, Florida 32822
Attention: Brad Kalter
E-mail: bkalter@purecycle.com

with a required copy to (which copy shall not constitute notice):

Jones Day
1221 Peachtree Street, NE, Suite 400
Atlanta, Georgia 30361
Attention: Joel T. May and Thomas L. Short
E-mail: jtmay@jonesday.com; tshort@jonesday.com

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Series B Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Series B Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Series B Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

(k) Successors and Assigns. Subject to applicable securities laws, this Series B Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Series B Warrant are intended to be for the benefit of any Holder from time to time of this Series B Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(l) Amendment. This Series B Warrant may be amended by the Company without the consent of any of the holders of the Series B Warrants for the purpose of (i) curing any ambiguity, or curing, correcting or supplementing any defective provision contained herein, or making any other provisions with respect to matters or questions arising under this Series B Warrant that is not inconsistent with the provisions of this Series B Warrant, (ii) evidencing the succession of another corporation to the Company and the

assumption by any such successor of the covenants of the Company contained in this Series B Warrant, (iii) evidencing and providing for the acceptance of appointment by a successor Warrant Agent with respect to the Serie B Warrants, and any provisions required in connection therewith, (iv) adding to the covenants of the Company for the benefit of the Holder or surrendering any right or power conferred upon the Company under this Series B Warrant, (v) to comply with the rules of the Depositary Trust Company (“DTC”), including to permit the deposit of Series B Warrants with the DTC and settlement through the facilities thereof, if applicable; or (vi) amending this Series B Warrant in any manner that the Company may deem to be necessary or desirable and that will not adversely affect the interests of the Holder in any material respect. All other modifications or amendments to this Series B Warrant and the other Series B Warrants, including any amendment to increase the Exercise Price or move the Termination Date, shall require the written consent of the holders of a majority in interest of the then outstanding Series B Warrants; provided that any material and adverse modification, waiver or termination of the economic terms of the transactions contemplated under this Series B Warrant shall require the prior written consent of the Holder of this Series B Warrant.

(m)Severability. Wherever possible, each provision of this Series B Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Series B Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Series B Warrant.

(n)Headings. The headings used in this Series B Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Series B Warrant.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Series B Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

PURECYCLE TECHNOLOGIES, INC.

By:
Name:
Title:

NOTICE OF EXERCISE

To: PURECYCLE TECHNOLOGIES, INC.

CC: WARRANT AGENT

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Series B Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

in lawful money of the United States; or

if otherwise permitted, the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number:

(4) Accredited Investor. The undersigned is an “accredited investor” as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

Name of Investing Entity:

Signature of Authorized Signatory of Investing Entity:

Name of Authorized Signatory:

Title of Authorized Signatory:

Date:

ASSIGNMENT FORM

(To assign the foregoing Series B Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Series B Warrant and all rights evidenced thereby are hereby assigned to:

Name:

(Please Print)

Address:

(Please Print)

Phone Number:

Email Address:

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Dustin Olson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PureCycle Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2024

By: /s/ Dustin Olson

Dustin Olson

Chief Executive Officer

(Principal Executive Officer)

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Jaime Vasquez, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PureCycle Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2024

By: /s/ Jaime Vasquez

Jaime Vasquez

Chief Financial Officer

(Principal Financial Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of PureCycle Technologies, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024 (the "Report"), Dustin Olson, Chief Executive Officer of the Company, certifies, to the best of his knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2024
By: /s/ Dustin Olson
Dustin Olson
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of PureCycle Technologies, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024 (the "Report"), Jaime Vasquez, Chief Financial Officer of the Company, certifies, to the best of his knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2024

By: /s/ Jaime Vasquez
Jaime Vasquez
Chief Financial Officer
(Principal Financial Officer)
