

January 7, 2019



Pure Cycle Corporation Announces First Fiscal Quarter 2019 Financial Results

DENVER, CO / ACCESSWIRE / January 7, 2019 /Pure Cycle Corporation (NASDAQ: PCYO) today reported financial results for its fiscal quarter ended November 30, 2018.

"We are pleased to report our results for the three months ended November 30, 2018. During the first quarter, we continued to focus on developing lots at Sky Ranch and looking forward to the first model home construction by our contracted builders beginning later this month. In addition to our Land Development activities at Sky Ranch we continued to add capacity to our water and wastewater systems for service to Sky Ranch and our industrial frack water customers," commented Mark Harding, President of Pure Cycle Corporation.

The following table summarizes the results of operations for the three months ended November 30, 2018 and 2017:

In 000's (except per share)

	Three Months Ended November 30,			
	2018	2017	\$ Change	% Change
Water & wastewater	\$ 1,377	\$ 934	\$ 443	47%
Water tap fees recognized	255	50	205	100%
Lot sales	1,381	-	1,381	100%
Other	60	26	34	131%
Total revenues	3,073	1,010	2,063	204%
Cost of revenues	(1,827)	(495)	(1,332)	(269%)
Gross profit	1,246	515	731	142%
Operating expenses:				
General and administrative	(639)	(661)	22	3%
Other	(88)	(54)	(34)	(63%)
Income (loss) from operations	519	(200)	719	360%
Other income (expense):				
Oil and gas lease and royalty income, net	46	51	(5)	(10%)
Other income	71	54	17	31%
Other expenses	(2)	(2)	-	-
Net income (loss) from operations before income taxes	634	(97)	731	754%
Income tax expense (benefit)	-	-	-	-
Net income (loss)	\$ 634	\$ (97)	\$ 731	754%
Income (loss) per share	\$ 0.03	*	\$ 0.03	-

(*) Amount is less than \$.01

Revenues increased approximately 204% to approximately \$3.1 million during our first fiscal quarter of 2018. The increase is primarily attributable to lot sales and water and wastewater tap sales at Sky Ranch and frack water sales.

Our summarized financial position as of November 30, 2018 and August 31, 2018 is as follows:

In 000's

	November 30, 2018	August 31, 2018	\$ Change
Assets			
Cash, cash equivalents and short-term investments	\$ 12,299	\$ 20,283	\$ (7,984)
Other current assets	12,652	7,635	5,017
Total current assets	24,951	27,918	(2,967)
Long-term investments	-	190	(190)
Investments in water and water systems, net	38,910	36,722	2,188
Land and mineral interests	4,775	4,660	115
Other long-term assets	2,510	2,417	93
Total assets	<u>\$ 71,146</u>	<u>\$ 71,907</u>	<u>\$ (761)</u>
Liabilities and Shareholders' Equity			
Current liabilities	\$ 483	\$ 2,054	\$ (1,571)
Other long-term liabilities	382	400	(18)
Total liabilities	865	2,454	(1,589)
Total shareholders' equity	70,281	69,453	828
Total liabilities and shareholders' equity	<u>\$ 71,146</u>	<u>\$ 71,907</u>	<u>\$ (761)</u>

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and other applicable securities laws. Forward-looking statements are all statements, other than statements of historical facts, included in this press release that address activities, events or developments that we expect or anticipate will or may occur in the future, such as statements about the timing of the first model home construction by our contracted builders. The words "anticipate," "likely," "may," "should," "could," "will," "believe," "estimate," "expect," "plan," "intend," and similar expressions are intended to identify forward-looking statements. Investors are cautioned that forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause actual results to differ materially. Factors that could cause actual results to differ from projected results include the risk factors discussed in Part I, Item 1A of our most recent Annual Report on Form 10-K and those factors discussed from time to time in our press releases, public statements and documents filed or furnished with the U.S. Securities and Exchange Commission. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated or intended. Except as required by law, we disclaim any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Company Information

Pure Cycle owns water assets in the State of Colorado in the Denver, Colorado metropolitan area. Pure Cycle provides wholesale water and wastewater services to customers located in the Denver metropolitan area including the design, construction, operation and maintenance of water and wastewater systems.

Additional information including our recent press releases and Annual Reports are available at www.purecyclewater.com, or you may contact our President, Mark W. Harding, at 303-292-3456 or at info@purecyclewater.com.

SOURCE: Pure Cycle Corporation