**PROSPECTUS SUPPLEMENT NO. 3**
**(to prospectus dated March 19, 2021)**

**Filed Pursuant to Rule 424(b)(3)**
**Registration No. 333-251034**

**PURECYCLE TECHNOLOGIES, INC.**
**25,000,000 Shares**
**Common Stock**

This prospectus supplement is being filed to update and supplement the information contained in the prospectus dated March 19, 2021 (as supplemented or amended from time to time, the "Prospectus"), with the information contained in our Quarterly Report on Form 10-Q, which was filed with the Securities and Exchange Commission ("SEC") on May 19, 2021 (the "Quarterly Report"). Accordingly, we have attached the Quarterly Report to this prospectus supplement.

The Prospectus and this prospectus supplement relate to the resale from time to time of up to 25,000,000 shares of our common stock, par value $0.001 per share ("Common Stock"), issued pursuant to the terms of those certain subscription agreements entered into (the "PIPE Investment") in connection with the Business Combination (as defined in the Prospectus). As described in the Prospectus, the selling securityholders named therein or their permitted transferees (collectively, the "Selling Stockholders"), may sell from time to time up to 25,000,000 shares of our Common Stock that were issued to the Selling Stockholders in connection with the closing of the PIPE Investment and the Business Combination.

This prospectus supplement updates and supplements the information in the Prospectus and is not complete without, and may not be delivered or utilized except in combination with, the Prospectus, including any amendments or supplements thereto. This prospectus supplement should be read in conjunction with the Prospectus and if there is any inconsistency between the information in the Prospectus and this prospectus supplement, you should rely on the information in this prospectus supplement.

Our Common Stock, warrants and units are listed on The Nasdaq Capital Market under the symbols "PCT," "PCTTW" and "PCTTU," respectively. On May 18, 2021, the closing price of our Common Stock was $13.39 per share.

**Investing in our securities involves risks that are described in the "Risk Factors" section beginning on page 23 of the Prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if the Prospectus or this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus supplement is May 19, 2021.**

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# 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, 2021**
**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For transition period from to**
**Commission File Number 001-40234**

## PureCycle Technologies, Inc.

(Exact name of registrant as specified in its charter)

| State | 86-2293091 |
|---|---|
| Delaware | (I.R.S. Employer Identification Number) |

**5950 Hazeltine National Drive, Suite 650**
**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:**

| Title of each class | Trading Symbols | Name of each exchange on which registered |
|---|---|---|
| Common Stock, par value $0.001 per share | PCT | The Nasdaq Stock Market LLC |
| Warrants, each exercisable for one share of common stock, $0.001 par value, 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, 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 | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| | | Emerging growth company | ☒ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities 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 19, 2021, there were approximately 117,349,281 shares of the registrant's common stock outstanding, par value $0.001 per share, outstanding.

# PureCycle Technologies, Inc.

## QUARTERLY REPORT on FORM 10-Q
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## 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 outcome of any legal proceedings to which PCT is, or may become a party; the anticipated benefits of the Business Combination, and the financial condition, results of operations, earnings outlook and prospects of PCT. Forward-looking statements generally relate to future events or our 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 this Quarterly Report on Form 10-Q entitled "Risk Factors," those discussed and identified in public filings made with the SEC by PCT and the following:

- PCT's ability to meet, and to continue to meet, applicable regulatory requirements for the use of PCT's UPRP (as defined below) in food grade applications (both in the United States and abroad);
- PCT's ability to comply on an ongoing basis with the numerous regulatory requirements applicable to the UPRP and PCT's facilities (both in the United States and abroad);
- 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;
- PCT's ability to scale and build the Ironton plant in a timely and cost-effective manner;
- PCT's ability to maintain exclusivity under the 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;
- PCT's future capital requirements and sources and uses of cash;
- PCT's ability to obtain funding for its operations and future growth;
- developments and projections relating to PCT's competitors and industry;
- the outcome of any legal proceedings to which PCT is, or may become, a party including recently filed securities class action cases;
- the ability to recognize the anticipated benefits of the Business Combination;

- unexpected costs related to the Business Combination;
- 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;
- operational risk; and
- the risk that the COVID-19 pandemic, and local, state, federal and international responses to addressing the pandemic may have an adverse effect on PCT's business operations, as well as PCT's financial condition and results of operations.

We undertake 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**

**(Unaudited)**

| **ASSETS** | | |
|---|---|---|
| *(in thousands except per share data)* | **March 31, 2021** | **December 31, 2020** |
| **CURRENT ASSETS** | | |
| Cash | $ 252,549 | $ 64,492 |
| Prepaid royalties and licenses | 4,575 | 2,890 |
| Prepaid expenses and other current assets | 2,216 | 446 |
| Total current assets | 259,340 | 67,828 |
| Restricted cash | 317,535 | 266,082 |
| Property, plant and equipment, net | 108,388 | 70,218 |
| **TOTAL ASSETS** | $ 685,263 | $ 404,128 |
| | | |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| | | |
| **CURRENT LIABILITIES** | | |
| Accounts payable | $ 1,481 | $ 1,058 |
| Accrued expenses | 18,452 | 26,944 |
| Accrued interest | 10,428 | 4,951 |
| Notes payable – current | 265 | 122 |
| Total current liabilities | 30,626 | 33,075 |
| **NON-CURRENT LIABILITIES** | | |
| Deferred research and development obligation | 1,000 | 1,000 |
| Deferred revenue | 5,000 | — |
| Notes payable | 57,224 | 26,477 |
| Bonds payable | 231,809 | 235,676 |
| Warrant liability | 18,258 | — |
| **TOTAL LIABILITIES** | $ 343,917 | $ 296,228 |
| | | |
| **COMMITMENT AND CONTINGENCIES** | — | — |
| | | |
| **STOCKHOLDERS' EQUITY** | | |
| Common shares - $0.001 par value, 250,000 shares authorized; 117,349 and 0 shares issued and outstanding as of March 31, 2021 and 2020, respectively | 117 | — |
| Class A Units - no par value; 0 and 3,981 units authorized; 0 and 3,612 units issued and outstanding as of March 31, 2021 and December 31, 2020 | — | 38 |
| Class B Preferred Units - no par value; 0 and 1,938 units authorized; 0 and 1,938 units issued and outstanding as of March 31, 2021 and December 31, 2020 | — | 21 |
| Class B-1 Preferred Units - no par value; 0 and 1,146 units authorized, 0 and 1,105 units issued and outstanding as of March 31, 2021 and December 31, 2020 | — | 16 |
| Class C Units – no par value; 0 and 1,069 units authorized, 0 and 865 units issued and 0 and 775 units outstanding as of March 31, 2021 and December 31, 2020 | — | 7 |
| Additional paid-in capital | 455,475 | 192,381 |
| Accumulated deficit | (114,246) | (84,563) |

# PureCycle Technologies, Inc.

**CONDENSED CONSOLIDATED BALANCE SHEETS**

**(Unaudited)**

| | | |
|---|---|---|
| **TOTAL STOCKHOLDERS' EQUITY** | 341,346 | 107,900 |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** | $ 685,263 | $ 404,128 |

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

# PureCycle Technologies, Inc.

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

**(Unaudited)**

| | Three months ended March 31, | |
|---|---|---|
| | **2021** | **2020** |
| *(in thousands except per share data)* | | |
| **Costs and expenses** | | |
| Operating costs | $ 2,130 | $ 1,683 |
| Research and development | 547 | 348 |
| Selling, general and administrative | 7,624 | 1,238 |
| Total operating costs and expenses | 10,301 | 3,269 |
| Interest expense | 6,089 | 588 |
| Change in fair value of warrants | 13,621 | 655 |
| Other expense | 109 | 52 |
| Total other expense | 19,819 | 1,295 |
| **Net loss** | $ (30,120) | $ (4,564) |
| Loss per share | | |
| Basic and diluted | $ (0.59) | $ (0.19) |
| Weighted average common shares | | |
| Basic and diluted | 51,223 | 27,156 |

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, 2021 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Common stock | | Class A | | Class B Preferred | | Class B-1 Preferred | | Class C | | | | |
| *(in thousands)* | Shares | Amount | Units | Amount | Units | Amount | Units | Amount | Units | Amount | Additional paid-in capital | Accumulated deficit | Total stockholders' equity |
| **Balance, December 31, 2020** | — | $ — | 3,612 | $ 88,081 | 1,938 | $ 20,071 | 1,105 | $ 41,162 | 775 | $ 11,967 | $ 31,182 | $ (84,563) | $ 107,900 |
| Conversion of stock | — | — | 34,386 | (88,043) | 18,690 | (20,050) | 15,217 | (41,146) | 5,936 | (11,960) | 161,199 | — | $ — |
| **Balance at December 31, 2020, effect of reverse recapitalization conversion** | **—** | **$ —** | **37,998** | **$ 38** | **20,628** | **$ 21** | **16,322** | **$ 16** | **6,711** | **$ 7** | **$ 192,381** | **$ (84,563)** | **$ 107,900** |
| Issuance of units upon vesting of Legacy PCT profits interests | — | — | — | — | — | — | — | — | 116 | — | 239 | — | 239 |
| Redemption of vested profit units | — | — | — | — | — | — | — | — | (5) | — | (36) | — | (36) |
| Removal of beneficial conversion feature upon adoption of ASU 2020-06 | — | — | — | — | — | — | — | — | — | — | (31,075) | 437 | (30,638) |
| Merger Recapitalization | 81,754 | 82 | (37,998) | (38) | (20,628) | (21) | (16,322) | (16) | (6,822) | (7) | — | — | — |
| ROCH Shares Recapitalized, Net of Redemptions, Warrant Liability and Issuance Costs of $27.9 million | 34,823 | 35 | — | — | — | — | — | — | — | — | 293,931 | — | 293,966 |
| Issuance of restricted stock awards | 775 | 1 | — | — | — | — | — | — | — | — | (1) | — | — |
| Forfeiture of restricted stock | (3) | (1) | — | — | — | — | — | — | — | — | 1 | — | — |
| Reclassification of redeemable warrant to liability | — | — | — | — | — | — | — | — | — | — | (33) | — | (33) |
| Equity based compensation | — | — | — | — | — | — | — | — | — | — | 68 | — | 68 |
| Net loss | — | — | — | — | — | — | — | — | — | — | — | (30,120) | (30,120) |
| **Balance, March 31, 2021** | **117,349** | **$ 117** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **$ 455,475** | **$ (114,246)** | **$ 341,346** |

# PureCycle Technologies, Inc.

## CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

**(Unaudited)**

| | For the Three Months Ended March 31, 2020 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Common stock | | Class A | | Class B Preferred | | Class B-1 Preferred | | Class C | | | | | |
| *(in thousands)* | Shares | Amount | Units | Amount | Units | Amount | Units | Amount | Units | Amount | Additional paid-in capital | Accumulated deficit | Total stockholders' equity |
| **Balance, December 31, 2019** | — | $ — | 2,581 | $ 387 | 1,728 | $ 1,898 | 630 | $ 23,656 | 436 | $ 4,054 | $ 107 | $ (27,722) | $ 2,380 |
| Conversion of stock | — | — | 24,575 | (360) | 16,660 | (1,880) | 8,670 | (23,647) | 3,625 | (4,050) | 29,937 | — | — |
| **Balance at December 31, 2019, effect of reverse recapitalization conversion** | **—** | **—** | **27,156** | **$ 27** | **18,388** | **$ 18** | **9,300** | **$ 9** | **4,061** | **$ 4** | **$ 30,044** | **$ (27,722)** | **$ 2,380** |
| Issuance of units | — | — | — | — | — | — | 4,578 | 5 | — | — | 11,569 | — | 11,574 |
| Issuance of units upon vesting of profits interests | — | — | — | — | — | — | — | — | 362 | — | 417 | — | 417 |
| Net loss | — | — | — | — | — | — | — | — | — | — | — | (4,564) | (4,564) |
| **Balance, March 31, 2020** | **—** | **$ —** | **27,156** | **$ 27** | **18,388** | **$ 18** | **13,878** | **$ 14** | **4,423** | **$ 4** | **$ 42,030** | **$ (32,286)** | **$ 9,807** |

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

# PureCycle Technologies, Inc.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(Unaudited)**

| | Three months ended March 31, | |
|---|---|---|
| *(in thousands)* | **2021** | **2020** |
| Cash flows from operating activities | | |
| Net loss | $ (30,120) | $ (4,564) |
| Adjustments to reconcile net loss to net cash used in operating activities | | |
| Equity-based compensation | 307 | 417 |
| Fair value change of warrants | 13,621 | 655 |
| Depreciation expense | 490 | 465 |
| Accretion of debt instrument discounts | 57 | — |
| Amortization of debt issuance costs | 784 | — |
| Issuance costs attributable to warrants | 109 | — |
| Changes in operating assets and liabilities | | |
| Prepaid expenses and other current assets | (1,770) | (69) |
| Prepaid royalties and licenses | (1,685) | — |
| Accounts payable | 423 | (987) |
| Accrued expenses | (13,037) | (78) |
| Accrued interest | 5,253 | (758) |
| Deferred revenue | 5,000 | — |
| Net cash used in operating activities | $ (20,568) | $ (4,919) |
| Cash flows from investing activities | | |
| Construction of plant | (33,891) | (763) |
| Net cash used in investing activities | $ (33,891) | $ (763) |
| Cash flows from financing activities | | |
| Proceeds from secured term loan | — | — |
| Proceeds from promissory note | 91 | — |
| Payments on promissory note from related parties | — | (600) |
| Payments on advances from related parties | — | (2,333) |
| Proceeds from ROCH and PIPE financing, net of issuance costs | 298,461 | — |
| Convertible notes issuance costs | (480) | — |
| Bond issuance costs | (4,067) | — |
| Proceeds from issuance of units | — | 11,574 |
| Payments on redemption of vested Legacy PCT profit interests | (36) | — |
| Net cash provided by financing activities | $ 293,969 | $ 8,641 |
| Net increase in cash | 239,510 | 2,959 |
| Cash, beginning of period | 330,574 | 150 |
| Cash, end of period | $ 570,084 | $ 3,109 |
| Supplemental disclosure of cash flow information | | |
| Non-cash operating activities | | |
| Interest paid during the period, net of capitalized interest | $ — | $ 456 |
| Non-cash investing activities | | |
| Additions to property, plant, and equipment in accrued expenses | $ 16,437 | $ 280 |
| Additions to property, plant, and equipment in accrued interest | $ 224 | $ 12 |
| Non-cash financing activities | | |
| Conversion of accounts payable to promissory notes | $ — | $ 661 |
| Initial fair value of acquired warrant liability | $ 4,604 | $ — |

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

## NOTE 1 - ORGANIZATION

***Formation and Organization***

PureCycle Technologies, Inc. ("PureCycle," "PCT" or the "Company") is headquartered in Orlando, Florida, and its planned principal operation is to conduct business as a plastics recycler using PureCycle's patented recycling process. Developed and licensed by Procter & Gamble ("P&G"), the patented recycling process separates color, odor and other contaminants from plastic waste feedstock to transform it into virgin-like resin. The Company is currently constructing its first planned facility and conducting research and development activities to operationalize the licensed technology.

***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 ("Merger Sub LLC"), Roth CH Merger Sub Corp., a Delaware corporation and wholly owned direct subsidiary of Parent Co ("Merger Sub Corp") and PureCycle Technologies LLC ("PCT LLC") pursuant to the Agreement and Plan of Merger dated as of November 16, 2020, as amended from time to time (the "Merger Agreement").

Immediately 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.

In connection with the Business Combination, ROCH entered into subscription agreements with certain investors (the "PIPE Investors"), whereby it issued 25.0 million shares of common stock at $10.00 per share (the "PIPE Shares") for an aggregate purchase price of $250.0 million (the "PIPE Financing"), which closed simultaneously with the consummation of the Business Combination. Upon the Closing of the Business Combination, the PIPE Investors were issued shares of the Company's common stock.

Legacy PCT unitholders will 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 will be entitled to 2.0 million shares if after six months 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 Legacy PCT unitholders will be entitled to 2.0 million shares upon the Phase II 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.

In connection with the Business Combination, the Company incurred direct and incremental costs of approximately $27.9 million related to the equity issuance, consisting primarily of investment banking and other professional fees, which were recorded to additional paid-in capital as a reduction of proceeds.

The Company incurred approximately $5.2 million of expenses primarily related to advisory, legal, and accounting fees in conjunction with the Business Combination. Of this, $3.2 million was recorded in general and administrative expenses on the consolidated statement of operations for the three months ended March 31, 2021.

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 LLC was formed as a Delaware limited liability company on September 15, 2015 as Advanced Resin Technologies, LLC. In November 2016, Advanced Resin Technologies, LLC changed its name to PureCycle Technologies LLC.

The aggregate consideration for the Business Combination was $1,156.9 million, payable in the form of shares of the ParentCo Common Stock and assumed indebtedness.

The following summarizes the merger consideration (in thousands except per share information):

| | | |
|---|---|---|
| Total shares transferred | | 83,500 |
| Value per share | $ | 10.00 |
| **Total Share Consideration** | **$** | **835,000** |
| Assumed indebtedness | | |
| Revenue Bonds | | 249,600 |
| The Convertible Notes | | 60,000 |
| Term Loan | | 314 |
| Related Party Promissory Note | | 12,000 |
| **Total merger consideration** | **$** | **1,156,914** |

The following table reconciles the elements of the Business Combination to the condensed consolidated statement of cash flows for the three months ended March 31, 2021 (in thousands):

| | | |
|---|---|---|
| Cash - ROCH Trust and cash (net of redemptions) | $ | 76,510 |
| Cash - PIPE | | 250,000 |
| Less transaction costs | | (28,049) |
| **Net Business Combination and PIPE financing** | **$** | **298,461** |

In addition to cash received by the Company at the Close of the Business Combination, the Company assumed a warrant liability from ROCH measured at $4.6 million at March 18, 2021.

Refer to Note 6 – Warrants for further information.

***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 Securities and Exchange Commission (the “SEC”) and accounting principles generally accepted in the United States of America (“U.S. GAAP”). Intercompany balances and transactions were eliminated upon consolidation. These condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements and accompanying notes of Legacy PCT for the fiscal year ended December 31, 2020 as filed on March 22, 2021 in our prospectus filed pursuant to Rule 424(b)(3) of the Securities Act. The results of operations for the three months ended March 31, 2021 are not necessarily indicative of the results to be expected for the entire year ending December 31, 2021. 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.

***Reclassifications***

Certain amounts in prior periods have been reclassified to conform with the report classifications of the three months ended March 31, 2021, noting the Company has reflected the reverse recapitalization pursuant to the Business Combination for all periods presented within the unaudited condensed consolidated balance sheets and statements of stockholders' equity.

***Reverse Recapitalization***

The Business Combination was accounted for as a reverse recapitalization and ROCH was treated as the "acquired" company for accounting purposes. The Business Combination was accounted as the equivalent of Legacy PCT issuing stock for the net assets of ROCH, accompanied by a recapitalization. Accordingly, all historical financial information presented in these condensed consolidated interim financial statements represents the accounts of Legacy PCT "as if" Legacy PCT is the predecessor to the Company. The units and net loss per unit, prior to the Business Combination, have been adjusted to share amounts reflecting the exchange ratio established in the Business Combination.

***Potential Impact of COVID-19 on the Company's Business***

With the global spread of the COVID-19 pandemic and resulting shelter-in-place orders covering the Company's corporate headquarters, its Ohio plant operations, and employees, the Company has implemented policies and procedures to continue its operations under minimum business operations guidelines. The extent to which the COVID-19 pandemic impacts the Company's business, financial condition or results of operations will depend on future developments, which are highly uncertain and cannot be accurately predicted.

***Liquidity***

The Company has sustained recurring losses and negative cash flows from operations since its inception. As reflected in the accompanying condensed consolidated interim financial statements, the Company has not yet begun commercial operations and does not have any sources of revenue. In prior periods, substantial doubt was raised about the ability of Legacy PCT to continue as a going concern. The Company believes that the total capital raised through the Business Combination is sufficient to adequately fund its future obligations for at least one year from the date the condensed consolidated interim financial statements are available to be issued. As of March 31, 2021, and December 31, 2020, the Company had an unrestricted cash balance of $252.5 million and $64.5 million, respectively, working capital of $228.7 million and $34.8 million, respectively, and an accumulated deficit of $114.2 million and $84.6 million, respectively. For the three months ended March 31, 2021 and 2020, the Company incurred a net loss of $30.1 million and $4.6 million.

***Emerging Growth Company***

At March 31, 2021, we qualified as an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and we have taken and may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised standards. The JOBS Act provides that an emerging growth company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have opted to take advantage of such extended transition period available to emerging growth companies which means that when a standard is issued or revised and it has different application dates for public or private companies, we can adopt the new or revised standard at the time private companies adopt the new or revised standard.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Income Taxes***

To calculate the interim tax provision, at the end of each interim period the Company estimates the annual effective tax rate and applies that to its ordinary quarterly earnings. The effect of changes in the enacted tax laws or rates is recognized in the interim period in which the change occurs. The computation of the annual estimated effective tax rate at each interim period requires certain estimates and judgments including, but not limited to, the expected operating income for the year, projections of the proportion of income earned and taxed in other jurisdictions, permanent differences between book and tax amounts, and the likelihood of recovering deferred tax assets generated in the current year. The accounting estimates used to compute the provision for income taxes may change as new events occur, additional information is obtained, or the tax environment changes.

Furthermore, in December 2019, the FASB issued ASU No. 2019-12, *Income Taxes: Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). The new guidance affects general principles within Topic 740, *Income Taxes*. The amendments of ASU 2019-12 are meant to simplify and reduce the cost of accounting for income taxes. The Company adopted the ASU during the first quarter of 2021 using a prospective approach. The adoption of the ASU did not have a material impact on the Company's condensed consolidated financial statements.

***Warrants***

The Company evaluates all of its financial instruments, including issued warrants, to determine if such instruments are liability classified, pursuant to ASC 480 - *Distinguishing Liabilities from Equity* ("ASC 480") or derivatives or contain features that qualify as embedded derivatives pursuant to ASC 815 – *Derivatives and Hedging* ("ASC 815"). The classification of instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Issuance costs incurred with the Business Combination that are attributable to liability classified warrants are expensed as incurred.

***Recently Issued Accounting Pronouncements***

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. In July 2018, ASU 2018-10, *Codification Improvements to Topic 84*2, *Leases*, was issued to provide more detailed guidance and additional clarification for implementing ASU 2016-02. Furthermore, in July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which provides an optional transition method in addition to the existing modified retrospective transition method by allowing a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption. Furthermore, on June 3, 2020, the FASB deferred by one year the effective date of the new leases standard for private companies, private not-for-profits ("NFPs") and public NFPs that have not yet issued (or made available for issuance) financial statements reflecting the new standard. These new leasing standards are effective for the Company beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022, with early adoption permitted. The Company is currently evaluating the effect of the adoption of this guidance on the consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses of Financial Instruments* ("ASU 2016-13"), which, together with subsequent amendments, amends the requirement on the measurement and recognition of expected credit losses for financial assets held. ASU 2016-13 is effective for the Company beginning December 15, 2022, including interim periods within those fiscal years, with early adoption permitted. The Company is currently in the process of evaluating the effects of this pronouncement on the Company's financial statements and does not expect it to have a material impact on the consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40)* ("ASU 2020-06"). ASU 2020-06 simplifies the accounting for convertible debt instruments and convertible preferred stock by removing the existing guidance in ASC 470-20 that requires entities to account for beneficial conversion features and cash conversion features in equity, separately from the host convertible debt or preferred stock. Two methods of transition were permitted upon adoption: full retrospective and modified retrospective. The Company elected to apply the

modified retrospective adoption approach to all contracts. Under this approach, prior periods were not restated. Rather, convertible notes and other disclosures for prior periods were provided in the notes to the financial statements as previously reported under ASC 470-20, and the cumulative effect of initially applying the guidance was recognized as an adjustment to Notes payable, Additional paid-in-capital ("APIC"), and Accumulated deficit.

As a result of applying the modified retrospective method to adopt ASU 2020-06, adjustments were made to the consolidated balance sheets as of December 31, 2020 and the below illustrates how the notes payable, APIC, and accumulated deficit balances would be effected as of January 1, 2021 (in thousands, as adjusted to show the effect of the reverse recapitalization as described in Note 1):

| | December 31, 2020 | | January 1, 2021 |
|---|---|---|---|
| | As reported | Adjustments | As adjusted |
| **Notes payable** | $ 26,599 | $ 30,638 | $ 57,237 |
| **APIC** | 192,381 | (31,075) | 161,306 |
| **Accumulated deficit** | $ 84,563 | $ 437 | $ 85,000 |

**NOTE 3 – NOTES PAYABLE AND DEBT INSTRUMENTS**

***Secured Term Loan***

*Enhanced Capital Ohio Rural Fund, LLC*

On February 28, 2019, Legacy PCT entered into a subordinated debt agreement with Enhanced Capital Ohio Rural Fund, LLC. The agreement provides for principal of $1.0 million with an interest rate of the U.S. Federal prime rate per annum.

As of March 31, 2021, and December 31, 2020, the outstanding balance of the loan is $0. On October 7, 2020, upon the closing of the bond offering, the full outstanding balance was paid off. Legacy PCT incurred $12 thousand of interest cost during the three months ended March 31, 2020.

***Promissory Notes***

*Koch Modular Process Systems Secured Promissory Note*

On December 20, 2019, Legacy PCT entered into an agreement with Koch Modular Process Systems LLC ("KMPS") to convert the current balance of Account Payable due to KMPS into a promissory note. Legacy PCT issued a Secured Promissory Note for a principal amount of $1.7 million with a maximum advance of funds up to $3.0 million. During the three months ended March 31, 2020, Legacy PCT converted $661 of Accounts Payable into the note. The rate of interest on the loan balance is 21% per annum through the month of November 2019 and 24% per annum for December 2019 and thereafter.

As of March 31, 2021, and December 31, 2020, the outstanding balance on the promissory note is $0. On October 7, 2020, upon the closing of the bond offering, the full outstanding balance was paid off. Legacy PCT incurred $102 thousand of interest cost during the three months ended March 31, 2020.

*Denham-Blythe Company, Inc. Secured Promissory Note*

On December 20, 2019, Legacy PCT and Denham-Blythe Company, Inc. ("DB") entered into an agreement to convert the current balance of Account Payable due to DB into a promissory note. Legacy PCT issued a Secured Promissory Note for a principal amount of $2.0 million. The rate of interest on the loan balance is 24% per annum for December 2019 and thereafter with interest on the loan payable monthly.

As of March 31, 2021 and December 31, 2020, the outstanding balance on the promissory note is $0. On October 7, 2020, upon the closing of the bond offering, the full outstanding balance was paid off. Legacy PCT incurred $121 thousand of interest cost during the three months ended March 31, 2020. As the promissory note was used to

construct the Company's property, plant and equipment, a portion of the interest cost incurred was capitalized within Property, Plant and Equipment.

***Promissory Note to Related Party***

*Innventus Fund I, LP*

On July 19, 2019, Legacy PCT entered into a Note and Warrant Financing agreement with Innventus Fund I, LP to obtain a $600 thousand loan and warrant financing. The Negotiable Promissory Note has a maturity date of October 21, 2019, and an interest rate of 1-month LIBOR plus 8.0%. The aggregate unpaid principal amount of the loan and all accrued and unpaid interest is due on the maturity date. Legacy PCT repaid the principal and all accrued and unpaid interest on February 5, 2020. Legacy PCT incurred $5 thousand of interest cost during the three months ended March 31, 2020.

*Auto Now Acceptance Company, LLC*

On May 5, 2017, Legacy PCT entered into a revolving line of credit facility (the "Credit Agreement") with Auto Now Acceptance Company, LLC, a related party.

On May 3, 2018, the Credit Agreement was amended and restated in its entirety and secured by a Security Agreement dated May 3, 2018. The credit facility was increased to $14.0 million, bearing interest at a rate of LIBOR plus 6.12% per annum, payable monthly. The maturity date was extended to August 15, 2018.

On July 31, 2018, the Credit Agreement was amended to extend the maturity date to February 15, 2019. Under the agreement, the Auto Now's advances of funds to Legacy PCT ceased on July 31, 2018.

On May 29, 2020, Legacy PCT executed a Second Amended and Restated the Security Agreement and entered into a Third Amended and Restated Promissory Note agreement to extend the financing on the loan from Auto Now Acceptance Company, LLC. The agreement extended the maturity date of the loan to June 31, 2021 and adjusted the interest rate on the third amended loan agreement. The security interests include inventory, equipment, accounts receivables and all the Company's assets. The interest rate within the amendment increased as follows:

- The annual rate of the 1-month LIBOR in U.S. dollars plus 6.12% adjusted daily, from May 3, 2018 through May 18, 2020
- 12% per annum from May 19, 2020 through August 31, 2020
- 16% per annum from September 1, 2020 through December 31, 2020
- 24% per annum from January 1, 2021 through June 30, 2021

As of March 31, 2021, and December 31, 2020 the outstanding balance on the credit facility is $0. On December 21, 2020, Legacy PCT repaid the outstanding balance on the note. Legacy PCT incurred $355 thousand of interest cost during the three months ended March 31, 2020. As the promissory note was used to construct the Company's property, plant and equipment, a portion of the interest cost incurred was capitalized within Property, Plant and Equipment.

***Advances from Related Parties***

During 2019 and 2020, Legacy PCT received funding and support services from Innventure1 LLC (formerly Innventure LLC) and Wasson Enterprises. On March 26, 2020, $375 thousand of the balance was repaid. The remaining balance of $371 thousand was assigned from Wasson Enterprise to Innventure LLC (Formerly WE-Innventure LLC).

***Convertible Notes***

On October 6, 2020, Legacy PCT entered into a Senior Notes Purchase Agreement (the "Agreement") with certain investors. The Agreement provides for the issuance of Senior Convertible Notes (the "Notes"), which have an

interest rate of 5.875% and mature on October 15, 2022 (the "Maturity Date") and are subject to a six-month maturity extension at the Company's option with respect to 50% of the then outstanding Notes on a pro rata basis, unless repurchased or converted prior to such date ("Maturity Date Extension"). The initial closing took place on the date of Indenture on October 7, 2020 (the "First Closing"), upon which $48.0 million in aggregate principal of Notes were issued to the Investors ("the Magnetar Investors"). The Agreement also includes an obligation for the Company to issue and sell, and for each of the Magnetar Investors to purchase, Notes in the principal amount of $12.0 million within 45 days after the Company enters into the Merger Agreement as defined in Note 1 ("Second Closing Obligation"). On December 29, 2020, the remaining Notes were purchased in accordance with the Agreement. The Notes are convertible through the Maturity Date at the option of the holder. As of March 31, 2021 and December 31, 2020, none of the Notes were converted into shares of common stock. The Notes are recorded within notes payable in the condensed consolidated balance sheet. As the Notes were used to construct the Company's property, plant and equipment, a portion of the interest costs incurred were capitalized within property, plant and equipment.

The following provides a summary of the interest expense of PCT's convertible debt instruments (in thousands):

| | Three months ended March 31, | |
|---|---|---|
| | 2021 | 2020 |
| Contractual interest expense | $ 881 | $ — |
| Amortization of deferred financing costs | 641 | — |
| Effective interest rate | 9.1 % | — % |

The following provides a summary of the convertible notes (in thousands):

| | As of | |
|---|---|---|
| | March 31, 2021 | December 31, 2020 |
| Unamortized deferred issuance costs | $ 2,916 | $ 3,288 |
| Net carrying amount | 57,084 | 56,712 |
| Fair value | $ 231,916 | $ 123,532 |
| Fair value level | Level 3 | Level 3 |

As of March 31, 2021, as a result of the Business Combination, the conversion price of the notes changed to the quotient of (A) $1,000 and (B) the SPAC transaction PIPE valuation; provided that if the Equity Value of the Company in connection with the SPAC Transaction is greater than $775.0 million, the conversion rate shall equal the product of (1) the amount that would otherwise be calculated pursuant to this clause set forth above and (2) a fraction equal to the Equity Value of the Company divided by $775.0 million (as such terms are defined in the indenture governing the Convertible Notes). The conversion price is $6.93 for potential conversion into approximately 8.66 million shares of common stock.

As of December 31, 2020 the conversion price of the notes was the quotient of $1,000 and the quotient of (A) 80% of the Adjusted Equity Value of the Company as determined based upon the sale of approximately 684 thousand Legacy PCT Class A Units at $87.69 per unit (the "November Investment") and (B) the number of outstanding shares of Capital Stock of the Company on a Fully-Diluted Basis immediately prior to the November Investment (as such terms are defined in the indenture governing the Convertible Notes).

***Revenue Bonds***

On October 7, 2020, the Southern Ohio Port Authority ("SOPA") issued certain revenue bonds ("Bonds") and loaned the proceeds from their sale to PureCycle: Ohio LLC, an Ohio limited liability company ("PCO"), pursuant to a loan agreement dated as of October 1, 2020 between SOPA and PCO ("Loan Agreement"), to be used to (i) acquire,

construct and equip the Ohio Plant; (ii) fund a debt service reserve fund for the Series 2020A Bonds; (iii) finance capitalized interest; and (iv) pay the costs of issuing the Bonds. The Bonds were offered in three series, including (i) Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020A ("Series 2020A Bonds"); (ii) Subordinate Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020B ("Series 2020B Bonds"); and (iii) Subordinated Exempt Facility Revenue Bonds (PureCycle Project), Taxable Series 2020C ("Series 2020C Bonds"), each series in the aggregate principal amount, bearing interest and maturing as shown in the table below. The Series 2020A Bonds were issued at a total discount of $5.5 million. The discount is amortized over the term of the Bonds using the effective interest method. The purchase price of the Bonds was paid and immediately available to SOPA on October 7, 2020, the date of delivery of the Bonds to their original purchaser. PureCycle is not a direct obligor on the Bonds and is not a party to the Loan Agreement or the indenture of trust dated as of October 1, 2020 ("Indenture"), between SOPA and UMB Bank, N.A as trustee ("Trustee"), pursuant to which the Bonds have been issued. PureCycle has executed a guaranty of completion dated as of October 7, 2020, with respect to the full and complete performance by PCO of PCO's obligations with respect to construction and completion of the Project, including construction by the completion date, free and clear of any liens (other than permitted liens), and the payment of all project costs incurred prior to completion of the project, and all claims, liabilities, losses and damages owed by PCO to each counterparty under the project documents (as such terms are defined in the Loan Agreement). In addition, pursuant to the guaranty, PureCycle is obligated to fund and maintain a liquidity reserve for the project during the term of the guaranty in the amount of $50.0 million to be held in an escrow account with U.S. Bank, N.A., as escrow agent ("Liquidity Reserve"). Pursuant to the terms of the Loan Agreement PCO executed promissory notes, one in the aggregate principal amount of each series of Bonds, in favor of SOPA, which were assigned to the Trustee on October 7, 2020.

| *(in thousands)* | | | | |
|---|---|---|---|---|
| Bond Series | Term | Principal Amount | Interest Rate | Maturity Date |
| 2020A | A1 | $ 12,370 | 6.25 % | December 1, 2025 |
| 2020A | A2 | $ 38,700 | 6.50 % | December 1, 2030 |
| 2020A | A3 | $ 168,480 | 7.00 % | December 1, 2042 |
| 2020B | B1 | $ 10,000 | 10.00 % | December 1, 2025 |
| 2020B | B2 | $ 10,000 | 10.00 % | December 1, 2027 |
| 2020C | C1 | $ 10,000 | 13.00 % | December 1, 2027 |

The proceeds of the Bonds and certain equity contributions have been placed in various trust funds and non-interest-bearing accounts established and administered by the Trustee under the Indenture. Before each disbursement of amounts in the Project Fund held by the Trustee under the Indenture, PCO is required to submit to the Trustee a requisition for funds to be disbursed outlining the specified purpose of the disbursement and substantiating the expenditure. In addition, 100% of revenue attributable to the production of commercial-scale plant in Ironton, Ohio (the "Phase II Facility") must be deposited into an operating revenue escrow fund held by U.S. Bank National Association, as escrow agent. Funds in the trust accounts and operating revenue escrow account will be disbursed by the Trustee when certain conditions are met, and will be used to pay costs and expenditures related to the development of the Phase II Facility, make required interest and principal payments (including sinking fund redemption amounts) and any premium, in certain circumstances required under the Indenture, to redeem the Bonds.

As conditions for closing the Bonds, PureCycle and certain affiliates contributed $60.0 million in equity at closing and contributed an additional $40.0 million in equity upon the Closing of the Business Combination. PureCycle provided the Liquidity Reserve for the Ohio Plant construction of $50.0 million and deposited the amount upon the Closing of the Business Combination. In addition, PureCycle must maintain at least $75.0 million of cash on its balance sheet as of July 31, 2021 and $100.0 million of cash on its balance sheet as of January 31, 2022, in each case, including the Liquidity Reserve.

The Bonds are recorded within Bonds payable in the condensed consolidated balance sheet. The Company incurred $4.8 million and $0, respectively, of interest cost during the three months ended March 31, 2021 and 2020. As the Bond proceeds will be used to construct the Company's property, plant and equipment, a portion of the interest costs incurred was capitalized within Property, Plant and Equipment.

***Paycheck Protection Program***

On May 4, 2020, Legacy PCT entered into a Paycheck Protection Program (the "Program", or "PPP loan") Term Note with PNC Bank to obtain principal of approximately $314 thousand. This Note is issued pursuant to the Coronavirus Aid, Relief, and Economic Security Act's (the "CARES Act") (P.L. 116-136) Paycheck Protection Program. During a period from May 4, 2020 until the forgiveness amount is known, ("Deferral Period"), interest on the outstanding principal balance will accrue at the Fixed Rate of 1% per annum, but neither principal nor interest shall be due during the Deferral Period. Legacy PCT has applied for loan forgiveness as of December 31, 2020 but as of March 31, 2021 has not yet received the forgiveness amount. All or a portion of this PPP loan may be forgiven in accordance with the program requirements. The amount of forgiveness shall be calculated in accordance with the requirements of the Program, including provisions of Section 1106 of the CARES Act. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months.

As of March 31, 2021 and December 31, 2020, the outstanding balance on the loan is approximately $314 thousand. $174 thousand and $122 thousand are recorded as notes payable – current and $140 thousand and $192 thousand are recorded as notes payable in the condensed consolidated balance sheets.

**NOTE 4 - STOCKHOLDERS' EQUITY**

The condensed consolidated statements of stockholders' equity reflect the reverse recapitalization as discussed in Note 1 as of March 17, 2021. As Legacy PCT was deemed the accounting acquirer in the reverse recapitalization with ROCH, all periods prior to the consummation date reflect the balances and activity of Legacy PCT. The consolidated balances and the audited consolidated financial statements of Legacy PCT, as of December 31, 2020, and the share activity and per share amounts in these condensed consolidated statements of equity were retroactively adjusted, where applicable, using the recapitalization exchange ratio of 10.52 for Legacy PCT Class A Units. Legacy PCT Class B Preferred Units were converted into shares of PCT common stock at a share conversion factor of 10.642 whereas Legacy PCT Class B-1 Preferred Units were converted into shares of PCT common stock at a share conversion factor of 14.768 as a result of the reverse recapitalization. Legacy PCT Class C Units were converted into shares of PCT common stock at a share conversion factor of 9.32, 7.40, or 2.747, based on the distribution threshold of the Class C Unit.

***Common Stock***

Holders of PCT common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. The holders do not have cumulative voting rights in the election of directors. Upon the Company's liquidation, dissolution or winding up and after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of the Company's common stock will be entitled to receive pro rata the Company's remaining assets available for distribution. Holders of the Company's common stock do not have preemptive, subscription, redemption or conversion rights. All shares of the Company's common stock are fully paid and non-assessable. The Company is authorized to issue 250.0 million shares of common stock with a par value of $0.001. As of March 31, 2021 and December 31, 2020, 117.35 million and 0 shares are issued and outstanding, respectively.

***Preferred Stock***

As of March 31, 2021, the Company is authorized to issue 25.0 million shares of preferred stock with a par value of $0.001, of which no shares are issued and outstanding.

**NOTE 5 - EQUITY-BASED COMPENSATION**

***2021 Equity Incentive Plan***

In connection with the Business Combination, 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. As of March 31, 2021, approximately 8.28 million shares of common stock are reserved for issuance under the Plan.

***Restricted Stock Agreements***

In connection with the Closing, on March 17, 2021, PCT entered into restricted stock agreements with various PureCycle employees who held unvested Legacy PCT Class C Units at the Closing (the "Restricted Stock Agreements"). The outstanding unvested Legacy PCT Class C Units, issued pursuant to the PCT Technologies LLC Amended and Restated Equity Incentive Plan, were converted to PCT's restricted shares, subject to the same vesting schedule and forfeiture restrictions as the unvested Legacy PCT Class C Units they replace.

The shares issued pursuant to the Restricted Stock Agreements 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 agreement. The Company has the option to repurchase all vested shares upon a stockholder's termination of employment or service with the Company.

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:

| | 2021 | 2020 |
|---|---|---|
| Expected annual dividend yield | — % | — % |
| Expected volatility | 49.1 % | 42.1 - 63.3% |
| Risk-free rate of return | 0.1 % | 1.6 - 1.7% |
| Expected option term (years) | 0.2 | 1.0 - 4.4 |

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 for the three months ended March 31, 2021 was determined using an initial public offering scenario. The fair value of the underlying Company shares for the three months ended March 31, 2020 was determined using a hybrid method consisting of an option pricing method and an initial public offering scenario.

A summary of restricted stock activity for the three months ended March 31, 2021 and 2020 is as follows (in thousands except per share data):

| | Number of RSU's | Weighted average grant date fair value | Weighted average remaining recognition period |
|---|---|---|---|
| **Non-vested at December 31, 2019** | **73** | **$ 2.21** | |
| Recapitalized | 607 | (1.97) | |
| **Non-vested at December 31, 2019 (after effect of recapitalization)** | **680** | **0.24** | |
| Granted | 426 | 1.95 | |
| Vested | (352) | 1.10 | |
| Forfeited | — | — | |
| **Non-vested at March 31, 2020** | **754** | **$ 0.80** | **1.84** |

| | Number of RSU's | Weighted average grant date fair value | Weighted average remaining recognition period |
|---|---|---|---|
| **Non-vested at December 31, 2020** | **91** | **$ 11.58** | |
| Recapitalization | 671 | (10.19) | |
| **Non-vested at December 31, 2020 (after effect of recapitalization)** | **762** | **1.39** | |
| Granted | 143 | 11.90 | |
| Vested | (116) | 1.10 | |
| Forfeited | (17) | 3.13 | |
| **Non-vested at March 31, 2021** | **772** | **$ 1.98** | **2.44** |

Total equity-based compensation cost for three months ended March 31, 2021 and 2020 totaled approximately $239 thousand and approximately $417 thousand, respectively, and is recorded within the selling, general and administrative expenses and operating costs in the condensed consolidated statements of operations.

***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:

| | 2021 | 2020 |
|---|---|---|
| Expected annual dividend yield | — % | — % |
| Expected volatility | 47.5 % | — % |
| Risk-free rate of return | 0.7 % | — % |
| Expected option term (years) | 4.5 | 0 |

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.

A summary of stock option activity for the three months ended March 31, 2021 and 2020 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, 2019** | — | $ — | — |
| Granted | — | — | — |
| Exercised | — | — | — |
| Forfeited | — | — | — |
| **Balance, March 31, 2020** | — | $ — | — |

| | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term (Years) |
|---|---|---|---|
| **Balance, December 31, 2020** | — | $ — | — |
| Granted | 613 | 28.90 | 7 |
| Exercised | — | — | — |
| Forfeited | — | — | — |
| **Balance, March 31, 2021** | **613** | **$ 28.90** | **7** |
| Exercisable | — | — | — |

Total equity-based compensation cost for three months ended March 31, 2021 and 2020 totaled approximately $68 thousand and $0, respectively, and is recorded within the selling, general and administrative expenses within the condensed consolidated statements of operations. The weighted average grant-date fair values of options granted during the three months ended March 31, 2021 and 2020 were $11.41 and $0, respectively. There were no stock options exercised during 2021 or 2020.

## NOTE 6 - WARRANTS

***Warrants issued to purchase Legacy PCT Class B Preferred Units***

On October 16, 2015, Legacy PCT issued a unit purchase warrant to P&G in connection with the patent licensing agreement described in Note 10, for 211 thousand warrants at an aggregate exercise price of $1.00, allowing P&G to purchase a variable number of Legacy PCT Class B Preferred Units during the exercise period of April 15, 2019 through April 15, 2024. The warrants were determined to vest at the start of the exercise period. The number of warrants available to P&G to purchase is equal to an amount that initially represented 5% of all outstanding equity of Legacy PCT on a fully diluted basis. Additionally, the warrant agreement contains an anti-dilution provision, which

states that the number of warrants exercisable upon full exercise of the warrant will be subject to adjustment, such that the ownership percentage is not reduced below 2.5% sharing percentage in the Company, on a fully diluted basis.

Legacy PCT determined the warrants issued are liability classified under ASC 480. Accordingly, the warrants were held at their initial fair value and remeasured at fair value at each subsequent reporting date with changes in the fair value presented in the statements of operations.

On October 15, 2020, P&G exercised all 211 thousand of the warrants for total proceeds of $1. The fair value of the Legacy Class B Preferred Units on the date of exercise was $18.17 million and was recorded in APIC. In connection with the exercise, the Company recorded a loss of $211 thousand.

A summary of the Legacy PCT Class B warrant activity for Three months ended March 31, 2020 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, 2019** | **211** | **$ 1.00** | **$ 30.63** | **4.29** |
| Granted | — | — | — | — |
| Exercised | — | — | — | — |
| **Outstanding at March 31, 2020** | **211** | **$ 1.00** | **$ 30.63** | **4.04** |
| **Exercisable** | **211** | | | |

The Company recognized expense of $0 and $655 thousand for the three months ended March 31, 2021 and 2020, respectively, in connection with these warrants, which was recorded within the Change in fair value of warrants line item in the condensed consolidated statements of operations. The warrants were exercised in the fourth quarter of 2020, therefore there was no activity in the first quarter of 2021.

***Warrants issued to purchase Legacy PCT Class B-1 Preferred Units***

On June 5, 2019, in connection with a Legacy PCT Class B-1 Preferred Unit purchase agreement with a related party, Legacy PCT issued a unit purchase warrant for 8 thousand warrants at an exercise price of $37.61, allowing the related party to purchase a variable number of Legacy PCT Class B-1 Preferred Units during the exercise period of June 5, 2019 through June 4, 2024.

Legacy PCT determined the warrants are not a freestanding instrument under ASC 480. Also, the warrants are determined to be clearly and closely related to the Legacy PCT Class B-1 Preferred Units under ASC 815, *Derivatives and Hedging*. Accordingly, they are not recorded in the financial statements until exercised. On March 12, 2021, the warrants were cancelled prior to the closing of the Business Combination.

On July 22, 2019, in connection with a bridge note and warrant financing agreement with Innventus Fund I, L.P. (now known as Innventus ESG Fund I L.P.), Legacy PCT issued a unit purchase warrant for 5 thousand warrants at an exercise price of $37.61, allowing Innventus to purchase a variable number of Legacy PCT Class B-1 Preferred Units during the exercise period of July 22, 2019 through July 22, 2024.

Legacy PCT determined the warrants issued are equity classified under ASC 480. Accordingly, the warrants were held at their initial fair value with no subsequent remeasurement. On March 12, 2021, the warrants were cancelled prior to the closing of the Business Combination.

A summary of the Class B-1 warrant activity for the years ended December 31, 2020 and 2019 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, 2019** | **5** | **$ 37.61** | **$ 15.52** | **4.56** |
| Granted | — | — | — | 0 |
| Exercised | — | — | — | 0 |
| **Outstanding at March 31, 2020** | **5** | **$ 37.61** | **$ 15.52** | **4.31** |
| | | | | |
| **Outstanding at December 31, 2020** | **5** | **$ 37.61** | **$ 15.52** | **3.56** |
| Granted | — | — | — | 0 |
| Exercised | — | — | — | 0 |
| Cancelled | $ (5) | $ 37.61 | $ 15.52 | 0 |
| **Outstanding at March 31, 2021** | **—** | **$ —** | **$ —** | **0** |
| **Exercisable** | — | | | |

The Company recognized no expense for the three months ended March 31, 2021 and 2020, respectively.

***Warrants issued to purchase Legacy PCT Class C Units***

On June 29, 2018, the Legacy PCT Board approved the issuance of warrants to RTI Global ("RTI") under the terms of a professional services agreement to purchase an aggregate of 144 thousand of Legacy PCT Class C Units at an aggregated exercise price of $37.605 per unit. The warrants vested immediately upon issuance and expire on June 29, 2023 or upon a change in control event, as defined in the warrant agreement. The Company determined the warrants issued are equity classified under ASC 480. Accordingly, the warrants were held at their initial fair value with no subsequent remeasurement.

In connection with the Business Combination discussed in Note 1, the Company modified the warrant agreement to purchase 971 shares of PCT common stock instead of Legacy PCT Class C Units on November 20, 2020. RTI can exercise these warrants upon the first anniversary of Closing of the Business Combination. The warrants expire on December 31, 2024. In connection with the modification of the agreement, the Company determined the warrants issued are 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 statements of operations.

As of March 31, 2021. the Company has determined its warrants to be a Level 3 fair value measurement and used the Black-Scholes option-pricing model using the following assumptions:

| | |
|---|---|
| Expected annual dividend yield | — % |
| Expected volatility | 48.51 % |
| Risk-free rate of return | 0.56 % |
| Expected option term (years) | 3.75 |

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 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 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. Refer to Note 12 for more details on the fair value considerations of the warrants.

A summary of the RTI warrant activity for the three months ended March 31, 2021 and 2020 is as follows (in thousands, except per share data, as adjusted to show the effect of the reverse recapitalization as described in Note 1):

| | Number of warrants | Weighted average exercise price | Weighted average grant date fair value | Weighted average remaining contractual term (years) |
|---|---|---|---|---|
| **Outstanding at December 31, 2019** | **971** | **$ 5.56** | **$ 0.03** | **5** |
| Granted | — | — | — | — |
| Exercised | — | — | — | — |
| **Outstanding at March 31, 2020** | **971** | **$ 5.56** | **$ 0.03** | **4.75** |
| **Exercisable** | **971** | | | |

| | Number of warrants | Weighted average exercise price | Weighted average grant date fair value | Weighted average remaining contractual term (years) |
|---|---|---|---|---|
| **Outstanding at December 31, 2020** | **971** | **$ 5.56** | **$ 0.03** | **4** |
| Granted | — | — | — | — |
| Exercised | — | — | — | — |
| **Outstanding at March 31, 2021** | **971** | **$ 5.56** | **$ 0.03** | **3.75** |
| **Exercisable** | **971** | | | |

The Company recognized $15.0 million and $0 of expense for the three months ended March 31, 2021 and 2020, respectively.

***Public Warrants and Private Warrants***

Upon the closing of the Business Combination, there were approximately 5.9 million outstanding public and private warrants to purchase shares of the Company's common stock that were issued by ROCH prior to the Business Combination. 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, subject to adjustment as discussed below, 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. 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 five years after the completion of the Business Combination, or earlier upon redemption or liquidation. The private warrants are identical 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 the completion of an Initial Business Combination, 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 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.

At March 31, 2021, there were approximately 5.7 million Public Warrants and 0.2 million Private Placement warrants outstanding. Refer to Note 12 – Fair Value of Financial Instruments for further information.

**NOTE 7 - RELATED PARTY TRANSACTIONS**

Innventure LLC ("Innventure") had a significant ownership stake in Legacy PCT. Innventure, in turn, was majority owned by Innventure1. WE-INN LLC ("WE-INN") held a minority interest in Innventure, and WE-INN is majority owned by Wasson Enterprises.

Innventure held significant interests in the following legal entities: Innventure Management Services LLC, Innventure GP LLC, and Aeroflexx LLC. Innventure had a significant financial interest over each of the legal entities within the group and had decision-making ability over the group whereby significant managerial and operational support was provided by Innventure personnel. This includes certain executive management and officers of Legacy PCT and other legal entities that were employees or officers of Innventure. The legal entities, including Legacy PCT, were deemed to be under common control by Innventure. There were no transactions between Legacy PCT and its affiliates, Innventure GP LLC and Aeroflexx LLC, during the three months ended March 31, 2021 and 2020.

Innventure Management Services LLC provided significant managerial support to the other legal entities below Innventure, including Legacy PCT.

***Management services***

During the three months ended March 31, 2021 and 2020, PureCycle reimbursed Innventure Management Services LLC for certain expenses incurred on its behalf. For the three months ended March 31, 2021 and 2020, the Company paid $55 thousand and $102 thousand, respectively, to Innventure Management Services LLC related to this arrangement, which was included in selling, general and administrative expenses in the condensed consolidated statements of operations. As of March 31, 2021, and December 31, 2020, the Company owed Innventure Management Services LLC $22 thousand and $30 thousand, respectively, related to this arrangement, which is classified as accounts payable in the accompanying condensed consolidated balance sheets.

***Related party receivables***

In 2020, the Company prepaid certain tax payments on behalf of unitholders. As of March 31, 2021 and December 31, 2020 the receivable balance was $78 thousand recorded in prepaid expenses and other current assets in the condensed consolidated balance sheets.

***Leases***

The Company provides office space to, and is reimbursed for, the rent by Innventure LLC.

**NOTE 8 – 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.

As result of the reverse recapitalization, the Company has retroactively adjusted the weighted average shares outstanding prior to the Business Combination to give effect to the Exchange Ratio used to determine the number of shares of common stock into which they were converted.

Presented in the table below is a reconciliation of the numerator and denominator for the basic and diluted earnings per share ("EPS") calculations for the three months ended March 31, 2021 and 2020 (in thousands, except per share data):

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Numerator**: | | |
| Net income (loss) attributable to PureCycle Technologies | $ (30,120) | $ (4,564) |
| Less cumulative earnings to preferred stockholder | — | 730 |
| Net income (loss) attributable to common stockholders | $ (30,120) | $ (5,294) |
| **Denominator**: | | |
| Weighted average common shares outstanding, basic and diluted | 51,223 | 27,156 |
| Net loss per share attributable to common stockholder, basic and diluted | $ (0.59) | $ (0.19) |

The weighted-average outstanding common share equivalents were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been anti-dilutive. These shares include vested but not exercised warrants and non-vested restricted stock units and convertible notes.

**NOTE 9 – 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:

| | As of March 31, 2021 | | |
|---|---|---|---|
| *(in thousands)* | **Cost** | **Accumulated Depreciation** | **Net Book Value** |
| Building | $ 12,029 | $ 464 | $ 11,565 |
| Machinery and equipment | 16,079 | 2,795 | 13,284 |
| Fixtures and Furnishings | 104 | 26 | 78 |
| Land improvements | 150 | 5 | 145 |
| Land | 1,150 | — | 1,150 |
| Construction in process | 82,166 | — | 82,166 |
| **Total property, plant and equipment** | **$ 111,678** | **$ 3,290** | **$ 108,388** |

| | As of December 31, 2020 | | |
|---|---|---|---|
| *(in thousands)* | Cost | Accumulated Depreciation | Net Book Value |
| Building | $ 12,029 | $ 387 | $ 11,642 |
| Machinery and equipment | 15,982 | 2,388 | 13,594 |
| Fixtures and Furnishings | 104 | 22 | 82 |
| Land improvements | 150 | 3 | 147 |
| Land | 1,150 | — | 1,150 |
| Construction in process | 43,603 | — | 43,603 |
| **Total property, plant and equipment** | **$ 73,018** | **$ 2,800** | **$ 70,218** |

Depreciation expense is recorded within operating costs in the condensed consolidated statements of operations and amounted to $490 thousand and $465 thousand for the three months ended March 31, 2021 and 2020, respectively.

**NOTE 10 – DEVELOPMENT PARTNER ARRANGEMENTS**

***License Agreements***

On October 16, 2015, Legacy PCT entered into a patent license agreement with P&G. The agreement outlines three phases with specific deliverables for each phase. During Phase 1 of the agreement, P&G provides Legacy PCT with up to one full-time employee to assist in the execution of Legacy PCT's research and development activities. During Phase 2, P&G provides up to two full-time employees to assist in the execution of Legacy PCT's research and development activities. In April 2019, Legacy PCT elected to enter into Phase 3 of the agreement and prepaid a royalty payment in the amount of $2.0 million, which will be reduced against future royalties payable as sales occur. Phase 3 of the agreement relates to the commercial manufacture period for the manufacture of the licensed product. This phase includes the construction of the first commercial plant for the manufacture of the licensed product, details on the commercial sales capacity and the pricing of the product to P&G and third parties. Where the Company has made royalty payments to its product development partners, the Company expenses such payments as incurred unless it has determined that is it probable that such prepaid royalties have future economic benefit to the Company. In such cases prepaid royalties will be reduced as royalties would otherwise be due to the partners. Effective January 1, 2021, the Company entered into an agreement with P&G to provide certain research assistance through June 30, 2021. Under the terms of the agreement, the Company is obligated to pay P&G $0.5 million for such services.

As of March 31, 2021 and December 31, 2020 the Company is in Phase 3 of the agreement and has recorded $2.0 million within prepaid royalties and licenses in the condensed consolidated balance sheets.

On November 13, 2019, Legacy PCT entered into a patent sublicense agreement with Impact Recycling Limited ("Impact") through the term of the patents. The agreement outlines an initial license fee of $2.5 million and royalties on production using the license. In 2020, Legacy PCT paid $890 thousand of the initial license fee, and during the three months ended March 31, 2021, the Company paid the remaining $1.6 million of the initial fee. The technology covered by the patent has not yet been implemented and as such, the Company has not yet received any benefit from the license. The Company will begin amortization of an intangible asset when the technology is operational. The initial license fee of $2.5 million is recorded in Prepaid royalties and licenses in the condensed consolidated balance sheets and will be ratably amortized over the term of the patent using the straight-line method.

***Block and Release Agreement***

On June 23, 2020, Legacy PCT entered into a block and release agreement with Total Petrochemicals & Refining S.A./N.V. ("Total"). Upon execution of the agreement, Total made a prepayment consisting of a payment of $5.0 million for future receipt of resin consisting of recycled polypropylene ("recycled PP"). The prepayment was placed in an escrow account until the "release condition" of the Company closing the bond offering and overall capital funding of at least $370.0 million has occurred. After the Company successfully raised the required capital, the $5.0 million was released during the three months ended March 31, 2021 to the Company and recorded as deferred revenue in the condensed consolidated balance sheets.

***Strategic Alliance Agreement***

On December 13, 2018, Legacy PCT entered into a strategic alliance agreement with Nestec Ltd. ("Nestle"), which expires on December 31, 2023. Upon execution of the agreement, Nestle committed to provide $1.0 million to Legacy PCT to fund further research and development efforts. The funding provided by Nestle may be convertible, in whole or in part, into a prepaid product purchase arrangement at Nestle's option, upon the time of product delivery beginning in 2020. Additionally, because the research and development efforts were not successful as of December 31, 2020, up to 50% of the funding may be convertible into a 5-year term loan obligation, payable to Nestle at an interest rate equivalent to the U.S. prime rate. As of the issuance of these statements, Nestlé has not elected to convert any funding into a term loan.

Legacy PCT received the funding from Nestle on January 8, 2019. The Company has recorded $1.0 million as a Deferred research and development obligation as of March 31, 2021 and December 31, 2020. Recognition related to the funding received will be deferred until it is probable that Nestle will not exercise their option. If the prepaid product purchase option is exercised, the obligation will be recognized as an adjustment to the transaction price of future product sales (e.g., net revenue presentation). If the option is not exercised, or in the case of development efforts not being successful, any amounts not converted to a loan obligation will be recognized as a reduction to research and development costs.

**NOTE 11 - INCOME TAXES**

Historically, Legacy PCT was a limited liability company which had elected to be treated as a partnership for income tax purposes. As such, the Company was not directly liable for income taxes for federal purposes. As of the date of the Business Combination, the operations of the Company ceased to be taxed as a partnership resulting in a change in tax status for federal and state income tax purposes. This change in tax status requires immediate recognition of any deferred tax assets or liabilities as of the transaction date as the Company will now be directly liable for income taxes. The recognition of these initial deferred balances, if any, would be recorded as additional tax expense in the period of the transaction. In addition, the Company will accrue current and deferred tax expense based on ongoing activity from that date.

The Company has determined that any net deferred tax assets are not more likely than not to be realized in the future as of the date of the change in tax status, 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, 2021 and 2020, the Company has reported tax expense of $0 and $0, respectively.

As a part of the initial and current period recognition, Management has also evaluated the Company's tax positions, including their status as a pass-through entity for federal and state tax purposes historically, 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 12 – 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

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.

***Liabilities measured and recorded at Fair Value on a recurring basis***

As of March 31, 2021 and December 31, 2020, the Company's financial liabilities measured and recorded at fair value on a recurring basis were classified within the fair value hierarchy as follow (in thousands):

| | March 31, 2021 | | | | December 31, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| RTI warrants | $ — | $ — | $ 15,000 | $ 15,000 | $ — | $ — | $ — | $ — |
| Private warrants | — | — | 3,258 | 3,258 | — | — | — | — |
| Total | $ — | $ — | $ 18,258 | $ 18,258 | $ — | $ — | $ — | $ — |

***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 for both initial measurement upon close of the Business Combination and subsequent measurement using the following assumptions:

| | March 31, 2021 | March 18, 2021 (Initial Recognition) |
|---|---|---|
| Expected annual dividend yield | — % | — % |
| Expected volatility | 46.1 % | 47.3 % |
| Risk-free rate of return | 0.91 % | 0.86 % |
| Expected option term (years) | 4.96 | 5.0 |

The aggregate values of the private warrants were $3.3 million and $4.6 million on March 31, 2021 and March 18, 2021, respectively.

A summary of the private warrants activity from the Business Combination date at March 18, 2021 to March 31, 2021 is as follows:

| | Fair value (Level 3) |
|---|---|
| Balance at March 18, 2021 | $ 4,604 |
| Change in fair value | (1,346) |
| Balance at March 31, 2021 | $ 3,258 |

Refer to Note 6 – 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 the Black-Scholes option pricing model to calculate its fair value as of March 31, 2021 using the following assumptions:

| | |
|---|---|
| Expected annual dividend yield | — % |
| Expected volatility | 48.51 % |
| Risk-free rate of return | 0.56 % |
| Expected option term (years) | 3.75 |

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 for three months ended March 31, 2021 are as follows (in thousands):

| | Fair value (Level 3) |
|---|---|
| Balance at December 31, 2020 | $ — |
| Change in fair value | 15,000 |
| Balance at March 31, 2021 | $ 15,000 |

***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 cash equivalents and accounts payable at cost, which approximates fair value due to their short-term nature or stated rates. The Company records debt at cost. Management believes the fair value of the debt is not materially different than the carrying amount.

**NOTE 13 - SUBSEQUENT EVENTS**

In connection with the preparation of the condensed consolidated interim financial statements for the period ended March 31, 2021, management has evaluated events through May 19, 2021, 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:

***Paycheck Protection Program***

On May 1, 2020, Legacy PCT was granted a loan (the “Loan”) from PNC Bank, National Association, in the aggregate amount of approximately $314 thousand, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. On April 9, 2021, the Small Business Administration remitted to the lender $314 thousand in principal and $3 thousand in interest for forgiveness of the PPP Loan.

***Revenue Bonds***

As described in Note 3, Notes Payable and Debt Instruments, and in connection with its obligations under that certain Security Agreement dated as of October 7, 2020, between PCO, as debtor, and the Trustee, as secured party, entered into when the Bonds were issued (the “Security Agreement”), PCO must deliver consent and agreements (“Consents”) to the Trustee with respect to each agreement entered into in connection with the PureCycle Project, each of which agreements is required under the Loan Agreement to be assigned to the Trustee. The forms of the Consents relating to a certain feedstock supply agreement from one supplier of feedstock to the Project (the “Supplier”) and from two purchasers of offtake from the Project (“Offtaker 2” and “Offtaker 3” and together with the Supplier, the “Counterparties”) delivered to the Trustee contained terms inconsistent with the form of the Consent required under the Security Agreement. On May 11, 2021, an amended and restated guaranty of completion (the “ARG”) was executed by PureCycle and delivered to the Trustee, which broadens the purposes for which draws by the Trustee on the Liquidity Reserve may be utilized, extends the period during which the Liquidity

Reserve must be maintained, includes conditions that would permit a reduction in the amount of the Liquidity Reserve required to be maintained by PureCycle, and includes conditions precedent to the elimination of the requirement that PureCycle replenish the Liquidity Reserve and to the termination of the ARG and the escrow agreement under which the Liquidity Reserve is held by the escrow agent (the "Escrow Agreement"), upon which termination, the balance of the Liquidity Reserve would be returned to PureCycle. So long as there are any Series 2020A Bonds outstanding under the Indenture, the ARG and the Escrow Agreement will remain in place upon the conditions stated in the ARG. The terms of the ARG are summarized as follows: The Liquidity Reserve shall be maintained in the amount of $50.0 million, subject to replenishment by PureCycle until certain conditions stated in the ARG relating to the following have been met: (i) the completion of construction and acquisition of the Project, (ii) the payment of all Project costs, and (iii) the replacement of the assigned agreements of the Counterparties underlying the Consents which have expired or terminated, with one or more agreements between counterparties and PCO upon terms at least as favorable to PCO as the expired or terminated agreements of the Counterparties, (a) for which a Consent that conforms to the form of Consent required by the Security Agreement is executed by the counterparties and provided to the Trustee, (b) which, in the case of supply of feedstock to the Project, provide in the aggregate for the supply of at least the minimum and maximum volumes of feedstock meeting substantially similar feedstock specifications as the Supplier had committed to supply, and (c) which, in the case of purchase of offtake from the Project, provide in the aggregate for the purchase of the minimum and maximum volumes of offtake from the Project meeting substantially similar specifications as Offtaker 2 and Offtaker 3 had committed to purchase from PCO. When the conditions stated in (i), (ii) and (iii) above have been satisfied but so long as there are Series 2020A Bonds outstanding under the Indenture, the Escrow Agreement shall remain in place but the Liquidity Reserve amount shall be reduced to $25 million and PureCycle shall no longer be required to replenish the amount of the reduced Liquidity Reserve if and when disbursements are made therefrom. If the conditions of (i) and (ii) have been met but only a portion of the feedstock and offtake contracted for by the Counterparties, respectively, has been replaced under replacement agreements as aforesaid in (iii) above, then the Liquidity Reserve amount may be reduced only by the applicable proportion of the amounts stated in the ARG which evidence the intent of the parties of the amount of value representing the supply or offtake of the agreements of the Counterparties. When the conditions precedent of (i), (ii), and (iii) have been satisfied and there are no longer any Series 2020A Bonds then outstanding, then PureCycle shall have no obligation to maintain the reduced Liquidity Reserve, the ARG and the Escrow Agreement shall terminate and the balance on deposit in the Liquidity Reserve escrow fund held by the escrow agent shall be returned to PureCycle.

So long as any Series 2020A Bonds remain outstanding under the Indenture, upon the occurrence of an Event of Default under the Loan Agreement or Indenture, if the Trustee takes control of the Liquidity Reserve held by the escrow agent, such funds may be used for any purpose, including the payment of debt service on the Series 2020A Bonds, as may be determined by the Trustee or directed by a majority of the holders of the Series 2020A Bonds then outstanding.

***Lawsuits***

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 "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" and, together with the Theodore Lawsuit, the "Lawsuits"). The plaintiffs in the Lawsuits seek to represent a class of investors who purchased or otherwise acquired PCT's securities between November 16, 2020 and May 5, 2021. The plaintiffs in the Tennenbaum Lawsuit also seek to represent a class of all holders of ROCH CH Acquisition I Co. securities entitled to participate in the March 16, 2021 shareholder vote on the Business Combination. The complaints seek certification of the alleged class and compensatory damages. The Theodore Lawsuit also seeks punitive damages. The complaints rely on information included in a research report published by Hindenburg Research LLC. The time for the applicable defendants to answer, move or otherwise respond has not yet been scheduled. PCT and the individual defendants constituting senior members of management intend to vigorously

defend the 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 Lawsuits.

## 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 consolidated results of operations and financial condition. The discussion should be read together with 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" elsewhere in this Quarterly Report on Form 10-Q. 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**

PCT is commercializing a patented purification recycling technology (the "Technology"), originally developed by The Procter & Gamble Company ("P&G"), for restoring waste polypropylene into resin with near-virgin characteristics. We call this resin ultra-pure recycled polypropylene ("UPRP"), which has nearly identical properties and applicability for reuse as virgin polypropylene. PCT has a global license for the Technology from P&G. We are currently building our first commercial-scale plant in Ironton, Ohio, which is expected to have nameplate capacity of approximately 107 million pounds/year when fully operational. Production is expected to commence in late 2022 and the plant is expected to be fully operational in 2023. We have contracted all of the feedstock and offtake for this initial plant. Our goal is to create an important new segment of the global polypropylene market that will assist multinational entities in meeting their sustainability goals, provide consumers with polypropylene-based products that are sustainable, and reduce overall polypropylene waste in the world's landfills and oceans.

PCT intends to build new recycling production facilities globally, with the goal of having approximately 30 commercial lines operational by 2030 and approximately 50 by 2035. In addition to our first plant in Ironton, Ohio, we currently expect the next plants to be located in the United States, followed by Europe. Additional expansion in the United States is expected to include a scaled up "cluster" site model. Pre-engineering for the design and installation of multiple commercial lines in a single cluster site is currently underway and is expected to create efficiencies across the construction and permitting processes, as well as reduce average capital expenditures per plant and reduce overall operating costs. From this next wave of expansion PCT expects to have approximately 1.0 billion pounds of installed capacity by the end of 2024.

PCT is regarded as a leader in polypropylene recycling and polymers sustainability. The Company's Feedstock Evaluation Unit ("FEU"), which has been operational since July of 2019, is a smaller scale replica of the commercial-scale plant in Ironton, Ohio (the "Phase II Facility") currently under construction. The FEU was designed to simulate commercial production and validate for PCT's customers and suppliers the viability of our process, which has helped PCT secure 20+ year signed offtake agreements and supply agreements with blue chip partners and industry players. Since its commissioning, the FEU has successfully processed more than 145 feedstocks from the US and Europe and produced recycled polypropylene nearly identical to virgin polypropylene.

The Technology has been evaluated by third parties with a focus on the Technology's efficacy and commercial scalability. Certain of our strategic partners have conducted testing on PCT's UPRP. In these evaluations, PCT's UPRP compared favorably to virgin polypropylene in common Food & Beverage industry benchmarks for melt flow and mechanical properties, purity, and function (lift decay, hinge break, and impact resistance).

**The 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 ("Merger Sub LLC"), Roth CH Merger Sub Corp., a Delaware corporation and wholly owned direct subsidiary of Parent Co ("Merger Sub Corp") and PureCycle Technologies LLC ("PCT LLC") pursuant to the Agreement and Plan of Merger dated as of November 16, 2020, as amended from time to time (the "Merger Agreement").

Immediately 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 Business Combination was accounted for as a reverse recapitalization and ROCH was treated as the “acquired” company for accounting purposes. The Business Combination was accounted as the equivalent of Legacy PCT issuing stock for the net assets of ROCH, accompanied by a recapitalization. Accordingly, all historical financial information presented in these condensed consolidated interim financial statements represents the accounts of Legacy PCT “as if” Legacy PCT is the predecessor to the Company. The units and net loss per unit, prior to the Business Combination, have been adjusted to share amounts reflecting the exchange ratio established in the Business Combination.

***Business Highlights***

We are a pre-commercial company and our future financial condition and operating performance will depend on our ability to successfully begin, sustain and expand the manufacturing and sale of UPRP, as discussed below, which in turn is subject to significant risks and challenges, including, but not limited to, those described in the section of this Quarterly Report on Form 10-Q titled “Risk Factors.”

According to the 2017 United States National Postconsumer Plastic Bottle Recycling Report published by The Association of Plastic Recyclers and the American Chemistry Council, global demand for virgin or near-virgin polypropylene is expected to exceed 200.0 billion pounds by 2024, of which approximately 27% is expected to come from the United States. However, less than 1% of U.S. polypropylene was recycled as of 2019 according to the American Chemistry Council.

We apply a unique resin purification process to produce near-virgin quality polypropylene resin using waste polypropylene feedstock. The physical purification process separates colors, contaminants and odors from waste polypropylene to achieve a potentially “food grade” product while also expanding the range of feedstock quality in comparison to traditional polypropylene recycling.

P&G, which designed and owns the patents to the Technology for manufacturing UPRP, granted us an exclusive, worldwide license to their patents and other intellectual property for the manufacture of recycled polypropylene (the “License Agreement”). The License Agreement was granted for the duration of the relevant patents and we, in turn, granted back a limited sublicense to P&G for the same period, including to any intellectual property Improvements (as defined in the License Agreement) made by us, allowing P&G to produce or sublicense the production of up to a certain amount of UPRP worldwide per year for a set period of time and up to a certain higher threshold of UPRP per region (the License Agreement defines six separate geographic regions) per year thereafter. The exclusivity period terminates with the last to expire of the licensed patents. Patents expire at or near twenty years from their earliest effective filing date in the United States Patent and Trademark Office. The first of the licensed patents was filed in June 2016 and have an expected expiration date of June 2036. The most recent patents were filed in 2019 and expire in 2039.

Additionally, P&G has the right to produce or sublicense the production of UPRP using its technology, which may cause us to come into competition with P&G or its sublicensees. In the event this takes place, these companies will have access to the same technology and may not be subject to royalties or may enjoy preferential royalty terms. Competition may drive down pricing and, to the extent such future competitors are able to produce UPRP more efficiently than we are, our margins and profits could be adversely affected. In addition, any breach by us of certain terms of the License Agreement may entitle P&G to terminate the License Agreement or make it non-exclusive, which would have a material and adverse impact on our business, financial condition and results of operations.

Multiple large corporations have specifically committed to reducing their plastics footprint, resulting in premium pricing for recycled polypropylene relative to its virgin counterpart. PCT has entered into legally binding offtake agreements with three blue-chip customers for the purchase of UPRP from the production expected at the Phase II Facility at premium prices relative to virgin polypropylene. These commitments account for a minimum of 47.5 million pounds of the Phase II Facility’s annual production capacity. Combined with the three additional secured offtake agreements, a minimum of 63 million pounds of total capacity is committed at PCT’s sole option, up to a quantity of 138 million pounds per year at PCT’s sole option. The terms of these offtake agreements range from 3 to 7 years and we have entered into several offtake letters of intent with other potential customers. We have also

secured the feedstock required to run the Phase II Facility at its 107 million pounds nameplate capacity for at least the first 3 years.

Pursuant to one binding offtake term sheet with a blue-chip customer, entered into on April 22, 2020 (and subsequently amended, the "Pre-Purchase Term Sheet"), PCT and PCO agreed to work in good faith with a third party to finalize an Offtake Agreement. On March 16, 2021, PCT received a $5 million pre-payment under the Pre-Purchase Term Sheet for future receipt of UPRP meeting certain purity, color and other technical specifications set forth in the Pre-Purchase Term Sheet. Additionally, PCT and PCO agreed to allocate to, and at the option of, the Pre-Purchase Term Sheet's counterparty, between five to eight million pounds of UPRP over each of the next 20 years. Furthermore, the Pre-Purchase Term Sheet provides for the reimbursement of the $5 million pre-payment upon PCT's failure to (1) proceed with the construction and commissioning of the Phase II Facility; (2) begin commercial production and delivery of UPRP by January 2, 2023 and (3) provide the counterparty with certain agreed-upon rebate payments (the "Reimbursement"). Lastly, PCT and PCO agreed not to enter into any strategic partnership agreement or offtake agreement with a competitor of the Purchase Term Sheet's counterparty until the third quarter of 2021, six months after the counterparty is expected to receive a sample batch of UPRP. Innventure LLC (then known as We-Innventure LLC), unconditionally guaranteed PCT's obligation to make the Reimbursement pursuant to a separate Guaranty entered into with the Pre-Purchase Term Sheet counterparty on April 22, 2020.

***Completion of the Phase II Facility and Expansion of Our Manufacturing Footprint***

Construction of our first manufacturing plant, the "Phase II Facility" or "Plant 1," began in October 2020. The plant is on the 26-acre site of a former Dow Chemical plant near the Ohio River and close to rail, highway and barge transportation. We expect the Phase II Facility to be commercially operational by the end of 2022, with an annual production capacity of 107 million pounds expected by 2023.

Our initial testing production line — the Feedstock Evaluation Unit ("FEU" or "Phase I Facility") — was developed to test and optimize the efficiency and throughput of our recycling process, was completed in July 2019 and will remain a critical component for testing feedstock for polypropylene content. The next phase is to construct, renovate, equip and install an approximately 150,000 square foot facility housing commercial-scale equipment including the repurposing of three existing buildings for feedstock pre-processing and storage. We estimate the total remaining cost to complete the Phase II Facility at approximately $265.9 million.

The timely completion of our construction of the Phase II Facility depends on several factors, some of which are outside of our control. We have contracted the construction to several third parties. One contractor will repurpose existing buildings, another will construct the core purification process equipment, and several others will supply certain pre-processing equipment. In addition, PCT is required to obtain or modify certain additional construction permits for the timely completion of the Phase II Facility.

While our contractors are subject to performance guarantees that equipment will be free from defects for 12 months and PCT's key contractors are subject to delay damage liability in the event that the Phase II Facility is not delivered by the fourth quarter of 2022, there is no assurance that the Phase II Facility will be completed at our anticipated cost, that it will become operational on our anticipated timeline, or that any indemnity for delay will be sufficient to compensate us for the consequences of the defect or delay, such as the termination of or loss of exclusivity under the License Agreement. In the event that the Phase II Facility is completed above anticipated cost then PCT is responsible for construction cost overruns.

**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 Securities and Exchange Commission (the "SEC") and accounting principles generally accepted in the United States of America ("U.S. GAAP"). Intercompany balances and transactions were eliminated upon consolidation. These condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements and accompanying notes of ROCH and Legacy PCT for the fiscal year ended December 31, 2020 as filed in our Form S-1 on March 8, 2021. The results of operations for the three months ended March 31, 2021 are not necessarily indicative of the results to be expected for the entire year ending December 31, 2021. 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.

**Components of Results of Operations**

***Revenue***

To date, we have not generated any operating revenue. We expect to begin to generate revenue by the end of 2022, which is when we expect the Phase II Facility to become commercially operational.

***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 the Phase I Facility, including rent, depreciation, repairs and maintenance, utilities and supplies. Costs attributable to the design and development of the Phase II Facility are capitalized and will be depreciated over the useful life of the Phase II Facility, which we expect to be approximately 40 years. We expect our operating costs to increase substantially 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 our facilities and licensed product. These include mainly personnel costs and third-party consulting costs. In 2020 and 2021, our research and development expenses were related primarily to the development of the Phase I Facility and design and development of our UPRP Process. We expect our research and development expenses to increase for the foreseeable future as we increase investment in feedstock evaluation, including investment in new frontend 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.

***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-month periods ended March 31, 2021 and 2020**

The following table summarizes our operating results for the three-month periods ended March 31, 2021 and 2020:

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| **(in thousands, except %)** | **2021** | **2020** | **$ Change** | **% Change** |
| Costs and expenses | | | | |
| Operating costs | $ 2,130 | $ 1,683 | $ 447 | 27 % |
| Research and development | 547 | 348 | 199 | 57 % |
| Selling, general and administrative | 7,624 | 1,238 | 6,386 | 516 % |
| Total operating costs and expenses | 10,301 | 3,269 | 7,032 | 215 % |
| Interest expense | 6,089 | 588 | 5,501 | 936 % |
| Change in fair value of warrants | 13,621 | 655 | 12,966 | 1,980 % |
| Other expense | 109 | 52 | 57 | 110 % |
| Net loss | $ 30,120 | $ 4,564 | $ 25,556 | 560 % |

***Operating Costs***

The increase was primarily attributable to an increase in repairs and maintenance costs of $0.3 million and higher personnel costs of $0.2 million related to wages and salaries, reflecting the hiring of operational staff at the Phase I Facility.

***Research and Development Expenses***

The research and development expenses remained mostly consistent for each period.

***Selling, General and Administrative Expenses***

The increase was primarily attributable to increases in transaction related expenses of $3.2 million, additional professional service expenses of $2.0 million, increases in legal fees of $0.5 million related to the closing of the transaction and the issuance of the Revenue Bonds, an increase in consulting and other fees of $0.2 million, and a net increase in employee costs of $0.1 million.

***Interest Expense***

The increase was primarily attributable to interest on the Revenue Bonds and Convertible Notes of $5.5 million.

***Change in fair value of warrants***

The increase of $13.0 million was attributable to the change in fair value of the liability-classified RTI and private warrants of $13.7 million and offset by a decrease of $0.7 million of change in fair value of P&G warrants in 2020.

**Liquidity and Capital Resources**

We have not yet begun commercial operations and we do not have any sources of revenue. Our 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 Convertible Notes and Revenue Bonds and the Closing of the Business Combination. As of March 31, 2021, we had cash and cash equivalents on hand of $570.1 million. Of the total cash balance, $317.5 million is included in Restricted Cash on the Condensed Consolidated Balance Sheet. This balance is restricted in terms of use based on the Loan Agreement and requires PCO to use the proceeds of the Revenue Bonds exclusively to construct and equip the Phase II Facility, fund a debt service reserve fund for the Series 2020A Bonds, finance capitalized interest, and pay the costs of issuing the Revenue Bonds. For the three months ended March 31, 2021, which is the first-time the restricted cash was available to be used, PCO used $9.0 million. We also had $310 million in debt, less $20.7 million of discount and issuance costs, as of March 31, 2021.

Further, in conjunction with the closing of the Business Combination, PCT received $326.0 million of gross proceeds related to the transaction closing and the release of the PIPE investment funds. The gross proceeds were offset by $27.9 million of capitalized issuance costs.

The proceeds and restricted cash described above are intended to be used for: construction of our Phase II Facility, which we currently estimate has $265.9 million in remaining cost to complete, approximately $8 - 10 million related to designing and building PCT's overall global digital footprint, and for other general corporate purposes. Our future capital requirements will depend on many factors, including actual construction costs for our Phase II Facility, the construction of additional plants, funding needs to support our business growth and to respond to business opportunities, challenges or unforeseen circumstances. If our forecasts prove inaccurate, we may be required to seek additional equity or debt financing from outside sources, which we may not be able to raise on terms acceptable to us, or at all. If we are unable to raise additional capital when desired, our business, financial condition and results of operations would be adversely affected.

***Indebtedness***

*Convertible Notes Offering*

On October 6, 2020, we entered into a Note Purchase Agreement (the "Note Purchase Agreement") with certain funds managed by Magnetar Capital LLC or its affiliates ("Magnetar Investors"), providing for the purchase of up to $60.0 million in aggregate principal amount of our Convertible Senior Secured Notes due 2022 (the "Convertible Notes") issuable under an indenture dated as of October 7, 2020 (the "Magnetar Indenture") between us and U.S. Bank National Association, as trustee and collateral agent.

On October 7, 2020, we issued $48.0 million in aggregate principal amount of Convertible Notes (the “First Tranche Notes”). On December 29, 2020, we issued $12.0 million in aggregate principal amount of Second Tranche Notes. In the event that the Business Combination was not consummated within 180 days of the entry into the Merger Agreement, the Second Tranche Notes were subject to a special mandatory redemption at a redemption price equal to 100% of their aggregate principal amount, plus accrued and unpaid interest.

In connection with the Business Combination, we and each of our subsidiaries (the “Magnetar Guarantors”) was required to unconditionally guarantee, on a senior basis, all of our obligations with respect of the Convertible Notes. The Convertible Notes are our senior obligations and are fully and unconditionally guaranteed by the Magnetar Guarantors. On March 17, 2021, we entered into a supplemental indenture (the “Second Supplemental Indenture”) with PureCycle Technologies LLC, PureCycle Technologies Holdings Corp., and U.S. Bank, National Association, as trustee and collateral agent, pursuant to which (i) we and PureCycle Technologies Holdings Corp. agreed to guarantee our obligations under the Convertible Notes and (ii) we and PureCycle Technologies Holdings Corp. unconditionally assumed all of our obligations under the Convertible Notes and the Magnetar Indenture relating to, among other things, our obligations relating to the authorization, issuance and delivery of our common stock issuable upon conversion of the Convertible Notes.

Also, on March 17, 2021, we signed the Joinder Agreement (the “Joinder Agreement”) to the Note Purchase Agreement. The Joinder Agreement made us a party to the Notes Purchase Agreement for purposes of the indemnification provisions therein. Execution of the Joinder Agreement was a closing condition to the Merger Agreement.

Under the Magnetar Indenture for the Convertible Notes, we and the Magnetar Guarantors will, subject to certain exceptions, be restricted from incurring indebtedness that ranks senior in right of payment to the Convertible Notes and if we or the Magnetar Guarantors incur *pari passu* indebtedness that is secured by a lien, we and such Magnetar Guarantors are required to also provide an equal and ratable lien in favor of the holders of the Convertible Notes. The Convertible Notes are subject to certain customary events of default.

Unless earlier converted, redeemed or repurchased in accordance with the terms of the Magnetar Indenture, the Convertible Notes will mature on October 15, 2022, subject to an extension that may be exercised at our sole discretion to April 15, 2023 with respect to 50% of the then outstanding Convertible Notes. The Convertible Notes will bear interest from their date of issue at a rate of 5.875% per year, payable semi-annually in arrears on April 15 and October 15 of each year, beginning on April 15, 2021. Interest on the Convertible Notes is payable, at our option, entirely in cash or entirely in kind in the form of additional Convertible Notes.

The Convertible Notes are convertible at the option of the holders at any time, until the close of business on the business day immediately preceding the maturity date. Following the consummation of the Business Combination, the conversion rate per $1,000 principal amount of Convertible Notes is the quotient of (A) $1,000 and (B) the SPAC transaction PIPE valuation; provided that if the Equity Value of the Company in connection with the SPAC Transaction is greater than $775.0 million, the conversion rate shall equal the product of (1) the amount that would otherwise be calculated pursuant to this clause set forth above and (2) a fraction equal to the Equity Value of the Company divided by $775.0 million (as such terms are defined in the Magnetar Indenture). The conversion price is $6.93 for potential conversion into approximately 8,661 million shares of common stock.

In connection with certain transactions resulting in a change of control (not including the Business Combination), the Convertible Notes will be convertible at the option of the holders until the 35th business day following the change of control becoming effective at an initial conversion rate equal to the quotient of $1,000 and 80% of the per share amount of consideration received by holders of common stock in such change of control transaction. In each case, the conversion rate is subject to adjustment under certain circumstances, including certain dilutive events, in accordance with the terms of the Magnetar Indenture.

If certain fundamental change or change of control transactions occur with respect to us, holders of the Convertible Notes may require the repurchase for cash of all or any portion of their Convertible Notes at a fundamental change repurchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date.

We may not redeem the Convertible Notes at our option at any time, and no sinking fund is provided for by the Magnetar Indenture.

***Cash Flows***

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

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| **(in thousands, except %)** | **2021** | **2020** | **$ Change** | **% Change** |
| Net cash used in operating activities | $ (20,568) | $ (4,919) | $ (15,649) | 318 % |
| Net cash used in investing activities | (33,891) | (763) | (33,128) | 4,342 % |
| Net cash provided by financing activities | 293,969 | 8,641 | 285,328 | 3,302 % |
| Cash and cash equivalents, beginning of year | 330,574 | 150 | 330,424 | 220,283 % |
| **Cash and cash equivalents, end of year** | **$ 570,084** | **$ 3,109** | **$ 566,975** | **18,237 %** |

***Cash Flows from Operating Activities***

The $15.6 million, or 318%, increase in net cash used in operating activities for the three months ending March 31, 2021 compared to the same period in 2020 was primarily attributable to the increase in transaction and other related payments that were paid as part of the Business Combination of $13.9 million, $1.8 million paid for D&O insurance, $1.8 million related to increased employee costs, $1.6 million related to the Impact License agreement, and $1.5 million of various other expenses, partially offset by the $5.0 million receipt of the Total pre-payment release.

***Cash Flows from Investing Activities***

The $33.1 million, or 4,342%, increase in net cash used in investing activities for the three months ending March 31, 2021 related to same period in 2020 was attributable to payments related to construction of the Company's Phase II Facility.

***Cash Flows from Financing Activities***

The $285.3 million, or 3,302%, increase in net cash provided by financing activities for the three months ending March 31, 2021 related to same period in 2020 was primarily attributable to $298.5 million from the closing of the Business Combination, net of capitalized issuance costs and a decrease in payments to related parties of $2.7 million. This increase was offset by an increase in bond issuance costs paid of $4.1 million and a decrease in proceeds from issuance of Legacy PCT units of $11.6 million.

**Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. We do 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 definitive agreements subject only to customary closing conditions, and do not qualify as off-balance sheet arrangements required for disclosure.

**Critical Accounting Policies and Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated interim financial statements and accompanying notes. Although these estimates are based on the Company's knowledge of current events and actions the Company may undertake in the future, actual results could differ from those estimates and assumptions.

***Income Taxes***

To calculate the interim tax provision, at the end of each interim period the Company estimates the annual effective tax rate and applies that to its ordinary quarterly earnings. The effect of changes in the enacted tax laws or rates is recognized in the interim period in which the change occurs. The computation of the annual estimated effective tax rate at each interim period requires certain estimates and judgments including, but not limited to, the expected operating income for the year, projections of the proportion of income earned and taxed in other jurisdictions, permanent differences between book and tax amounts, and the likelihood of recovering deferred tax assets

generated in the current year. The accounting estimates used to compute the provision for income taxes may change as new events occur, additional information is obtained, or the tax environment changes.

Furthermore, in December 2019, the FASB issued ASU No. 2019-12, *Income Taxes: Simplifying the Accounting for Income Taxes* (ASU 2019-12"). The new guidance affects general principles within Topic 740, *Income Taxes*. The amendments of ASU 2019-12 are meant to simplify and reduce the cost of accounting for income taxes. The Company adopted ASU 2019-12 during the first quarter of 2021 using a prospective approach. The adoption of ASU 2019-12 did not have a material impact on the Company's condensed consolidated interim financial statements.

***Equity-Based Compensation***

Legacy PCT issued grants of Legacy PCT incentive units to select employees and service providers. The equity- based compensation cost for the units is measured at the grant date based on the fair value of the award over the requisite service period, which is the vesting period on the straight-line basis. In the event of modification, the Company recognizes the remaining compensation cost based on the grant date fair value over the new requisite service period. The Company applies a zero-forfeiture rate for its equity-based awards, as such awards have been granted to a limited number of employees and service providers. The Company revises the forfeiture rate prospectively as a change in an estimate, when a significant forfeiture or an indication that significant forfeiture occurs.

In connection with the Closing of the Business Combination, the Legacy PCT incentive units were converted into restricted stock of the Company. The restricted stock awards maintain the same vesting schedules as the Legacy PCT incentive units.

The fair value of the awards is estimated on the date of grant using the Black-Scholes option- pricing model using the following assumptions:

| | 2021 | 2020 |
|---|---|---|
| Expected annual dividend yield | 0.0 % | 0.0 % |
| Expected volatility | 49.1 % | 42.1 - 63.3% |
| Risk-free rate of return | 0.1 % | 1.6 - 1.7% |
| Expected option term (years) | 0.2 | 1.0 - 4.4 |

The expected term of the restricted stock granted is determined based on the period of time the awards 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 Legacy PCT's capital structure and volatility of similar entities referred to as guideline companies. In determining similar entities, Legacy PCT considered industry, stage of life cycle, size and financial leverage. The dividend yield is assumed to be zero since Legacy PCT has not historically paid dividends. The fair value of the underlying Company shares for the three months ended March 31, 2021 was determined using an initial public offering scenario. The fair value of Legacy PCT Units, for the three months ended March 31, 2020, was determined using a hybrid method consisting of an option pricing method and an initial public offering scenario.

***Warrants***

The Company measures the warrants issued to nonemployees at the fair value of the equity instruments issued as of the warrant issuance date and recognizes that amount as selling, general, and administrative expense in accordance with the vesting terms of the warrant agreement. In the event that the terms of the warrants qualify as a liability, the Company accounts for the instrument as a liability recorded at fair value each reporting period through earnings.

The Company has determined the warrants issued to RTI in connection with terms of a professional services agreement are equity classified. Accordingly, the warrant units were held at their initial fair value with no subsequent remeasurement.

In connection with the Business Combination discussed in Note 1, the Company modified the RTI warrant agreement to purchase 971.0 thousand shares of PCT common stock instead of Legacy PCT Class C Units on November 20, 2020. RTI can exercise these warrants upon the first anniversary of Closing of the Business

Combination. The warrants expire on December 31, 2024. In connection with the closing of the Business Combination, the Company determined the warrants issued are liability classified under ASC 480. Accordingly, the warrants will be held at their initial fair value and remeasured at fair value at each subsequent reporting date with changes in the fair value presented in the statements of operations.

The Company has determined its warrant to be a Level 3 fair value measurement and has used the Black-Scholes option pricing model to calculate its fair value using the following assumptions:

| | |
|---|---|
| Expected annual dividend yield | 0 % |
| Expected volatility | 48.51 % |
| Risk-free rate of return | 0.56 % |
| Expected option term (years) | 3.75 |

The Company has determined the private warrants are liability classified. Accordingly, the warrants were held at their initial fair value and remeasured at fair value at each subsequent reporting date with changes in the fair value presented in the statements of operations.

The Company has determined these warrants to be a Level 3 fair value measurement and has used the Black-Scholes model to calculate their fair value using the following assumptions, which are subject to judgement and could result in higher or lower changes in fair value based on the inputs selected:

| | March 31, 2021 | March 18, 2021 (Initial Recognition) |
|---|---|---|
| Expected annual dividend yield | — % | — % |
| Expected volatility | 46.1 % | 47.3 % |
| Risk-free rate of return | 0.91 % | 0.86 % |
| Expected option term (years) | 4.96 | 5.0 |

***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:

| | 2021 | 2020 |
|---|---|---|
| Expected annual dividend yield | — % | — % |
| Expected volatility | 47.5 % | — % |
| Risk-free rate of return | 0.7 % | — % |
| Expected option term (years) | 4.5 | 0.0 |

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.

**Recent Accounting Pronouncements**

See Note 2 to the audited consolidated financial statements and 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.

**Emerging Growth Company Election**

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012 ("JOBS Act") exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable.

PCT is an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, and has elected to take advantage of the benefits of the extended transition period for new or revised financial accounting standards. PCT expects to continue to take advantage of the benefits of the extended transition period, although it may decide to early adopt such new or revised accounting standards to the extent permitted by such standards. This may make it difficult or impossible to compare PCT's financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used.

PCT will remain an emerging growth company under the JOBS Act until the earliest of (a) December 31, 2025, (b) the last date of PCT's fiscal year in which it had total annual gross revenue of at least $1.07 billion, (c) the date on which PCT is deemed to be a "large accelerated filer" under the rules of the SEC or (d) the date on which PCT has issued more than $1.0 billion in non-convertible debt securities during the previous three years.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information required under this item.

**ITEM 4. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of March 31, 2021.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our company's reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of March 31, 2021 due to the material weaknesses in our internal control over financial reporting described below. In light of this fact, our management has performed additional analyses, reconciliations, and other post-closing procedures and has concluded that, notwithstanding the material weakness in our internal control over financial reporting, the condensed consolidated interim financial statements for the periods covered by and included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with GAAP.

**Previously Reported Material Weakness**

As disclosed in the in the Registration Statement on Form S-1 filed on March 19, 2021 (the "Form S-1"), in connection with the preparation and audit of PCT's consolidated financial statements for the years ended December 31, 2020, 2019 and 2018 and the balance sheet data as of December 31, 2020, 2019 and 2018, certain material weaknesses were identified in PCT's internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of PCT's interim or annual consolidated financial statements will not be prevented or detected on a timely basis. The material weaknesses were as follows:

- PCT did not have sufficient, qualified personnel to determine the appropriate accounting treatment for its complex agreements or transactions that required technical accounting analysis;
- PCT's lack of sufficient personnel also resulted in inadequate segregation of duties in the design and operation of the internal controls over financial reporting;
- PCT's lack of formal processes and controls resulted in an ineffective control environment, which led to an inadequate review of the financial statements and financial reporting;
- PCT did not design and maintain effective controls over certain information technology ("IT") controls for information systems that are relevant to the preparation of its financial statements, specifically with respect to user access, to ensure appropriate segregation of duties that adequately restrict user access to financial applications, programs, and data to appropriate company personnel; and
- PCT did not design and maintain effective controls surrounding the completeness and cutoff of expenses and payables, such that certain expenses paid by a related entity on behalf of PCT were not appropriately allocated to PCT, and certain transactions were recorded in the period when the invoice was received rather than accrued in the period when the activity took place.

These material weaknesses could result in a misstatement of substantially all of PCT's accounts or disclosures, which would result in a material misstatement to the interim or annual consolidated financial statements that would not be prevented or detected. We have concluded that these material weaknesses arose because, as a private company, we did not have the necessary business processes, systems, personnel, and related internal controls necessary to satisfy the accounting and financial reporting requirements of a public company.

**Remediation Plans**

We have commenced measures to remediate the identified material weaknesses. These measures include adding qualified personnel, with public company and internal control experience, as well as implementing new financial processes and procedures. We intend to continue to take steps to remediate the material weaknesses described above and further evolving our accounting processes, controls, and reviews. We will not be able to fully remediate these material weaknesses until these steps have been completed and have been operating effectively for a sufficient period of time.

PCT plans to continue to assess its internal controls and procedures and intends to take further action as necessary or appropriate to address any other matters it identifies or are brought to its attention. We will not be able to fully remediate these material weaknesses until these steps have been completed and have been operating effectively for a sufficient period of time.

While we believe that these efforts will improve our internal control over financial reporting, the implementation of our remediation is ongoing and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles.

We believe we are making progress toward achieving the effectiveness of our internal controls and disclosure controls. The actions that we are taking are subject to ongoing senior management review, as well as audit committee oversight. We will not be able to conclude whether the steps we are taking will fully remediate the material weaknesses in our internal control over financial reporting until we have completed our remediation efforts and subsequent evaluation of their effectiveness. We may also conclude that additional measures may be required to remediate the material weaknesses in our internal control over financial reporting, which may necessitate further action.

**Changes in Internal Control over Financial Reporting**

We are taking actions to remediate the material weaknesses relating to our internal control over financial reporting, as described above. Except as otherwise described herein, there was no change in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

PCT was not party to any material legal proceedings during the quarterly period ended March 31, 2021. Subsequent to March 31, 2021, PCT, certain senior members of management and others have been named as defendants in two putative class action complaints filed on or about May 11, 2021. See Note 13 to the Notes to the interim condensed consolidated financial statements appearing elsewhere in this 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

*You should carefully consider the following risk factors, together with all of the other information included in this Quarterly Report on Form 10-Q, before you decide whether to invest in our common stock. The market price of the Company's common stock could decline due to any of these risks, in which case you could lose all or part of your investment. In assessing these risks, you should also refer to the other information included in this Quarterly Report on Form 10-Q, including the unaudited condensed consolidated interim financial statements and notes thereto and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Company's business, financial condition or results of operations could be affected materially and adversely by any of the risks discussed below.*

**Risks Related to PCT's Status as an Early Commercial Stage Emerging Growth Company**

***PCT is an early commercial stage emerging growth company with no revenue, and may never achieve or sustain profitability.***

PCT is commercializing a recycling technology that was developed by The Procter & Gamble Company ("P&G"). P&G granted PCT a worldwide license under an Amended and Restated Patent License Agreement dated July 28, 2020, between P&G and PCT (the "License Agreement") for a proprietary process of restoring waste polypropylene into ultra-pure recycled polypropylene ("UPRP") through an extraction and filtration purification process (the "Technology").

PCT relies principally on the commercialization of UPRP as well as the Technology and related licenses to generate future revenue growth. To date, such products and services have delivered no revenue. Also, UPRP product offerings and partnering revenues are in their very early stages. PCT believes that commercialization success is dependent upon the ability to significantly increase the number of production plants, feedstock suppliers and offtake partners as well as strategic partners that utilize UPRP and the Technology via licensing agreements. PCT is an early commercial stage emerging growth company that evaluates various strategies to achieve its financial goals and commercialization objectives on an ongoing basis. In this regard, PCT's production methodology designed to achieve these objectives, including with respect to future plant size, capacity, cost, geographic location, sequencing and timing, is subject to change as a result of modifications to business strategy or market conditions. Furthermore, if demand for UPRP and the Technology does not increase as quickly as planned, PCT may be unable to increase revenue levels as expected. PCT is currently not profitable. Even if PCT succeeds in increasing adoption of UPRP products by target markets, maintaining and creating relationships with existing and new offtake partners, feedstock suppliers and customers, and developing and commercializing additional plants, market conditions, particularly related to pricing and feedstock costs, may result in PCT not generating sufficient revenue to achieve or sustain profitability.

***PCT's business is not diversified.***

PCT's initial commercial success depends on its ability to profitably operate the solid waste disposal facility and Feedstock Evaluation Unit (the "FEU" or the "Phase I Facility") and its ability to complete construction and profitably and successfully operate its first commercial scale recycling facility (the "Phase II Facility" and, together with the Phase I Facility, the "Project"). The Project is located in Lawrence County, Ohio. Other than the future production and sale of UPRP, there are currently no other lines of business or other sources of revenue. Such lack of

diversification may limit PCT's ability to adapt to changing business conditions and could have an adverse effect on PCT's business, financial condition, results of operations and prospects.

***The License Agreement sets forth certain performance and pricing targets which, if missed, could result in a termination or conversion of the license granted under the License Agreement.***

Pursuant to the License Agreement, P&G has granted PCT a license to utilize certain P&G intellectual property. The intellectual property is tied to the proprietary purification process by which waste polypropylene may be converted to UPRP, referred to as the Technology. The License Agreement sets forth certain performance targets for the Phase II Facility which, if missed, could result in a termination of the license granted under the License Agreement (if PCT is unable to make UPRP at certain production volumes and at certain prices within a certain time frame). The License Agreement also sets forth certain performance and pricing targets for the Phase II Facility which, if missed, could result in conversion of the license to a non-exclusive license (if PCT's UPRP is unable to meet certain purification thresholds within a certain period of time after the start of the Project or PCT is unable or unwilling to provide P&G with UPRP at certain prices from the first plant). In the event the License Agreement is terminated or converted to a non-exclusive license, this could have a material adverse effect on PCT's business, financial condition, results of operations and prospects.

***PCT's outstanding secured and unsecured indebtedness (including at the Project level), ability to incur additional debt and the provisions in the agreements governing PCT's debt, and certain other agreements, could have a material adverse effect on PCT's business, financial condition, results of operations and prospects.***

As of March 31, 2021, after giving effect to the transactions contemplated by the Merger Agreement, the offering of the Revenue Bonds, and the issuance of $60 million of the Convertible Notes, PCT had total consolidated debt of $289.3 million of secured indebtedness (representing $310 million in debt, less $20.7 million of discount and issuance costs, as of March 31, 2021, including $231.8 million of indebtedness at the Project level). PCT's debt service obligations could have important consequences to the Company for the foreseeable future, including the following: (i) PCT's ability to obtain additional financing for capital expenditures, working capital or other general corporate purposes may be impaired; (ii) a substantial portion of PCT's cash flow from operating activities must be dedicated to the payment of principal and interest on PCT's debt, thereby reducing the funds available to us for PCT's operations and other corporate purposes; and (iii) PCT may be or become substantially more leveraged than some of its competitors, which may place PCT at a relative competitive disadvantage and make us more vulnerable to changes in market conditions and governmental regulations.

PCT is required to maintain compliance with certain financial and other covenants under its debt agreements. There are and will be operating and financial restrictions and covenants in certain of PCT's debt agreements, including the Loan Agreement and the indenture governing PCT's Convertible Notes, as well as certain other agreements to which PCT is or may become a party. These limit, among other things, PCT's ability to incur certain additional debt, create certain liens or other encumbrances, sell assets, and transfer ownership interests and transactions with affiliates of PCT. These covenants could limit PCT's ability to engage in activities that may be in PCT's best long-term interests. PCT's failure to comply with certain covenants in these agreements could result in an Event of Default (as defined therein) under the various debt agreements, allowing lenders to accelerate the maturity for the debt under these agreements and to foreclose upon any collateral securing the debt. An Event of Default would also adversely affect PCT's ability to access its borrowing capacity and pay debt service on its outstanding debt, likely resulting in acceleration of such debt or in a default under other agreements containing cross-default provisions. Under such circumstances, PCT might not have sufficient funds or other resources to satisfy all of its obligations. In addition, the limitations imposed by PCT's financing agreements on its ability to pay dividends, incur additional debt and to take other actions might significantly impair PCT's ability to obtain other financing, generate sufficient cash flow from operations to enable PCT to pay its debt or to fund other liquidity needs. Such consequences would adversely affect PCT's business, financial condition, results of operations and prospects.

***PCT faces risks and uncertainties related to litigation.***

PCT may become subject to, and may become a party to, a variety of litigation, other claims and suits. For example, 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 the federal securities laws (the "Complaints"). The Complaints allege that PCT, certain senior members of management and others made false and/or misleading statements in press releases and public filings regarding the Technology, PCT's business and PCT's prospects. The Complaints rely on

information included in a research report published on May 6, 2021 by Hindenburg Research LLC (the "Hindenburg Report"). PCT may incur significant expenses as a result of legal matters relating to the Hindenburg Report. The total cost associated with these matters will depend on many factors, including the duration of these matters and any related finding.

In addition, from time to time, PCT may also be involved in legal proceedings and investigations arising in the ordinary course of business, including those relating to employment matters, relationships with our feedstock suppliers and offtake partners as well as strategic partners, intellectual property disputes, additional volatility in the market price of our securities, and other business matters. Any such claims or investigations may be time-consuming, costly, divert management resources, or otherwise have a material adverse effect on PCT's business, financial condition, results of operations and prospects.

The results of litigation and other legal proceedings are inherently uncertain and adverse judgments or settlements may result in materially adverse monetary damages or injunctive relief against PCT. Any claims or litigation, even if fully indemnified or insured, could damage PCT's reputation and make it more difficult to compete effectively or obtain adequate insurance in the future. See "Legal Proceedings."

**Risks Related to PCT's Operations**

***PCT's business, financial condition, results of operations and prospects may be adversely affected by the impact of the global outbreak of COVID-19.***

The United States is being affected by the COVID-19 pandemic, the full effect of which on global financial markets as well as national, state and local economies is unknown. There can be no assurances as to the materiality, severity and duration of negative economic conditions caused by the pandemic.

In addition to keeping PCT employees healthy and safe, the immediate impact of COVID-19 on PCT relates to the challenges that PCT's suppliers and contractors may be facing. PCT is a party to certain agreements, including construction contracts and certain long-term feedstock agreements that provide for the supply to PCT of post-industrial and post-consumer resin that contains polypropylene as feedstock with guaranteed minimum and maximum volumes at prices linked to an index for virgin polypropylene in a price schedule with collared pricing and a minimum price floor. The feedstock agreements contain typical provisions for termination by either party due to force majeure, breach of contract, and/or company insolvency. The impact of COVID-19 on such agreements, or the applicable agreements' termination provisions, is uncertain, and could result in the termination of such agreements.

When PCT is producing UPRP, if the pandemic has not abated, the impact of COVID-19, while uncertain, could be manifested in the challenges faced by PCT's customers. For example, certain UPRP is intended for use in consumer packaging by consumer goods companies, and there could be volatility in the packaged consumer goods market due to interruptions in consumer access to products resulting from government actions that impact the ability of those companies to produce and ship goods. Product demand trends caused by future economic trends are unclear. PCT has executed offtake agreements providing for a combined guaranteed minimum sale of 63 million pounds per year ("MMlb/yr.") of UPRP and a maximum volume of 138 MMlb/yr at PCT's option, which reduces the ability of PCT to quickly respond to changes caused by COVID-19, particularly as the amount of UPRP to be provided for sale under each offtake agreement is determined prior to each year as an annual volume commitment.

There may be additional unknown risks presented by the COVID-19 pandemic that could impact PCT's operating results. For example, the deadly global outbreak and continuing spread of COVID-19 could have an adverse effect on the value, operating results and financial condition of PCT's business; as well as the ability of PCT to maintain operations and grow revenue generated from offtake partners and customers and could delay or prevent completion of the Phase II Facility or result in additional costs or reduced revenues. In addition, the impact of COVID-19 is likely to cause substantial changes in consumer behavior and has caused restrictions on business and individual activities, which are likely to lead to reduced economic activity. Extraordinary actions taken by international, federal, state, and local public health and governmental authorities to contain and combat the outbreak and spread of COVID-19 in regions throughout the world, including travel bans, quarantines, "stay-at-home" orders, and similar mandates for many individuals and businesses to substantially restrict daily activities could have an adverse effect on PCT's business, financial condition, results of operations and prospects.

***Construction of the Phase II Facility may not be completed in the expected timeframe or in a cost-effective manner. Any delays in the construction of the Phase II Facility could severely impact PCT's business, financial condition, results of operations and prospects.***

The Project will constitute the first of its kind. Construction on the Project commenced in 2018 with the construction of the Phase I Facility comprised of the FEU, operating within an 11,000 square foot building located on the Project site. The FEU was brought online on July 1, 2019. Construction of the Phase II Facility has commenced, will include modifications to 150,000 square feet of existing buildings, utilities and the Project storage area, and is expected to be substantially completed by October 2022. The Company might not be able to achieve completion of the Phase II Facility in the expected timeframe, in a cost-effective manner or at all due to a variety of factors, including, but not limited to, a stoppage of work as a result of the COVID-19 outbreak, unexpected construction problems or severe weather. Significant unexpected delays in construction could result in additional costs or reduced revenues, and it could limit the amount of UPRP PCT can produce, which could severely impact PCT's business, financial condition, results of operations and prospects.

The construction and commissioning of any new project is dependent on a number of contingencies some of which are beyond PCT's control. There is a risk that significant unanticipated costs or delays could arise due to, among other things, errors or omissions, unanticipated or concealed Project site conditions, including subsurface conditions, unforeseen technical issues or increases in plant and equipment costs, insufficiency of water supply and other utility infrastructure, or inadequate contractual arrangements. Should significant unanticipated costs arise, this could have a material adverse impact on PCT's business, financial performance and operations. No assurance can be given that construction will be completed, will be completed on time or will be completed at all, or as to whether PCT, which has provided a Guaranty of Completion of the Project, will have sufficient funds available to complete construction. If the Project is not completed, funds are not likely to be available to pay debt service on PCT's outstanding debt.

***Initially, PCT will rely on a single facility for all of its operations.***

Initially, PCT will rely solely on the operations at the Project. Adverse changes or developments affecting the Project could impair PCT's ability to produce UPRP and its business, prospects, financial condition and results of operations. Any shutdown or period of reduced production at the Project, which may be caused by regulatory noncompliance or other issues, as well as other factors beyond its control, such as severe weather conditions, natural disaster, fire, power interruption, work stoppage, disease outbreaks or pandemics (such as COVID-19), equipment failure or delay in supply delivery, would significantly disrupt PCT's ability to grow and produce UPRP in a timely manner, meet its contractual obligations and operate its business. PCT's equipment is costly to replace or repair, and PCT's equipment supply chains may be disrupted in connection with pandemics, such as COVID-19, trade wars or other factors. If any material amount of PCT's machinery were damaged, it would be unable to predict when, if at all, it could replace or repair such machinery or find co-manufacturers with suitable alterative machinery, which could adversely affect PCT's business, financial condition, results of operations and prospects. Performance guarantees may not be sufficient to cover damages or losses, or the guarantors under such guarantees may not have the ability to pay. Any insurance coverage PCT has may not be sufficient to cover all of its potential losses and may not continue to be available to PCT on acceptable terms, or at all.

***Cyber risk and the failure to maintain the integrity of PCT's operational or security systems or infrastructure, or those of third parties with which PCT does business, could have a material adverse effect on PCT's business, financial condition, results of operations and prospects.***

PCT is subject to an increasing number of information technology vulnerabilities, threats and targeted computer crimes which pose a risk to the security of its systems and networks and the confidentiality, availability and integrity of data. Disruptions or failures in the physical infrastructure or operating systems that support PCT's businesses, offtake partners, feedstock suppliers and customers, or cyber attacks or security breaches of PCT's networks or systems, could result in the loss of customers and business opportunities, legal liability, regulatory fines, penalties or intervention, reputational damage, reimbursement or other compensatory costs, and additional compliance costs, any of which could materially adversely affect PCT's business, financial condition, results of operations and prospects. While PCT attempts to mitigate these risks, PCT's systems, networks, products, solutions and services remain potentially vulnerable to advanced and persistent threats.

PCT also maintains and has access to sensitive, confidential or personal data or information in its business that is subject to privacy and security laws, regulations and customer controls. Despite PCT's efforts to protect such

sensitive, confidential or personal data or information, PCT's facilities and systems and those of its customers, offtake partners, feedstock suppliers and third-party service providers may be vulnerable to security breaches, theft, misplaced or lost data, programming and/or human errors that could lead to the compromise of sensitive, confidential or personal data or information or improper use of PCT's systems and software.

***PCT may be unable to sufficiently protect its proprietary rights and may encounter disputes from time to time relating to its use of the intellectual property of third parties.***

PCT relies on its proprietary intellectual property, including numerous patents and registered trademarks, as well as its licensed intellectual property under the License Agreement and others to market, promote and sell UPRP products. PCT monitors and protects against activities that might infringe, dilute, or otherwise harm its patents, trademarks and other intellectual property and relies on the patent, trademark and other laws of the U.S. and other countries. However, PCT may be unable to prevent third parties from using its intellectual property without authorization. In addition, the laws of some non-U.S. jurisdictions, particularly those of certain emerging markets, provide less protection for PCT's proprietary rights than the laws of the U.S. and present greater risks of counterfeiting and other infringement. To the extent PCT cannot protect its intellectual property, unauthorized use and misuse of PCT's intellectual property could harm its competitive position and have a material adverse effect on PCT's business, financial condition, results of operations and prospects.

Despite PCT's efforts to protect these rights, unauthorized third parties may attempt to duplicate or copy the proprietary aspects of its technology and processes. PCT's competitors and other third parties independently may design around or develop similar technology or otherwise duplicate PCT's services or products such that PCT could not assert its intellectual property rights against them. In addition, PCT's contractual arrangements may not effectively prevent disclosure of its intellectual property and confidential and proprietary information or provide an adequate remedy in the event of an unauthorized disclosure. Measures in place may not prevent misappropriation or infringement of PCT's intellectual property or proprietary information and the resulting loss of competitive advantage, and PCT may be required to litigate to protect its intellectual property and proprietary information from misappropriation or infringement by others, which is expensive, could cause a diversion of resources and may not be successful.

PCT also may encounter disputes from time to time concerning intellectual property rights of others, and it may not prevail in these disputes. Third parties may raise claims against PCT alleging that PCT, or consultants or other third parties retained or indemnified by PCT, infringe on their intellectual property rights. Some third-party intellectual property rights may be extremely broad, and it may not be possible for PCT to conduct its operations in such a way as to avoid all alleged violations of such intellectual property rights. Given the complex, rapidly changing and competitive technological and business environment in which PCT operates, and the potential risks and uncertainties of intellectual property-related litigation, an assertion of an infringement claim against PCT may cause PCT to spend significant amounts to defend the claim, even if PCT ultimately prevails, pay significant money damages, lose significant revenues, be prohibited from using the relevant systems, processes, technologies or other intellectual property (temporarily or permanently), cease offering certain products or services, or incur significant license, royalty or technology development expenses.

Moreover, it has become common in recent years for individuals and groups to purchase intellectual property assets for the sole purpose of making claims of infringement and attempting to extract settlements from companies such as PCT. Even in instances where PCT believes that claims and allegations of intellectual property infringement against it are without merit, defending against such claims is time consuming and expensive and could result in the diversion of time and attention of PCT's management and employees. In addition, although in some cases a third party may have agreed to indemnify PCT for such costs, such indemnifying party may refuse or be unable to uphold its contractual obligations. In other cases, insurance may not cover potential claims of this type adequately or at all, and PCT may be required to pay monetary damages, which may be significant.

**Risks Related to PCT's Production of UPRP**

***There is no guarantee the Technology is scalable to commercial-scale operation.***

The Technology is based upon generally available commercial equipment to process contaminated polypropylene into clean recycled polypropylene product. Certain of the equipment to be utilized in the Phase II Facility has not operated with the same feedstock in a commercial mode. While PCT has constructed the FEU to demonstrate the process using the same or similar equipment (except at a smaller scale) as the commercial-scale Phase II Facility, the FEU does not operate at a commercial-scale. The collective test data was used to design the Phase II Facility

equipment for commercial scale and testing under the intended operating conditions and configuration for the commercial-scale operation to verify reproducibility of results including color, melt flow index, moldability (tensile modulus and other measures) and the odor of the final PCT-produced polypropylene product. While that testing indicated that the FEU can generate recycled polypropylene product that on average meets all of its key parameter targets, PCT cannot guarantee these results will be achieved in commercial-scale operation. Further, of the four quality parameters for UPRP, odor is the most difficult to characterize and measure. PCT's goal is to generate product that will significantly reduce the odor of the offtake and be comparable or nearly comparable to virgin polypropylene with respect to level of odor, but PCT cannot guarantee that the Project will be capable of achieving the performance guarantees or meeting the requirements of the currently applicable environmental permits. The Project's failure to achieve the performance guarantees or meet the requirements of the currently applicable environmental permits could impact PCT's business, financial condition, results of operations and prospects if the possible shortfalls versus specification are not effectively remedied per contract.

***PCT may not be successful in finding future strategic partners for continuing development of additional offtake and feedstock opportunities.***

PCT may seek to develop additional strategic partnerships to increase feedstock supply and offtake amount due to capital costs required to develop the UPRP product or manufacturing constraints. PCT may not be successful in efforts to establish such strategic partnerships or other alternative arrangements for the UPRP product or Technology because PCT's research and development pipeline may be insufficient, PCT's product may be deemed to be at too early of a stage of development for collaborative effort or third parties may not view PCT's product as having the requisite potential to demonstrate commercial success.

If PCT is unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms or at all, PCT may have to curtail the development of UPRP product, reduce or delay the development program, delay potential commercialization, reduce the scope of any sales or marketing activities or increase expenditures and undertake development or commercialization activities at PCT's own expense. If PCT elects to fund development or commercialization activities on its own, PCT may need to obtain additional expertise and additional capital, which may not be available on acceptable terms or at all. If PCT fails to enter into collaborations and does not have sufficient funds or expertise to undertake the necessary development and commercialization activities, PCT may not be able to further develop product candidates and PCT's business, financial condition, results of operations and prospects may be materially and adversely affected.

***PCT's failure to secure waste polypropylene could have a negative impact on PCT's business, financial condition, results of operations and prospects.***

PCT's ability to procure a sufficient quantity and quality of post-industrial and post-consumer resin that contains polypropylene as feedstock is dependent upon certain factors outside of PCT's control including, but not limited to, changes to pricing levels for waste polypropylene, recycled polypropylene and non-recycled polypropylene, shortages in supply, interruptions affecting suppliers (including those due to operational restraints, industrial relations, transportation difficulties, accidents or natural disasters), or the introduction of new laws or regulations that make access to waste polypropylene more difficult or expensive. PCT has entered into four feedstock supply agreements each for a term of three years with automatic one-year renewals for 17 years, and one feedstock supply agreement for a term ending October 31, 2023 (collectively, the "Feedstock Supply Agreements"). The Feedstock Supply Agreements are subject to prior termination by either party upon ninety days' notice prior to expiration of the current term. The Feedstock Supply Agreements provide for a combined guaranteed minimum of 60 MMlb/yr. of feedstock and at PCT's option for a combined maximum of 195 MMlb/yr., and up to a combined 210 MMlb/yr. as an option to be mutually agreed to. The amount of feedstock to be supplied each year by each supplier is determined prior to each year in an Annual Volume Commitment (as defined therein). The feedstock suppliers guarantee that they will not sell to other parties or otherwise dispose of any portion of feedstock up to the Annual Volume Commitment. While there are no penalties stated in the Feedstock Supply Agreements for failure of either party to deliver and/or accept the committed quantity of feedstock, PCT may terminate an agreement by giving notice of nonrenewal as indicated above. While PCT believes it has sourced sufficient feedstock of desirable quality, it cannot guarantee that feedstock suppliers will have sufficient quantities available and at the appropriate specifications in accordance with their respective agreements with PCT. If feedstock is not available to PCT in sufficient quantity and of requisite quality, PCT's business, financial condition, results of operations and prospects could be materially adversely impacted.

***Because PCT's global expansion requires sourcing feedstock and supplies from around the world, including Europe, changes to international trade agreements, tariffs, import and excise duties, taxes or other governmental rules and regulations could adversely affect PCT's business, financial condition, results of operations and prospects.***

PCT's global expansion model will require sourcing feedstock from suppliers around the world. The U.S. federal government or other governmental bodies may propose changes to international trade agreements, tariffs, taxes and other government rules and regulations. If any restrictions or significant increases in costs or tariffs are imposed related to feedstock sourced from Europe, or elsewhere, as a result of amendments to existing trade agreements, and PCT's supply costs consequently increase, PCT may be required to raise UPRP prices, which may result in decreased margins, the loss of customers, and a material adverse effect on PCT's financial results. The extent to which PCT's margins could decrease in response to any future tariffs is uncertain. PCT continues to evaluate the impact of effective trade agreements, as well as other recent changes in foreign trade policy on its supply chain, costs, sales and profitability. PCT is actively working through strategies to mitigate such impact, including reviewing feedstock sourcing options and working with feedstock suppliers. In addition, COVID-19 has resulted in increased travel restrictions and the extended shutdown of certain businesses throughout the world. The impact of COVID-19 on PCT's business is uncertain at this time and will depend on future developments; however, prolonged closures in Europe, and elsewhere, may disrupt the operations of certain feedstock suppliers, which could, in turn, negatively impact PCT's business, financial condition, results of operations and prospects. Any such impact could be material.

**Risks Related to the Market for UPRP**

***The market for UPRP is still in the development phase and the acceptance of UPRP by manufacturers and potential customers is not guaranteed.***

The customer approval process for the UPRP product may take longer than expected and certain potential customers may be slow to accept the product produced by PCT or may not accept it at all. PCT has agreed to a strategic partnership term sheet to enter into an offtake agreement with a term of 20 years, whereby PCT guarantees the UPRP product to meet specific criteria for color and opacity. There is no odor specification in the offtake agreements. Any such changes may require modifications to its executed offtake agreements, which provide for a combined guaranteed minimum sale of 63 MMlb/yr of UPRP at PCT's option, and a combined maximum of 138 MMlb/yr. The amount of UPRP to be provided for sale under each agreement is determined prior to each year as an Annual Volume Commitment. PCT must provide samples of the product to each customer so that the customer may determine if the product meets specifications, regulatory and legal requirements, customer's internal policies, and technical, safety, and other qualifications for UPRP use in the customer's products. Upon delivery, the customer will have 30 days to inspect the UPRP and either accept or reject the material. Provided PCT has sufficient feedstock and that the UPRP meets the product specifications and conditions as determined in each offtake agreement, PCT should have sufficient product offtake capacity to accommodate a production rate of 107 MMlb/yr. The inability of PCT to provide, and there is no guarantee that PCT will be able to provide, product of sufficient quantity and quality for sale pursuant to the offtake agreements is likely to materially adversely affect PCT's business, financial condition, results of operations and prospects.

***Certain of PCT's offtake agreements are subject to index pricing, and fluctuation in index prices may adversely impact PCT's financial results.***

While PCT expects the price of its UPRP to continue to command a premium over the price of virgin resin and not be subject to fluctuations in the price of virgin PP, there is no guarantee of this result. Offtake agreements contain pricing for PCT's products at both fixed prices and Index prices. PCT is using Information Handling Services provided by IHS Market Ltd ("IHS") as it relates to the monthly market movement price mechanism index known as "Global Plastics & Polymers Report, Month-End: Polypropylene (PP)" and "Homopolymer (GP Inj. Mldg.)," with the price description terms of "Contract-market; HC Bulk, Delivered; Ex-Discounts, rebates" (delivered via railcar), based on the lower value listed in "Cts/Lb." Over the last year the index has been as high as $1.13 in April 2021 and as low as $0.54 in April 2020. Should the modeled index price forecasted by IHS be materially lower than the IHS estimate, PCT's business, financial condition, results of operations and prospects may be materially adversely impacted.

***Competition could reduce demand for PCT's products or negatively affect PCT's sales mix or price realization. Failure to compete effectively by meeting consumer preferences, developing and marketing innovative solutions, maintaining strong customer service and distribution relationships, and expanding***

***solutions capabilities and reach could adversely affect PCT's business, financial condition, results of operations and prospects.***

While PCT expects to produce a unique product in its UPRP, PCT operates in a competitive global market for polypropylene sources — virgin and recycled polypropylene. Competitors or new entrants might develop new products or technologies which compete with PCT and its proprietary Technology. PCT cannot predict changes that might affect its competitiveness or whether existing competitors or new entrants might develop products that reduce demand for PCT's UPRP. The development of new products or technologies which compete with PCT's UPRP may have a material adverse effect on PCT's business, financial condition, results of operations and prospects.

In addition, PCT has granted a sublicense of P&G intellectual property back to P&G under the terms of the License Agreement, with a limited right to sublicense by P&G (the "Grant Back"). Under the Grant Back, for five years after the effective date of the License Agreement, the aggregate tonnage that may be produced under the Grant Back will be capped at a certain level per year worldwide. Beyond year 5, that aggregate annual tonnage will be expanded for each of the six regions worldwide. P&G has agreed that territory under the Grant Back will exclude the start of construction of a plant within a certain radius of the Project for five years from the effective date of the License Agreement. If P&G is able to establish production, either on its own or through a sublicense agreement with another partner, in any territory, P&G production will remain capped within that territory beyond the 5 years. If P&G sublicenses the P&G intellectual property under the Grant Back to other manufacturers, UPRP production and supply could increase, adversely impacting PCT's business, financial condition, results of operations and prospects.

**Risks Related to Regulatory Developments**

***PCT may not be able to meet applicable regulatory requirements for the use of PCT's UPRP in food grade applications, and, even if the requirements are met, complying on an ongoing basis with the numerous regulatory requirements applicable to the UPRP and PCT's facilities will be time-consuming and costly.***

The use of UPRP in food grade applications is subject to regulation by the U.S. Food and Drug Administration ("FDA"). The FDA has established certain guidelines for the use of recycled plastics in food packaging, as set forth in the "Guidance for Industry - Use of Recycled Plastics in Food Packaging: Chemistry Considerations (August 2006)". In order for the UPRP to be used in food grade applications, PCT will request one or more Letters of No Objection ("LNO") from the FDA. The process for obtaining an LNO will include FDA evaluation of both the PCT purification process, the Technology, as well as the recycled feedstock resin. As such, PCT may seek multiple LNOs for type of use and for different sources of feedstock. In addition, as needed, individual surrogate challenge testing and migration studies will be conducted to simulate articles in contact with food.

PCT cannot guarantee the receipt of the LNOs and a failure to receive the requested LNOs will have an adverse effect on PCT's business, financial condition, results of operations and prospects.

Furthermore, changes in regulatory requirements, laws and policies, or evolving interpretations of existing regulatory requirements, laws and policies, may result in increased compliance costs, delays, capital expenditures and other financial obligations that could adversely affect PCT's business, financial condition, results of operations and prospects.

PCT expects to encounter regulations in most if not all of the countries in which PCT may seek to expand, and PCT cannot be sure that it will be able to obtain necessary approvals in a timely manner or at all. If PCT's UPRP does not meet applicable regulatory requirements in a particular country or at all, then PCT may face reduced market demand in those countries and PCT's business, financial condition, results of operations and prospects will be adversely affected.

The various regulatory schemes applicable to PCT's UPRP will continue to apply following initial approval. Monitoring regulatory changes and ensuring our ongoing compliance with applicable requirements is time-consuming and may affect our business, financial condition, results of operation and prospects. If PCT fails to comply with such requirements on an ongoing basis, PCT may be subject to fines or other penalties, or may be prevented from selling UPRP, and PCT's business, financial condition, results of operation and prospects may be harmed.

***The operation of and construction of the Project is subject to governmental regulation.***

Under the loan agreement entered into in connection with PCT's outstanding Revenue Bonds (the "Loan Agreement"), PCT must: (i) not commence construction or operation of the Project prior to receipt of all applicable permits and easements required for the particular phase of construction or operation; (ii) abide by the terms and conditions of all such permits and easements; and (iii) operate the Project at all times in the manner required or permitted by such permits and easements.

PCT has not identified any technical or engineering circumstances that it believes would prevent the issuance of the key permits and approvals required for construction and operation of the Project in the ordinary course consistent with the planned construction of the Project. Delays in or failure to obtain and maintain any required permit or approval, or delay in satisfying or failure to satisfy any condition or requirement or any approval or permit could delay or prevent completion of the Project or result in additional costs or reduced revenues. Federal, state and local statutory and regulatory requirements applicable to construction and operation of the Project are subject to change. No assurance can be given that PCT or any other affected party will be able to comply with such changes. Additional statutory or regulatory requirements may be imposed upon the Project in the future, which might materially increase costs of operation or maintenance.

***Legislative, regulatory or judicial developments could affect PCT's business, financial condition, results of operations and prospects.***

PCT is subject to extensive air, water and other environmental and workplace safety laws and regulations at the federal and state level. In addition, PCT will be subject to additional regulatory regimes upon expanding to new regions, including foreign regulatory authorities in the European Union ("EU") such as the European Commission, the European Food Safety Authority ("EFSA"), and similar regulatory authorities elsewhere, such as in Asia. Some of these laws require or may require PCT to operate under a number of environmental permits. These laws, regulations and permits can often require pollution control equipment or operational changes to limit actual or potential impacts to the environment. These laws, regulations and permit conditions may change and become more difficult to comply with. A violation of these laws, regulations or permit conditions could result in substantial fines, damages, criminal sanctions, permit revocations and/or a plant shutdown. Any such action may have a material adverse effect on PCT's business, financial condition, results of operations and prospects.

**Risks Related to Human Capital Management**

***PCT is dependent on management and key personnel, and PCT's business would suffer if it fails to retain its key personnel and attract additional highly skilled employees.***

PCT's success is dependent on the specialized skills of its management team and key operating personnel. This may present particular challenges as PCT operates in a highly specialized industry sector, which may make replacement of its management team and key operating personnel difficult. A loss of the managers or key employees, or their failure to satisfactorily perform their responsibilities, could have an adverse effect on PCT's business, financial condition, results of operations and prospects.

PCT's future success will depend on its ability to identify, hire, develop, motivate and retain highly qualified personnel for all areas of its organization, particularly research and development, recycling technology, operations and sales. Trained and experienced personnel are in high demand and may be in short supply. Many of the companies with which PCT competes for experienced employees have greater resources than PCT does and may be able to offer more attractive terms of employment. In addition, PCT invests significant time and expense in training employees, which increases their value to competitors that may seek to recruit them. PCT may not be able to attract, develop and maintain the skilled workforce necessary to operate its business, and labor expenses may increase as a result of a shortage in the supply of qualified personnel, which will negatively impact PCT's business, financial condition, results of operations and prospects.

***PCT's management has limited experience in operating a public company.***

PCT's executive officers and directors have limited experience in the management of a publicly traded company subject to significant regulatory oversight and the reporting obligations under federal securities laws. PCT's management team may not successfully or effectively manage its transition to a public company following the Merger. Their limited experience in dealing with the increasingly complex laws pertaining to public companies could be a significant disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities which will result in less time being devoted to the management and growth of PCT. It is possible that PCT

will be required to expand its employee base and hire additional employees to support its operations as a public company, which will increase its operating costs in future periods.

**Risks Related to PCT's common stock**

***An active trading market for PCT's common stock may never develop or be sustained, which may make it difficult to sell the shares of PCT's common stock you purchase.***

An active trading market for PCT's common stock may not develop or continue or, if developed, may not be sustained, which would make it difficult for you to sell your shares of the Company's common stock at an attractive price (or at all). The market price of PCT's common stock may decline below your purchase price, and you may not be able to sell your shares of the Company's common stock at or above the price you paid for such shares (or at all).

***There can be no assurance that PCT will be able to comply with the continued listing standards of NASDAQ.***

The Company's common stock, warrants and units are currently listed on NASDAQ under the symbols "PCT," "PCTTW" and "PCTTU," respectively. NASDAQ requires listed companies to comply with NASDAQ's continued listing standards. If PCT is unable to comply with NASDAQ'S continued listing standards, NASDAQ could delist PCT's securities from trading on NASDAQ and, in such a case, PCT and its stockholders could face significant material adverse consequences including:

- a limited availability of market quotations for PCT's securities;
- reduced liquidity for PCT's securities;
- a determination that the Company's common stock is a "penny stock" which will require brokers trading in the Company's common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for PCT's securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

***The market price of the Company's common stock is likely to be highly volatile, and you may lose some or all of your investment.***

The market price of PCT's common stock is likely to be highly volatile and may be subject to wide fluctuations in response to a variety of factors, including the following:

- the impact of COVID-19 pandemic on PCT's business;
- the inability to maintain the listing of PCT's shares of common stock on NASDAQ;
- the inability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition, PCT's inability to grow and manage growth profitably, and retain its key employees;
- changes in applicable laws or regulations;
- risks relating to the uncertainty of PCT's projected financial information; and
- risks related to the organic and inorganic growth of PCT's business and the timing of expected business milestones.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors, as well as general economic, political, regulatory and market conditions, may negatively affect the market price of PCT's common stock, regardless of PCT's actual operating performance.

***The former stockholders of ROCH have the right to elect a certain number of directors to our board of directors.***

The terms of the Investor Rights Agreement provide a majority of those stockholders of ROCH party to such agreement (which does not include public stockholders of ROCH) the right to elect two directors to the board of directors of PCT for a period of two years following the Closing Date, provided that in the event a majority of the holders of the Pre-PIPE shares choose to select one of such designees, they are entitled to so choose one until the Pre-PIPE Investors no longer hold 10% or more of PCT's outstanding common stock and such stockholders of ROCH are entitled to choose the other. Pursuant to these provisions and effective upon the consummation of the Business Combination, ROCH designated Mr. Fernando Musa to assume a seat on PCT's board of directors and the holders of the Pre-PIPE Shares designated Mr. Jeffrey Fieler to assume the other seat as an IRA Designee. As a result of the percentage of PCT common stock represented by parties to the Investor Rights Agreement following the Closing Date, it is unlikely that public stockholders of PCT will have the ability to effectively influence the election of directors during the period these provisions of the Investor Rights Agreement are applicable. While the directors designated pursuant to the Investor Rights Agreement are obligated to act in accordance with their applicable fiduciary duties, their interests may be aligned with the interests of the investors they represent, which may not always coincide with our corporate interests or the interests of our other stockholders.

***If securities or industry analysts do not publish research or reports about PCT, or publish negative reports, PCT's stock price and trading volume could decline.***

The trading market for PCT's common stock depends, in part, on the research and reports that securities or industry analysts publish about PCT. PCT does not have any control over these analysts. If PCT's financial performance fails to meet analyst estimates or one or more of the analysts who cover PCT downgrade its common stock or change their opinion, PCT's stock price would likely decline. If one or more of these analysts cease coverage of PCT or fail to regularly publish reports on PCT, it could lose visibility in the financial markets, which could cause PCT's stock price or trading volume to decline.

***Because PCT does not anticipate paying any cash dividends in the foreseeable future, capital appreciation, if any, would be your sole source of gain.***

PCT currently anticipates that it will retain future earnings for the development, operation and expansion of its business and does not anticipate declaring or paying any cash dividends for the foreseeable future. As a result, capital appreciation, if any, of PCT's shares of common stock would be your sole source of gain on an investment in such shares for the foreseeable future.

***The exercise of registration rights or sales of a substantial amount of PCT's common stock may adversely affect the market price of PCT's common stock.***

In connection with the consummation of the Business Combination, Roth Capital Partners, LLC ("Roth"), Craig-Hallum Capital Group, LLC ("C-H"), PCT and certain Initial Stockholders and PCT Unitholders (collectively, the "IRA Holders") entered into an Investor Rights Agreement pursuant to which PCT will be obligated to file a registration statement to register the resale of certain securities of PCT held by the IRA Holders. IRA Holders have certain demand rights and "piggy-back" registration rights, subject to certain requirements and customary conditions. PCT also agreed to register the shares of the Company's common stock issued in connection with the PIPE prior to the consummation of the Business Combination pursuant to the PIPE Registration Rights Agreement.

In connection with its issuance of Convertible Notes, PCT entered into a registration rights agreement (the "Magnetar Registration Rights Agreement") with a series of funds affiliated with Magnetar Capital LLC (the "Magnetar Investors"). Pursuant to the Magnetar Registration Rights Agreement, PCT, ROCH, or an affiliate thereof is required to file a registration statement to register the resale of the Common Stock (as defined therein) held by the Magnetar Investors upon conversion of the Convertible Notes no later than 60 days following the consummation of the Business Combination, and is required to have such registration statement declared effective by a certain period of time or pay liquidated damages. The Magnetar Investors also have certain demand rights, subject to certain requirements and customary conditions.

The aggregate number of shares of PCT's Common Stock that will be entitled to registration under the Investor Rights Agreement (based on the minimum number of PCT Unitholders required to enter into the Investor Rights Agreement to satisfy a closing condition from the Merger Agreement to the Business Combination), the PIPE Registration Rights Agreement and the Magnetar Registration Rights Agreement is approximately 94.3 million. The

registration and availability of such a significant number of securities for trading in the public market may have an adverse effect on the market price of the Company's common stock.

***Future offerings of debt or offerings or issuances of equity securities by PCT may adversely affect the market price of the PCT's common stock or otherwise dilute all other stockholders.***

In the future, PCT may attempt to obtain financing or to further increase PCT's capital resources by issuing additional shares of PCT's common stock or offering debt or other equity securities, including commercial paper, medium-term notes, senior or subordinated notes, debt securities convertible into equity or shares of preferred stock. PCT also expects to grant equity awards to employees, directors, and consultants under PCT's stock incentive plans. Future acquisitions could require substantial additional capital in excess of cash from operations. PCT would expect to obtain the capital required for acquisitions through a combination of additional issuances of equity, corporate indebtedness and/or cash from operations.

Issuing additional shares of PCT's common stock or other equity securities or securities convertible into equity may dilute the economic and voting rights of PCT's existing stockholders or reduce the market price of PCT's common stock or both. Upon liquidation, holders of such debt securities and preferred shares, if issued, and lenders with respect to other borrowings would receive a distribution of PCT's available assets prior to the holders of PCT's common stock. Debt securities convertible into equity could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Preferred shares, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit PCT's ability to pay dividends to the holders of PCT's common stock. PCT's decision to issue securities in any future offering will depend on market conditions and other factors beyond PCT's control, which may adversely affect the amount, timing and nature of PCT's future offerings.

***Certain provisions of the Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws could hinder, delay or prevent a change in control of PCT, which could adversely affect the price of the PCT's common stock.***

Certain provisions of the Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws could make it more difficult for a third party to acquire PCT without the consent of PCT's board of directors. These provisions include:

- authorizing the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of PCT's common stock;
- prohibiting stockholder action by written consent, requiring all stockholder actions be taken at a meeting of our stockholders;
- providing that the board of directors is expressly authorized to make, alter or repeal the Amended and Restated Bylaws;
- until the fifth anniversary of the effectiveness of the Amended and Restated Certificate of Incorporation, providing that directors may be removed only for cause and then only by the affirmative vote of the holders of a majority of the voting power of the outstanding shares then entitled to vote in an election of directors, voting together as a single class;
- providing that vacancies on PCT's board of directors, including newly-created directorships, may be filled only by a majority vote of directors then in office;
- prohibiting stockholders from calling special meetings of stockholders;
- until the fifth anniversary of the effectiveness of the Amended and Restated Certificate of Incorporation, requiring the affirmative vote of the holders of at least 66 2⁄3% in voting power of the outstanding shares then entitled to vote in an election of directors, voting together as a single class, to amend certain provisions of the Amended and Restated Bylaws and certain provisions of the Amended and Restated Certificate of Incorporation;

- establishing advance notice requirements for nominations for elections to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- establishing a classified board of directors until the fifth anniversary of the effectiveness of the Amended and Restated Certificate of Incorporation, as a result of which PCT's board of directors will be divided into three classes, with each class serving for staggered three-year terms, which prevents stockholders from electing an entirely new board of directors at an annual meeting.

In addition, these provisions may make it difficult and expensive for a third party to pursue a tender offer, change in control or takeover attempt that is opposed by PCT's management or our board of directors. Stockholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is favorable to them. These anti-takeover provisions could substantially impede your ability to benefit from a change in control or change PCT's management and board of directors and, as a result, may adversely affect the market price of PCT's common stock and your ability to realize any potential change of control premium."

**General Risk Factors**

***PCT may be unable to obtain additional financing to fund the operations and growth of the business following the consummation of the Business Combination.***

PCT may require additional financing to fund its operations or growth following the consummation of the Business Combination. The failure to secure additional financing could have a material adverse effect on the continued development or growth of PCT. Such financings may result in dilution to stockholders, issuance of securities with priority as to liquidation and dividend and other rights more favorable than common stock, imposition of debt covenants and repayment obligations, or other restrictions that may adversely affect its business. In addition, PCT may seek additional capital due to favorable market conditions or strategic considerations even if it believes that it has sufficient funds for current or future operating plans. There can be no assurance that financing will be available to PCT on favorable terms, or at all. The inability to obtain financing when needed may make it more difficult for PCT to operate its business or implement its growth plans.

***PCT is an emerging growth company, and PCT cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make its shares less attractive to investors.***

PCT is an emerging growth company, as defined in the JOBS Act. For as long as PCT continues to be an emerging growth company, it may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including exemption from compliance with the auditor attestation requirements of Section 404, reduced disclosure obligations regarding executive compensation and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. PCT will remain an emerging growth company until the earlier of (1) the date (a) December 31, 2025, (b) in which PCT has total annual gross revenue of at least $1.07 billion or (c) in which PCT is deemed to be a large accelerated filer, which means the market value of shares of PCT's common stock that are held by non-affiliates exceeds $700 million as of the prior June 30th, and (2) the date on which PCT has issued more than $1.0 billion in non-convertible debt during the prior three-year period.

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. PCT has irrevocably elected not to avail itself of this exemption from new or revised accounting standards and, therefore, PCT will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Even after PCT no longer qualifies as an emerging growth company, it may still qualify as a "smaller reporting company," which would allow it to take advantage of many of the same exemptions from disclosure requirements including exemption from compliance with the auditor attestation requirements of Section 404 and reduced disclosure obligations regarding executive compensation in this prospectus and PCT's periodic reports and proxy statements.

PCT cannot predict if investors will find its common stock less attractive because PCT may rely on these exemptions. If some investors find PCT's common stock less attractive as a result, there may be a less active trading market for the common stock and its market price may be more volatile.

***PCT identified certain material weaknesses in its internal control over financial reporting. If PCT is unable to remediate these material weaknesses, or if PCT identifies additional material weaknesses in the future or otherwise fails to maintain an effective system of internal controls, PCT may not be able to accurately or timely report its financial condition or results of operations, which may adversely affect PCT's business and stock price.***

In connection with the preparation and audit of PCT's consolidated financial statements for the years ended December 31, 2020, 2019 and 2018 and the balance sheet data as of December 31, 2020, 2019 and 2018, certain material weaknesses were identified in PCT's internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of PCT's interim or annual consolidated financial statements will not be prevented or detected on a timely basis. The material weaknesses were as follows:

- PCT did not have sufficient, qualified personnel to determine the appropriate accounting treatment for its complex agreements or transactions that required technical accounting analysis;
- PCT's lack of sufficient personnel also resulted in inadequate segregation of duties in the design and operation of the internal controls over financial reporting;
- PCT's lack of formal processes and controls resulted in an ineffective control environment, which led to an inadequate review of the financial statements and financial reporting;
- PCT did not design and maintain effective controls over certain information technology ("IT") controls for information systems that are relevant to the preparation of its financial statements, specifically with respect to user access, to ensure appropriate segregation of duties that adequately restrict user access to financial applications, programs, and data to appropriate company personnel; and
- PCT did not design and maintain effective controls surrounding the completeness and cutoff of expenses and payables, such that certain expenses paid by a related entity on behalf of PCT were not appropriately allocated to PCT, and certain transactions were recorded in the period when the invoice was received rather than accrued in the period when the activity took place.

These material weaknesses could result in a misstatement of substantially all of PCT's accounts or disclosures, which would result in a material misstatement to the interim or annual consolidated financial statements that would not be prevented or detected. PCT has begun implementation of a plan to remediate the material weaknesses described above. Those remediation measures are ongoing and include the following:

- Previously, there were two accounting employees; both were part time, and one of which was an accounts payable clerk. PCT management is increasing staffing and has brought in outside technical accounting resources. PCT has since hired a CFO, a Vice President of Finance, a Corporate Controller, a Plant Controller and an AP/AR Analyst and will continue to build a qualified accounting and finance team. PCT has also engaged a public accounting firm to assist with financial reporting and advise on technical accounting issues;
- PCT is evaluating its IT systems user access and developing formal policies; and
- PCT is establishing a process to maintain checklists tracking related entity payments as part of its monthly close processes and is instituting policies to strengthen its receipt and processing of purchase orders to monitor accrual determinations. Furthermore, payment for almost all PCT expenses has been moved to PCT, with only a limited number of expenses paid by a related entity for situations where there is a shared contract.

PCT plans to continue to assess its internal controls and procedures and intends to take further action as necessary or appropriate to address any other matters it identifies or are brought to its attention. PCT cannot assure you that the measures it has taken to date and may take in the future will be sufficient to remediate the control deficiencies that led to PCT's material weaknesses in internal control over financial reporting or that PCT will prevent or avoid potential future material weaknesses. The effectiveness of PCT's internal control over financial reporting is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the possibility of human error and the risk of fraud. If PCT is unable to remediate the material weaknesses, its ability to record, process and report financial information accurately, and to prepare

financial statements within the time periods specified by the forms of the SEC, could be adversely affected which, in turn, may adversely affect PCT's reputation and business and the market price of the Company's common stock.

In addition, any such failures could result in litigation or regulatory actions by the SEC or other regulatory authorities, loss of investor confidence, delisting of PCT's securities and harm to PCT's reputation and financial condition, or diversion of financial and management resources from the operation of PCT's business.

***PCT will incur significant increased expenses and administrative burdens as a public company, which could have an adverse effect on its business, financial condition and results of operations.***

PCT will face increased legal, accounting, administrative and other costs and expenses as a public company that PCT did not incur as a private company. The Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), including the requirements of Section 404, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations promulgated and to be promulgated thereunder, the Public Company Accounting Oversight Board (United States) and the securities exchanges, impose additional reporting and other obligations on public companies. Compliance with public company requirements will increase costs and make certain activities more time-consuming. A number of those requirements will require PCT to carry out activities PCT has not done previously. For example, PCT created new board committees and adopted new internal controls and disclosure controls and procedures. In addition, additional expenses associated with SEC reporting requirements will be incurred. Furthermore, if any issues in complying with those requirements are identified (for example, if the auditors identify material weaknesses in addition to those disclosed herein or a significant deficiency in the internal control over financial reporting), PCT could incur additional costs rectifying those issues, and the existence of those issues could adversely affect PCT's reputation or investor perceptions of it. It may also be more expensive to obtain director and officer liability insurance in such a situation. Risks associated with PCT's status as a public company may make it more difficult to attract and retain qualified persons to serve on the board of directors or as executive officers. The additional reporting and other obligations imposed by these rules and regulations will increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. These increased costs will require PCT to divert a significant amount of money that could otherwise be used to expand the business and achieve strategic objectives. Advocacy efforts by stockholders and third parties may also prompt additional changes in governance and reporting requirements, which could further increase costs.

***Certain of PCT's warrants may be accounted for as a warrant liability and may be recorded at fair value upon issuance with changes in fair value each period reported in earnings, which may have an adverse effect on the market price of PCT's common stock.***

PCT has 199,125 warrants that were issued in private placements that occurred concurrently with ROCH's initial public offering (the "private warrants"). These private warrants are exercisable for cash or on a cashless basis, at the holder's option, and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the private warrants are held by someone other than the initial purchasers or their permitted transferees, the private warrants will be redeemable by PCT and exercisable by such holders on the same basis as the warrants included in the units sold in ROCH's initial public offering, in which case the 199,125 private warrants could be redeemed by PCT for $1,991. Under U.S. GAAP, PCT is required to evaluate contingent exercise provisions of these warrants and then their settlement provisions to determine whether they should be accounted for as a warrant liability or as equity. Any settlement amount dependent upon the characteristics of the holder precludes these warrants from being considered indexed to PCT's common stock, and therefore, from being accounted for as equity. As a result of the provision that the private warrants, when held by the initial purchaser or a permitted transferee, cannot be redeemed by PCT and are exercisable on a cashless basis at the holder's option, the requirements for accounting for these warrants as equity are not satisfied. Therefore, PCT will account for these private warrants as a warrant liability and record (a) that liability at fair value, and (b) any subsequent changes in fair value as of the end of each period for which earnings are reported. The impact of changes in fair value on earnings may have an adverse effect on the market price of PCT's common stock.

***PCT's failure to timely and effectively implement controls and procedures required by Section 404(a) of the Sarbanes-Oxley Act that will be applicable to it after the Business Combination is consummated could negatively impact its business.***

PCT was not previously subject to Section 404 of the Sarbanes-Oxley Act. However, following the consummation of the Business Combination, PCT is required to provide management's attestation on internal controls. The standards

required for a public company under Section 404(a) of the Sarbanes-Oxley Act are significantly more stringent than those previously required of PCT as a privately held company. Management may not be able to effectively and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements that will be applicable after the Business Combination. If PCT is not able to implement the additional requirements of Section 404(a) in a timely manner or with adequate compliance, it may not be able to assess whether its internal controls over financial reporting are effective, which may subject it to adverse regulatory consequences and could harm investor confidence and the market price of its securities.

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

### PIPE Placement

In connection with the execution of the Merger Agreement, ROCH entered into Subscription Agreements, each dated as of November 16, 2020, with the Subscribers (as defined in the Subscription Agreements), pursuant to which the Subscribers agreed to purchase, and ROCH agreed to sell the Subscribers, an aggregate of 25 million shares of ROCH Common Stock (the "PIPE Shares"), for a purchase price of $10.00 per share and an aggregate purchase price of $250.0 million (the "PIPE Placement" or "PIPE").

The PIPE Placement closed immediately prior to the Business Combination on the Closing Date. The placement agents received customary fees in connection with such closing equal to approximately $4.8 million in the case of Roth Capital and approximately $3.4 million each in the case of Craig-Hallum Capital Group LLC and Oppenheimer & Co. Inc. The shares of ROCH Common Stock issued to the Subscribers were exchanged for shares of Company Common Stock upon consummation of the Business Combination.

The shares issued to the Subscribers in the PIPE Placement on the Closing Date were issued pursuant to and in accordance with the exemption from registration under the Securities Act, under Section 4(a)(2) and/or Regulation D promulgated under the Securities Act.

This summary is qualified in its entirety by reference to the text of the Subscription Agreement, which is included as Exhibit 10.1 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

## ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## ITEM 5. OTHER INFORMATION

None.

## ITEM 6. EXHIBITS

| Exhibit Number | Description of Exhibit |
|---|---|
| 2.1 | 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. (1)† |
| 3.1 | Amended and Restated Certificate of Incorporation of PureCycle Technologies, Inc., filed with the Secretary of State of Delaware on March 17, 2021.(2) |
| 3.2 | Amended and Restated Bylaws of PureCycle Technologies, Inc.(2) |

| | |
|---|---|
| 4.1 | Specimen Common Stock Certificate.(1) |
| 4.2 | Specimen Warrant Certificate (included in Exhibit 4.4).(2) |
| 4.3 | Specimen Unit Certificate.(2) |
| 4.4 | Warrant Agreement between Continental Stock Transfer & Trust Company and Roth CH Acquisition I Co.(2) |
| 4.5 | Second Supplemental Indenture, dated as of March 17, 2021, by and between PureCycle Technologies LLC, PureCycle Technologies Holdings Corp., PureCycle Technologies, Inc. and U.S. Bank National Association, in its capacity as trustee and collateral agent.(2) |
| 4.6 | Amended and Restated Guaranty of Completion, made and entered into as of May 11, 2021 and effective as of October 7, 2020, by PureCycle Technologies LLC, a Delaware limited liability company (the "Guarantor"), in favor of UMB Bank, N.A., a national banking association, as trustee.* |
| 10.1 | Subscription Agreement for the PIPE Placement.(3) |
| 10.2 | PIPE Registration Rights Agreement. (3) |
| 10.3 | Form of Investor Rights Agreement.(2) |
| 10.4 | PureCycle Technologies, Inc. 2021 Equity and Incentive Compensation Plan.(1) |
| 10.5 | Form of Restricted Stock Agreement.(1) |
| 10.6 | Form of Indemnification Agreement.(2) |
| 10.7 | Joinder Agreement to the Note Purchase Agreement, dated March 17, 2021, by and between PureCycle Technologies LLC and Roth CH Acquisition I Co. Parent Corp.(2) |
| 10.8 | Nonqualified Stock Option Agreement, dated March 17, 2021, by and between PureCycle Technologies, Inc. and Michael Dee.(2) |
| 10.9 | Amendment, dated May 10, 2021, to Nonqualified Stock Option Agreement, dated March 17, 2021, by and between PureCycle Technologies, Inc. and Michael Dee.(5) |
| 10.10 | Side Letter agreement, dated February 12, 2021, by and between PureCycle Technologies, Inc and The Procter & Gamble Company amending certain provisions of the Amended and Restated Patent License Agreement, dated July 28, 2020, by and between PureCycle Technologies LLC and The Procter & Gamble Company.* ** |
| 10.11 | Magnetar Registration Rights Agreement. * |
| 10.12 | PureCycle Technologies, Inc. Executive Severance Plan, dated May 10, 2021. (5) |
| 31.1 | Rule 13a – 14(a) Certification by Michael Otworth, Chairman and Chief Executive Officer, for the quarter ended March 31, 2021.* |
| 31.2 | Rule 13a – 14(a) Certification by Michael Dee, Chief Financial Officer, for the quarter ended March 31, 2021.* |
| 32.1 | Section 1350 Certification by Michael Otworth, Chairman and Chief Executive Officer, for the quarter ended March 31, 2021.* |
| 32.2 | Section 1350 Certification by Michael Dee, Chief Financial Officer, for the quarter ended March 31, 2021.* |
| 101.1 | The following financial statements from PureCycle Technologies, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021, formatted in Inline XBRL (eXtensible Business Reporting Language): |

(i) Unaudited Condensed Consolidated Balance Sheet as of March 31, 2021 and December 31, 2020.
(ii) Unaudited Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2021 and 2020.
(iii) Unaudited Condensed Consolidated Statements of Stockholder's Equity for the Three Months Ended March 31, 2021 and 2020.
(iv) Unaudited Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2021 and 2020.
(v) Notes to the Condensed Consolidated Financial Statements

104.1 Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

(1) Previously filed as an exhibit to Roth CH Acquisition I Co. Parent Corp.'s Registration Statement on Form S-4, as amended (File No. 333-250847).

(2) Previously filed as an exhibit to PureCycle Technologies, Inc.'s (formerly known as Roth CH Acquisition I Co. Parent Corp.'s) Registration Statement on Form S-1, as amended (File No. 333-251034).

(3) Previously filed as an exhibit to Roth CH Acquisition I Co.'s Current Report on Form 8-K filed on November 16, 2020.

(4) Previously filed as an exhibit to PureCycle Technologies, Inc.'s Current Report on Form 8-K filed on March 22, 2021.

(5) Previously filed as an exhibit to PureCycle Technologies, Inc.'s Current Report on Form 8-K filed on May 14, 2021.

* Filed herewith.

** Certain portions of the exhibit have been omitted pursuant to Rule 601(b)(10) of Regulation S-K. The omitted information is (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed.

† 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/ Michael Otworth_____
Michael Otworth
Chief Executive Officer
(Principle Executive Officer)

By: ___/s/ Michael Dee_____
Michael Dee
Chief Financial Officer
(Principle Financial Officer)

Date: May 19, 2021

Execution Version

# AMENDED AND RESTATED GUARANTY OF COMPLETION

THIS AMENDED AND RESTATED GUARANTY OF COMPLETION (this "A&R Completion Guaranty"), made and entered into as of May 11, 2021 and effective as of October 7, 2020 ("Effective Date"), amends and restates that certain Guaranty of Completion made and entered into on October 7, 2020 (the "Completion Guaranty"), by PureCycle Technologies LLC, a Delaware limited liability company (the "Guarantor"), in favor of UMB Bank, N.A., a national banking association, as trustee (the "Trustee").

## W I T N E SS E T H:

WHEREAS, the Southern Ohio Port Authority (the "Issuer"), has issued its $219,550,000 Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020A (the "Senior Bonds"), its $20,000,000 Subordinate Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020B and its $10,000,000 Subordinate Exempt Facility Revenue Bonds (PureCycle Project), Taxable Series 2020C (collectively, the "Bonds"); and

WHEREAS, the Bonds were issued on the Effective Date under and pursuant to an Indenture of Trust, dated as of October 1, 2020, by and between the Issuer and Trustee (the "Indenture"); and

WHEREAS, the proceeds derived from the issuance and sale of the Bonds are to be loaned to PureCycle: Ohio LLC (the "Borrower"), in order to assist the Borrower in financing the acquisition, construction, equipping and installation of a portion of a plastics recycling facility to be located in Lawrence County, Ohio (the "Project"), under a Loan Agreement, dated as of October 1, 2020, between the Issuer and the Borrower (the "Loan Agreement"); and

WHEREAS, the Guarantor entered into the Completion Guaranty to enhance the marketability of the Bonds and as an inducement to the purchase of the Bonds by the initial purchasers of the Bonds and any other persons who may at any time become owners of the Bonds; and

WHEREAS, the Borrower entered into that certain First Amended and Restated Feedstock Supply Agreement effective as of September 1, 2020, between Borrower and [redacted], a Delaware limited liability company ("Supplier 4") (as the same may be amended, restated, modified or otherwise supplemented from time to time, the "Supplier 4 FSA"), and which has been collaterally assigned by Borrower to the Trustee and constitutes the Assigned Agreement as defined in that certain Consent and Agreement dated as of _____, 2021, between the Borrower, as Assignor, Supplier 4, as Consenting Party, and the Trustee (as amended, restated or otherwise supplemented from time to time, the "FSA Consent"); and

WHEREAS, the Guarantor entered into that certain Supply and Distribution Agreement effective as of December 4, 2017, between Guarantor and [redacted], a Delaware limited liability company "Offtaker 2"), which agreement was assigned by Guarantor to Borrower, and subsequently amended by an Amended and Restated First Amendment effective as of November 8, 2019, between Borrower and Offtaker 2 (as the same may be amended, restated, modified or otherwise supplemented from time to time, the "Offtaker 2 Agreement"), and which

has been collaterally assigned by Borrower to the Trustee and constitutes the Assigned Agreement as defined in that certain Consent and Agreement dated as of _____, 2021, between the Borrower, as Assignor, Offtaker 2, as Consenting Party, and the Trustee (as amended, restated or otherwise supplemented from time to time, the "Offtaker 2 Consent"); and

WHEREAS, the Borrower entered into that certain Master Product Offtake Agreement effective as of May 23, 2019, between the Borrower and [redacted] ("Offtaker 3"), as amended by a First Amendment to the Master Product Offtake Agreement dated as of October 1, 2020 (as the same may be amended, restated, modified or otherwise supplemented from time to time, the "Offtaker 3 Agreement"), and which has been collaterally assigned by Borrower to the Trustee and constitutes the Agreement referred to in that certain Consent Agreement effective as of March 19, 2021, between the Borrower and Offtaker 3 (as amended, restated or otherwise supplemented from time to time, the "Offtaker 3 Consent"); and

WHEREAS, the Borrower has requested that the Holders of the Senior Bonds consent to the delivery by the Borrower and the acceptance by the Trustee of the FSA Consent, the Offtaker 2 Consent and the Offtaker 3 Consent notwithstanding that such agreements do not satisfy the requirements therefor set forth in the Loan Agreement; and

WHEREAS, the Holders of a majority in aggregate principal amount of the Senior Bonds have consented to the Borrower's delivery and the Trustee's acceptance of the FSA Consent, the Offtaker 2 Consent and the Offtaker 3 Consent in exchange for the amendments to the Completion Guaranty set forth in this A&R Completion Guaranty; and

WHEREAS, the parties desire to amend and restate the Completion Guaranty as provided in this A&R Completion Guaranty;

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the Guarantor, intending to be legally bound, does hereby covenant and agree as follows:

## ARTICLE I

## DEFINITIONS AND USE OF PHRASES

Section 1.01 Definitions.

As used in this A&R Completion Guaranty, the following terms and phrases shall have the following meanings:

"Bondowners," "Bondholders," "Holders" or "Owners" means, at the time or times of determination, the persons who are registered owners of Bonds under the terms of the Indenture.

"Guarantor's Address" means the address which the Guarantor designates for the delivery of notices hereunder. Until changed by notice from the Guarantor to the Trustee, the Guarantor's Address shall be:

PureCycle Technologies LLC
5950 Hazeltine National Drive, Suite 650
Orlando, FL 32822
Attention: Brad S. Kalter, Esq., General Counsel and Corporate Secretary
Telephone: (404) 606-3920
Email: bkalter@purecycletech.com

"Note or Notes" means the Series 2020A Promissory Note in the aggregate principal amount of $219,550,000, the Series 2020B Subordinate Promissory Note in the aggregate principal amount of $20,000,000, and the Series 2020C Subordinate Promissory Note in the aggregate principal amount of $10,000,000, each dated as of the date hereof and each given by the Borrower in favor of the Issuer and assigned to the Trustee in respect of the Bonds.

"Outstanding," when used with reference to Bonds, has the meaning assigned thereto in the Indenture.

"Trustee's Address" means the address or office which the Trustee designates for the delivery of notices or payments hereunder or under the Indenture. Until changed by notice from the Trustee to the Guarantor, the Trustee's Address is:

UMB Bank, N.A.
Corporate Trust & Escrow Services
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Katie Carlson
Facsimile No.: 612-337-7039

Section 1.02 Use of Phrases; Rules of Construction.

The following provisions shall be applied wherever appropriate herein:

"Herein," "hereby," "hereunder," "hereof" and other equivalent words refer to this Guaranty Agreement as an entirety and not solely to the particular portion of this Guaranty Agreement in which any such word is used.

The definitions set forth in Section 1.01 hereof shall be deemed applicable whether the words defined are herein used in the singular or the plural.

Wherever used herein, any pronoun or pronouns shall be deemed to include both the singular and plural and to cover all genders.

Unless otherwise provided, any determinations or reports hereunder which require the application of accounting concepts or principles shall be made in accordance with generally accepted accounting principles.

## ARTICLE II

## REPRESENTATIONS OF GUARANTOR

Section 2.01 Benefit to Guarantor.

The Guarantor represents that the financing represented by the Bonds is expected to result in financial and other valuable benefits to the Guarantor and constitutes good, sufficient and valuable consideration for the assumption by the Guarantor of its obligations hereunder.

Section 2.02 Financial Condition of Borrower.

The Guarantor has made an independent investigation and evaluation of the financial condition of the Borrower and has not relied (and will not rely) on any information or evaluation provided by the Issuer, the Trustee or the Bondowners regarding such condition or value.

Section 2.03 Absence of Conflicting Agreements.

The Guarantor represents that the execution and delivery of this A&R Completion Guaranty will not conflict with or constitute a breach of or default under any indenture, loan agreement or instrument or agreement to which Guarantor is a party or by which Guarantor is bound.

Section 2.04 Absence of Litigation.

The Guarantor represents that it not a party to any litigation or administrative proceeding, nor so far as is known by the Guarantor is any litigation or administrative proceeding threatened against it, which in either case would, if adversely determined, cause any material adverse change in Guarantor's financial condition, the conduct of its business or its ability to perform Guarantor's obligations under this A&R Completion Guaranty.

Section 2.05 Enforceability.

The Guarantor represents and warrants that this A&R Completion Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, except that such enforceability may be limited by bankruptcy or similar laws affecting the enforceability of creditors' rights generally. The Guarantor is duly authorized to enter into this agreement and has duly authorized the execution and delivery of this A&R Completion Guaranty.

Section 2.06 Date and Survival of Representations.

The representations of the Guarantor made in this Article II are made as of the Effective Date and all such representations shall survive the execution and delivery of this A&R Completion Guaranty.

## ARTICLE III

## AGREEMENTS

Section 3.01 Guaranty of Obligations.

The Guarantor hereby unconditionally guarantees to the Trustee, for the benefit of the Bondowners, the following (the "Obligations"): (i) the full and complete performance by the Borrower of all the Borrower's obligations with respect to the design, permitting, installation, construction and completion of the Project, including without limitation all changes orders, cost overruns and Capital Additions (as defined in the Indenture) not contemplated in the original general design and scope of the Facility (as defined in the Indenture) but which are necessary for the Project to achieve its name plate performance of 107.6 million pounds of ultra-pure recycled polypropylene ("UPRP") per year, subject to the terms and conditions of the Loan Agreement, (ii) the payment of all Project Costs (as defined in the Loan Agreement) required for or incurred prior to completion of the Project as described in subsection (i) above, as and when such payment shall become due, (iii) the payment by the Trustee, whether at own its discretion or at the direction of the Holders of the Senior Bonds, of amounts necessary to cure any defaults under the FSA Consent, the Offtaker 2 Consent and/or the Offtaker 3 Consent, and (iv) subject to the requirements of Section 3.10(a) and Section 4.11(c) hereof, upon the occurrence of an Event of Default (as defined in the Indenture), if the Trustee takes control of the Liquidity Reserve Escrow Fund (as defined herein) held under the Liquidity Reserve Escrow Agreement (as defined herein), funds in the Liquidity Reserve Escrow Fund may be used for any purpose set forth in Section 4.11(c) hereof. Without limiting the generality of the foregoing, the Guarantor guarantees that, subject to the terms and conditions of the Loan Agreement: Construction of the Project by the Completion Date (as defined in the Loan Agreement) will be undertaken and completed in accordance with the terms and conditions of the Loan Agreement and in accordance with the Plans and Specifications (as defined in the Loan Agreement) and Construction Budget (as defined in the Loan Agreement) for the Project;

(b) the Project will be constructed and completed free and clear of any liens (other than liens granted to the Trustee under the Indenture and Permitted Liens (as defined in the Indenture)), which will be deemed to have occurred only upon the expiration of the applicable statutory periods of the State of Ohio within which valid construction, mechanics or materialmen liens may be recorded and served by reason of the design, supply or construction of the Project with any such liens that have been filed having been released, discharged of record, or bonded or, alternatively, the Trustee's receipt of valid, unconditional final lien releases thereof from all persons entitled to record such liens;

(c) all costs of design, permitting, installation, construction and completion of the Project, including any and all (i) Change Orders (as defined in the Indenture), (ii) cost overruns and (iii) any Capital Additions necessary for the Facility to achieve its name plate performance of 107.6 million pounds of UPRP per year will be paid when due;

(d) all claims, liabilities, losses and damages (including without limitation liquidated damages) owed by Borrower to each counterparty under the Construction Contract and Equipment Contract (as defined in the Indenture); and

(e) all claims, liabilities, losses and damages (including without limitation liquidated damages) owed by Borrower to Supplier 4, Offtaker 2 and/or Offtaker 3 under the Supplier 4 FSA, the Offtaker 2 Agreement and/or the Offtaker 3 Agreement, respectively, if, as and to the extent the Trustee, at its own discretion or as the Holders of the Senior Bonds may direct.

Section 3.02 Obligations of the Guarantor Upon Default By the Borrower.

(a) If (1) construction of the Project is not commenced and completed as required pursuant to the Loan Agreement and constructed in the manner required by the Loan Agreement, (2) construction of the Project should be abandoned by Borrower prior to completion, or (3) any Event of Default under the Loan Agreement should otherwise exist with respect to the payment by Borrower for any costs relating to the construction of the Project, Guarantor will, within thirty (30) days after written notice of the Trustee: (a) diligently proceed to complete construction of the Project and, in connection therewith, Trustee shall, subject to the requirements of the Indenture and the Loan Agreement, disburse funds to the Guarantor pursuant to the terms of the Loan Agreement; provided, however, that prior to any such disbursement after the Guarantor commences performance of the Obligations, the Guarantor shall cure, or cause to be cured, all existing Events of Default under the Loan Agreement with respect to the construction of the Project, or in the payment for costs relating to the construction of the Project and shall certify in writing to the Trustee that all such Events of Default have been cured; (b) fully pay and discharge all claims of third parties for services furnished in connection with the construction of the Project; and (c) release and discharge or bond all claims of construction liens and equitable liens that may arise in connection with the of the Project. Notwithstanding the foregoing, the Guarantor reserves its rights to contest in good faith any claims of any third party in the same respects the Borrower has the ability to contest claims of such third party as set forth in any contract with such third party or elsewhere.

(b) If Borrower or Guarantor fails to make payment to Supplier 4 as required by the Supplier 4 FSA or otherwise perform its obligations thereunder, the Trustee may, at its own discretion or as the Holders of the Senior Bonds may direct, cure the default of Borrower by disbursement from the Liquidity Reserve Escrow Fund described and defined in Section 3.10 hereof to Supplier 4 of funds in the amount necessary to cure such default . Notwithstanding the foregoing, the Guarantor reserves its rights to contest in good faith any claims of any third party in the same respects the Borrower has the ability to contest claims of such third party as set forth in any contract with such third party or elsewhere.

(c) If Borrower or Guarantor fails to make payment to Offtaker 2 as required by the Offtaker 2 Agreement or otherwise perform its obligations thereunder, the Trustee may, at its own discretion or as the Holders of the Senior Bonds may direct, cure the default of Borrower by disbursement from the Liquidity Reserve Escrow Fund to Offtaker 2 of funds in the amount necessary to cure such default. Notwithstanding the foregoing, the Guarantor reserves its rights to contest in good faith any claims of any third party in the same respects the Borrower has the ability to contest claims of such third party as set forth in any contract with such third party or elsewhere.

(d) If Borrower or Guarantor fails to make payment to Offtaker 3 as required by the Offtaker 3 Agreement or otherwise perform its obligations thereunder, the Trustee may, at its own discretion or as the Holders of the Senior Bonds may direct, cure the default of Borrower by

disbursement from the Liquidity Reserve Escrow Fund to Offtaker 3 of funds in the amount necessary to cure such default. Notwithstanding the foregoing, the Guarantor reserves its rights to contest in good faith any claims of any third party in the same respects the Borrower has the ability to contest claims of such third party as set forth in any contract with such third party or elsewhere.

Section 3.03 Remedies.

If the Guarantor fails promptly to commence performance of the Obligations under this Guaranty within ten (10) days after receipt of written notice from the Trustee requiring same, the Trustee will have the following remedies in addition to all other remedies available to the Trustee under this A&R Completion Guaranty, the Loan Agreement, the Indenture or applicable law:

(a) The Trustee shall be entitled to proceed to perform, or engage a third party to perform, on behalf of the Guarantor all or any part of the Obligations and the Guarantor will, upon demand and whether or not construction is actually completed, pay to the Trustee, at any time and from time to time, all costs incurred by the Trustee, in performing such Obligations, together with interest thereon at the rate of interest of eight percent (8%) per annum; and

(b) The Trustee may bring any action at law or in equity or both to compel the Guarantor to perform its obligations under this A&R Completion Guaranty, and may collect in any such action compensation for all costs incurred by the Trustee in exercising such rights provided, however, that the Guarantor shall not be liable for any consequential, punitive or exemplary damages under this A&R Completion Guaranty.

Section 3.04 Guarantee is Absolute and Unconditional.

The obligations of the Guarantor under this A&R Completion Guaranty shall be absolute, irrevocable and unconditional; the Guarantor unconditionally and irrevocably waives each and every defense which, under principles of guarantee and suretyship law, would otherwise operate to impair or diminish such obligations.

The obligations of the Guarantor hereunder shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following, whether or not with notice to, or the consent of, the Guarantor:

(a) the compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of the Issuer or the Borrower under the Indenture, any Bond, the Loan Agreement, any Note or any agreement providing security for the foregoing;

(b) the failure to give notice to the Guarantor of the occurrence of an event of default under the terms and provisions of this A&R Completion Guaranty, the Indenture or the Loan Agreement;

(c) the waiver by the Trustee or the Issuer of the payment, performance or observance by the Issuer, the Borrower or the Guarantor of any of the obligations, covenants or agreements of

any of them contained in the Indenture, any Bond, the Loan Agreement, any Note, any agreement providing security for the foregoing, or this A&R Completion Guaranty;

(d) the extension of the time for payment of any principal of, premium, if any, or interest on any Notes or any Bonds or of the time for performance of any other obligations, covenants or agreements under or arising out of the Indenture, the Bonds, the Loan Agreement, the Notes, any agreement providing security for the foregoing or this or any other guarantee of the Bonds or the Notes or the extension or the renewal of any thereof;

(e) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Indenture, the Bonds, the Loan Agreement, the Notes or any agreement providing security for the foregoing;

(f) the taking or the omission of any of the actions referred to in the Indenture, the Bonds, the Loan Agreement, the Notes or any agreement providing security for the foregoing;

(g) any failure, omission, delay or lack of diligence on the part of the Issuer or the Trustee to enforce, assert or exercise any right, power or remedy conferred on the Issuer or the Trustee in the Indenture, the Bonds, the Loan Agreement, the Notes, any agreement providing security for the foregoing, this A&R Completion Guaranty or the Guarantor, or any other act or acts on the part of the Issuer, Trustee or any of the owners from time to time of the Bonds;

(h) to the extent permitted by law, the release or discharge of the Guarantor from the performance or observance of any obligation, covenant or agreement contained in this A&R Completion Guaranty by operation of law; and

(i) the default or failure of the Guarantor fully to perform any of its obligations set forth in this A&R Completion Guaranty.

Section 3.05 No Setoff, Etc.

No set off, counterclaim, reduction or diminution of an obligation, or any defense of any kind or nature which the Guarantor has or may have against the Issuer, the Trustee or any Bondowner shall be available hereunder to the Guarantor against the Issuer, the Trustee or any Bondowner.

Section 3.06 Waiver.

The obligations of the Guarantor hereunder shall arise absolutely, irrevocably and unconditionally when the Bonds shall have been issued, sold and delivered. The Guarantor hereby expressly and unconditionally waives each of the following (which waivers the Guarantor represents are knowingly, willingly and voluntarily given):

(a) notice from the Trustee and the owners from time to time of any of the Bonds of their acceptance and reliance on this A&R Completion Guaranty;

(b) any subrogation to the rights of the Issuer, the Trustee or any Bondowner against the Borrower and any other claim against the Issuer, the Trustee or any Bondowner that arises as

a result of payments made by the Guarantor pursuant to this A&R Completion Guaranty, until the entire principal of and interest on the Notes and the Bonds shall have been paid and are not subject to any right of recovery and all of the other outstanding Obligations have been satisfied;

(c) any claim for contribution against any co-guarantor until the entire principal of and interest on the Bonds shall have been paid and are not subject to any right of recovery and all of the other outstanding monetary Obligations have been satisfied;

(d) any and all right to trial by jury in any action or proceeding relating to this Guaranty Agreement, or any document delivered hereunder or in connection herewith, or any transaction arising from or connected to any of the foregoing; and

(e) any right the Guarantor may now or hereafter have to claim or recover from the Trustee, the Issuer or the Bondowners any consequential, exemplary or punitive damages.

Section 3.07 Expenses.

The Guarantor agrees to pay all costs, expenses and fees, including all reasonable attorneys' fees, which may be incurred by the Trustee in enforcing or attempting to enforce this A&R Completion Guaranty following any default by Guarantor hereunder, whether the same shall be enforced by suit or otherwise.

Section 3.08 Benefit.

This A&R Completion Guaranty is entered into by the Guarantor for the benefit of Trustee and the owners from time to time of the Bonds and any successor trustee or trustees under the Indenture, all of whom shall be entitled to enforce performance and observance of this A&R Completion Guaranty to the same extent provided for enforcement of remedies under the Indenture.

Section 3.09 Financing of Other Projects.

The Guarantor will not (a) finance, develop or construct, (b) participate in the financing, development or construction of, or (c) consent to the financing, development or construction by Borrower or any other entity owned directly or indirectly by the Guarantor of any plastics recycling facilities within a 250-mile radius of the Project until the Bonds are paid in full; provided, however, the Guarantor may participate in the financing, development or construction of an expansion and/or addition to the Project.

Section 3.10 Establishment of Liquidity Reserve Escrow Fund; Security Interest in Liquidity Reserve Escrow Fund.

(a) Not later than January 31, 2021, the Guarantor shall deposit $50,000,000 (the "Liquidity Reserve Amount") in a segregated account of the Guarantor, to be used solely by the Trustee to secure the Guarantor's obligations hereunder (the "Liquidity Reserve Escrow Fund"), which funds shall be disbursed only for the purposes set forth (i) in clause (c) below until the conditions set forth in Section 4.11(a) hereof have been met, and (ii) in Section 3.01(d) and/or 3.02(b), 3.02(c) or 3.02(d) hereof until the conditions set forth in Section 4.11(b) have been

satisfied; provided, however, that so long as any Senior Bonds remain Outstanding, the Liquidity Reserve Escrow Agreement shall remain in effect and the Guarantor shall retain on deposit in the Liquidity Reserve Escrow Fund the reduced amount of $25,000,000 (the "Reduced Liquidity Reserve Amount"). Upon the occurrence of an Event of Default (as defined in the Indenture) and the decision by the Trustee to take control of the Liquidity Reserve Escrow Fund under the Liquidity Reserve Escrow Agreement, the Trustee may apply any and all funds then on deposit in the Liquidity Reserve Escrow Fund for any purpose permitted under the Indenture, including the payment of debt service on the Senior Bonds as and at the direction of the Majority Holders; provided, the Guarantor shall not be obligated to replenish the Reduced Liquidity Reserve Amount. When there are no Senior Bonds Outstanding, the Guarantor shall no longer have any obligation to maintain the Reduced Liquidity Reserve Amount in the Liquidity Reserve Escrow Fund held under the Liquidity Reserve Escrow Agreement, the Liquidity Reserve Escrow Agreement will terminate, and the balance on deposit shall be returned to Guarantor.

(b) Guarantor hereby pledges, assigns and grants to the Trustee, for the benefit of itself and the Holders of the Bonds, a security interest in all of its right, title and interest in, to and under the Liquidity Reserve Escrow Fund. Guarantor shall, simultaneously with the deposit of funds in the Liquidity Reserve Escrow Fund, execute an Escrow Agreement, in the form set forth in Exhibit A attached hereto (the "Liquidity Reserve Escrow Agreement"), by and among the Guarantor, the Trustee and U.S. Bank National Association (the "Deposit Bank"). The Deposit Bank shall disburse all funds on deposit in the Liquidity Reserve Escrow Fund at the sole direction of the Trustee as set forth in Sections 3.10(a), 3.10(c) and 3.10(d). Under the Liquidity Reserve Escrow Agreement, Guarantor shall provide written investment instructions to the Trustee for the investment of funds and financial assets under the Liquidity Reserve Escrow Agreement. The Trustee shall not be responsible, and Guarantor shall indemnify and hold harmless the Trustee, for any losses, claims, damages, costs, break-fees and any other expenses arising out or associated with the Trustee following such direction and instruction.

(c) Upon written notice from the Trustee to the Deposit Bank and the Guarantor pursuant to Section 2.13 of the Loan Agreement that the contingency funds on deposit in the Project Fund are less than $21,153,011, the Deposit Bank shall transfer to the Trustee, within three (3) Business Days by wire transfer in immediately available funds, an amount sufficient to replenish such contingency funds to not less than $21,153,011. Such funds shall be deposited into the Equity Account of the Project Fund.

(d) Until the conditions set forth in Section 4.11(b) have been satisfied in full, upon written notice from the Trustee to the Deposit Bank and the Guarantor that the Trustee will attempt to cure a default by the Borrower under Sections 3.02(b), 3.02(c) and/or 3.02(d) hereof and the amount required for such cure, the Deposit Bank shall transfer such stated amount to or at the direction of the Trustee, within three (3) Business Days by wire transfer in immediately available funds, and the Guarantor, within three (3) Business Days following the date of such notice, shall deposit to the Liquidity Reserve Escrow Fund in immediately available funds an amount sufficient to replenish the Liquidity Reserve Escrow Fund to the Liquidity Reserve Amount.

Section 3.11 Additional Guarantor Covenants.

(a) Unless the Guarantor has provided written evidence to the Trustee that it has $100,000,000 (including the Liquidity Reserve Amount) of equity to support its obligations hereunder, the Guarantor shall not contribute equity to any additional project in an amount greater than thirty percent (30%) of total project costs of such additional project.

(b) Guarantor shall:

(1) provide written evidence to the Trustee that the Guarantor has obtained and maintains thereafter at least $75,000,000 (including the Liquidity Reserve Amount) of cash on its balance sheet no later than July 31, 2021 or deliver an irrevocable direct-pay letter of credit, for the benefit of the Trustee and for the account of the Guarantor, in a stated amount equal to such amount, which provides the Trustee with the right to draw upon the same to fund the Guarantor's obligations hereunder; and

(2) provide written evidence to the Trustee that the Guarantor has obtained and maintains thereafter at least $100,000,000 (including the Liquidity Reserve Amount) of cash on its balance sheet no later than January 31, 2022 or deliver an irrevocable direct-pay letter of credit, for the benefit of the Trustee and for the account of the Guarantor, in a stated amount equal to such amount, which provides the Trustee with the right to draw upon the same to fund the Guarantor's obligations hereunder.

(c) The Guarantor shall either (x) raise additional equity in an amount not less than $250,000,000 by January 31, 2021 and provide written evidence of the same to the Trustee by no later than January 31, 2021 or (y) if it has not raised such additional equity, then:

(1) Guarantor shall deposit an amount equal to the difference between $250,000,000 and the amount of equity actually raised by PureCycle less the Liquidity Reserve, in twelve (12) equal monthly amounts, into a Guarantor held account (such account shall not be required to be subject to the Liquidity Reserve Escrow Agreement), and provide the Trustee written evidence of such deposits, monthly, not later than the last day of each month, commencing on February 28, 2021, until a total of $200,000,000 has been deposited in such account; and

(d) The Guarantor shall not use any of the initial $250 million of equity raised after the date hereof for any future projects of the Guarantor or its affiliates at a level greater than 30% of the total project cost prior to the date this Guaranty terminates.

## ARTICLE IV

## MISCELLANEOUS

Section 4.03 Amendments.

This A&R Completion Guaranty shall not be effectively amended, modified or altered until such modification, alteration or amendment is reduced to writing and executed by both parties hereto.

Section 4.04 Successors.

Except as limited or conditioned by the express provisions hereof, the provisions of this A&R Completion Guaranty shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

Section 4.05 Governing Law.

The laws of the State of Ohio shall govern this A&R Completion Guaranty.

Section 4.06 Jurisdiction.

The Guarantor hereby consents to the jurisdiction of any state or federal court situated in the State of Ohio, and waives any objection based on lack of personal jurisdiction, improper venue or forum non conveniens, with regard to any actions, claims, disputes or proceedings relating to this A&R Completion Guaranty, or any document delivered hereunder or in connection herewith, or any transaction arising from or connected to any of the foregoing. Nothing herein shall affect the rights of the Trustee, the Issuer or the Bondowners to serve process in any manner permitted by law, or limit the rights of the Trustee, the Issuer or the Bondowners to bring legal proceedings against the Guarantor or its property or assets in the competent courts of any other jurisdiction or jurisdictions.

Section 4.07 Captions.

The captions or headings in this A&R Completion Guaranty are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions of this A&R Completion Guaranty.

Section 4.08 Counterparts.

This A&R Completion Guaranty may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were on the same instrument.

Section 4.09 Notices.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or when mailed by certified or registered mail, postage prepaid, or by prepaid telegram addressed as follows: (i) if to the Trustee, at the Trustee's Address

as provided in Article I hereof, and (ii) if to the Guarantor, at the Guarantor's Address as provided in Article I hereof.

A duplicate copy of each notice, certificate or other communication given hereunder by either the Trustee or the Guarantor shall also be concurrently given to the Borrower at the "Borrower's Address," to the Issuer at the "Issuer's Address," both as specified in Section 1.01 of the Indenture and to each Bondowner at its address set forth in the registration books maintained by the Bond Registrar.

Section 4.10 Severability.

This A&R Completion Guaranty constitutes the entire agreement between the Trustee and Guarantor with respect to the subject matter hereof, superseding all previous communications and negotiations, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon Trustee unless expressed herein. If any provisions of this A&R Completion Guaranty shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this A&R Completion Guaranty contained, shall not affect the remaining portions of this A&R Completion Guaranty, or any part thereof.

Section 4.11 Termination.

(a) Subject to Section 4.11(b), Guarantor shall be released from its Obligations under Section 3.02(a) hereof only upon the (A) the completion of all Obligations set forth in Section 3.01 hereof; (B) the expiration of the twelfth ($12^{th}$) month following the completion of thirty (30) consecutive days of full name plate operations of the Project following completion; and (C) the satisfaction in all respects of the distribution test set forth in Section 2.4(b)(viii) of the Loan Agreement.

(b) Guarantor's obligation to maintain the Liquidity Reserve Amount on deposit in the Liquidity Reserve Escrow Fund shall remain in effect until the conditions set forth in Section 4.11(a) and the additional following conditions have been satisfied in full:

(1) the expiration of the Supplier 4 FSA and the transmittal by Borrower to the Trustee of one or more fully executed feedstock supply agreements with related Consent and Agreements substantially in the form of Exhibit L ("Exhibit L") to the Security Agreement dated as of October 7, 2020, between the Borrower and the Trustee (the "Security Agreement"), or one or more fully executed amendments to feedstock supply agreements previously provided to the Trustee with Consent and Agreements conforming to Exhibit L, or a combination of the foregoing, providing for the supply of at least the minimum and maximum volumes of feedstock

meeting substantially similar specifications as Supplier 4 had committed to supply to Borrower under the Supplier 4 FSA and under terms of purchase no less favorable to Borrower than such terms set forth in the Supplier 4 FSA;

(2) the expiration of the Offtaker 2 Agreement and the transmittal by Borrower to the Trustee of one or more fully executed offtake agreements with related Consent and Agreements substantially in the form of Exhibit L, or one or more fully executed amendments to offtake agreements previously provided to the Trustee with Consent and Agreements conforming to Exhibit L, or a combination of the foregoing, providing in the aggregate for the purchase of the minimum and maximum volumes of offtake meeting substantially similar specifications as Offtaker 2 had committed to purchase from Borrower under the Offtaker 2 Agreement and under terms of purchase no less favorable to the Borrower than such terms set forth in Offtaker 2 Agreement; and

(3) the expiration of the Offtaker 3 Agreement and the transmittal by Borrower to the Trustee of one or more fully executed offtake agreements with related Consent and Agreements substantially in the form of Exhibit L, or one or more fully executed amendments to offtake agreements previously provided to the Trustee with Consent and Agreements conforming to Exhibit L, or a combination of the foregoing, providing in the aggregate for the purchase of the minimum and maximum volumes of offtake meeting substantially similar specifications as Offtaker 3 had committed to purchase from Borrower under the Offtaker 3 Agreement and under terms of purchase no less favorable to the Borrower than such terms set forth in Offtaker 3 Agreement.

In addition, Borrower may meet the requirements of Section 4.11(b)(1) above by providing to the Trustee one or more executed option agreements between the Borrower and one or more counterparties, together with a Consent and Agreement for each such agreement substantially in the form of Exhibit L, which agreement(s) provide in the aggregate for the supply to the Borrower of at least the minimum and maximum volumes of feedstock that Borrower must obtain in the event of an expiration or termination of the Supplier 4 FSA meeting substantially similar specifications as Supplier 4 had committed to supply to Borrower under the Supplier 4 FSA and under terms of purchase no less favorable to Borrower than such terms set forth in the Supplier 4 FSA. The Borrower may meet the requirements of Section 4.11(b)(2) and Section 4.11(b)(3) above by providing to the Trustee one or more executed option agreements between the Borrower and one or more counterparties, together with a Consent and Agreement for each such agreement substantially in the form of Exhibit L, which agreements provide in the agreement for the purchase of the minimum and maximum offtake volumes that become available in the event of an expiration or termination of Offtake Agreement 2 or Offtake Agreement 3 on terms of purchase no less favorable to the Borrower than as set forth in the Offtaker 2 Agreement and the Offtaker 3 Agreement, respectively. When replacement feedstock supply or offtake agreements are provided to the Trustee by any of the aforesaid means, the requirement of Guarantor to maintain the

Liquidity Reserve Amount shall be reduced by the applicable amount(s) set forth below, which amount(s) evidence the intent of the parties of the amount of value of the entire supply represented by the Supplier 4 FSA and the entire offtake represented by the Offtaker 2 Agreement and the Offtaker 3 Agreement, respectively:

Supplier 4 FSA: $2.75 million;

Offtaker 2 Agreement: $7.75 million; and

Offtaker 3 Agreement: $14.50 million.

(c) When all of the conditions of clauses (a) and (b) of this Section 4.11 have been met, but so long as any Senior Bonds remain Outstanding, the Liquidity Reserve Escrow Agreement shall remain in place as provided herein but the Liquidity Reserve Amount shall be reduced to the Reduced Liquidity Reserve Amount, and the Guarantor shall no longer be required to replenish the Reduced Liquidity Reserve Amount if and when disbursements are subsequently made therefrom. Upon the occurrence of an Event of Default (as defined in the Indenture), if the Trustee takes control of the Liquidity Reserve Escrow Fund, funds in the Liquidity Reserve Escrow Fund may be used for any purpose, including the payment of debt service on the Senior Bonds, as may be determined by the Trustee or as may be directed by the Holders of a majority in aggregate principal amount of the Senior Bonds Outstanding.

(d) When the conditions precedent set forth in Section 4.11(a) and Section 4.11(b) have been satisfied and there are no longer any Senior Bonds then Outstanding, then (i) the Guarantor shall no longer have any obligation to maintain the Reduced Liquidity Reserve Amount in the Liquidity Reserve Escrow Fund held under the Liquidity Reserve Escrow Agreement, (ii) this Agreement and the Liquidity Reserve Escrow Agreement will terminate, and (iii) the balance on deposit in the Liquidity Reserve Escrow Fund shall be returned to Guarantor.

(e) The foregoing provision notwithstanding, Section 3.09 of this A&R Completion Guaranty shall survive termination of this Agreement and shall remain in full force and effect until the Bonds are paid in full.

Section 4.12 Specific Performance.

Guarantor acknowledges and agrees that it may be impossible to measure accurately the damages to the Trustee or the Holders of the Bonds resulting from a breach of Guarantor's covenant to discharge or perform the Obligations, that such a breach will cause irreparable injury to the Trustee and that the Trustee may not have an adequate remedy at law in respect of such breach. As a consequence, Guarantor agrees that such covenant shall be specifically enforceable against Guarantor. Guarantor hereby waives and agrees not to assert in any action for specific performance of such covenant any defense that specific performance is not an available remedy.

Section 4.13 Rights and Protections of Trustee.

This A&R Completion Guaranty is for the benefit of the Trustee. The Trustee shall be entitled to all of the same rights, benefits, privileges, immunities, disclaimers, exculpations,

indemnitees and protections with respect to any action or omission as Trustee hereunder as are set forth in the Indenture with respect to actions or omissions of the Trustee thereunder, and this A&R Completion Guaranty shall secure all obligations and liabilities owing to the Trustee, as Trustee under the Indenture. Trustee may rely (and shall be fully protected in so relying) on the direction of the Majority Holders with respect to any action taken or the exercise of any right, remedy or discretion or the giving of any consent or approval as Trustee under this A&R Completion Guaranty, and the Trustee may refrain from giving any consent, approval, or direction, from making any demand, or from taking any other action or exercising any remedy, unless and until directed to do so by the Majority Holders and receipt of indemnification satisfactory to it as and to the extent provided under the Indenture.

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IN WITNESS WHEREOF, the Guarantor has executed this Guaranty Agreement, all as of the date first above written.

PURECYCLE TECHNOLOGIES LLC,
a Delaware limited liability company

By: _____
Name: MICHAEL OTWORTH
Title: PRESIDENT / CEO

EXHIBIT A

Escrow Agreement

## ESCROW AGREEMENT

**THIS ESCROW AGREEMENT**, dated as of October 7, 2020 ("Agreement"), is by and among PURECYCLE TECHNOLOGIES LLC, a Delaware limited liability company ("Depositor"), UMB BANK, N.A, a national banking association, as trustee ("Recipient", and sometimes referred to as "Trustee" or "Secured Party"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as escrow agent hereunder ("Escrow Agent").

**BACKGROUND**

A. Depositor and Recipient have entered into a Guaranty of Completion dated as of October 7, 2020 (the "Guaranty" or the "Underlying Agreement"), pursuant to which Depositor guaranteed certain obligations of PureCycle: Ohio LLC, a Delaware limited liability company and in indirect wholly owned subsidiary of Depositor, under (i) that certain Loan Agreement between Southern Ohio Port Authority and PureCycle: Ohio LLC dated as of October 1, 2020 (the "Loan Agreement"), (ii) that certain Bond Purchase Agreement by and among the Southern Ohio Port Authority, as issuer (the "Issuer"), Piper Sandler & Co., as underwriter, and PureCycle: Ohio LLC (the "Bond Purchase Agreement") and (iii) that certain Indenture of Trust, dated as of October 1, 2020, by and between the Issuer and Recipient (the "Indenture"). The Underlying Agreement provides that Depositor shall deposit on behalf of Recipient the Escrow Funds (defined below) in a segregated escrow account to be held by Escrow Agent for the purpose of making payments from time to time to Recipient under and as required by the Underlying Agreement.

B. Escrow Agent has agreed to act as a "securities intermediary" as defined in Section 8-102(a)(14) of the Uniform Commercial Code as adopted in the State of Ohio (the "UCC") and in such capacity as agent for Recipient, as secured party, to accept, hold, and disburse the funds and other "financial assets" (as such term is defined in Section 8-102(a)(9) of the UCC) deposited with Escrow Agent and all investments made therewith, and all any earnings, proceeds and profits thereon in accordance with the terms of this Agreement as collateral for the benefit of Recipient as Secured Party as contemplated by Section 9-313(c) of the UCC.

C. Depositor and Recipient have appointed the Representatives (as defined below) for all purposes relating to the funds to be deposited with Escrow Agent pursuant to this Agreement.

D. Depositor and Recipient acknowledge that (i) Escrow Agent is not a party to and has no duties or obligations under the Underlying Agreement, and (ii) Escrow Agent shall have no implied duties beyond the express duties set forth in this Agreement.

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their successors and assigns, intending to be bound hereby agree as follows:

1. Definitions. The following terms shall have the following meanings when used

herein:

(a) "Business Day" shall mean any day, other than a Saturday, Sunday or legal holiday, on which Escrow Agent at its location identified in Section 15 is open to the public for general banking purposes.

"Depositor Direction" shall mean a written direction executed by a Depositor Representative, delivered to Escrow Agent in accordance with Section 15 and directing Escrow Agent either (i) to invest, reinvest and liquidate any investment of the types provided for on Schedule A as Approved Investments under the caption Specific Direction for Investment, or (ii) to change its address for notices under Section 15 or the Bank Name, Bank Address, ABA Number or Account Name under Subsection 4(e).

"Depositor Representative" shall mean each person so designated on Schedule C hereto or any other person so designated in a writing signed by Depositor and delivered to Escrow Agent and a Recipient Representative in accordance with Section 15.

"Escrow Funds" shall mean the funds and financial assets deposited with Escrow Agent pursuant to Section 3 of this Agreement, together with any interest, earnings, investments and other income thereon and any financial assets into which Escrow Funds are invested, and all proceeds thereof.

"Escrow Period" shall mean the period commencing on the date hereof and ending at the close of Escrow Agent's Business Day on or immediately after Escrow Agent receives a Joint Written Direction or Secured Party's Direction to release the balance of the Escrow Funds to Depositor unless earlier terminated pursuant to this Agreement.

"Final Order" shall mean a final and nonappealable order of a court of competent jurisdiction (an "Order"), which Order is delivered to Escrow Agent accompanied by a written instruction from Depositor or Recipient given to effectuate such Order and confirming that such Order is final, nonappealable and issued by a court of competent jurisdiction, and Escrow Agent shall be entitled to conclusively rely upon any such confirmation and instruction and shall have no responsibility to review the Order to which such confirmation and instruction refers.

"Indemnified Party" shall have the meaning set forth in Section 11.

"Joint Written Direction" shall mean a written direction executed by a Depositor Representative and a Recipient Representative removing Escrow Agent pursuant to Section 9, delivered to Escrow Agent in accordance with Section 15.

"Representatives" shall mean the Depositor Representative and the Recipient Representative.

"Recipient Direction" shall mean a written direction executed by a Recipient Representative, delivered to Escrow Agent in accordance with Section 15 and directing Escrow Agent to

disburse all or a portion of the Escrow Funds or to take or refrain from taking any other action pursuant to this Agreement.

"Recipient Representative" shall mean each person so designated on Schedule C hereto or any other person so designated in a writing signed by Recipient and delivered to Escrow Agent and a Depositor Representative in accordance with the notice provisions of this Agreement.

2. Appointment of and Acceptance by Escrow Agent. Depositor and Recipient hereby appoint Escrow Agent to serve as escrow agent hereunder. Escrow Agent hereby accepts such appointment and, upon receipt by wire transfer of the Escrow Funds in accordance with Section 3, agrees to hold, invest and disburse the Escrow Funds in accordance with this Agreement.

3. Deposit of Escrow Funds.

(a) Simultaneously with the execution and delivery of this Agreement, Depositor will deposit with the Escrow Funds in the amount of $1,000.00, by wire transfer of immediately available funds, to an account designated by Escrow Agent (the "Escrow Account"). Escrow Funds shall remain uninvested except as provided in Section 7. Pursuant to the terms of the Guaranty, (i) Depositor shall deposit with Escrow Agent additional funds to the Escrow Account to be held, invested and disbursed pursuant to the terms of this Agreement to bring the Escrow Fund up to $50,000,000 and (ii) thereafter Depositor shall deposit with the Escrow Agent funds in amounts and at times equal to any withdrawals of funds from the Escrow Account so that there are at the end of each Business Day following the date that the Escrow Funds first are required under the Guaranty to equal $50,000,000, Escrow Funds in the amount of $50,000,000 are on deposit in the Escrow Account. For each such deposit made by the Depositor via wire transfer or ACH transfer to the Escrow Account subsequent to the initial $1,000.00 deposit, the Depositor shall endeavor to notify the Escrow Agent at least one (1) Business Day prior to the date of deposit. All funds and other financial assets in the Escrow Account shall be the property of the Depositor subject to the first position security interest of the Recipient as secured party.

(b) Escrow Agent acknowledges that Depositor granted a security interest in favor of the Secured Party in, a lien upon, and a pledge of the Escrow Funds and all earnings and profits thereon held in the Escrow Account as collateral to Recipient to secure Depositor's obligations under the Guaranty.

(c) This Agreement gives Recipient exclusive "control," as defined in Section 9-104 of the UCC, in the Escrow Funds, including, without limitation, all monies and Investments (as defined below), financial assets and other sums in the Escrow Accounts (collectively, the "Account Collateral").

(d) Escrow Agent agrees that it will not enter into any agreement with any person or entity in connection with the Escrow Account by which Escrow Agent, in any capacity, is obligated to comply with instructions from Depositor or any other person or entity which conflict with this Agreement.

(e) Escrow Agent confirms that it is a "Securities Intermediary" as such term is defined in Section 8-102(a)(14) of the UCC.

(f) Escrow Agent agrees that it is holding the Escrow Funds as "Financial Assets" as such term is given meaning in Section 8-102(a)(9) of the UCC for the benefit of the Recipient, as secured party, and to perfect the security interest of Recipient therein.

4. Disbursements of Escrow Funds.

(a) Escrow Agent shall disburse Escrow Funds by wire transfer of immediately available funds at any time and from time to time, as provided in the Standing Disbursement Instructions on Attachment 1 upon receipt of, and in accordance with, a Recipient Direction substantially in the form of the Form of Recipient Direction attached hereto and received by Escrow Agent as set forth in Section 15.

(b) The mechanics and requirement for Recipient Directions and disbursements, as between Depositor and Recipient are set forth in the Guaranty, or the Loan Agreement and the Indenture, as necessary to authorize the Recipient to issue these Recipient Directions. Escrow Agent shall not be required to review the Guaranty or any other agreement or instrument referred to therein, but shall only be required to act upon receipt of Recipient Directions made and received pursuant to Attachment 1.

(c) Each Recipient Direction shall contain complete payment instructions, including funds transfer instructions, routing and account numbers. Attachment 2 sets for the exclusive list of permitted disbursements. In no event shall Escrow Agent make any disbursements other than as set forth in this Agreement.

(d) Depositor and Recipient each agrees that absent contrary instructions contained in a Recipient Direction, the Escrow Agent is authorized to use the following funds transfer instructions to disburse any funds due to Recipient:

UMB Bank, N.A.
Bank Address: 1010 Grand Blvd. Kansas City MO 64106
ABA No.:101 000 695
Account Name: CT-STL2
Account No.: 98 0000 6823
Ref: PureCycle/Carlson

(e) The Escrow Agent shall rely at all times exclusively on the written direction of the Recipient in a Recipient Direction. Depositor and Recipient each agrees that the Escrow Agent is authorized to use the following funds transfer instructions to disburse to Depositor, at the direction the Recipient (i) any funds in excess of $50,000,000 held in the Escrow Fund, and (ii) the balance of the Escrow Funds upon termination or expiration of the Guaranty:

Bank Name: PNC Bank, N.A.
Bank Address: 1600 Market Street, Philadelphia, PA 19103
ABA No.: 031000053
Account Name: PureCycle Technologies LLC
Account No.: 8403484333

(f) Prior to any disbursement, Escrow Agent must receive reasonable identifying information regarding the funds recipient so that Escrow Agent may comply with its regulatory obligations and reasonable business practices, including without limitation a completed United States Internal Revenue Service ("IRS") Form W-9 or Form W-8, as applicable. All disbursements of Escrow Funds shall be subject to the fees and claims of Escrow Agent and the Indemnified Parties pursuant to Section 11 and Section 12.

(g) Depositor and Recipient may each, individually, deliver written notice to Escrow Agent in accordance with Section 15 changing for transfer to itself, the name of the Bank, Bank Address, ABA Number, Account Name and Account number for the funds transfer instructions in Subparagraphs (d) and (e), which notice shall be effective only upon receipt by Escrow Agent and after Escrow Agent has had a reasonable time to act upon such notice.

5. Suspension of Performance; Disbursement into Court. Except as otherwise expressly provided herein, the Escrow Agent shall rely at all times exclusively on the written direction of the Recipient. If, at any time, (a) Escrow Agent is unable to determine, to Escrow Agent's sole satisfaction, Escrow Agent's proper actions with respect to its obligations hereunder, or (b) the Representatives have not, within 10 days of receipt of a notice of resignation, appointed a successor Escrow Agent to act hereunder, then Escrow Agent may, in its sole discretion, take either or both of the following actions:

(i) suspend the performance of any of its obligations (including without

limitation any disbursement obligations) under this Agreement until such dispute or uncertainty shall be resolved to the sole satisfaction of Escrow Agent or until a successor Escrow Agent shall have been appointed.

(ii) petition (by means of an interpleader action or any other appropriate method) any court of competent jurisdiction, in any venue convenient to Escrow Agent, for instructions with respect to such dispute or uncertainty and, to the extent required or permitted by law, pay into such court, for holding and disposition in accordance with the instructions of such court, all Escrow Funds, after deduction and payment to Escrow Agent of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by Escrow Agent in connection with the performance of its duties and the exercise of its rights hereunder.

Escrow Agent shall have no liability to Depositor or Recipient for suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise due to any delay in any other action required or requested of Escrow Agent, unless such suspension shall be due to the gross negligence or willful disregard by Escrow Agent of instructions from the Secured Party properly delivered to the Escrow Agent.

6. [reserved]

7. Investment of Funds.

(a) In the absence of further specific written direction to the Escrow Agent from the Recipient to the contrary, and subject in all instances to the unilateral rights of the Escrow Agent to sell or liquidate investments in the Escrow Fund for any disbursement of Escrow Fund as provided in Section 7(f) below, the Depositor is authorized to provide to the Escrow Agent investment instructions pursuant to the limitations set forth in Schedule A with respect to the investment, reinvestment, sale and liquidation of funds and other securities entitlements in the Escrow Fund. Recipient has and shall have no duty or obligation regarding investment direction from the Depositor of the Escrow Fund. Unless and until the Escrow Agent receives investment direction from the either the Depositor or, following and during the continuance of an event of default under the Loan Agreement or Indenture, the Recipient, Escrow Agent shall automatically invest the Escrow Fund pursuant to the Automatic Authorization as provided in Schedule A. The Escrow Agent and Trustee may rely conclusively on Depositor's Direction concerning the investment, reinvestment, sale and liquidation of any funds or financial assets held in the Escrow Fund. Neither the Escrow Agent nor the Trustee shall be responsible for or have any liability as to the legality, suitability or permissibility of any investment to be made, reinvested, sold or liquidated by or pursuant to a Depositor Direction. Neither the Escrow Agent nor the Trustee shall be responsible for or liable for any loss, cost or expense incurred with respect to any investment, reinvestment, sale or liquidation made pursuant to a Depositor Direction.

In the absence of further specific written direction to the contrary at any time that an investment decision shall be made, Escrow Agent is directed to roll over maturing investments of

the Escrow Funds in the investment identified in the immediately prior Approved Investment on Schedule A.

(b) Pursuant to the terms of the Guaranty, Recipient may deliver to Escrow Agent a Recipient Direction changing the investments of the Escrow Funds (subject to the Approved Investment limitations on Schedule A), upon which direction Escrow Agent may conclusively rely without inquiry or investigation. Such direction may not be overridden by a Depositor Direction.

(c) Depositor shall be solely responsible for and the Escrow Agent is authored to pay, from the Escrow Fund, any break fees or other costs associated with investments and the sale or liquidation of investments made at the direction of the Recipient.

(d) Escrow Agent shall not be directed to invest in investments that violate the restrictions on Schedule A or that Escrow Agent determines are not consistent with Escrow Agent's policies or practices.

(e) Depositor and Recipient recognize and agree that Escrow Agent will not provide supervision, recommendations or advice relating to either the investment of Escrow Funds or the purchase, sale, liquidation or disposition of any investment and the Escrow Agent shall not have any liability for any loss in an investment made pursuant to the terms of this Agreement. Escrow Agent and Recipient have no responsibility whatsoever to determine the market or other value of any investment and makes no representation or warranty as to the accuracy of any such valuations. To the extent applicable regulations grant rights to receive brokerage confirmations for certain security transactions, Depositor and Recipient waive receipt of such confirmations.

(f) All investments shall be made in the name of Escrow Agent for the benefit of the Recipient as Secured Party. Escrow Agent may, without notice to Depositor and Recipient, sell or liquidate any of the foregoing investments at any time for any disbursement of Escrow Funds permitted or required hereunder and shall not be liable for any loss, cost or penalty resulting from any sale or liquidation of any such investment. All investment earnings and profits shall become part of the Escrow Funds and investment losses, break fees and other fees and expenses shall be charged against the Escrow Funds, which Depositor shall then replenish upon demand from Recipient. With respect to any Escrow Funds or investment instruction received by Escrow Agent after 11:00 a.m., U.S. Central Time, Escrow Agent shall not be required to invest applicable funds until the next Business Day. Receipt of the Escrow Funds and investment and reinvestment of the Escrow Funds shall be confirmed by Escrow Agent by an account statement. Failure to inform Escrow Agent in writing of any error or omission in any such account statement within 90 days after receipt shall conclusively be deemed confirmation and approval by Depositor and Recipient of such account statement.

8. Tax Reporting. (a) Escrow Agent has no responsibility for the tax consequences of this Agreement and Depositor and Recipient shall consult with independent counsel concerning any and all tax matters. Depositor agrees to (i) assume all obligations

imposed now or hereafter by any applicable tax law or regulation with respect to payments or performance under this Agreement and (ii) request and direct the Escrow Agent in writing with respect to withholding and other taxes, assessments or other governmental charges, and advise the Escrow Agent in writing with respect to any certifications and governmental reporting that may be required under any applicable laws or regulations. Except as otherwise agreed by Escrow Agent in writing, Escrow Agent has no tax reporting or withholding obligation except to the Internal Revenue Service with respect to Form 1099-B reporting on payments of gross proceeds under Internal Revenue Code Section 6045 and Form 1099 and Form 1042-S reporting with respect to investment income earned on the Escrow Funds, if any. Escrow Agent shall have no responsibility for Form 1099-MISC reporting with respect to disbursements that Escrow Agent makes in an administrative or ministerial function to vendors or other service providers and shall have no tax reporting or withholding duties with respect to the Foreign Investment in Real Property Tax Act.

(b) To the extent that U.S. federal imputed interest regulations apply, Depositor shall so inform the Escrow Agent and Recipient, provide the Escrow Agent and Recipient with all imputed interest calculations and Recipient shall direct the Escrow Agent to disburse imputed interest amounts as appropriate. Escrow Agent will rely solely on such provided calculations and information and will have no responsibility for the accuracy or completeness of any such calculations or information. Depositor and Recipient shall provide Escrow Agent a properly completed IRS Form W-9 or Form W-8, as applicable, for each payee. If requested tax documentation is not so provided, Escrow Agent is authorized to withhold taxes as required by the United States Internal Revenue Code and related regulations.

(c) Except as otherwise directed by Depositor and Recipient in writing, Escrow Agent will report, on an accrual basis, all interest or income on the Escrow Funds as being owned by Depositor for federal income tax purposes. If any accrued interest income attributed to Depositor is subsequently disbursed by Escrow Agent to Depositor, Escrow Agent shall apportion all tax liabilities to Depositor with respect to the appropriate tax treatment and reporting of such disbursements.

9. Resignation or Removal of Escrow Agent. Escrow Agent may resign and be discharged from the performance of its duties hereunder at any time by giving thirty (30) days' prior written notice to Depositor and Recipient specifying a date when such resignation shall take effect and, after the date of such resignation notice, notwithstanding any other provision of this Agreement, Escrow Agent's sole obligation will be to hold the Escrow Funds pending appointment of a successor Escrow Agent. Similarly, Escrow Agent may be removed at any time by Depositor and Recipient, acting jointly, giving at least thirty (30) days' prior written notice to Escrow Agent specifying the date when such removal shall take effect. If an event of default under the Underlying Agreement has occurred and is continuing beyond applicable grace and cure periods, if any, then Recipient may, upon not less than 5 Business Days' prior notice pursuant to Section 15 to Escrow Agent and Depositor, unilaterally remove and replace the Escrow Agent. If Depositor and Recipient fail to jointly appoint a successor Escrow Agent prior to the effective date or if Recipient fails to appoint a successor Escrow Agent under the

immediately prior sentence prior to the effective Date of such resignation or removal, Escrow Agent may petition a court of competent jurisdiction to appoint a successor escrow agent to hold the Escrow Funds to perfect Recipient's security interest therein, and all costs and expenses related to such petition shall be paid by Depositor. The retiring Escrow Agent shall transmit all records pertaining to the Escrow Funds and shall pay all Escrow Funds to the successor Escrow Agent, after making copies of such records as the retiring Escrow Agent deems advisable and after deduction and payment to the retiring Escrow Agent of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by the retiring Escrow Agent in connection with the performance of its duties and the exercise of its rights hereunder. After any retiring Escrow Agent's resignation or removal, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it in good faith while it was Escrow Agent under this Agreement.

10. Duties and Liability of Escrow Agent.

(a) Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied. Escrow Agent acknowledges that at all times when funds or other financial assets are in the possession or control of the Escrow Agent, Escrow Agent shall be acting as Recipient's agent to perfect Recipient's security interest in the Escrow Funds by "control" as such term is given meaning under Sections 8-106, 9-104 through 9-107 and 9-313(c) of the UCC. Escrow Agent has no fiduciary or discretionary duties of any kind. Escrow Agent's permissive rights shall not be construed as duties. Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any document other than this Agreement, including without limitation any other agreement between any of the parties hereto or any other persons even though reference thereto may be made herein and whether or not a copy of such document has been provided to Escrow Agent. Escrow Agent's sole responsibility shall be for the safekeeping of the Escrow Funds in accordance with Escrow Agent's customary practices and disbursement thereof in accordance with the terms of this Agreement, to take directions from Recipient concerning the disposition and investment of the Escrow Funds, and to provide monthly account statements to Depositor and to Recipient with all investments marked to market. Escrow Agent shall not be responsible for or have any duty to make any calculations under this Agreement, or to determine when any calculation required under the provisions of this Agreement should be made, how it should be made or what it should be, or to confirm or verify any such calculation. Escrow Agent shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein. This Agreement shall terminate upon the distribution of all the Escrow Funds pursuant to any applicable provision of this Agreement, and Escrow Agent shall thereafter have no further obligation or liability whatsoever with respect to this Agreement or the Escrow Funds.

(b) Escrow Agent shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines, which determination is not subject to appeal, that Escrow Agent's gross negligence or willful misconduct in connection with its material breach of this Agreement was the sole cause of any loss to Depositor or Recipient. Escrow Agent may retain and act hereunder through agents, and shall not be

responsible for or have any liability with respect to the acts of any such agent retained by Escrow Agent in good faith.

(c) Escrow Agent may rely upon any notice, instruction, request or other instrument, not only as to its due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, which Escrow Agent believes to be genuine and to have been signed or presented by the person or parties purporting to sign the same. In no event shall Escrow Agent be liable for (i) acting in accordance with or conclusively relying upon any instruction, notice, demand, certificate or document believed by Escrow Agent to have been created by or on behalf of Recipient, (ii) incidental, indirect, special, consequential or punitive damages or penalties of any kind (including, but not limited to lost profits), even if Escrow Agent has been advised of the likelihood of such damages or penalty and regardless of the form of action or (iii) any amount greater than the value of the Escrow Funds as valued upon deposit with Escrow Agent.

(d) Escrow Agent shall not be responsible for delays or failures in performance resulting from acts of God, strikes, lockouts, riots, acts of war or terror, epidemics, governmental regulations, fire, communication line failures, computer viruses, attacks or intrusions, power failures, earthquakes or any other circumstance beyond its control. Escrow Agent shall not be obligated to take any legal action relating to the Escrow Funds, this Agreement or the Underlying Agreement or to appear in, prosecute or defend any such legal action or to take any other action that in Escrow Agent's sole judgment may expose it to potential expense or liability. Depositor and Recipient are aware that under applicable state law, property that is presumed abandoned may under certain circumstances escheat to the applicable state. Escrow Agent shall have no liability to Depositor or Recipient, their respective heirs, legal representatives, successors and assigns, or any other party, should any of the Escrow Funds escheat by operation of law.

(e) Escrow Agent may consult, at Depositor's cost, legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, or relating to any dispute involving this Agreement, and shall incur no liability and shall be fully indemnified from any liability whatsoever in acting in accordance with the advice of such counsel. Depositor and Recipient agree to perform or procure, at the sole cost of Depositor, the performance of all further acts and things, and execute and deliver such further documents, as may be required by law or as Escrow Agent may reasonably request relating to its duties hereunder. When any action is provided for herein to be done on or by a specified date that falls on a day other than a Business Day, such action may be performed on the next ensuing Business Day.

(f) If any portion of the Escrow Funds is at any time attached, garnished or levied upon, or otherwise subject to any writ, order, decree or process of any court, or in case disbursement of Escrow Funds is stayed or enjoined by any then effective court order, Escrow Agent is authorized, in its sole discretion, to respond as it deems appropriate or to comply with all then effective writs, orders, decrees or process so entered or issued and served upon it, including but not limited to those which it is advised by legal counsel of its own choosing is

binding upon it, whether with or without jurisdiction; and if Escrow Agent relies upon or complies with any such writ, order, decree or process, while the same is in effect, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even if such order is reversed, modified, annulled, set aside or vacated.

(g) Escrow Agent and any stockholder, director, officer or employee of Escrow Agent may buy, sell and deal in any of the securities of any other party hereto and contract and lend money to any other party hereto and otherwise act as fully and freely as though it were not Escrow Agent under this Agreement. Nothing herein shall preclude Escrow Agent from acting in any other capacity for any other party hereto or for any other person or entity so long at such action does not violate Escrow Agent's duties and obligations under the provisions of this Agreement.

(h) In the event instructions, including funds transfer instructions, address change or change in contact information are given to Escrow Agent (other than in writing at the time of execution of this Agreement), whether in writing, by facsimile or otherwise, Escrow Agent is authorized but shall not be required to seek confirmation of such instructions by telephone call-back to any person designated by the instructing party on Schedule C hereto, and Escrow Agent may rely upon the confirmation of anyone purporting to be a person so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by Escrow Agent and shall be effective only after Escrow Agent has a reasonable opportunity to act on such changes. If Escrow Agent is unable to contact any of the designated representatives identified in Schedule C, Escrow Agent is hereby authorized but shall be under no duty to seek confirmation of such instructions by telephone call-back to any one or more of Depositor's or Recipient's executive officers ("Executive Officers"), as the case may be, which shall include the titles of Chief Executive Officer, President and Vice President, as Escrow Agent may select. Such Executive Officer shall deliver to Escrow Agent a fully executed incumbency certificate, and Escrow Agent may rely upon the confirmation of anyone purporting to be any such officer. Depositor and Recipient agree that Escrow Agent may at its option record any telephone calls made pursuant to this Section. Escrow Agent in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by Recipient to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank so designated. Depositor and Recipient acknowledge that these optional security procedures are commercially reasonable.

11. Indemnification of Escrow Agent. Depositor shall indemnify and hold harmless Recipient, Escrow Agent and each of their respective directors, officers, employees and affiliates (each, an "Indemnified Party") upon demand against any and all claims (whether asserted by Depositor, Recipient or any other person or entity and whether or not valid), actions, proceedings, losses, damages, liabilities, penalties, costs and expenses of any kind or nature (including without limitation reasonable attorneys' fees, costs and expenses) (collectively, "Losses") arising from this Agreement or Escrow Agent's actions hereunder, except to the extent such Losses are finally determined by a court of competent jurisdiction, which

determination is not subject to appeal, to have been directly caused solely by the gross negligence or willful misconduct of such Indemnified Party or its directors, officers, employees and affiliates in connection with Escrow Agent's material breach of this Agreement. Depositor further agrees to indemnify each Indemnified Party entitled to indemnification under this Agreement for all costs, including without limitation reasonable attorneys' fees, incurred by such Indemnified Party relating to the enforcement of Depositor's obligations hereunder. In no event shall Depositor be required to pay attorneys' fees, legal or other costs for more than one firm of attorneys to represent all of the Indemnified Parties in a single proceeding, action or claim brought or asserted against the Indemnified Parties unless such counsel advises the Depositor and the affected Indemnitees in writing that separate counsel is necessary or appropriate under applicable Rules of Professional Conduct or court rules applicable to such counsel, in which case the affected Indemnitees whose interests are not aligned may select separate counsel. The reasonable fees of all such counsel shall be paid upon demand by Depositor. The obligations of Depositor under this Section shall survive any termination of this Agreement and the resignation or removal of Escrow Agent.

12. Compensation of Escrow Agent.

(a) Fees and Expenses. Depositor agrees to compensate Escrow Agent upon demand for its services hereunder in accordance with Schedule B attached hereto. The obligations of Depositor and Recipient under this Section shall survive any termination of this Agreement and the resignation or removal of Escrow Agent.

(b) Disbursements from Escrow Funds to Pay Escrow Agent. Escrow Agent is authorized to, and may disburse to itself from the Escrow Funds, from time to time, the amount of any compensation and reimbursement of expenses due and payable hereunder (including any amount to which Escrow Agent or any other Indemnified Party is entitled to seek indemnification hereunder) and Depositor shall immediately deposit a like amount with the Escrow Agent for deposit to the Escrow Account. Escrow Agent shall notify Depositor and Recipient of any such disbursement from the Escrow Funds to itself or any other Indemnified Party and shall furnish Depositor and Recipient copies of related invoices and other statements.

(c) Security and Offset. Depositor and Recipient hereby grant to Escrow Agent and the other Indemnified Parties a right of offset against the Escrow Funds with respect to any compensation or reimbursement due to Escrow Agent hereunder (including any claim for indemnification hereunder). If for any reason the Escrow Funds are insufficient to cover such compensation and reimbursement, Depositor shall promptly pay such amounts upon receipt of an itemized invoice.

13. Representations and Warranties. Depositor and Recipient each, severally and not jointly, and solely as to itself, respectively make the following representations and warranties to Escrow Agent:

(a) it has full power and authority to execute and deliver this Agreement and to

perform its obligations hereunder; and this Agreement has been duly approved by all necessary action and constitutes its valid and binding agreement enforceable in accordance with its terms.

(b) each of the applicable persons designated on Schedule C attached hereto has been duly appointed to act as its authorized representative hereunder and individually has full power and authority on its behalf to execute and deliver any instruction or direction, to amend, modify or waive any provision of this Agreement and to take any and all other actions as its authorized representative under this Agreement and no change in designation of such authorized representatives shall be effective until written notice of such change is delivered to each other party to this Agreement pursuant to Section 15 and Escrow Agent has had reasonable time to act upon it.

(c) the execution, delivery and performance of this Agreement by Escrow Agent does not and will not violate any applicable law or regulation applicable to Depositor or Recipient and no printed or other material in any language, including any prospectus, notice, report, and promotional material that mentions "U.S. Bank" or any of its affiliates by name or the rights, powers, or duties of Escrow Agent under this Agreement shall be issued by any other parties hereto, or on such party's behalf, without the prior written consent of Escrow Agent.

(d) it will not claim any immunity from jurisdiction of any court, suit or legal process, whether from service of notice, injunction, attachment, execution or enforcement of any judgment or otherwise.

(e) there is no security interest in the cash fund or any part thereof; no financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the Escrow Funds or any part thereof other than in favor of the Recipient as Secured Party under the Underlying Agreements.

14. Identifying Information. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, Escrow Agent requires documentation to verify its formation and existence as a legal entity. Escrow Agent may require financial statements, licenses or identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. Depositor and Recipient agree to provide all information requested by Escrow Agent relating to any legislation or regulation to which Escrow Agent is subject, in a timely manner. Escrow Agent's appointment and acceptance of its duties under this Agreement is contingent upon verification of all regulatory requirements applicable to Depositor, Recipient and any of their permitted assigns, including successful completion of a final background check. These conditions include, without limitation, requirements under the USA PATRIOT Act, the USA FREEDOM Act, the Bank Secrecy Act, and the U.S. Department of the Treasury Office of Foreign Assets Control. If these conditions are not met, Escrow Agent may at its option promptly terminate this Agreement in whole or in part, without any liability or incurring any additional costs.

15. Notices. All notices, approvals, consents, requests and other communications hereunder must be in writing (and any communication sent to Escrow Agent hereunder must be in the form of a document that is signed manually or by way of a digital signature provided via DocuSign (or such other digital signature provider as specified in writing to Escrow Agent by either Depositor or Recipient) or an electronic copy thereof), in English, and may only be delivered (a) by personal delivery, or (b) by national overnight courier service, or (c) by certified or registered mail, return receipt requested, or (d) by facsimile transmission, with confirmed receipt or (e) by email by way of a PDF attachment thereto. Notice shall be effective upon receipt except for notice via email, which shall be effective only when the recipient, by return email or notice delivered by other method provided for in this Section, acknowledges having received that email (with an automatically generated receipt or similar notice not constituting an acknowledgement of an email receipt for purposes of this Section). Such notices shall be sent to the applicable party or parties at the address specified below:

If to Depositor or Depositor Representative, at:

PureCycle Technologies LLC
5950 Hazeltine National Drive, Suite 650
Orlando, FL 32822
Telephone: (321) 266-4738
Facsimile:
E-mail: motworth@purecycletech.com

If to Recipient or Recipient Representative, at:

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Telephone: (612) 337-7007
Facsimile: (612) 337-7039
E-mail: katie.carlson@umb.com

If to Escrow Agent, at:

U.S. Bank National Association, as Escrow Agent
ATTN: Daniel Boyers
425 Walnut Street; CN-OH-W6CT
Cincinnati, OH 45202
Telephone: (513) 632-2077
Facsimile: (513) 632-5511
E-mail: daniel.boyers@usbank.com

or to such other address as each party may designate for itself by like notice and unless otherwise provided herein shall be deemed to have been given on the date received. Depositor and Recipient agree to assume all risks arising out of the use of digital signatures and electronic methods to submit instructions and directions to Escrow Agent, including without limitation the risk of Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse

by third parties.

16. Amendment and Assignment. None of the terms or conditions of this Agreement may be changed, waived, modified, discharged, terminated or varied in any manner whatsoever unless in writing duly signed by each party to this Agreement. Oral amendments, oral waivers and purported oral terminations are void No course of conduct shall constitute a waiver of any of the terms and conditions of this Agreement, unless such waiver is specified in writing, and then only to the extent so specified. No party may assign this Agreement or any of its rights or obligations hereunder without the written consent of the other parties, provided that if (i) Escrow Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business (including the escrow contemplated by this Agreement) to another entity, the successor or transferee entity without any further act shall be the successor Escrow Agent and (ii) if Recipient resigns or is replaced as trustee under the Underlying Agreements pursuant to the provisions thereof, Recipient shall assign all of its rights hereunder by an authenticated writing delivered to the Escrow Agent, and if it fails to do so, then the successor trustee appointed under the Underlying Agreements shall automatically succeed to the right, duties, powers and obligations of the Recipient hereunder upon notice from the Depositor or the Recipient to the Escrow Agent.

17. Governing Law, Jurisdiction and Venue. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Ohio without giving effect to the conflict of laws principles thereof that would require the application of any other laws. Escrow Agent states that Escrow Agent's jurisdiction (determined in accordance with Sections 9-305 and Section 8-110(e) of the UCC) for purposes of this Agreement is the State of Ohio. Each of the parties hereto irrevocably (a) consents to the exclusive jurisdiction and venue of the state and federal courts in the State of Ohio sitting in Cincinnati, Ohio, in connection with any matter arising out of this Agreement, (b) waives any objection to such jurisdiction or venue (c) agrees not to commence any legal proceedings related hereto except in such courts, (d) consents to and agrees to accept service of process to vest personal jurisdiction over it in any such courts made as set forth in Section 15 and (e) waives any right to trial by jury in any action in connection with this Agreement.

18. Entire Agreement, No Third-Party Beneficiaries. This Agreement constitutes the entire agreement between the signatory parties hereto relating to the holding, investment and disbursement of Escrow Funds and sets forth in their entirety the obligations and duties of Escrow Agent with respect to Escrow Funds. This Agreement and any Written Direction may be executed (manually or be digital or electronic signature) in two or more counterparts, which when so executed shall constitute one and the same agreement or direction. Transmission by telefax, digital or electronic means of an executed copy this Agreement or of any Joint Written Direction or Recipient Direction shall constitute delivery of the originally executed counterpart for all purposes To the extent any provision of this Agreement is 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 provision or the remaining provisions of this Agreement. The section headings appearing in this instrument have been inserted for convenience

only and shall be given no substantive meaning or significance whatsoever in construing the terms and conditions of this Agreement. Nothing in this Agreement, express or implied, is intended to or shall confer upon any person other than the signatory parties hereto and the Indemnified Parties any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

19. Rights and Protections of Trustee. This Agreement is for the benefit of the Trustee under the Indenture. The Trustee shall be entitled to all of the same rights, benefits, privileges, immunities, disclaimers, exculpations, indemnitees and protections with respect to any action or omission as the Trustee hereunder as are set forth in the Indenture with respect to actions or omissions of the Trustee thereunder, and this Agreement shall secure all obligations and liabilities owing to the Trustee, as Trustee under the Indenture. The Trustee may rely (and shall be fully protected in so relying) on the direction of the Majority Holders (as such term is given meaning in the Indenture) with respect to any action taken or the exercise of any right, remedy or discretion or the giving of any consent or approval as the Trustee under this Agreement, and Trustee may refrain from giving any consent, approval, or direction, from making any demand, or from taking any other action or exercising any remedy, unless and until directed to do so by the Majority Holders and receipt of indemnification satisfactory to it as and to the extent provided under the Indenture.

*The balance of this page is intentionally left blank.*
*The signature page immediately follows this page.*

Signature Page
To
Escrow Agreement dated as of October 7, 2020
among
PureCycle Technologies LLC, as "Depositor", UMB BANK, N.A, a national banking association, as trustee as "Recipient", and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as "Escrow Agent".

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

**PureCycle Technologies LLC**

By: _____
Name: James O. Donnelly
Title: CFO

**UMB Bank, N.A, as Trustee**

By: _____
Name: _____
Title: _____

**U.S. BANK NATIONAL ASSOCIATION**
**as Escrow Agent**

By: _____
Name: _____
Title: _____

Signature Page
To
Escrow Agreement dated as of October 7, 2020
among
PureCycle Technologies LLC, as "Depositor", UMB BANK, N.A, a national banking association, as trustee as "Recipient", and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as "Escrow Agent".

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

**PureCycle Technologies LLC**

By: _____
Name: _____
Title: _____

**UMB Bank, N.A, as Trustee**

By: Katie Carlson
Name: Katie Carlson
Title: Vice President

**U.S. BANK NATIONAL ASSOCIATION**
**as Escrow Agent**

By: _____
Name: _____
Title: _____

Signature Page
To
Escrow Agreement dated as of October 7, 2020
among
PureCycle Technologies LLC, as "Depositor", UMB BANK, N.A, a national banking association, as trustee as "Recipient", and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as "Escrow Agent".

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

**PureCycle Technologies LLC**

By: _____
Name: _____
Title: _____

**UMB Bank, N.A, as Trustee**

By: _____
Name: _____
Title: _____

**U.S. BANK NATIONAL ASSOCIATION**
**as Escrow Agent**

By: D— Boyers
Name: Daniel Boyers
Title: Vice President

**SCHEDULE A**

**U.S. BANK NATIONAL ASSOCIATION**
**Investment Authorization Form**

**U.S. BANK MONEY MARKET DEPOSIT ACCOUNT**

**Description and Terms**

The U.S. Bank Money Market Deposit Account is a U.S. Bank National Association ("U.S. Bank") interest-bearing money market deposit account designed to meet the needs of U.S. Bank's Corporate Trust Services Escrow Group and other Corporate Trust customers of U.S. Bank. Selection of this investment includes authorization to place funds on deposit and invest with U.S. Bank.

U.S. Bank uses the daily balance method to calculate interest on this account (actual/365 or 366). This method applies a daily periodic rate to the principal balance in the account each day. Interest is accrued daily and credited monthly to the account. Interest rates are determined at U.S. Bank's discretion, and may be tiered by customer deposit amount.

The owner of the account is U.S. Bank as agent for its Corporate Trust customers. U.S. Bank's Corporate Trust Services Escrow Group performs all account deposits and withdrawals. Deposit accounts are FDIC insured per depositor, as determined under FDIC Regulations, up to applicable FDIC limits.

U.S. BANK IS NOT REQUIRED TO REGISTER AS A MUNICIPAL ADVISOR WITH THE SECURITIES AND EXCHANGE COMMISSION FOR PURPOSES OF COMPLYING WITH THE DODD-FRANK WALL STREET REFORM & CONSUMER PROTECTION ACT. INVESTMENT ADVICE, IF NEEDED, SHOULD BE OBTAINED FROM YOUR FINANCIAL ADVISOR.

**Automatic Authorization**

In the absence of specific written direction to the contrary, U.S. Bank is hereby directed to invest and reinvest proceeds and other available moneys in United States Treasury Bills offered at the next succeeding auction having a maturity of 4 weeks from the date of purchase. The Depositor confirms that such investment is a permitted investment under the operative documents and this authorization is the permanent direction for investment of the moneys until notified in writing of alternate instructions.

**Specific Direction for Investments:**
Funds and other financial assets in the Escrow Account may be invested and reinvested at the direction of the relevant authorized party at any time and from time to time only in the following classes and types of "Approved Investments" and Escrow Agent shall disregard any investment directions that do not comply with these requirements:

(a) Government Obligations of the following types:

(i) any bonds, notes or other obligations of the United States, which, as to principal and interest, constitute direct obligations of or are guaranteed by the United States;

(ii) corporation, which has been or may hereafter be created by or pursuant to an Act of Congress of the United States as an agency or instrumentality thereof, the bonds, debentures, participation certificates, notes or other obligations of which are unconditionally guaranteed by the United States;

(iii) any bond or other obligations of any state of the United States or of any agency, instrumentality or local governmental unit of any state (x) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee or other fiduciary of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (y) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (a)(i) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (x) of this clause (iii), as appropriate, and (z) as to which the principal of and interest on the bonds and obligations of the character described in clause (a) above, which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (iii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (x) of this clause (iii), as appropriate; and

(iv) any certificates or other evidences of an ownership interest in obligations of the character described in clauses (i) and (ii) above or in specific portions thereof, including, without limitation, portions consisting solely of the principal thereof or solely of the interest thereon.

(b) obligations of the Federal National Mortgage Association;

(c) obligations of the Federal Intermediate Credit Banks;

(d) obligations of the Federal Banks for Cooperatives;

(e) obligations of Federal Home Land Banks;

(f) obligations of Federal Home Loan Banks;

(g) obligations of Export-Import Bank of the United States;

(h) obligations of the U.S. Postal Service;

(i) obligations of the Government National Mortgage Association;

(j) obligations of the Federal Home Loan Mortgage Corporation;

(k) obligations of the Private Export Funding Corporation;

(l) obligations of a state, territory or possession of the United States or any political subdivision of the foregoing, the interest on which is excludable from gross income for Federal income tax purposes and which bear a rating in one of the two highest rating categories by a Rating Agency;

(m) obligations described in clause (l) above, which have been advance refunded and are secured by obligations described in clause (a) above;

(n) interest bearing accounts, interest bearing deposits or certificates of deposit issued by, or bankers' acceptances drawn or accepted by, banks or trust companies, including the Trustee or any of its affiliates, organized under the laws of the United States or any state thereof whose long term debt and bank deposits bear ratings of "A" (or its equivalent) or better by a Rating Agency;

(o) commercial paper rated "P-1" (or its equivalent) or better by a Rating Agency or units of a commercial paper portfolio or fund comprised thereof;

(p) notes of bank holding companies and banking institutions, organized under the laws of the United States or any state thereof, bearing a rating in one of the two highest categories by a Rating Agency;

(q) units of a taxable government money-market portfolio restricted to obligations issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States or repurchase agreements collateralized by such obligations;

(r) certificates of deposit issued by a nationally or state-chartered bank, including the Trustee or any of its affiliates, or a savings and loan association whose long term debt and bank deposits bear ratings of "A" (or its equivalent) or better by a Rating Agency; provided that the principal amount of any such certificate of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC) or any successor therefor shall be fully secured and

collateralized by the pledge and deposit of securities described in clause (a) above with a market value equal to one hundred percent (100%) of such uninsured excess principal amount;

(s) (i) demand and time deposits in, certificates of deposits of, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company (including the Trustee or any of its affiliates) incorporated under the laws of the United States, any state thereof or the District of Columbia or any foreign depository institution with a branch or agency licensed under the laws of the United States or any state, subject to supervision and examination by Federal and/or State banking authorities and having an approved rating at the time of such investment or contractual commitment providing for such investment of "A" (or its equivalent) or better by a Rating Agency or (ii) any other demand or time deposit certificate of deposit which is fully insured by the FDIC or any successor therefor;

(t) investment agreements or repurchase agreements with any bank, trust company, national banking association (which may include the Trustee or any of its affiliates) or any other financial institution or insurance company or guaranteed thereby, provided that the institution providing such investment agreements or repurchase agreements or guarantee shall be rated "A" (or its equivalent) or better by a Rating Agency, or the principal amount of such investment agreements or repurchase agreements then outstanding shall be fully secured and collateralized by the pledge and deposit of securities (including wireable securities) described in clauses (a) and (b) above with a market value equal to one hundred two percent (102%) of such principal amount, that the Trustee has a perfected first security interest in the collateral, that the Trustee or any agent has possession of the collateral, and that such obligations are free and clear of claims by third parties; and

(u) money market mutual funds, including, without limitation, one or more money market mutual funds, for which the Trustee or any of its affiliates serves as an investment manager, administrator, servicing agent, and/or custodian or subcustodian with assets in excess of $2,000,000,000 investing in obligations of the type specified in clauses (a) through (l), (o), (q) or (t) above;

**provided** that any of the items described in clauses (n), (p), (r), (s) and (t) above shall be only of institutions whose capital surplus (or in the case of financial institutions other than banks, net worth) is in excess of $50,000,000.

If no instruction is given by the Depositor or by the Secured Party, then the funds in the Account and all earnings and profits thereon shall be invested as provided in the Automatic Authorization provided above.

Notwithstanding anything else in this Agreement to the contrary, at no point shall the Escrow Agent invest more than thirty-five percent (35%) in the aggregate of the Escrow Funds in certificates of deposit or Authorized Investments described in sections (o), (p), (r), (s), (t), (u), above.

# SCHEDULE B

## Schedule of Fees for Services as Escrow Agent

**I. Administration Fee, Annual: $2,000.00**

Annual fee for the routine duties of Escrow Agent associated with the administration of the account. Initial Administration fee is payable at closing. Fee quote assumes partial investment in a U.S. Bank Money Market Deposit Account as shown on Schedule A to the Escrow Agreement and the majority in laddered treasuries.

- Selection of other investment vehicles may result in addition fees, which will be determined based upon the investment selected

**II. Extraordinary Administration Services (if any): At Cost**

Extraordinary Administration Services ("EAS") are duties, responsibilities or activities not expected to be provided by the Escrow Agent at the outset of the transaction, not routine or customary, and/or not incurred in the ordinary course of business and may require analysis or interpretation. Billing for fees and expenses related to EAS is appropriate in instances where particular inquiries, events or developments are unexpected, even if the possibility of such circumstances could have been identified at the inception of the transaction, or as changes in law, procedures, or the cost of doing business demand. At our option, EAS may be charged on an hourly (time expended multiplied by current hourly rate), flat or special fee basis at such rates or in such amounts in effect at the time of such services, which may be modified by us in our sole and reasonable discretion from time to time. In addition, all fees and expenses incurred by the Escrow Agent, in connection with the Escrow Agent's EAS and ordinary administration services and including without limitation the fees and expenses of legal counsel, financial advisors and other professionals, charges for wire transfers, checks, internal transfers and securities transactions, travel expenses, communication costs, postage (including express mail and overnight delivery charges), copying charges and the like will be payable, at cost, to the Escrow Agent. EAS fees are due and payable in addition to annual or ordinary administration fees. Failure to pay for EAS owed to U.S. Bank when due may result in interest being charged on amounts owed to U.S. Bank for extraordinary administration services fees and expenses at the prevailing market rate.**General.** Your obligation to pay under this Schedule of Fees shall govern the matters described herein and shall not be superseded or modified by the terms of the governing documents and survive any termination of the transaction or governing documents and the resignation or removal of the Escrow Agent. This Schedule of Fees shall be construed and interpreted in accordance with the laws of the state identified in the governing documents without giving effect to the conflict of laws principles thereof. You agree to the sole and exclusive jurisdiction of the state and federal courts of the state identified in the governing documents over any proceeding relating to or arising regarding the matters described herein. Payment of fees constitutes acceptance of the terms and conditions described herein.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. Escrow Agent may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

## SCHEDULE C

Each of the following person(s) is a **Depositor Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Depositor's behalf (only one signature required):

| Name | Specimen signature | Telephone No. |
|---|---|---|
| James O. Donnally | | 740-357-2582 |
| | | |
| | | |

If only one person is identified above, the following person is authorized for call-back confirmations:

David Brenner — Name

407-952-9002 — Telephone Number

Each of the following person(s) is a **Recipient Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Recipient's behalf (only one signature required):

| Name | Specimen signature | Telephone No. |
|---|---|---|
| James O. Donnally | | 740-357-2582 |
| | | |
| | | |

If only one person is identified above, the following person is authorized for call-back confirmations:

David Brenner — Name

407-952-9002 — Telephone Number

## SCHEDULE C

Each of the following person(s) is a **Depositor Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Depositor's behalf (only one signature required):

| Name | Specimen signature | Telephone No. |
|---|---|---|
| | | |
| Name | Specimen signature | Telephone No. |
| | | |
| Name | Specimen signature | Telephone No. |

If only one person is identified above, the following person is authorized for call-back confirmations:

| Name | Telephone Number |
|---|---|
| | |

Each of the following person(s) is a **Recipient Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Recipient's behalf (only one signature required):

| Name | Specimen signature | Telephone No. |
|---|---|---|
| Katie Carlson | Katie Carlson | 612-337-7007 |
| Laura Roberson | Laura Roberson | 314-612-8484 |
| | | |
| Name | Specimen signature | Telephone No. |

If only one person is identified above, the following person is authorized for call-back confirmations:

| Name | Telephone Number |
|---|---|
| | |

**FORM OF RECIPIENT DIRECTION**
**[To be completed on closing]**

U.S. Bank National Association, as Escrow Agent
ATTN: Global Corporate Trust Services
Address: _____

RE: ESCROW AGREEMENT made and entered into as of [ ] by and among [ ] ("Depositor"), [ ] ("Recipient") and U.S. Bank National Association, in its capacity as escrow agent (the "Escrow Agent").

Pursuant to Section 4 of the above-referenced Escrow Agreement, Recipient hereby instructs Escrow Agent to disburse the amount of [$_____] from the Escrow Account to [Depositor][Recipient][Other], as provided below:

| [Depositor | OR | [Recipient |
|---|---|---|
| Bank Name: UMB Bank, N.A. _____ | | Bank Name: _____ |
| Bank Address: _____ | | Bank Address: _____ |
| ABA No.: _____ | | ABA No. _____ |
| Account Name: Equity Subaccount of Project Fund _____ | | Account Name: _____ |
| Account No.: _____ | | Account No.: _____] |

OTHER [SPECIFY AS APPROPRIATE]

| | |
|---|---|
| Bank Name: _____ | Bank Name: _____ |
| ABA No.: _____ | ABA No. _____ |
| Account Name: _____ | Account Name: _____ |
| Account No.: _____ | Account No.: _____ |

UMB Bank, N.A, as Trustee

By: _____
Name:
Date: _____

## ATTACHMENT 1

### Standing Disbursement Instructions
### From Recipient

I. Escrow Agent shall deposit to and disburse funds from the Escrow Account only to make permitted investments and otherwise as follows:

1.. Upon receipt of a Recipient Direction from the Secured Party addressed to Escrow Agent and to the Depositor directing the Depositor to deposit additional funds provide by Depositor to the Account as necessary to maintain a minimum balance of $50,000,000 at all times in the Escrow Fund.

2. Upon receipt of a Recipient Direction from the Secured Party to Escrow Agent to pay to Depositor an amount stated in the Direction, which shall not be in an amount which will result in the Escrow Funds having a value of less than $50,000,000 at any time (except to effect the disbursement set forth in clause 3 below).

3. Upon receipt of a Recipient Direction from the Secured Party to Escrow Agent to make payment to Recipient of an amount stated in the Recipient Written Direction for deposit by Secured Party to the Equity Subaccount of the Project Fund designated in the Recipient Written Direction as required under the Loan Agreement, the Indenture and the Guaranty.

4. Upon receipt of a Recipient Direction from the Secured Party to Escrow Agent to pay to Depositor all remaining funds in the Escrow Account as a result of the termination or expiration of the Guaranty.

The mechanics and requirement for Recipient Directions and deposits to the Account, as between Depositor and the Secured Party will be stated set forth in the Guaranty, the Loan Agreement and the Indenture, as necessary to authorize the Secured Party to issue these Directions, but Escrow Agent shall only be required to act upon receipt of the Recipient's Directions and Depositor's Directions as set forth above and shall have no obligation to review the terms thereof set forth in the Guaranty, Loan Agreement, or Indenture.

Certain identified information has been excluded from this exhibit because it is both (i) not material and (ii) is the type of information that the registrant treats as private or confidential. [ ▮▮▮▮ ] indicates that information has been redacted.

THE PROCTER & GAMBLE COMPANY
One Procter & Gamble Plaza
Cincinnati, OH 45202

12 February 2021

PureCycle Technologies LLC
Building 100, Suite 151
Orlando, FL 32817

Re: Samples and Services

Reference is made to the Amended and Restated Patent License Agreement (the "TRANSACTION AGREEMENT"), dated as of July 28, 2020 between The Procter & Gamble Company ("P&G") and PureCycle Technologies LLC ("PCT") and the CONSULTING AGREEMENT dated October 19, 2020 between the same PARTIES (the "CONSULTING AGREEMENT").

This letter agreement (this "SIDE LETTER") is being entered into by P&G and PCT to document certain agreements relating to, among other things, samples manufactured by PCT and R&D resources provided by P&G to PCT.

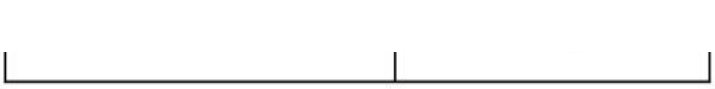
Accordingly, in consideration of the mutual obligations and promises contained herein and in the TRANSACTION AGREEMENT and CONSULTING AGREEMENT (the sufficiency of which the parties hereby acknowledge), the PARTIES agree as follows:

1. Defined Terms. Capitalized terms used in this SIDE LETTER and not otherwise defined in this will have the meanings ascribed in the TRANSACTION AGREEMENT and the CONSULTING AGREEMENT.

2. Licensed Product Sample. PCT will provide P&G with the LICENSED PRODUCT of Section 6.1 of the TRANSACTION AGREEMENT [ ▮▮▮▮▮▮ ] to P&G according to the amount and timing in Table 2, below. Such LICENSED PRODUCT will be considered [ ▮▮▮▮▮▮▮▮ ] when received by P&G. PCT will send no more than 10 pounds to any THIRD PARTY until the entire month's amount has been received by P&G.

Table 2

| Shipment Timing by Month | LICENSED PRODUCT in Pounds |
|---|---|
| | [ ▮▮ ] |



| | |
|---|---|
| Shipped in 2020, Cumulative | |
| Shipping week of 1-18-21 | [ ] |
| February | [ ] |
| March | [ ] |
| April | [ ] |
| May | [ ] |
| June | [ ] |
| Total through June 2021 | [ ] |
| July | [ ] |
| August | [ ] |
| Total through August 2021 | [ ] |

3. Additional Services. In addition to the services provided in the CONSULTING AGREEMENT and for a period of six months after the EFFECTIVE DATE (as defined below), P&G will assist PCT with additional R&D support, as requested by PCT, related to [ ] located in Ironton, OH. In consideration for such services, PCT will pay P&G $250,000 no later than 10 days after EFFECTIVE DATE, $125,000 no later than 3 months after the EFFECTIVE DATE and $125,000 no later than 6 months after the EFFECTIVE DATE. Any CONSULTANT INVENTIONS or IMPROVEMENTS will be governed by the Section 6 of the CONSULTING AGREEMENT.

4. [ ] Know-How. The PARTIES recognize that there may be additional know-how generated between the PARTIES relating to [ ]. Either PARTY may freely use this know-how within its business or with THIRD PARTIES, provided such THIRD PARTY is under the same duty of confidentiality to the PARTIES.

5. Amendment; No Further Effect. To the extent required, this SIDE LETTER will be deemed to be an amendment to the TRANSACTION AGREEMENT pursuant to Section 20.8 of the TRANSACTION AGREEMENT and Section 7.7 of the CONSULTING AGREEMENT. Except as expressly set forth herein, this SIDE LETTER does not, by implication or otherwise, alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the TRANSACTION AGREEMENT or the CONSULTING AGREEMENT.

6. Effective Date. This SIDE LETTER shall be effective as of January 1,

2021 (the “EFFECTIVE DATE”).

7. Governing Law; Jurisdiction. All matters arising under or related to this SIDE LETTER are governed by applicable law as provided in the TRANSACTION AGREEMENT and the CONSULTING AGREEMENT.

8. Conflict of Terms. If there is a conflict of terms between the TRANSACTION AGREEMENT and the CONSULTING AGREEMENT, the TRANSACTION AGREEMENT governs.

9. Counterparts. This SIDE LETTER may be executed in multiple counterparts (any one of which need not contain the signatures of more than one PARTY), each of which will be deemed to be an original but all of which taken together will constitute one and the same agreement. This SIDE LETTER, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, will be treated in all manner and respects as an original agreement and will be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have caused this SIDE LETTER to be executed as of the day and year first written above (the "EFFECTIVE DATE").

Sincerely,

THE PROCTER & GAMBLE COMPANY

By: /s/ Brian Fitzgerald

Name: Brian Fitzgerald

Title: SVP-Global Business Development

Accepted and agreed:

PURECYCLE TECHNOLOGIES, LLC

By: /s/ Michael Otworth

Name: Mike Otworth

Title: CEO

**Exhibit 10.11**

EXECUTION VERSION

# PURECYCLE TECHNOLOGIES LLC REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this " **Agreement**"), is made as of October 28, 2020, by and among PureCycle Technologies LLC, a Delaware limited liability company (including, without limitation, any SPAC (as defined below) that may hold 100% of the equity interests of the Company or any successor thereto, the "**Company**"), and each of the investors listed on Schedule A hereto, each of which is referred to in this Agreement as an "**Investor**".

## RECITAL

**WHEREAS**, the Company and the Investors entered into a Note Purchase Agreement, dated as of October 6, 2020 (the "**Purchase Agreement**");

**WHEREAS**, the Purchase Agreement provides in Section 7(a) that the Company will negotiate in good faith the terms of a customary registration rights agreement with the Investors to become effective no later than twenty (20) days following the date of the First Closing Date (as defined below) granting the Investors certain registration rights for the Common Stock (as defined below) issuable upon conversion of the Notes (as defined below);

**WHEREAS**, the Company and the Investors hereby agree that this Agreement shall govern the registration rights for the Common Stock issuable upon conversion of the Notes;

**WHEREAS**, the Company and the Investors acknowledge and agree that the Company may not be the listed entity in any Qualified Public Company Event (as defined below). All of the provisions of this Agreement shall apply *mutatis mutandis* with respect to the entity whose Common Stock become publicly traded or listed; provided that, for the avoidance of doubt, the provisions of this Agreement will apply to the SPAC if the Qualified Public Company Event is the SPAC Transaction; and

**WHEREAS**, Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Purchase Agreement or in the Indenture, dated as of October 7, 2020, by and between the Company (as defined below) and U.S. Bank National Association, as trustee and collateral agent (the "**Indenture**"), as applicable.

## AGREEMENT

**NOW, THEREFORE**, the parties hereby agree as follows:

**1.** Definitions. or purposes of this Agreement:

**1.1** "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or registered investment company now or hereafter existing that is controlled by one or more general partners, managing members or investment

adviser of, or shares the same management company or investment adviser with, such Person. With respect to the Holders, the term "Affiliate" shall include any funds managed by Magnetar Capital LLC or by other Affiliates of Magnetar Capital LLC.

**1.2** "**Automatic Shelf Registration Statement**" means an "automatic shelf registration statement" as defined in Rule 405 promulgated under the Securities Act.

**1.3** "**Board of Directors**" means the board of directors of the Company.

**1.4** "**Common Stock"** shall have the meaning set forth in the Indenture.

**1.5** "**Damages**" means any loss, damage, claim, expense (including documented legal or other expenses reasonably incurred in connection with investigating, preparing, defending or enforcing any claim, proceeding or right to indemnification hereunder) and liability of any kind that arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, or in the Disclosure Package or any preliminary, final or summary prospectus or Free Writing Prospectus included in any such registration statement or any amendment or supplement thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any other federal, state or foreign securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any other federal, state or foreign securities law.

**1.6** "**Disclosure Package**" means, with respect to any offering of securities, (i) the preliminary prospectus, (ii) the price to the public and the number of securities included in the offering; (iii) each Free Writing Prospectus and (iv) all other information that is deemed, under Rule 159 promulgated under the Securities Act, to have been conveyed to purchasers of securities at the time of sale of such securities (including a contract of sale).

**1.7** "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

**1.8** "**Excluded Registration**" means (i) a registration relating to the sale or grant of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, equity incentive or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

**1.9** "**First Closing Date**" shall have meaning set forth in the Note Purchase Agreement.

**1.10** "**Form S-1**" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

**1.11** "**Form S-3**" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits forward incorporation of substantial information by reference to other documents filed by the Company with the SEC.

**1.12** "**Free Writing Prospectus**" means any "free writing prospectus" as defined in Rule 405 promulgated under the Securities Act.

**1.13** "**Holder**" means any holder of Registrable Securities who is a party to this Agreement.

**1.14** "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including, adoptive relationships, of a natural person referred to herein.

**1.15** "**Initiating Holders**" means, collectively, Holders who properly initiate a registration or shelf takedown request, as applicable, under this Agreement.

**1.16** "**Merger Registration Statement**" means any registration statement filed by the SPAC with the SEC in compliance with the Securities Act and the rules and regulations promulgated thereunder for the purpose of registering Common Stock (as defined in the Subscription Agreement) to be issued in connection with any SPAC Transaction or SPAC Financing Transaction (each as defined in the Indenture).

**1.17** "**Notes**" shall have the meaning set forth in the Indenture.

**1.18** "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

**1.19** "**Qualified Public Company Event**" shall have the meaning set forth in the Indenture.

**1.20** "**Registrable Securities**" means (i) the Common Stock issued upon conversion of the Notes and (ii) any Common Stock issued as a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clause (i).

**1.21** "**SEC**" means the U.S. Securities and Exchange Commission.

**1.22** "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

**1.23** "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

**1.24** "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

**1.25** "**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Section 2.6.

**1.26** "**Shelf Registration**" means a registration of securities pursuant to a registration statement filed with the SEC in accordance with and pursuant to Rule 415 promulgated under the Securities Act (or any successor rule then in effect).

**1.27** "**SPAC**" shall have the meaning set forth in the Indenture.

**1.28** "**SPAC Financing Transaction**" shall have the meaning set forth in the Indenture.

**1.29** "**SPAC Transaction**" shall have the meaning set forth in the Indenture.

**1.30** "**Well-Known Seasoned Issuer**" means a "*well-known seasoned issuer*" as defined in Rule 405 promulgated under the Securities Act and which (i) is a "*well-known seasoned issuer*" under paragraph (1)(i)(A) of such definition or (ii) is a "*well-known seasoned issuer*" under paragraph (1)(i)(B) of such definition and is also eligible to register a primary offering of its securities relying on General Instruction I.B.1 of Form S-3 or Form F-3 under the Securities Act.

**2.** Registration Rights. the Company covenants and agrees as follows:

**2.1** Demand Registration; Shelf Registrations.

**(a)** Automatic Demand. If the Company closes the SPAC Transaction or other Qualified Public Company Event, the Company covenants and agrees to file a registration statement for a Shelf Registration registering the resale of the Registrable Securities on a delayed or continuous basis, on Form S-3 or, if the Company is ineligible therefor, on Form S-1 (the "**Initial Registration Statement**" and together with any Subsequent Shelf Registration (as defined below), the "**Shelf**"), if any, no later than sixty (60) days after the closing of the SPAC Transaction or other Qualified Public Company Event and use its commercially reasonable efforts to have the Initial Registration Statement declared effective as soon as practicable after the filing thereof, but no later than one hundred twenty (120) days following the closing of the SPAC Transaction or other Qualified Public Company Event (or one hundred eighty (180) days if the SEC notifies the SPAC or the Company, as applicable, that it will "review" the Initial Registration Statement). The Shelf shall provide for the resale of Registrable Securities from time to time, and pursuant to any method or combination of methods legally available to, and requested by, the Holders. The Company shall maintain the Shelf in accordance with the terms hereof, and shall prepare and file with the SEC such amendments, including post-effective amendments, and supplements as may be necessary to keep such Shelf effective and in compliance with the provisions of the Securities Act. In the event the Company files a Shelf on Form S-1, the Company shall use its reasonable best efforts to convert such Shelf (and any Subsequent Shelf Registration) to a Shelf on Form S-3 as soon as practicable after the Company is eligible to use Form S-3.

**(b)** Subsequent Shelf Registration. If any Shelf ceases to be effective under the Securities Act for any reason, the Company shall use its commercially reasonable efforts to, as promptly as is reasonably practicable, cause such Shelf to again become effective under the Securities Act (including obtaining the prompt withdrawal of any order suspending the effectiveness of such Shelf), and shall use its commercially reasonable efforts to, as promptly as is reasonably practicable, amend such Shelf in a manner reasonably expected to result in the withdrawal of any order suspending the effectiveness of such Shelf or file an additional registration statement as a Shelf Registration (a "**Subsequent Shelf Registration**") registering the resale from time to time by the Holders thereof of all securities that are Registrable Securities as of the time of such filing. If a Subsequent Shelf Registration is filed, the Company shall use its commercially reasonable efforts to (i) cause such Subsequent Shelf Registration to become effective under the Securities Act as promptly as is reasonably practicable after the filing thereof (it being agreed that the Subsequent Shelf Registration shall be an Automatic Shelf Registration Statement if the Company is a Well-Known Seasoned Issuer) and (ii) keep such Subsequent Shelf Registration continuously effective. Any such Subsequent Shelf Registration shall be on Form S-3 to the extent that the Company is eligible to use such form. Otherwise, such Subsequent Shelf Registration shall be on another appropriate form and shall provide for the registration of such Registrable Securities for resale by the Holders in accordance with any reasonable method of distribution elected by a majority in interest of the Holders.

**(c)** Shelf Takedown. At any time and from time to time after the effective date of the Shelf, Holders may request to sell in an underwritten offering that is registered pursuant to the Shelf (a "**Shelf Takedown**") all or a portion of their Registrable Securities (1) having an anticipated aggregate offering price, net of Selling Expenses, in excess of $25,000,000 or (2) constituting the total aggregate Registrable Securities then held by all Holders. Upon the Company's receipt of any such request, the Company shall (x) within three (3) days after the date such request is given, give notice thereof (a "**Shelf Takedown Demand Notice**") to all Holders other than the Initiating Holders, if applicable; and (y) as soon as practicable, include in such Underwritten Shelf Takedown all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within ten (10) days after the Company sends the Shelf Takedown Demand Notice, and in each case, subject to the limitations of Sections 2.1(f). In connection with any Shelf Takedown, the Company shall not effect in a primary offering (or, if requested by the managing underwriter(s) of such Shelf Takedown, any secondary offering) any public sale or distribution of its equity securities or any securities convertible into or exchangeable or exercisable for such securities (except pursuant to registrations on Form S-8 or Form S-4 under the Securities Act), during the seven (7) days prior to and the ninety (90) day period beginning on the date of pricing of such Shelf Takedown or such other period provided in the underwriting, placement or similar agreement executed in connection with such Shelf Takedown. The Company shall not be obligated to effect, or to take any action to effect, any Shelf Takedown pursuant to this Section 2.1(c) after the Company has effected two (2) Shelf Takedowns pursuant to this Section 2.1(c).

**(d)** Form S-1 Demand. If at any time after the date that is one hundred and eighty (180) days after the effective date of the registration statement mentioned in Section 2.1(a) and (b), the Company receives a request from Holders that the Company file a Form S-1 registration statement with respect to Registrable Securities (1) having an anticipated aggregate

offering price, net of Selling Expenses, in excess of $25,000,000 or (2) constituting the total aggregate Registrable Securities then held by all Holders, then the Company shall (x) within ten (10) days after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holders, if applicable; and (y) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the applicable limitations of Sections 2.1(f) and 2.3; provided that the Company may use a Form S-3 registration statement instead of a Form S-1 registration statement pursuant to this Section 2.1(e) if the Company would qualify to use a Form S-3 registration statement within sixty (60) days after the date on which the request from Holders is received.

**(e)** Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of Registrable Securities that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least $5,000,000, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the applicable limitations of Sections 2.1(f) and 2.3**.**

**(f)** Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting or provided a registration pursuant to this Section 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of non-public material information that the Company has a bona fide business purpose for preserving as confidential, the disclosure of which would reasonably be expected to materially and adversely affect the Company; or (iii) be prohibited under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods (and any associated liquidated damages, if any) with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than sixty (60) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than twice in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such period other than an Excluded Registration.

**(g)** The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Sections 2.1(d) – (e): (i) during the period that is sixty (60) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of, a Company-initiated registration other than an Excluded Registration or pursuant to a Merger Registration Statement, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective or (ii) after the Company has effected, in the aggregate, two (2) registrations pursuant to Sections 2.1(b) and (d). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(e): (i) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration other than an Excluded Registration or pursuant to a Merger Registration Statement, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two (2) registrations pursuant to Section 2.1(e) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Section 2.1(g) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration and forfeit their right to one demand registration statement pursuant to Section 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Section 2.1(e); provided, that if such withdrawal is during a period the Company has deferred taking action pursuant to Section 2.1(f), then the Initiating Holders may withdraw their request for registration and such registration will not be counted as "effected" for purposes of this Section 2.1(g).

**(h)** Liquidated Damages. For each 30-day delay in the filing or effectiveness of the Initial Registration Statement pursuant to Section 2.1(a) (including for each 30-day period the Initial Registration Statement ceases to be effective or is otherwise unavailable for use after it is initially declared effective, in each case, subject to the applicable limitations of Section 2.1(f) and 2.3) the Company shall pay to the Holders an amount in cash, as partial liquidated damages and not as a penalty, equal to the product of 0.25% multiplied by the principal amount of the Note (the "**Monthly Liquidated Damage Amount**"); provided, however, that the Monthly Liquidated Damage Amount will be capped at the product of 3.0% multiplied by the principal amount of the Note for any delay beyond one year. The liquidated damages pursuant to the terms hereof shall apply on a daily *pro rata* basis for any portion of a month prior to the cure.

**2.2** Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders, including pursuant to any Other Registration Rights Agreement (as defined below)) any of its securities under the Securities Act (other than in an Excluded Registration or pursuant to a Merger Registration Statement), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Section 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. If the registration referred to in this Section 2.2 is proposed to be underwritten, the Company will so advise the Holders as a part of the written notice given pursuant to this Section

b. and the terms of Section 2.3 shall apply to such underwritten offering. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2

before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Section 2.6. No withdrawn registration shall count as one of the permitted Demand Registrations granted to the Holders under this Agreement.

2.3 Underwriting Requirements.

**(a)** If, pursuant to Section 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by a registration statement by means of an underwriting, they shall either in the case of (i) an underwriting under a registration statement filed pursuant to Section 2.1(d) or 2.1(e) or (ii) an Underwritten Shelf Takedown, so advise the Company as a part of their request made pursuant to Section 2.1, and the Company shall include such information in the Demand Notice or Shelf Takedown Demand Notice, as applicable. The underwriter(s) will be selected by a majority in interest of the Initiating Holders and shall be reasonably acceptable to the Board of Directors. In such event, the right of any Holder (or any other Requesting Holder (as defined below)) to include such Holder's Registrable Securities and the Requesting Holder's securities in such registration shall be conditioned upon such Holder's and Requesting Holder's, if applicable, participation in such underwriting and the inclusion of such Holder's Registrable Securities and the Requesting Holder's securities, if applicable, in the underwriting to the extent provided herein. All Holders and Requesting Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Section 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Section 2.3, if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities, including all Requesting Holders, if applicable, that otherwise would be underwritten pursuant hereto, and the number of securities that may be included in the underwriting shall be allocated among (i) such Holders of Registrable Securities, including the Initiating Holders, pro rata in accordance with the number of shares that each such Person has requested be included in such registration, regardless of the number of shares held by each such Person (such proportion is referred to herein as "**Pro Rata**"); (ii) such holders of shares of Common Stock under a registration rights agreement entered into in connection with the SPAC Transaction or any SPAC Financing Transaction (any such agreement, a " **PIPE Registration Rights Agreement**" and any such requesting holders thereunder, "**PIPE Requesting Holders**"), as to which "piggy-back" registration has been requested by the holders thereof, Pro Rata and (iii) any such other holders of shares of Common Stock that the Company is obligated to register pursuant to written contractual arrangements with such persons (any such agreement, "**Another Registration Rights Agreement**" and, together with any PIPE Registration Rights Agreements, the "**Other Registration Rights Agreements**" and any such requesting holders thereunder, "**Other Requesting Holders**" and, together with the PIPE Requesting Holders, the "**Requesting Holders**"), as to which "piggy-back" registration has been requested by the holders thereof, Pro Rata, or in such other proportions as shall mutually be agreed to by all such owners of Common Stock under this Agreement or the Other Registration Rights Agreements; provided, however, that the number of Registrable Securities held by the Holders (or equivalent securities held by the Requesting Holders, if applicable) to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of

shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder or Requesting Holder to the nearest one hundred (100) shares.

**(b)** In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Section 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by Holders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the securities, including Registrable Securities, requested to be registered can be included in such offering, then the securities that are included in such offering shall be allocated among (i) the selling Holders, Pro Rata; (ii) the PIPE Requesting Holders, Pro Rata, and (iii) the Other Requesting Holders, Pro Rata, or in such other proportions as shall mutually be agreed to by all such owners of Common Stock under this Agreement or the Other Registration Rights Agreements. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder or Requesting Holder to the nearest one hundred (100) shares. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities (under this Agreement or the equivalent under the Other Registration Rights Agreements) included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities (under this Agreement or the equivalent under the Other Registration Rights Agreements) included in the offering be reduced below thirty percent (30%) of the total number of securities included in such offering, unless such offering is a Qualified Public Company Event, in which case the selling Holders (under this Agreement or the equivalent under the Other Registration Rights Agreements) may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Section 2.3(b) concerning apportionment, for any selling Holder (under this Agreement or the equivalent under the Other Registration Rights Agreements) that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities (under this Agreement or the equivalent under the Other Registration Rights Agreements) owned by all Persons included in such "selling Holder," as defined in this sentence.

**(c)** For purposes of Section 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Section 2.3(a), fewer than fifty percent (50%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities pursuant to a registration statement or Shelf Takedown, as applicable, the Company shall, as expeditiously as reasonably possible:

**(a)** prepare and file with the SEC a registration statement and timely pay all required filing fees in respect thereof, with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and keep such registration statement effective until the distribution contemplated in the registration statement has been completed;

**(b)** prepare and file with the SEC, and timely pay all required filing fees in respect of, any such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, (i) as may be necessary to comply with the Securities Act, including post-effective amendments to each registration statement as may be necessary to keep such registration statement continuously effective for the applicable time period required hereunder, and if applicable, file any registration statements pursuant to Rule 462(b) promulgated under the Securities Act; (ii) cause the related prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act, (iii) as may be necessary to comply with the provisions of the Securities Act and the Exchange Act and any applicable securities exchange or other recognized trading market with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the selling Holders thereof set forth in such registration statement as so amended or in such prospectus as so supplemented; (iv) provide additional information related to each registration statement as requested by, and obtain any required approval necessary from, the SEC or any Governmental Entity; and (v) respond as promptly as reasonably practicable to any comments received from the SEC and request acceleration of effectiveness promptly after it learns that the SEC will not review the registration statement or after it has satisfied comments received from the SEC;

**(c)** (i) prior to making any such filings described in clauses (a) or (b) above, at the Company's expense, furnish to the Holders whose securities are covered by the applicable registration statement copies of all such documents, other than documents that are incorporated by reference, proposed to be filed and such other documents reasonably requested by such Holders no less than 5 business days prior to the proposed filing date and (ii) promptly following any such filing, notify the Holders of such filing, the effectiveness of any post-effective amendment, and any written comments by the SEC, blue sky or securities commissioner or regulator of any state with respect to any such filing;

**(d)** furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

**(e)** use its commercially reasonable efforts (i) to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders, (ii) to keep such

registration or qualification in effect for so long as such registration statement remains in effect and (iii) to, upon reasonable advance notice from a majority in interest of the Holders, do any and all other acts and things which may be reasonably necessary or advisable to enable such selling Holder to consummate the disposition in such jurisdictions of the Registrable Securities owned by such selling Holder; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

**(f)** in the event of any underwritten public offering, enter into and perform its obligations under such customary agreements, in usual and customary form, with the underwriter(s) of such offering (including underwriting agreements in customary form, including customary representations and warranties and provisions with respect to indemnification and contribution) and take all such other actions as the Holders of a majority in interest of the Registrable Securities included in such Shelf Takedown or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including effecting a stock split, a combination of shares, or other recapitalization) and provide reasonable cooperation, including causing appropriate officers to attend and participate in "*road shows*" and analyst or investor presentations and such other selling or other informational meetings organized by the underwriters, if any, to the extent reasonably requested by the lead or managing underwriters, with all out of pocket costs and expenses incurred by the Company or such officers in connection with such attendance and participation to be paid by the Company;

**(g)** use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

**(h)** provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

**(i)** for a reasonable period prior to the filing of any registration statement, upon reasonable notice and during normal business hours, promptly make available for inspection and copying by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such registration statement or Shelf Takedown, and any attorney or accountant or other agent retained by any such Holder or underwriter or selected by the selling Holders, those financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary, advisable or desirable solely for purposes of such registration statement or Shelf Takedown, as applicable, and to conduct appropriate due diligence in connection therewith; provided that the recipient agrees to keep such information confidential (to the extent the Company indicates such information is confidential);

**(j)** permit any Holder of Registrable Securities, their respective counsel, any underwriter participating in any disposition pursuant to a registration statement, and

any other attorney, accountant or other agent retained by any such Holder of Registrable Securities or underwriter, to participate (including, but not limited to, reviewing, commenting on and attending all meetings) in the preparation of such registration statement and any prospectus supplements relating to a Shelf Takedown, if applicable;

**(k)** notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed;

**(l)** after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus;

**(m)** cooperate with each Holder of Registrable Securities and each underwriter participating in the disposition of such Registrable Securities and underwriters' counsel in connection with filings required to be made with FINRA, if any, including using commercially reasonable efforts to obtain FINRA's pre-clearance and pre-approval of the applicable registration statement and prospectus upon filing with the SEC;

**(n)** obtain and furnish to each such Holder of Registrable Securities, including Registrable Securities in a Shelf Takedown or underwritten offering, copies of (i) a customary cold comfort and bring down letter from the Company's independent public accountants, (ii) a customary legal opinion of counsel to the Company addressed to the relevant underwriters, in each case in customary form and covering such matters of the type customarily covered by such letters as the managing underwriters in such Shelf Takedown reasonably request, (iii) a negative assurances letter of counsel to the Company in customary form and covering such matters of the type customarily covered by such letters as the managing underwriters in such Shelf Takedown reasonably request, and (iv) customary certificates executed by authorized officers of the Company as may be requested by any Holder or any underwriter of such Registrable Securities included in such Shelf Takedown;

**(o)** with respect to each Free Writing Prospectus or other materials to be included in the Disclosure Package, ensure that no Registrable Securities be sold "*by means of*" (as defined in Rule 159A(b) promulgated under the Securities Act) such Free Writing Prospectus or other materials without the prior written consent of a majority of the Holders of the Registrable Securities that are being sold pursuant to such Free Writing Prospectus;

**(p)** pay the fees of the Company's transfer agent and any reasonable, documented legal fees of outside counsel to the Company to provide an opinion to the effect that such transfer is permitted under the Securities Act and applicable state laws (or if outside counsel to the Company is unwilling or unavailable to provide such opinion, the reasonable, documented legal fees of one outside counsel to the Holders to provide such opinion) to effectuate the transfer of Registrable Securities from Holders to other Persons, as permitted by Section 3.1; provided, in each case, that such Holders shall provide such certificates and other documentation as the Company shall reasonably request in connection with such opinions and transfers; and

**(q)** use its commercially reasonable efforts to take all other actions necessary to effect the registration and sale of the Registrable Securities contemplated hereby.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) arising from, incident to or incurred in connection with registrations, filings, or qualifications pursuant to this Agreement, including, without limitation, all registration, filing, listing and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company and its independent public accountants and any other accounting and legal fees, charges and expenses incurred by the Company (including any expenses arising from any special audits or "comfort letters" required in connection with or incident to any sale of Registrable Securities pursuant to a registration); and the reasonable and documented fees and disbursements, not to exceed $100,000 per registration, of one counsel for the selling Holders ("Selling Holder Counsel"); fees and expenses incurred in connection with any "road show" for underwritten offerings, including travel expenses, shall be borne and paid by the Company; provided, however, that if any registration proceeding begun pursuant to Section 2.1 is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (other than during a period of delay under Section 2.1(f), then the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration (representing such withdrawn registration) pursuant to Sections 2.1(d) or 2.1(e), unless the Company is reimbursed by such Holders requesting withdrawal for all reasonable and documented out-of-pocket expenses incurred by the Company in connection with such registration (including reasonable fees of outside legal counsel and third party accountants; provided, further, that if at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request within reasonable promptness after learning such information, then the Holders shall not be required to pay any such expenses and shall not forfeit their right to one registration pursuant to Sections 2.1(d) or 2.1(e). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

**(a)** To the fullest extent permitted by law, the Company will indemnify and hold harmless each Holder of Registrable Securities, and the Affiliates, partners, members, managers, officers, directors, and equityholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages; provided, however, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

**(b)** To the fullest extent permitted by law, each Holder of Registrable Securities, severally and not jointly, will indemnify and hold harmless the Company, and each of its Affiliates, directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such Holder expressly for use in connection with such registration; provided, however, that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the majority in interest of the Holders, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Sections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid or incurred by such Holder), except in the case of fraud or willful misconduct by such Holder; provided, further, that a Holder shall not be liable in any case to the extent that prior to the filing of any such registration statement or Disclosure Package, or any amendment thereof or supplement thereto, such Holder has furnished in writing to the Company, information expressly for use in, and within a reasonable period of time prior to the effectiveness of such registration statement or Disclosure Package, or any amendment thereof or supplement thereto which corrected or made not misleading information previously provided to the Company.

**(c)** Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without

conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party under this Section 2.8.

**(d)** To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Section 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Section 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Section 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Section 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Section 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid or incurred by such Holder), except in the case of willful misconduct or fraud by such Holder. For the avoidance of doubt, the amount paid or payable by an indemnified party as a result of the Damages (or actions in respect thereof) referred to above in this Section 2.8(d) shall be deemed to include any documented legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing or defending any such action or claim.

**(e)** Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control; provided, however, that the foregoing provisions shall control as to any matter provided for or addressed therein that are not provided for or addressed in the underwriting agreement.

**(f)** Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement or any provisions hereof.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

**(a)** make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for any Qualified Public Company Event;

**(b)** use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements);

**(c)** furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for any Qualified Public Company Event), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); and (ii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form); and

**(d)** upon request of any Holder, upon receipt by the Company of an opinion of counsel reasonably satisfactory to the Company to the effect that any legend affixed to any Registrable Securities is no longer required under the Securities Act and applicable state laws, the Company shall promptly cause such legend to be removed from any certificate for any Registrable Securities, including by providing any opinion of counsel to the Company that may be required by the transfer agent to effect such removal.

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities, enter into any agreement with any holder or prospective holder of any securities of the Company that would (i) other than pursuant to an “underwriter cutback” under an Other Registration Rights Agreement that is consistent with Section 2.3, allow such holder or prospective holder to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included; or (ii) other than under an Other

Registration Rights Agreement, allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder.

2.11 [*Reserved*].

2.12 [*Reserved*].

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Sections 2.1 or 2.2 shall terminate upon the 5th anniversary of any Qualified Public Company Event.

2.14 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company's operating documents, or elsewhere, as the case may be.

2.15 Most Favored Nations. To the extent that the Company, on or after the date hereof, grants any such superior or more favorable rights or terms relating to the subject matter of this Agreement to any Person (including under any Other Registration Rights Agreement) than those provided to the Holders as set forth herein, any such superior or more favorable rights or terms shall also be deemed to have been granted simultaneously to each Holder on the date of such grant and the Company shall amend this Agreement to reflect such superior or more favorable rights.

**3** Miscellaneous.

**3.1** Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to any transferee or assignee in connection with any transfer, assignment or other conveyance of Registrable Securities (other than a transfer pursuant to a registration statement or under Rule 144 promulgated under the Securities Act); provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee that is an Affiliate or stockholder of a Holder shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall, as a condition to the applicable transfer, establish a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any

rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

**3.2** Governing Law. This Agreement shall be governed by the internal law of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

**3.3** Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

**3.4** Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

**3.5** Notices.

**(a)** All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail (provided no notice of non-delivery is generated); (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on the signature pages or Schedule A hereto, or to the principal office of the Company and to the attention of David Brenner at david@purecycletech.com, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Section 3.5. If notice is given to the Company, a copy (which copy shall not constitute notice) shall also be sent to Jones Day, 1420 Peachtree Street, N.E., Suite 800, Atlanta, GA 30309, Attention: Joel May (jtmay@JonesDay.com) and if notice is given to the Holders, a copy (which copy shall not constitute notice) shall also be given to Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attention: Sean Ewen (sewen@willkie.com) and Jason Pearl (jpearl@willkie.com).

**(b)** Consent to Electronic Notice. Each Investor consents to the delivery of any stockholder notice pursuant to the Delaware General Corporation Law (the "DGCL"), as amended or superseded from time to time, by electronic transmission pursuant to Section 232 of the DGCL (or any successor thereto) at the electronic mail address or the facsimile number set forth below such Investor's name on the Schedules hereto, as updated from time to time by notice to the Company, or as on the books of the Company. To the extent that any notice given by means of electronic transmission is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected electronic mail address has been provided, and such attempted Electronic Notice shall be ineffective and deemed to not have been

given. Each Investor agrees to promptly notify the Company of any change in such Investor's electronic mail address, and that failure to do so shall not affect the foregoing.

**3.6** Amendments and Waivers. Any term of this Agreement may be amended, modified or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the holders of a majority of the Registrable Securities; provided that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, Schedule A hereto may be amended by the Company from time to time to add transferees of any Registrable Securities in compliance with the terms of this Agreement without the consent of the other parties. The Company shall give prompt notice of any amendment, modification or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, modification, termination, or waiver. Any amendment, modification, termination, or waiver effected in accordance with this Section 3.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

**3.7** Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

**3.8** Aggregation of Stock; Apportionment. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

**3.9** Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

**4.0** Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Delaware and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of Delaware or the United States District Court for the District of Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

The prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

**3.11** Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

[Remainder of Page Intentionally Left Blank]

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

**COMPANY:**

**PURECYCLE TECHNOLOGIES LLC**

By: /s/ David Brenner Name: David Brenner
Title: Chief Commercial Officer Email: david@purecycletech.com
Address: 5950 Hazeltine National Dr.
Suite 650
Orlando, FL 32822

**INVESTOR: MAGNETAR STRUCTURED CREDIT FUND, LP**

By: Magnetar Financial LLC, its general partner

/s/ Karl Wachter

Name: Karl Wachter

Title: General Counsel

Mailing Address:
c/o Magnetar Financial LLC
1603 Onington Avenue, 13th Floor Evanston, Illinois 60201
Attn. Chief Legal Officer
E: fisecuritynotices@magnet ar.com

**INVESTOR: PURPOSE ALTERNATIVE CREDIT FUND -T LLC**

By: Magnetar Financial LLC, its manager

/s/ Karl Wachter

Name: Karl Wachter
Title: General Counsel

Mailing Address:
c/o Magnetar Financial LLC
1603 Onington Avenue, 13th Floor Evanston, Illinois 60201
Attn. Chief Legal Officer
E: fisecuritynotices@magnet ar.com

**INVESTOR: PURPOSE ALTERNATIVE CREDIT FUND F LLC**
By: Magnetar Financial LLC, its manager

/s/ Karl Wachter_____

Name: Karl Wachter
Title: General Counsel

Mailing Address:
c/o Magnetar Financial LLC
1603 Onington Avenue, 13th Floor Evanston, Illinois 60201
Attn. Chief Legal Officer
E: fisecuritynotices@magnet ar.com

**INVESTOR: MAGNETAR LONGHORN FUND LP**
By: Magnetar Financial LLC, its investment manager

/s/ Karl Wachter_____

Name: Karl Wachter
Title: General Counsel

Mailing Address:
c/o Magnetar Financial LLC
1603 Onington Avenue, 13th Floor Evanston, Illinois 60201
Attn. Chief Legal Officer
E: fisecuritynotices@magnet ar.com

**INVESTOR: MAGNETAR PRCL HOLDINGS LIMITED**
By: Magnetar Financial LLC, its investment manager

/s/ Karl Wachter_____

Name: Karl Wachter
Title: General Counsel

Mailing Address:
c/o Magnetar Financial LLC
1603 Onington Avenue, 13th Floor Evanston, Illinois 60201
Attn. Chief Legal Officer
E: fisecuritynotices@magnet ar.com

**INVESTOR: MAGNETAR LAKE CREDIT FUND LLC**

By: Magnetar Financial LLC, its manager

/s/ Karl Wachter_____

Name: Karl Wachter
Title: General Counsel

Mailing Address:
c/o Magnetar Financial LLC
1603 Onington Avenue, 13th Floor Evanston, Illinois 60201
Attn. Chief Legal Officer
E: fisecuritynotices@magnetar.com

**SCHEDULE A**

**Investors**

1. Purpose Alternative Credit Fund – T LLC
2. Purpose Alternative Credit Fund – F LLC
3. Magnetar Structured Credit Fund, LP
4. Magnetar Longhorn Fund LP
5. Magnetar PRCL Holdings Limited
6. Magnetar Lake Credit Fund LLC

**Exhibit 31.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

I, Michael Otworth, 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)) 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) [Reserved];

   (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 19, 2021

By: /s/ Michael Otworth
Michael Otworth
Chief Executive Officer
*(Principal Executive Officer)*

**Exhibit 31.2**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Michael Dee, 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)) 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) [Reserved];

   (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 19, 2021

By: /s/ Michael Dee
Michael Dee
Chief Financial Officer
*(Principal Financial Officer)*

**Exhibit 32.1**

**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, 2021 (the "Report"), Michael Otworth, 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 19, 2021

By: /s/ Michael Otworth
Michael Otworth
Chief Executive Officer
*(Principal Executive Officer)*

NAI-1518188914v1

**Exhibit 32.2**

**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, 2021 (the "Report"), Michael Dee, 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 operatiosns of the Company.

Date: May 19, 2021

By: /s/ Michael Dee
Michael Dee
Chief Financial Officer
*(Principal Financial Officer)*

NAI-1518189056v1