

United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

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

Date of Report (Date of earliest event reported): November 7, 2023

PureCycle Technologies, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware (State or other jurisdiction of incorporation)	001-40234 (Commission File Number)	86-2293091 (I.R.S. Employer Identification No.)
5950 Hazeltine National Drive, Florida (Address of Principal Executive Offices)	Suite 300, Orlando	32822 (Zip Code)

Registrant's telephone number, including area code: (877) 648-3565

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

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

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

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

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On November 7, 2023, the Company issued a press release, attached hereto as Exhibit 99.1 and incorporated herein by reference, announcing the Company's financial results for the third quarter ended September 30, 2023, and certain other information.

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

Item 7.01. Regulation FD Disclosure.

The slide presentation attached hereto as Exhibit 99.2, and incorporated herein by reference, will be presented to certain investors of the Company on November 8, 2023 and may be used by the Company in various other presentations to investors.

Item 8.01. Other Events.

Pursuant to Section 2.4(b)(vi)(C)(I) of the loan agreement dated as of October 1, 2020, by and between the Southern Ohio Port Authority ("SOPA") and PureCycle: Ohio LLC ("PCO") (as amended, the "Loan Agreement"), PCO, an indirect wholly-owned subsidiary of the Company, will post to the Electronic Municipal Market Access ("EMMA") site materials which include PCO's interim financial statements for the fiscal quarter ending September 30, 2023 (the "Quarterly Reporting Package"). The Quarterly Reporting Package is filed as Exhibit 99.3 to this current report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description of Exhibit
99.1	Press release by PureCycle Technologies, Inc., dated November 7, 2023.
99.2	PureCycle Technologies, Inc. presentation to investors.
99.3	PureCycle: Ohio LLC: Quarterly Reporting Package.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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

PURECYCLE TECHNOLOGIES, INC.

By: /s/ Lawrence Somma

Name: Lawrence Somma

Title: Chief Financial Officer

Date: November 8, 2023



PureCycle Technologies Provides Third Quarter 2023 Update

-Processed 409k lbs of feed through purification and sent first commercial shipments of Ultra-Pure Recycled (“UPR”) resin for Formerra and Milliken.

-Ironton operations continue to improve daily with onstream performance increasing across core process operation; key challenge has been to maintain pelletization due to a mechanical leak that will be permanently repaired in November.

-Raised \$250 million gross proceeds through the issuance of 7.25% Green Convertible Senior Notes due 2030

-Negotiated an agreement in principle for a Limited Waiver and Second Supplemental Indenture with Ironton Bondholders to extend remaining milestone completion dates by three months in exchange for \$50 million in cash collateral.

(ORLANDO, Florida – November 7, 2023)– PureCycle Technologies, Inc. (“PureCycle” or “the Company”) (NASDAQ: PCT), a U.S.-based company revolutionizing plastic recycling, today, announced a corporate update for the third quarter ending September 30, 2023.

Management Commentary

Dustin Olson, PureCycle’s Chief Executive Officer, said, “Ironton is the first facility of its kind and as expected, we are working through many challenges in getting the facility to run on a continuous basis. We continue to remove constraints, solve problems, and improve operational efficiency. Most of the challenges we have faced since we first produced pellets in June have been mechanical in nature and part of the operational learning curve. We have identified a set of reliability and operational improvements that are expected to be addressed during a 2-week outage in November, including the installation of an automatic screen changer on the final product extruder, which has impacted continuous run times.

These last few months have tested us, but the PureCycle team continues to improve its understanding of this technology. We’ve overcome significant issues, identified many lessons learned, and incorporated these changes into the November outage. We are now focused on completing the outage, restarting the plant, and making Ironton a long-term success.”

Larry Somma, PureCycle’s Chief Financial Officer, added, “We successfully closed \$218.5 million of net proceeds from the placement of our Green Senior Convertible Notes in the third quarter. We are grateful to our investors that have placed their trust in us. These proceeds will enable the Company to continue its equity investment in the Augusta project until we are able to close on project financing. We have spent a great deal of time evaluating the project finance landscape and believe that consistent operations in Ironton are important to our fundraising success and look forward to being able to progress our project financing process.”

Ironton Update

During the third quarter, our efforts were focused on completing the third bondholder milestone of producing 4.45 million pounds of UPR resin during a 30-day period by September 30th. Due, in part, to a power outage in August that we subsequently learned damaged a seal, as well as additional mechanical issues that were identified after the seal repair, the Company was unable to complete the third milestone in a timely manner.

Following the Company's inability to complete the September 30, 2023 milestone, the Company and the Bondholders agreed in principle to a Limited Waiver and Second Supplemental Indenture that provides a three-month delay for the remaining milestone dates and transfers additional funds for specified purposes. The Limited Waiver is expected to be executed this week.

Management remains committed to achieving PureCycle's next bondholder milestone of producing 4.45 million pounds of UPR resin in a month by December 31, 2023. We currently have more than 15.1 million pounds of feedstock available for Ironton operations.

Liquidity and Capital Resources

As of September 30, 2023, PureCycle had total liquidity of \$396.1 million, including \$211.3 million of unrestricted liquidity, and \$184.8 million in restricted cash. PureCycle also has access to a \$150 million undrawn revolving line of credit. PureCycle had \$506.3 million in Long-term debt and Related party notes payable, including \$49.8 million of discount and issuance costs at quarter-end. As previously referenced, the Company raised \$250 million in gross proceeds through the private placement of 7.25% Green Convertible Senior Notes due 2030 that closed on August 24, 2023.

Conference Call

The Company will hold a conference call Wednesday, November 8th at 11:00 a.m. EST to provide an update on recent corporate developments, including activity from the third quarter and updated future strategic plans.

Third Quarter 2023 Conference Call Details

Date: Wednesday, November 8, 2023

Time: 11:00 a.m. EST

Participant Registration: [CLICK HERE](#)

Please register for the conference call using the above link in advance of the call start time. If you have any difficulty connecting with the conference call, please contact PureCycle Investor Relations at (689) 233-3595.

The conference call will have a live Q&A session and be available for replay [CLICK HERE](#) and on the Company's website at www.purecycle.com. Please note there will no longer be a telephonic replay.

A replay of the conference call will be available after 3:00 p.m. EST on the day of the call through November 7, 2024.

###

Forward-Looking Statements

This press release contains forward-looking statements, including statements about the outcome of any legal proceedings to which PureCycle is, or may become a party, and the financial condition, results of operations, earnings outlook and prospects of PureCycle. Forward-looking statements generally relate to future events or PureCycle's future financial or operating performance and may refer to

projections and forecasts. Forward-looking statements are often identified by future or conditional words such as “plan,” “believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” “continue,” “could,” “may,” “might,” “possible,” “potential,” “predict,” “should,” “would” and other similar words and expressions (or the negative versions of such words or expressions), but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements are based on the current expectations of the management of PureCycle and are inherently subject to uncertainties and changes in circumstances and their potential effects and speak only as of the date of this press release. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in the section entitled “Risk Factors” in each of PureCycle’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and PureCycle’s Quarterly Reports on Form 10-Q, those discussed and identified in other public filings made with the Securities and Exchange Commission by PureCycle and the following:

- PCT’s ability to obtain funding for its operations and future growth and to continue as a going concern;
 - PCT’s ability to meet, and to continue to meet, applicable regulatory requirements for the use of PCT’s UPR resin (as defined below) in food grade applications (including in the United States, Europe, Asia and other future international locations);
 - PCT’s ability to comply on an ongoing basis with the numerous regulatory requirements applicable to the UPR resin and PCT’s facilities (including in the United States, Europe, Asia and other future international locations);
 - expectations and changes regarding PCT’s strategies and future financial performance, including its future business plans, expansion plans or objectives, prospective performance and opportunities and competitors, revenues, products and services, pricing, operating expenses, market trends, liquidity, cash flows and uses of cash, capital expenditures, and PCT’s ability to invest in growth initiatives;
 - the ability of PCT’s first commercial-scale recycling facility in Lawrence County, Ohio (the “Ironton Facility”) to be appropriately certified by Leidos (as defined below), following certain performance and other tests, and commence full-scale commercial operations in a timely and cost-effective manner;
 - PCT’s ability to meet, and to continue to meet, the requirements imposed upon it and its subsidiaries by the funding for its operations, including the funding for the Ironton Facility;
 - PCT’s ability to complete the necessary funding with respect to, and complete the construction of, (i) its first U.S. multi-line facility, located in Augusta, Georgia (the “Augusta Facility”); (ii) its first commercial-scale European plant located in Antwerp, Belgium and (iii) its first commercial-scale Asian plant located in Ulsan, South Korea, in a timely and cost-effective manner;
 - PCT’s ability to sort and process polypropylene plastic waste at its plastic waste prep (“Feed PreP”) facilities;
 - PCT’s ability to maintain exclusivity under the Procter & Gamble Company (“P&G”) license (as described below);
 - the implementation, market acceptance and success of PCT’s business model and growth strategy;
-

- the success or profitability of PCT's offtake arrangements;
- the ability to source feedstock with a high polypropylene content at a reasonable cost;
- PCT's future capital requirements and sources and uses of cash;
- developments and projections relating to PCT's competitors and industry;
- the outcome of any legal or regulatory proceedings to which PCT is, or may become, a party including the securities class action case;
- geopolitical risk and changes in applicable laws or regulations;
- the possibility that PCT may be adversely affected by other economic, business, and/or competitive factors, including rising interest rates, availability of capital, economic cycles, and other macro-economic impacts;
- turnover or increases in employees and employee-related costs;
- changes in the prices and availability of labor (including labor shortages), transportation and materials, including significant inflation, supply chain conditions and its related impact on energy and raw materials, and PCT's ability to obtain them in a timely and cost-effective manner;
- any business disruptions due to political or economic instability, pandemics, armed hostilities (including the ongoing conflict between Russia and Ukraine and the current situation in Israel);
- the potential impact of climate change on PCT, including physical and transition risks, higher regulatory and compliance costs, reputational risks, and availability of capital on attractive terms; and
- operational risk.

Should one or more of these risks or uncertainties materialize or should any of the assumptions made by the management of PCT prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements.

All subsequent written and oral forward-looking statements or other matters attributable to PCT or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this press release. Except to the extent required by applicable law or regulation, PCT undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

About PureCycle Technologies

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

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352.745.6120

Third Quarter 2023 Corporate Update

November 8, 2023



Forward-Looking Statements

Certain statements in this Presentation contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including statements about the financial condition, results of operations, earnings outlook and prospects of PureCycle Technologies, Inc. ("PCT"). Forward-looking statements generally relate to future events or 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 presentation. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in the section of PCT's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 entitled "Risk Factors," those discussed and identified in other public filings made with the U.S. Securities and Exchange Commission (the "SEC") by PCT and the following: PCT's ability to obtain funding for its operations and future growth and to continue as a going concern; PCT's ability to meet, and to continue to meet, applicable regulatory requirements for the use of PCT's UPR resin in food grade applications (including in the United States, Europe, Asia and other international locations); PCT's ability to comply on an ongoing basis with the numerous regulatory requirements applicable to the UPR resin and PCT's facilities (including in the United States, Europe, Asia and future international locations); expectations and changes regarding PCT's strategies and future financial performance, including its future business plans, expansion plans or objectives, prospective performance and opportunities and competitors, revenues, products and services, pricing, operating expenses, market trends, liquidity, cash flows and uses of cash, capital expenditures, and PCT's ability to invest in growth initiatives; the ability of PCT's first commercial-scale recycling facility in Lawrence County, Ohio (the "Ironton Facility") appropriately certified by Leidos Engineering, LLC, following certain performance and other tests, and commence full-scale commercial operations in a timely and cost-effective manner; PCT's ability to complete the necessary funding with respect to, and complete the construction of, (i) its first U.S. multi-line facility, located in Augusta, Georgia (the "Augusta Facility"); (ii) its first commercial-scale European plant located in Antwerp, Belgium and (iii) its first commercial-scale Asian plant located in Ulsan, South Korea, in a timely and cost-effective manner; PCT's ability to sort and process polypropylene plastic waste at its plastic waste prep ("Feed PreP") facilities; PCT's ability to maintain exclusivity under the Procter & Gamble Company license; the implementation, market acceptance and success of PCT's business model and growth strategy; the success or profitability of PCT's offtake arrangements; the ability to source feedstock with a high polypropylene content at a reasonable cost; PCT's future capital requirements and sources and uses of cash; developments and projections relating to PCT's competitors and industry; the outcome of any legal or regulatory proceedings to which PCT is, or may become a party, including the securities class action case; geopolitical risk and changes in applicable laws or regulations; the possibility that PCT may be adversely affected by other economic, business, and/or competitive factors, including rising interest rates, availability of capital, economic cycles, and other macro-economic impacts; turnover or increases in employees and employee-related costs; changes in the prices and availability of labor (including labor shortages), transportation and materials, including significant inflation, supply chain conditions and its related impact on energy and raw materials, and PCT's ability to obtain them in a timely and cost-effective manner; any business disruptions due to political or economic instability, pandemics, armed hostilities (including the ongoing conflict between Russia and Ukraine); the potential impact of climate change on PCT, including physical and transition risks, higher regulatory and compliance costs, reputational risks, and availability of capital on attractive terms; and operational risk.

Should one or more of these risks or uncertainties materialize or should any of the assumptions made by the management of PCT prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. All subsequent written and oral forward-looking statements or other matters attributable to PCT or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Presentation. Except to the extent required by applicable law or regulation, PCT undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date of this Presentation or to reflect the occurrence of unanticipated events.

Ironton Plant Update

IRONTON FACILITY PROGRESS



- Core operations are improving daily; Utilities uptime is averaging 97%, Solvent circulation uptime increased from 47% in July, to 96% in late October
 - Tech works at scale; despite mechanical challenges, we've successfully run 409k lbs feedstock
 - Achieved these unit operations rates during commissioning:
 - PreP Feed: 14.0k lbs/hr (93%)
 - Feed extruder: 9.4k lbs/hr (77%)
 - Final Product: 13.4k lbs/hr (109%)
- * Rate percentages are referenced to 107MM/yr capacity
- Processed 4 separate PIR feedstocks (MFI 5, 10, 15, 20) and 2 types of PCR (PreP Agglomerate and PreP Flake)
 - On-test product quality performance w/ removal of co-product #1; running various PIR feeds with varying levels of PCR content
 - Early utility usage appears significantly better than design premise
 - Attractive core business economics; low #5 bale price, low variable costs, differentiated product

Ironton Plant Update

IRONTON FACILITY CHALLENGES



- Replaced numerous design and installation challenges with permanent solutions
- Ironton continuous operations were primarily impaired due to persistent adsorber bead plugging of the final product extruder pelletizer; this requires the installation of a screen changer
- Executing 2-week outage planned for November 8-22 to implement the final product screen changer and other reliability projects

Ironton Plant Update

IRONTON OPERATIONAL TARGETS



- Complete 2-week outage
- Plan to initiate plant restart procedures immediately following the outage
- Start rates @50% and ramp to 100%
- Complete the 4.45MM lbs milestone (December)
- Targeting 7-Day performance test prior to the February deadline

On-Spec Product Deliveries Show Tech Works

Product Quality

- ✓ Odor
- ✓ Color
- ✓ LCA: lower energy consumption than expected will likely lead to better LCA results

Extraction Process Removes Contaminants



Initial production for customer samples shipped to US primary distributor

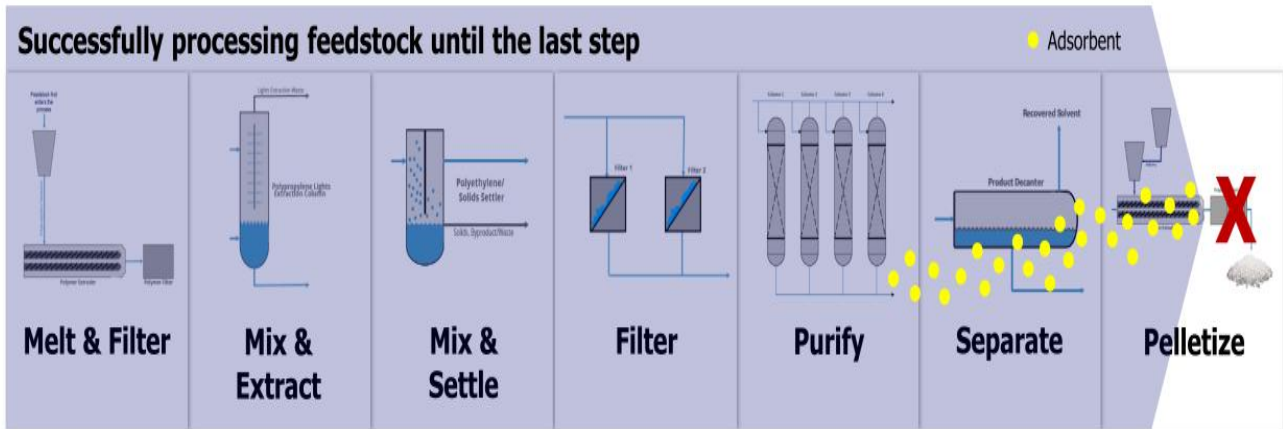


Milliken

Sample testing prior to new concentrate launch

Bead Leak has Made Pelletizing the Bottleneck

Core plant operations operate as designed

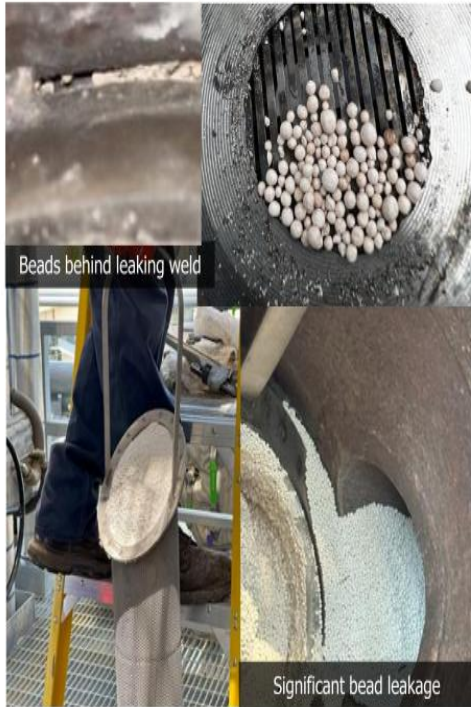


Adsorbent Bead leakage plugs the die plate and prevents fully continuous operations

**Automatic Screen Changer
Installation (Nov 8-22) will solve this problem**

Persistent Leaking Beads Took Time to Solve

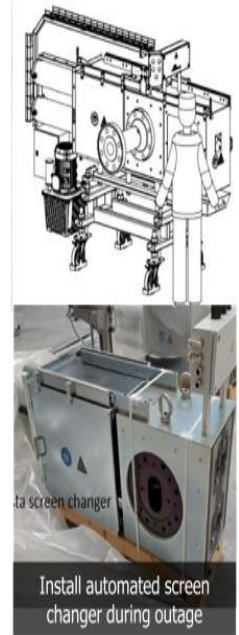
Initial Problem



Interim Solutions

















Solution



New screen changer is onsite and scheduled for installation during the November outage

The Challenges We are Overcoming

Purification Design Related

-  Scheibel seal leaking
-  Scheibel pump leaking & freezing
-  Mixer seal upgrades
-  Insufficient solvent cooling
-  Solvent recovery constraints
-  Overhead filter plugging
-  Extruder divert valve failure
-  Insufficient equipment draining
-  Co-Product 1 piping
-  **Adsorbent bead screen leaks**
-  **Final product extruder screen changer**
-  Turndown ratio constraints
-  Extruder divert piping
-  Mixer seal design improvements

Purification Installation Related

-  Product extruder inlet valve leaking
-  Final product transfer constraints
-  50-60 leaking valves
-  Scheibel level instrumentation
-  Scheibel bottoms pump seal design




PreP and Utilities Related

-  Dewiring units for each line
-  Reduced shredder capacity
-  Insufficient agglomeration cooling
-  Numerous transfer modifications
-  Numerous dust collection modifications
-  Poor power supply for PreP & Utilities

Software & Hardware Issues

-  Extruder controls logic
-  Safety system false trips
-  Critical level setup parameters
-  Hydraulic pressure units leaking
-  Incorrectly spec'd instrumentation
-  Material handling programming

Key

-  Completed
-  To be completed in November outage
-  Not critical at this time

Seal Design Related Challenges



Scheibel Seal

Complete redesign and installation
Scheduled to be completed during the 2-week outage



Mixer Seal

Improved design to compensate for future power failures
Design improvement can sustain 6-8 hours of power failure vs 90 minutes

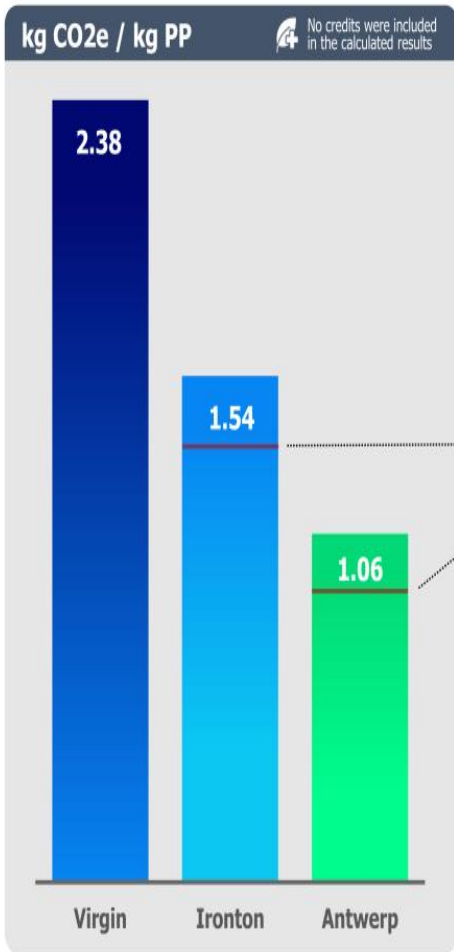
Scheibel Bottom Pump Seal

Identified installation design problem
Updated drawings and maintenance procedures

Operating Efficiency Continues to Improve

Category	Initial Performance	Current Performance
Solvent Circulation	Inability to efficiently control temperature and pressure (May-July)	Solid control in place; 97% up-time
Operational IP	Was limited to FEU experience	Significant commercial-scale learnings; feed types, operating conditions, procedure development, order of operation
Utilities	Significant reliability issues (April - June)	Runs reliably with 98% up-time
PreP	Overreliance on 3 rd party support to run the PreP operations (March-July)	Independently run at higher rates without support
Feed Extruder	Required 3 rd party support, limited to daytime operations (through July)	Single operator can startup and shutdown extruder 24hrs/day without support
Product Extruder	Required constant surveillance and 6-10 people to startup (August-September)	Single operator can startup and shutdown extruder 24hrs/day without support
Product Devolatilization	Required constant surveillance by one console operator to operate single valve (June-September)	Runs smoothly with good control

Marked LCA Improvements: Ironton vs Antwerp



Ironton vs Virgin

↓ 35%

- Boundless Impact LCA Report based on plant design data
- Fossil-Intense Power Grid
- Initial operating data shows ~10% improvement over LCA estimates

Antwerp vs Virgin

↓ 55%

- ISO-14040/44 LCA Report by DNV based on plant design data
- Greener Power Grid
- Steam generation by renewables
- Initial Ironton operating data should improve LCA estimates

PCT Financial Update



- Agreed in principle to waiver with revised terms including extensions on existing milestones; execution expected later this week
- Completed the convertible bond offering for \$250M

Revised Bondholders Agreement

Date for completion of each milestone pushed back by 3 months

Dec 31, 2023	Feb 28, 2024	Mar 31, 2024	Apr 30, 2024
50% Run Rate 4.45M lbs produced over 30 consecutive days	Performance Test Completion date	Formal Project Closure Completion date	100% Run Rate • 8.9M lbs produced over 30 consecutive days • Production ramp to 107M lbs annually

- Agreement, in principle, in place. Expected to be executed shortly
- PCT to deposit \$50 million of cash into the Trustee account
- Bondholders to give PCT 90-day cure period for each required milestone in the event milestones are missed
 - Default interest applies during any cure period
- PCT can sweep interest income from the Trustee account (all cash above \$100 million) and the Liquidity Reserve account (all cash above \$50 million) one time per 3-month period, except during a cure period

Q3 2023 Liquidity Update

PureCycle received \$221M net financing proceeds during Q3 2023

<i>(in millions)</i>	June 30, 2023	Sept. 30, 2023	change
Total Unrestricted	\$28.9	\$211.3	\$182.4
Restricted Cash			
Plant 1 Project Fund (Ironton, OH)	\$-	-	\$-
Augusta Construction Escrow	16.3	13.5	(2.8)
Other Corporate Requirements	3.5	1.4	(2.1)
Reserve Requirements per Revenue Bonds			
General Liquidity Reserve	101.7	102.2	0.5
Capitalized Interest and Debt Reserves	41.2	41.7	0.5
Other Required Reserves	24.7	26.0	1.3
Total Restricted	\$187.4	\$184.8	(\$2.6)
Total Available	\$216.3	\$396.1	\$179.8

Summary of Liquidity Changes

Net Financing Proceeds Received:

- \$218.5M Convertible Notes
- \$2.5M Avtech Equipment Finance

Unrestricted Cash Uses:

- (\$7.9M) Augusta and PreP
- (\$7.7M) Payroll/benefits
- (\$23.0) Ironton working capital, general corporate, insurance
- Access to additional liquidity through a \$150M undrawn revolving credit facility

Restricted Cash Changes:

- (\$2.8M) net Augusta construction
- \$0.2M increase in all other restricted

\$50M will be transferred from Unrestricted to Restricted in Q4

PureCycle is Focused on Making Iron-ton a Success



Unaudited Consolidated Financial Statements

PureCycle Technologies, LLC

September 30, 2023

PureCycle Technologies, LLC.

QUARTERLY SUBMISSION SUMMARY

Delivery Requirement:	Submission Compliance
Interim Financial Statements (Guarantor)	See Form 10-Q for the period ended 9/30/2023 as filed with the SEC.
Interim Financial Statements (Company)	Included herein
Compliance Certificates	Included herein for Guarantor and Company
Operating Statements	
a) Budget to Actual for the period	a) Refer to budget to actual
b) Total product sold	b) Not applicable for Q3. There has been no product sold.
c) Amount of Product sold under offtake contracts (in total) and amount of other products sold (with information about sale/purchaser)	c) Not applicable for Q3. There has been no product sold under Offtake Contracts or of other Products which require disclosure.
d) Production Yield and values by weight/value	d) Zero.
e) Supplied waste processed by weight / values	e) 2.4M lbs. processed for the quarter ended September 30, 2023.
f) IHS/Chemical Data indices used	f) IHS Average Price for Q3 = \$0.5617/lb Chemical Market Data Q3 = \$0.3617/lb
g) Terms/ extensions / replacements of Offtake or Feedstock contracts	g) None other than those previously disclosed.
h) Additional production capacity under development	h) Not applicable. There have been no changes to production capacity.
i) hours of operation for the Project	i) Zero hours of beneficial operations.
Reconciliation Statements (Operating Revenue Fund)	Not applicable for Q3.

PureCycle Technologies, LLC.

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PureCycle Technologies, LLC.

CONSOLIDATED BALANCE SHEETS

<i>(in thousands)</i>	(Unaudited)	
	September 30, 2023	December 31, 2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 780	\$ 50,928
Restricted cash - current	19,827	29,389
Prepaid expense and other current assets	6,449	1,612
Total current assets	27,056	81,929
Restricted cash - noncurrent	150,149	93,415
Property, plant and equipment, net	420,959	373,848
Operating lease right-of-use assets	4,802	5,042
Other long term assets	4,071	4,206
TOTAL ASSETS	\$ 607,037	\$ 558,440
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 1,706	\$ 816
Accrued expenses	18,602	26,715
Accrued interest	6,127	1,532
Current portion of long-term debt	3,425	—
Total current liabilities	29,860	29,063
Deferred revenue	5,000	5,000
Bonds payable	230,901	233,513
Operating lease right-of-use liabilities	3,633	3,956
Other Liabilities	1,054	1,117
Due to parent	282,766	188,989
TOTAL LIABILITIES	\$ 553,214	\$ 461,638
MEMBER'S EQUITY		
LLC Member Interest	223,387	223,387
Accumulated deficit	(169,564)	(126,585)
TOTAL MEMBERS' EQUITY	\$ 53,823	\$ 96,802
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 607,037	\$ 558,440

PureCycle Technologies, LLC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,	
	2023	2022
<i>(in thousands)</i>		
Costs and expenses		
Operating costs	\$ 17,323	\$ 3,076
Research and development	48	210
Selling, general and administrative	2,692	1,942
Total operating costs and expenses	20,063	5,228
Interest expense (income), net	3,315	(481)
Other expense	(13)	(32)
Total other expense	3,302	(513)
Net loss	\$ (23,365)	\$ (4,715)

PureCycle Technologies, LLC.

CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY

(Unaudited)

	For the nine months ended September 30, 2023		
<i>(in thousands)</i>	LLC Member Interest	Accumulated deficit	Total Member's Equity
Balance, December 31, 2022	\$ 223,387	\$ (126,585)	\$ 96,802
Net Loss	—	(6,685)	(6,685)
Balance, March 31, 2023	\$ 223,387	\$ (133,270)	\$ 90,117
Net Loss	—	(12,929)	(12,929)
Balance, June 30, 2023	\$ 223,387	\$ (146,199)	\$ 77,188
Net Loss	—	\$ (23,365)	(23,365)
Balance, September 30, 2023	\$ 223,387	\$ (169,564)	\$ 53,823

	For the nine months ended September 30, 2022		
<i>(in thousands)</i>	LLC Member Interest	Accumulated deficit	Total Member's Equity
Balance, December 31, 2021	\$ 223,387	\$ (104,276)	\$ 119,111
Net Loss	—	(5,480)	(5,480)
Balance, March 31, 2022	\$ 223,387	\$ (109,756)	\$ 113,631
Net Loss	—	(5,459)	(5,459)
Balance, June 30, 2022	\$ 223,387	\$ (115,215)	\$ 108,172
Net Loss	—	(4,715)	(4,715)
Balance, September 30, 2022	\$ 223,387	\$ (119,930)	\$ 103,457

PureCycle Technologies, LLC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Nine months ended September 30,	
	2023	2022
Cash flows from operating activities		
Net loss	\$ (42,979)	\$ (15,654)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation expense	13,149	1,935
Accretion of debt instrument discounts	192	177
Amortization of debt issuance costs	621	569
Operating lease amortization	874	126
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(4,837)	(1,723)
Prepaid expenses and other non-current assets	135	24
Accounts payable	982	1,031
Accrued expenses	1,619	1,505
Accrued interest	6,019	324
Operating right-of-use liabilities	(686)	(122)
Net cash used in operating activities	<u>\$ (24,911)</u>	<u>\$ (11,808)</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(71,818)	(124,628)
Net cash used in investing activities	<u>\$ (71,818)</u>	<u>\$ (124,628)</u>
Cash flows from financing activities		
Due to Parent	93,777	39,216
Payments on capital leases	(23)	(31)
Net cash provided by financing activities	<u>\$ 93,754</u>	<u>\$ 39,185</u>
Net (decrease) increase in cash and restricted cash	(2,976)	(97,251)
Cash and restricted cash, beginning of year	173,732	229,561
Cash and restricted cash, end of year	<u>\$ 170,756</u>	<u>\$ 132,310</u>
Supplemental disclosure of cash flow information		
Non-cash operating activities:		
Interest paid during the period, net of capitalized interest	\$ 650	\$ 650
Non-cash investing activities:		
Additions to property, plant, and equipment in accrued expenses	\$ 14,968	\$ 19,586
Additions to property, plant, and equipment in accounts payable	\$ 422	\$ 367
Additions to property, plant, and equipment in accrued interest	\$ —	\$ 4,271

PureCycle Technologies, LLC.

BUDGET TO ACTUAL

For the Quarter Ended September 30, 2023					
	Actual	Budget	\$ Variance	% Variance	Explanations
(in thousands)	favorable / (unfavorable)				
Costs and expenses					
Operating costs	\$ 17,323	\$ 16,617	\$ (706)	(4) %	~\$5.3M unfavorable non-cash depreciation expense, offset by favorable variances in variable costs due to production delays.
Research and development	48	40	(8)	(20) %	immaterial for review
Selling, general and administrative	2,692	5,456	2,764	51 %	~\$2M favorable for shared services allocation vs. budget for Q3
Total operating costs and expenses	20,063	22,113	2,050	9 %	
Interest expense, net	\$ 3,315	\$ 4,872	\$ 1,557	32 %	\$4.8M of interest expense offset by \$1.6M of interest income
Other expense	(13)	—	13	100 %	immaterial for review
Total other expense, net	\$ 3,302	\$ 4,872	\$ 1,570	32 %	
Net loss	\$ (23,365)	\$ (26,985)	\$ 3,620	13 %	

PureCycle Technologies, LLC.

COVENANT COMPLIANCE

Days Cash on Hand: >75	As of September 30, 2023	
Cash on Hand ¹	\$	102,970
Operating Expenses ²		(11,275)
Debt Service for Period ³		—
Total Operating Expenses + Debt Service	\$	(11,275)
Daily Cash Required ⁴		123
Days Cash on Hand		840 pass

Minimum Cash Required (at least \$100M)	As of September 30, 2023	
Cash & cash equivalents	\$	780
Liquidity Escrow Reserve		51,186
PureCycle Trustee Account		51,003
Operating Revenue Escrow Fund		273
Total Cash	\$	103,242 pass

¹ Cash on hand includes the following amounts: Unrestricted cash & cash equivalents, the PureCycle Trustee Account, and the Operating Revenue Fund

² Operating expenses include all operating costs except for depreciation and amortization

³ None for Q2 2023

⁴ Daily cash required = (total operating expenses + debt service) / days in period