



PURE CYCLE CORPORATION

YEAR END 2023 PRESENTATION

Presented by: Mark Harding



FORWARD-LOOKING STATEMENTS

Statements that are not historical facts contained or incorporated by reference in this presentation are “forward-looking statements” (“FLS”) within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934 as amended. FLS involve risks and uncertainties that could cause actual results to differ from projected results. The words “anticipate,” “believe,” “estimate,” “expect,” “plan,” “intend” and similar expressions, as they relate to us, are intended to identify FLS. Such statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. We are not able to predict all factors that may affect future results. We cannot assure you that any of our expectations will be realized. Our actual results could differ materially from those discussed in or implied by these forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such FLS include, without limitation: the risk factors discussed in our most recent Annual Report on Form 10-K; the timing of new home construction and other development in the areas where we may sell our water, which in turn may be impacted by credit availability; population growth; employment rates; general economic conditions; the market price of water; changes in customer consumption patterns; changes in applicable statutory and regulatory requirements; changes in governmental policies and procedures; uncertainties in the estimation of water available under decrees; uncertainties in the estimation of costs of delivery of water and treatment of wastewater; uncertainties in the estimation of the service life of our systems; uncertainties in the estimation of costs of construction projects; uncertainties in the amount and timing of reimbursable public improvement payments; uncertainty in the single family home rental market and our ability to rent homes in a timely manner or at the amount we project; the strength and financial resources of our competitors; our ability to find and retain skilled personnel; climatic and weather conditions, including flood, droughts and freezing conditions; labor relations; availability and cost of labor, material and equipment; delays in anticipated permit and construction dates; environmental risks and regulations; our ability to raise capital; our ability to negotiate contracts with new customers; and uncertainties in water court rulings; and other factors discussed from time to time in our press releases, public statements and documents filed or furnished with the SEC.

ANNUAL REVIEW: CHARTING THE COURSE FORWARD

1 REFLECTING ON OUR STRATEGIES

2 MEASURING OUR PERFORMANCE

3 ASSETS TRAJECTORY

4 CLEAR OBJECTIVES & CAPITAL PLAN

REFLECTING ON OUR STRATEGIES

Visionary Leadership of a Strong and Dedicated Team



LEADERSHIP & DEDICATED TEAM



STRONG DIVERSIFIED BOARD WITH
DECADES OF INDUSTRY EXPERIENCE



COMPLIMENTARY SEGMENTS



STRATEGIC INVESTMENT AND STRONG
ASSET PORTFOLIO



EFFECTIVE LEADERSHIP



MARK W. HARDING

President, CEO, and Director

Mark is an exceptional leader who has significantly shaped Pure Cycle's success. Under his 33 year tenure, the company has successfully acquired over \$130 million in water and land interests. His vision and strategic acumen have been instrumental in the company's growth and impact.



MARC SPEZIALY

VP, CFO, Principal Accounting Officer, Principal Financial Officer

Marc brings over 20 years of financial expertise. He manages our financial operations and single-family rentals. Marc obtained his bachelor's degree in Accounting and Finance from the University of San Francisco and is a licensed Certified Public Accountant.



SCOTT LEHMAN

Vice President, Engineering

Scott brings four decades of experience as a Professional Engineer (PE) to the role. His expertise encompasses planning, design, construction, and operation of water and wastewater systems. With educational foundations from the University of Colorado and Stanford University, he plays a pivotal role in shaping our strategies and operations in this vital sector.



DIRK LASHNITS

Vice President, Land Development

Dirk is a seasoned leader with a Civil Engineering background and over two decades of local land development experience. He skillfully guides land development, entitlements, and construction, playing a vital role in advancing corporate objectives, risk management, and project success.

Dedicated Team

90%

Employee Retention in 2023¹

¹ Retention rate is calculated for employees with 1+ year tenure

WE OPERATE MULTIPLE COMPLIMENTARY SEGMENTS



WATER & WASTEWATER

Water and Wastewater Resource Development Segment

- Own nearly 30K acre-feet of water rights (surface and ground water)
- Sustainable water rights we estimate can serve up to 60,000 SFEs
- Denver metro land development requires developers to have water service as a condition of zoning, offering us a competitive edge
- Provide industrial and oil and gas customers with water
- Own and reuse our reclaimed water



LAND DEVELOPMENT

Land Development Segment

- Own highly-appreciated property in attractive and easily accessible I-70 Corridor of Denver, Colorado
- Developing nearly 930 acres of a full Master Planned community known as Sky Ranch
- Sky Ranch can have around 3,200 residential units and over 2 million square feet of retail, commercial and industrial uses (Equivalent of 1,800 residential units)
- Developing residential and commercial land for which we are the sole water and wastewater service provider



SINGLE-FAMILY RENTALS

Single-Family Home Rentals

- Build single family homes in the Denver metro area in neighborhoods we are developing
- Receive rental income in growing housing market
- Benefit from immediate asset appreciation and positive cash flows
- Provide water and wastewater service to rental properties

STRONG ASSET PORTFOLIO

WATER/WASTEWATER

- \$40m in Water Systems
 - \$9.5m in Waste Water Systems
 - \$14.6m Water Rights Portfolio
-
- \$64m Total Water Assets

Our water rights portfolio can provide water to as many as 60,000 connections. This would allow ample room for growth within our current water system, which presently supports roughly 2,500 connections.

LAND DEVELOPMENT

- \$4.43m of Land for Development

Land used for developing the 930 acre Sky Ranch Community which can accommodate up to 3,200 residential lots and up to 2M sq. ft. of commercial development 15 miles east of downtown Denver and 4 miles south of DIA

SINGLE FAMILY RENTALS

- \$5.4m in Constructed Rental Assets
- \$7.2m Fair Market Value of Homes

Pure Cycle contracts to build single family homes in it's Sky Ranch Master Planned Community to hold for rentals. Lot development costs fully recovered (horizontal costs and tap fees) Each unit covers financing costs and provides positive cash flows Segment provides excellent asset appreciation positive cash flows.

MEASURING OUR PERFORMANCE

Financial Results and Key Performance Indicators



FINANCIAL RESULTS



PERFORMANCE METRICS

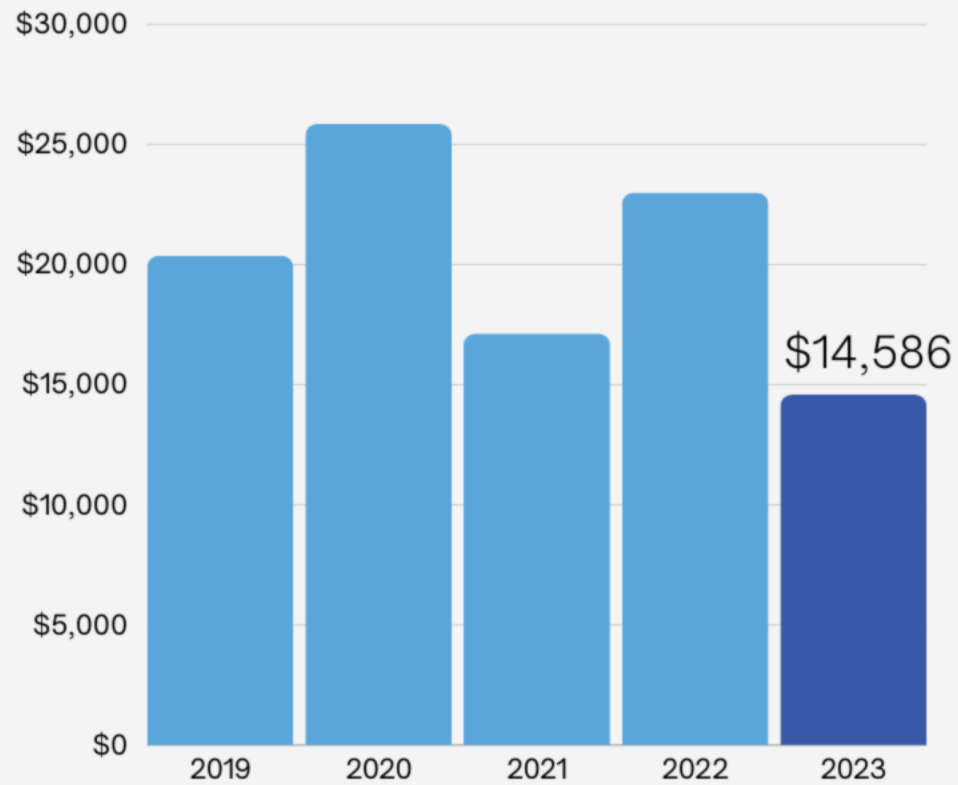


MAJOR LEARNINGS

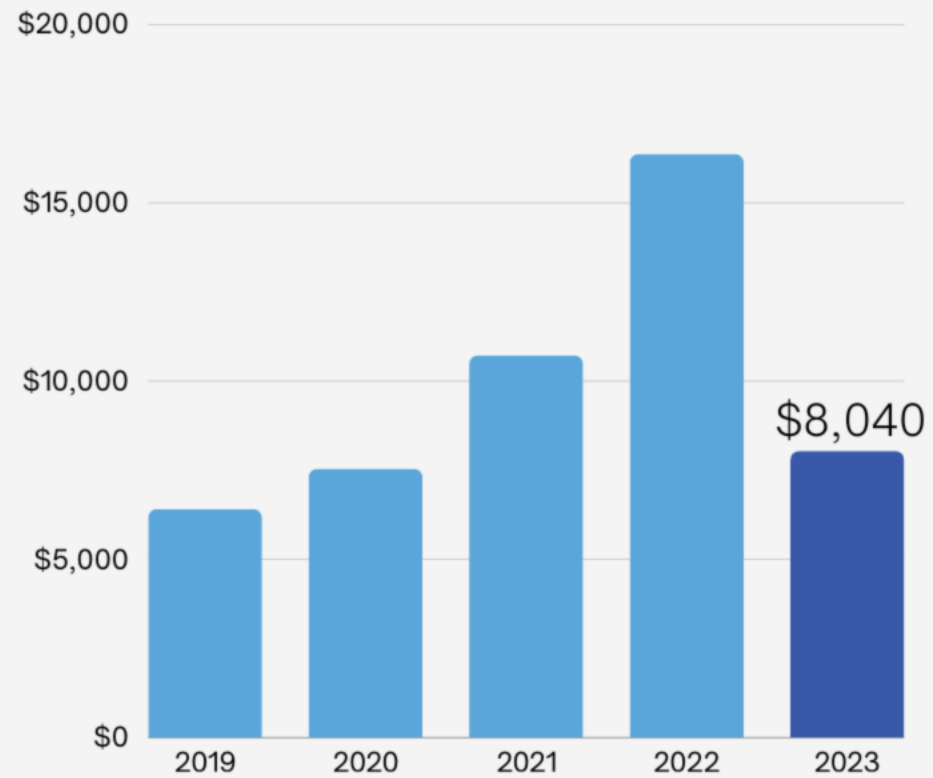


Financial Results

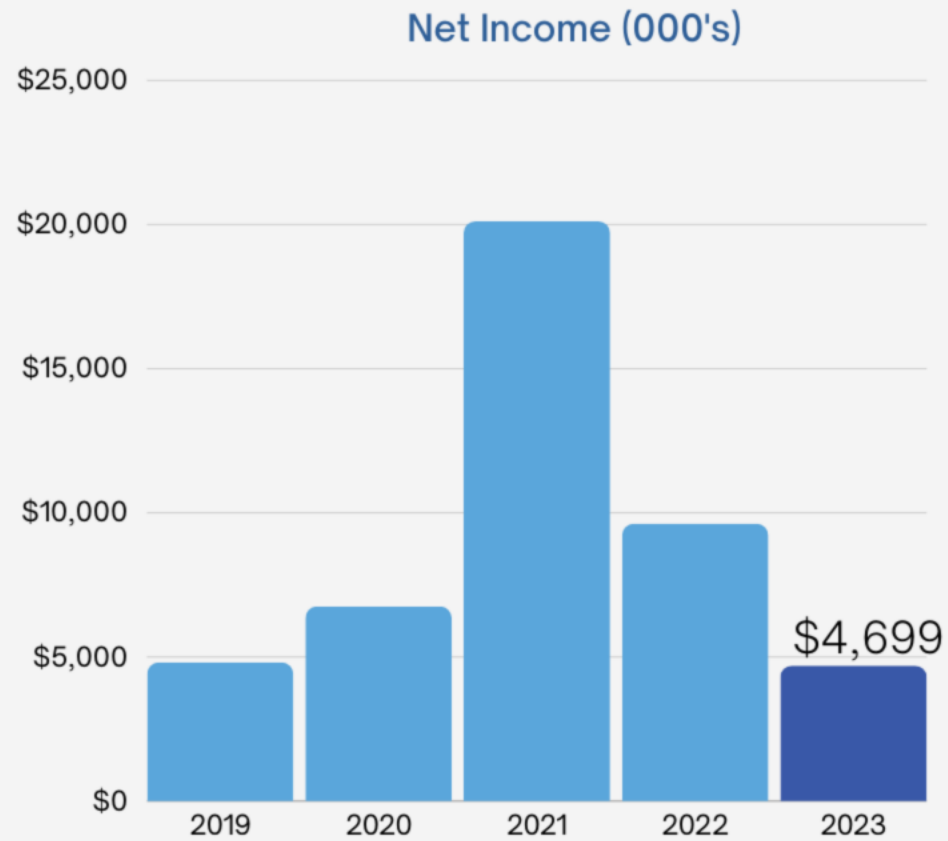
Revenue (000's)



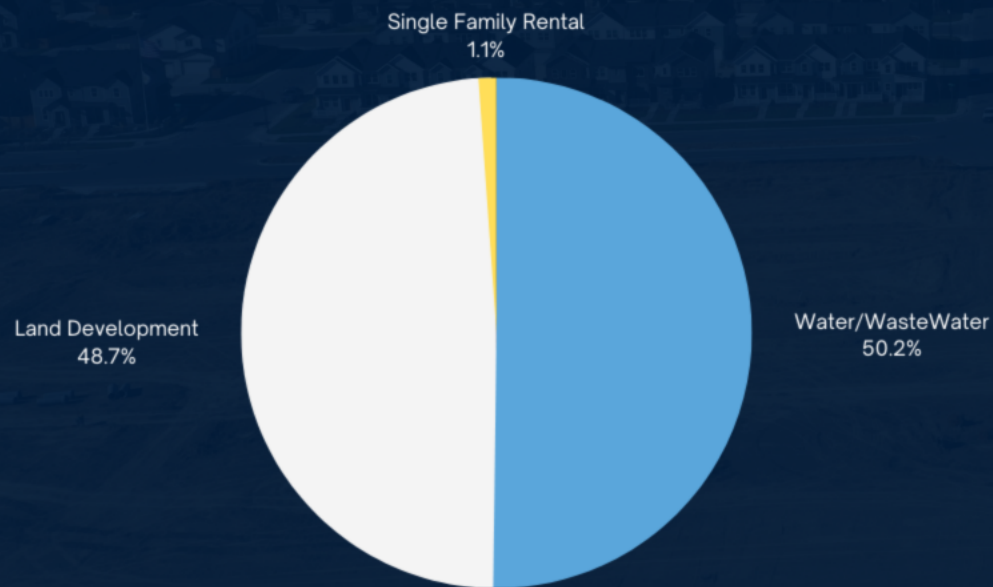
Gross Profit (000's)



Financial Results



MEASURING OUR PERFORMANCE



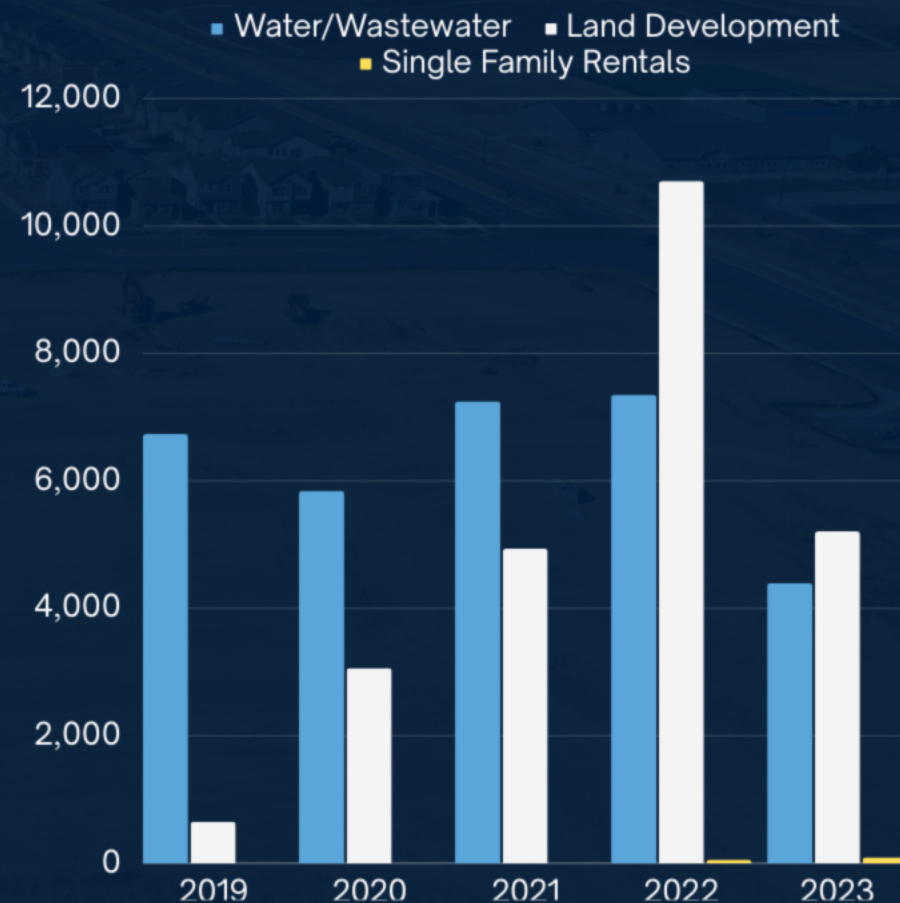
REVENUE BY SEGMENT

WATER
60%¹
Gross Margin

LAND DEV
73%
Gross Margin

SFR
56%
Gross Margin

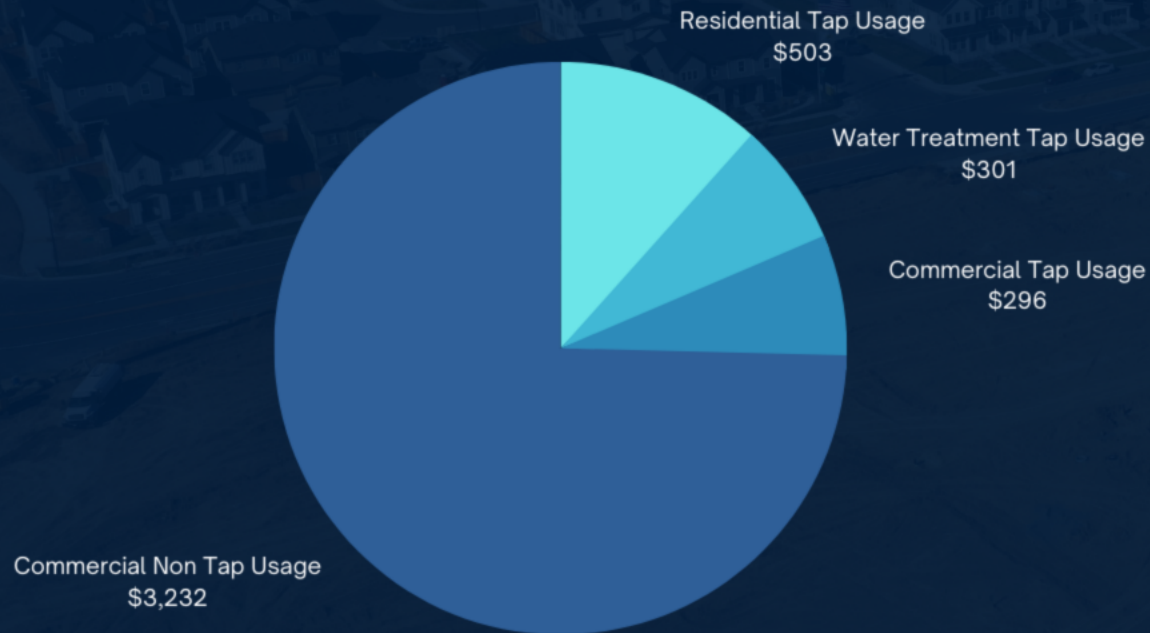
GROSS PROFIT BY YEAR BY SEGMENT (000'S)



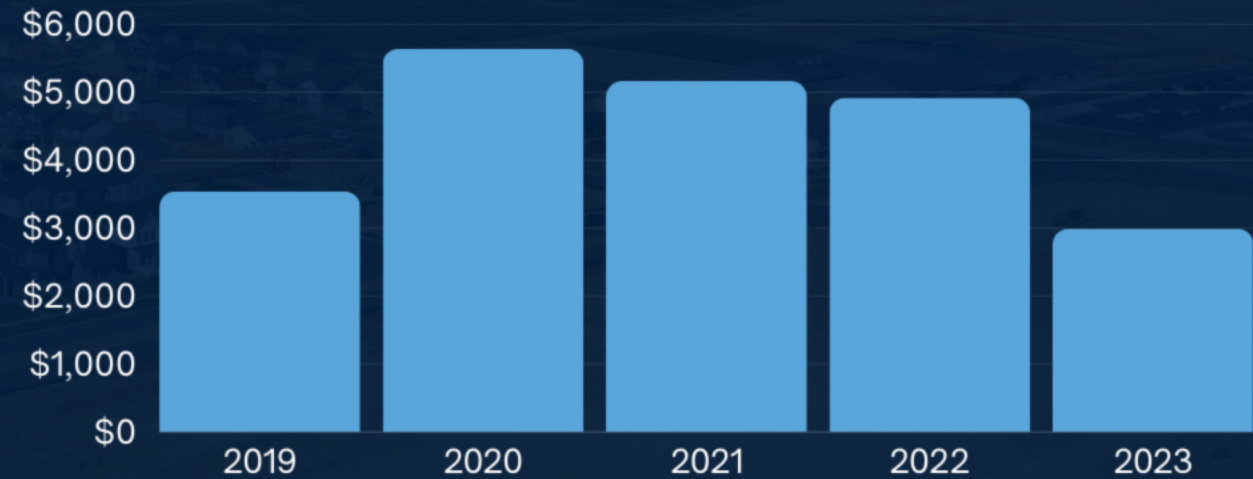
¹ Gross Margin for Water and Wastewater excludes depreciation

WATER/WASTEWATER

WATER USAGE REVENUE (000'S)



ANNUAL TAP FEES (000'S)

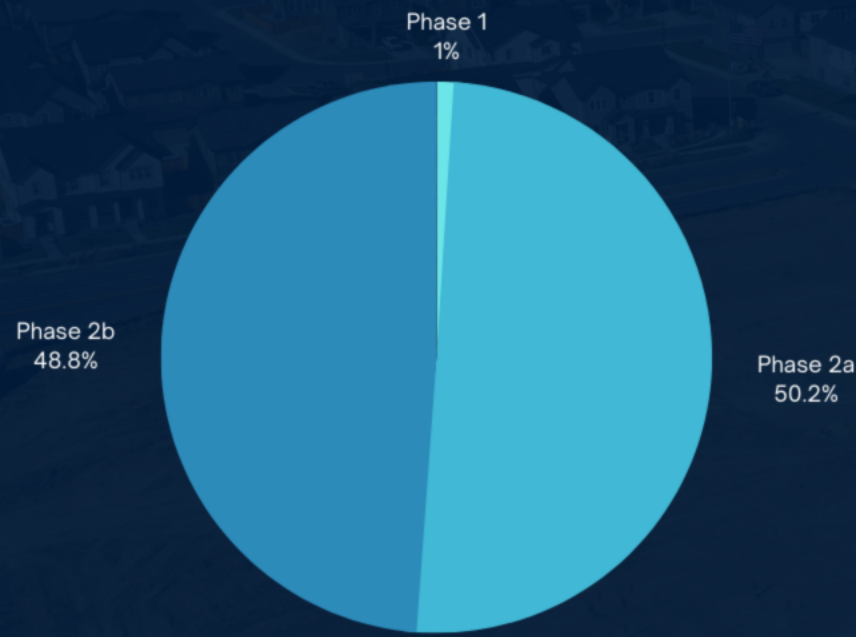


RECURRING CUSTOMER GROWTH

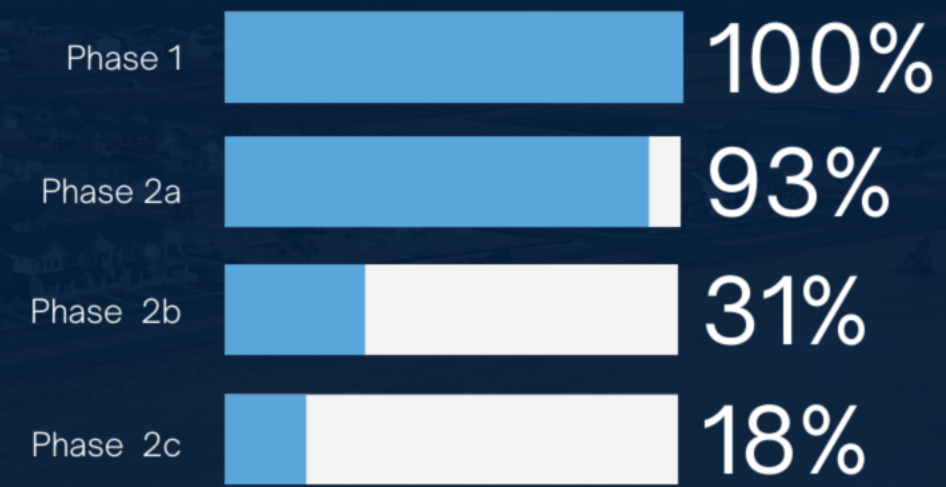


LAND DEVELOPMENT

2023 LAND DEVELOPMENT REVENUE



SKY RANCH DEVELOPMENT PROGRESS



LAND DEVELOPMENT REVENUE BY YEAR (000'S)



SINGLE FAMILY RENTALS

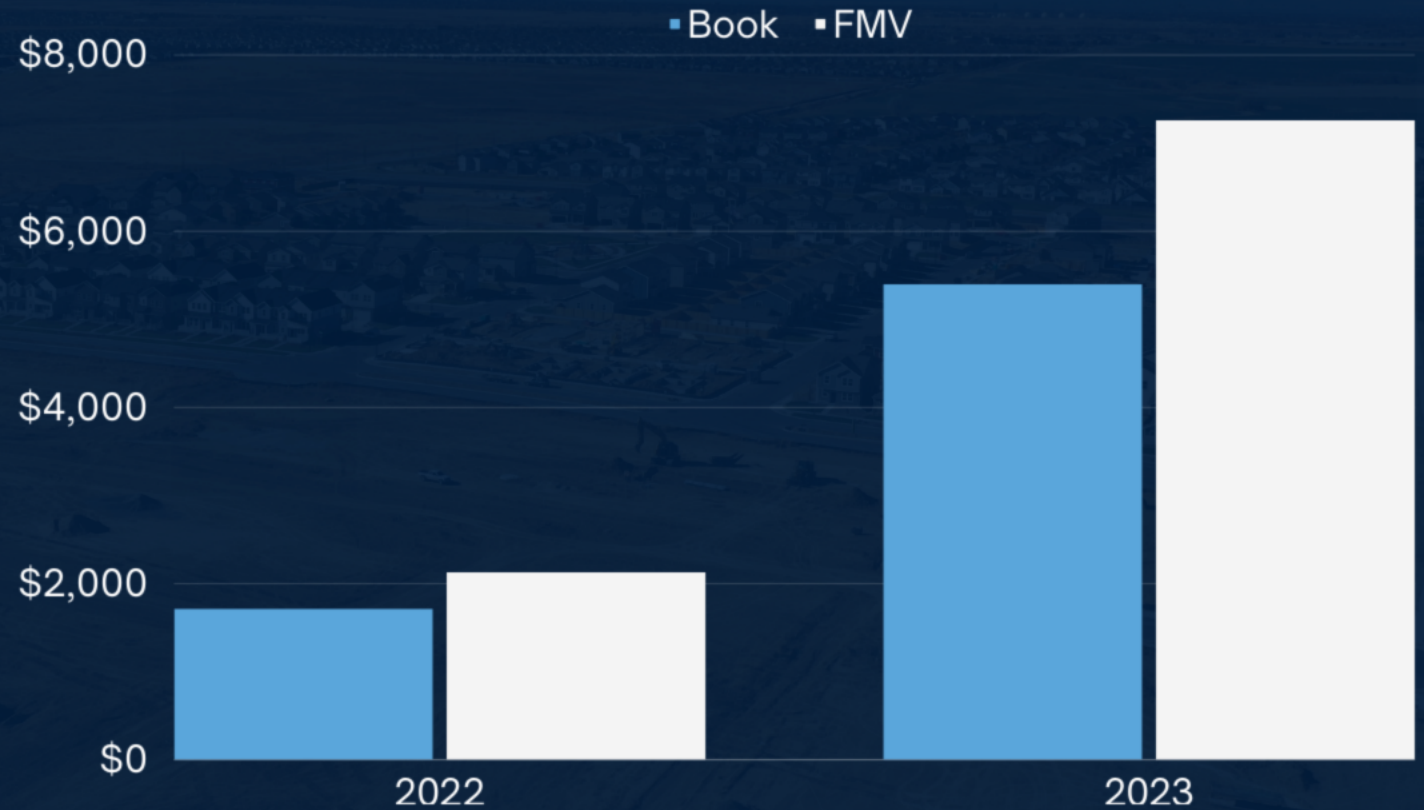
REVENUE 2023

\$165,000

HOMES COMPLETED

14

BOOK ASSETS & FMV (000'S)



ASSETS TRAJECTORY

Portfolio Utilization and Projections



WATER CUSTOMERS & CAPACITY



OIL & GAS INFRASTRUCTURE



WATER PRODUCTION CAPACITY



TAP FEES - WATER PORTFOLIO



LAND DEVELOPMENT PROJECTIONS



SINGLE FAMILY RENTAL PROJECTIONS

WELL POSITIONED AGAINST GROWING OPPORTUNITIES

Water & Wastewater

WATER PORTFOLIO - 60,000 CONNECTIONS
WATER SYSTEMS CAN SERVICE 3,600 TAPS
STATE OF THE ART WASTEWATER FACILITY



Land Development

930 ACRE MASTER DEVELOPMENT
UP TO 3,200 RESIDENTIAL LOTS
UP TO 2M SQFT OF COMMERCIAL
DEVELOPMENT



Single Family Rentals

14 COMPLETED/RENTED HOMES
200 PLANNED HOMES IN SKY RANCH
EXPANDING OUR PRODUCT MIX TO INCLUDE:
FRONT LOAD DETACHED HOMES
PAIRED HOMES
ALLEY LOAD HOMES



WATER AND WASTEWATER CUSTOMERS AND CAPACITY

CUSTOMERS

EXISTING RESIDENTIAL

SKY RANCH PHASE 1
All taps sold for 509 homes (4 are our SFRs)

SKY RANCH PHASE 2A
192 taps sold as of year end (10 are our SFRs)

ELBERT AND HWY 86
More than 200 residents

NEW RESIDENTIAL

Residential water and wastewater customers added with every new phase at Sky Ranch

Avg. residential customer generates \$1,500 per year in revenue

EXISTING COMMERCIAL

Elbert and Hwy 86 commercial customers include a Walmart, carwash, and fitness center

3 parks and additional irrigated space for Sky Ranch, paid by the Sky Ranch CAB

More irrigated space to come in Phase 2A in 2023

Largest commercial customers are oil and gas operators

NEW COMMERCIAL

Future Sky Ranch commercial phases to include the equivalent of 1,800 taps

More parks, irrigated space, and amenities will be added to the Sky Ranch Community

TOTAL CUSTOMERS 1326

CAPACITY

WILD POINTE



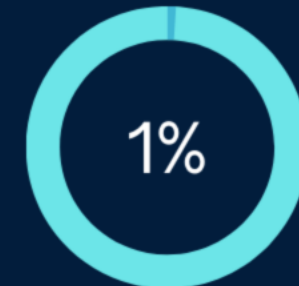
173 Residential
71 Commercial/Irr.

SKY RANCH



705 Residential
135 Commercial/Irr.

LOWRY



0 Residential
242 Commercial/Irr.

WE PROVIDE RAW WATER TO O&G OPERATORS FOR DRILLING

With existing systems, we are able to provide water to O&G operators.

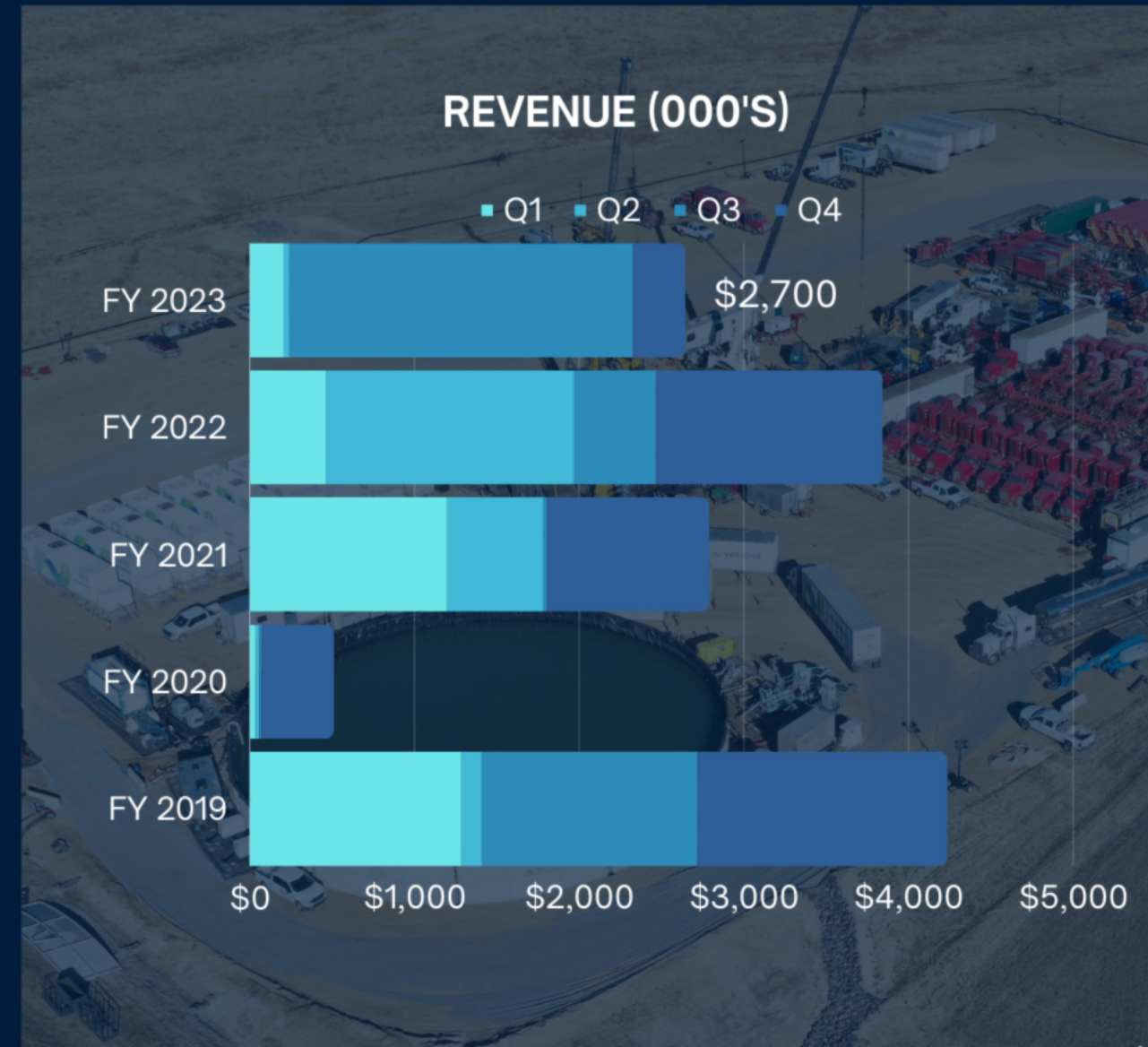
We have also made strategic investments in our system to further our ability to provide water when it is needed, where it is needed in the future.

**120 WELLS
DRILLED TO
DATE**

**OIL RIG CAN DRILL
20 WELLS PER
YEAR**

**AVERAGE
\$250,000 OF
WATER SALES
PER WELL**

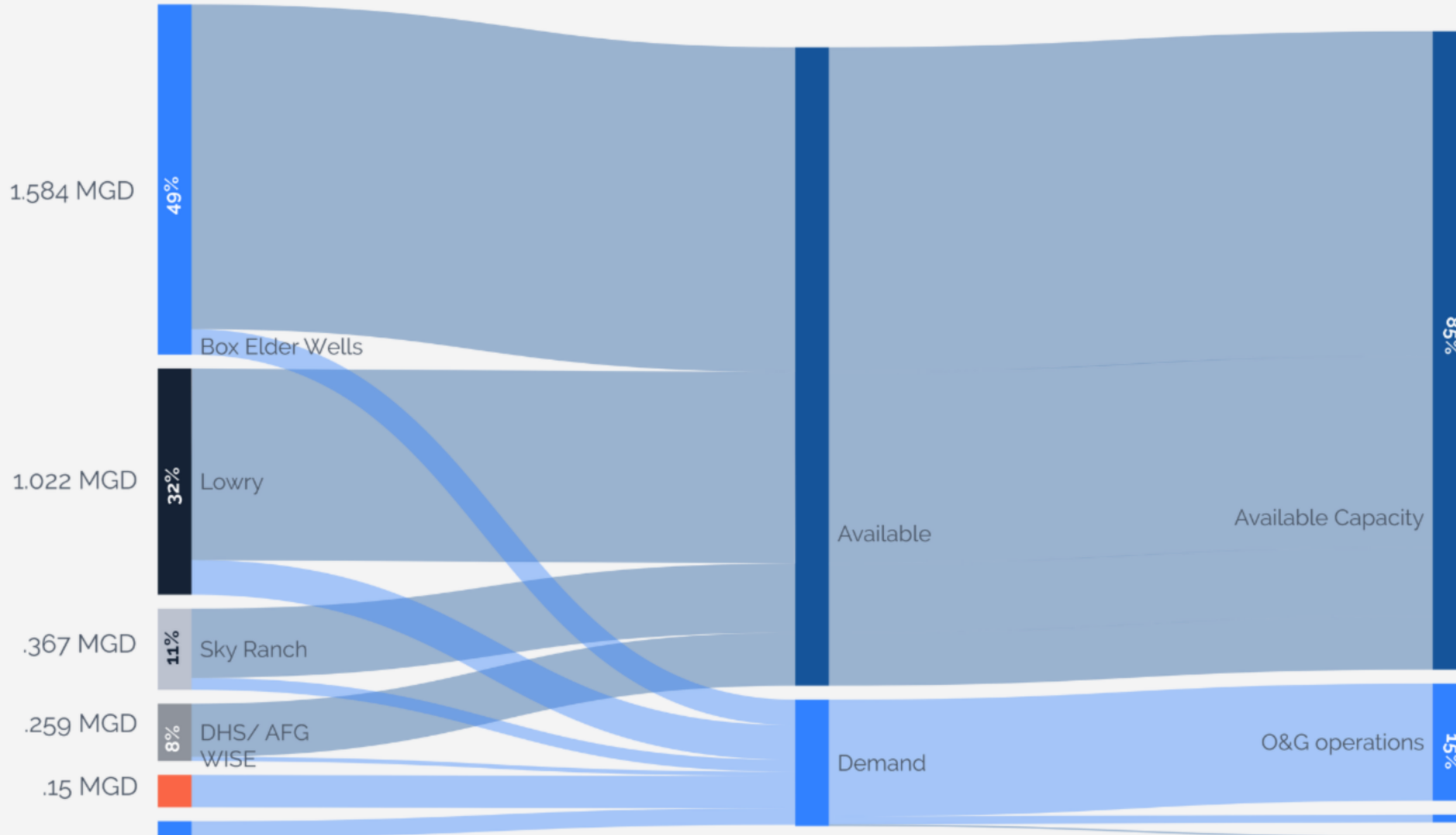
**WE CAN PROVIDE
WATER TO MORE THAN
200 SQUARE MILES IN
ADAMS & ARAPAHOE
COUNTIES**



CURRENT SYSTEM CAPACITY

Supply

3.232 Total MGD From Wells



Demand

Results

Potential of ~ \$88m in water revenues at developed capacity

The remaining supply available for use for future tap capacity is ~2.88 MGD with the potential to generate an additional \$18m annual revenue.

An annual average MGD of .491 produced revenue of \$3.1m

TAP FEES - PORTFOLIO CAPACITY (60,000)

Supply

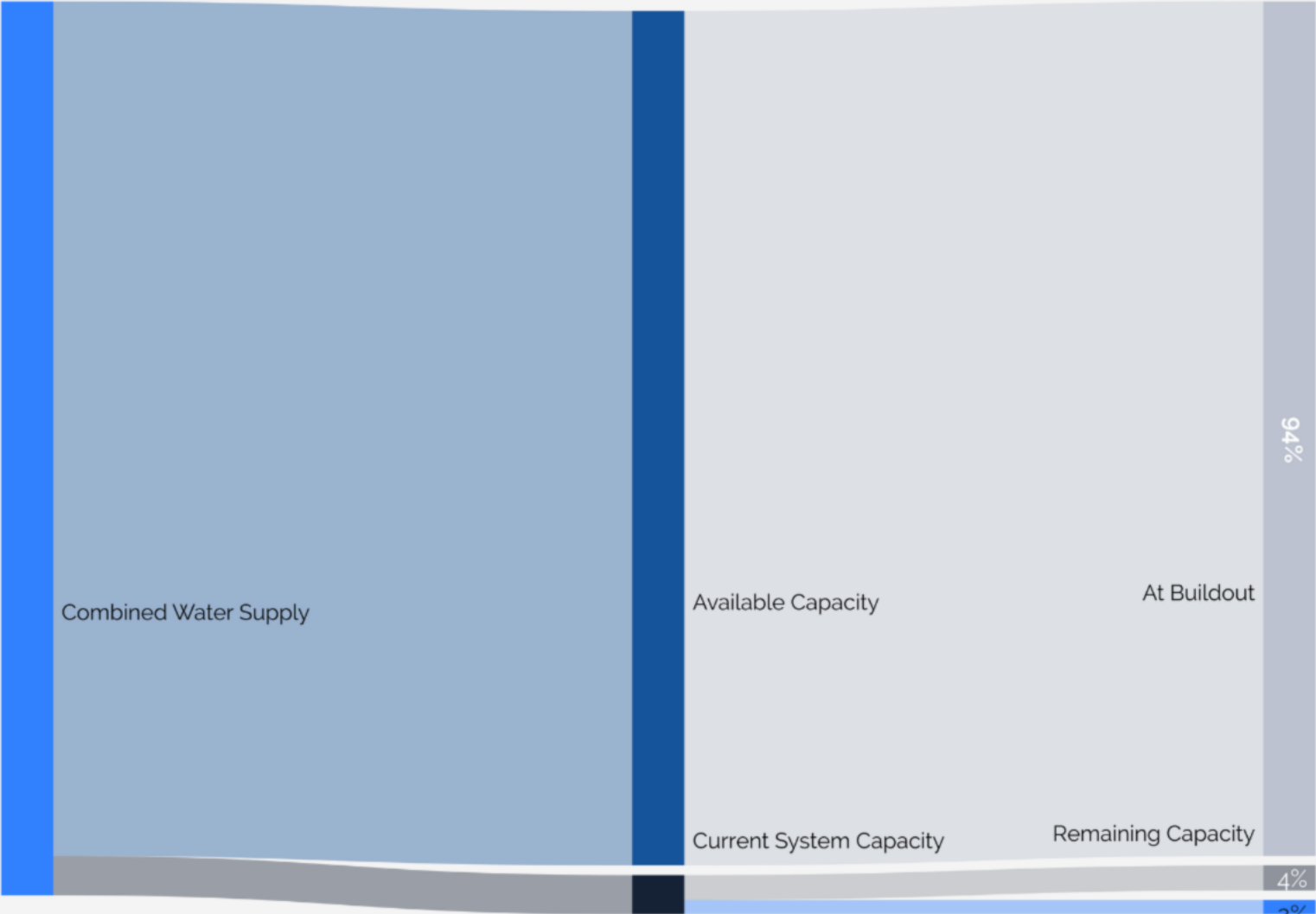
30,000 Acre Feet

Demand/Capacity

60,000 Connections

Results

\$2.3 Billion



We own or control the water rights and infrastructure required to withdraw, treat, store, deliver and collect water and wastewater for an estimated 60,000 single-family equivalents (SFEs) at buildout

The current system supports roughly ~ \$95.5m in tap revenues.

4% 2,500 Taps } 6%
2% 1,136 Taps }

SKY RANCH CAPACITY PROJECTIONS

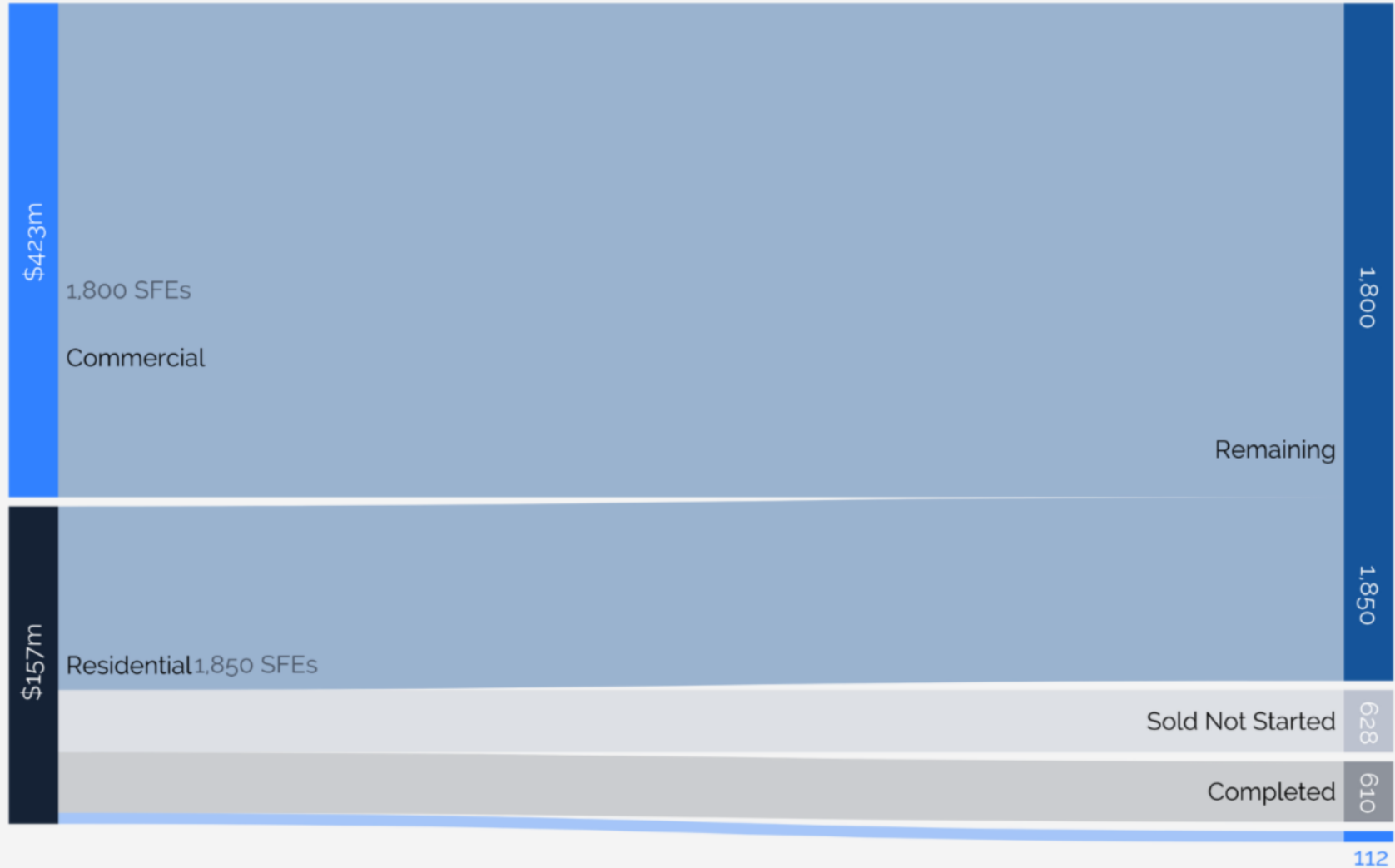
Development

\$580m

Progress

5,000 SFEs

Results



Sky Ranch is zoned to accommodate up to 3,200 single- and multi-family homes, and over 2 million square feet of retail, commercial, and light industrial space – which is the equivalent of 1,800 residential lots for a total of 5,000 SFEs

The first 2 development phases of Sky Ranch have generated ~ \$55m in lot Revenue with and ~ \$44m in reimbursable costs with ~ \$34m reimbursed to date

The remaining development phases are estimated to produce \$167m from residential lots and \$432m from commercial development.

SINGLE FAMILY RENTALS - SKY RANCH

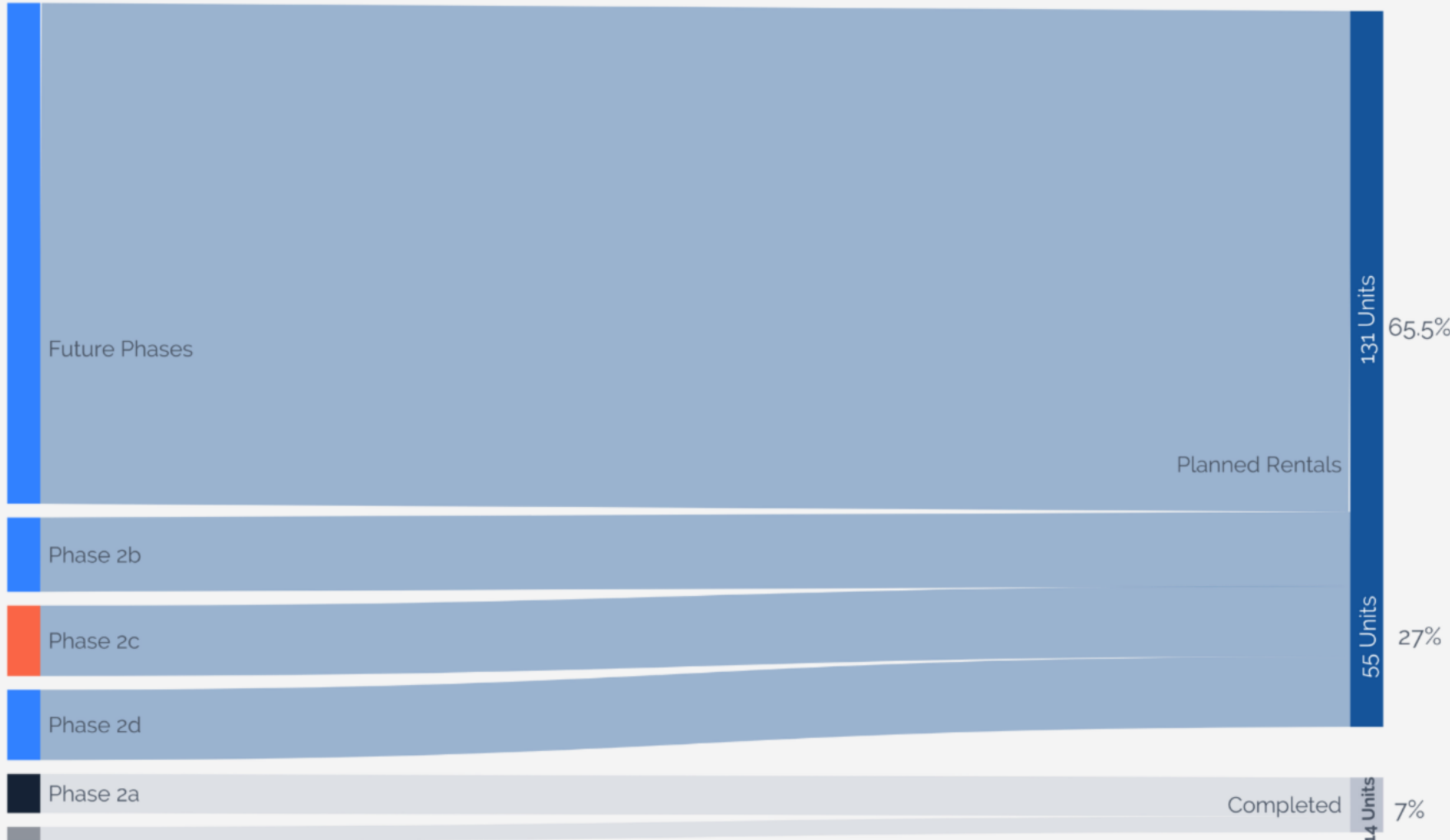
Annual Revenues

\$6.6 million

Progress

200 Units

Results



Strategy is to retain the equity value in the land and water and deliver affordable rental units in our Sky Ranch Master Planned Community

Each unit delivers positive cash flows with a 65% LTV

On average each unit carries \$170,000 fair market value equity roll forward

Single Family Rentals - Operations and Cash Flows

SFR PROJECTIONS (000'S)	ACTUAL RESULTS 14 UNITS	AVG PER HOM/YR	PROJECTED TO PHASE 2 83 UNITS HOMES/YR	PROJECTED TO 200 HOMES /YR
RENTAL INCOME	\$459	33	2,722	6,560
DIRECT OPERATING COSTS	168	12	996	2,400
INTEREST AND DEPRECIATION EXPENSE	174	12	1,029	2,480
NET	\$118	\$8	\$697	\$1,680
ADD BACK NON-CASH ITEMS	129	9	764	1,840
CASH FLOWS BEFORE G&A & TAX	\$246	\$18	\$1,461	\$3,520

Key Takeaways

1

Executing our strategic approach to growing our integrated water utility, land development, and single-family rentals to maximize returns for years to come

2

Strengthening our ability to take advantage of investment opportunities and single-family rentals while systematically developing in land and water

3

Clear path to maximize returns with our large asset portfolio with low cost based assets in each segment allowing us to generate above market returns and substantial organic growth year after year

GROSS MARGIN **55%**

ROA¹ **13.09%**

ASSET CAGR **9.73%**
5 Years

CLEAR OBJECTIVES AND CAPITAL PLAN

Clear Objectives to Measure Strategy's Success



MEASURABLE OBJECTIVES



IMPORTANT UPDATES



CORPORATE INFORMATION

STOCK REPURCHASE PROGRAM UPDATE

As announced in the press release on November 14, 2022, our board approved an open-ended stock repurchase program which authorizes our CEO and CFO to repurchase up to 200,000 shares in the open market. 20,000 shares have been purchased to date

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchase as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
September 2023	15,000	\$10.06	15,000	185,000
October 2023	5,000	\$9.49	5,000	180,000
Total	20,000	\$9.78	20,000	180,000

Board of Directors

Mark W. Harding

President and CEO

Patrick J. Beirne

Chair of the Board

Wanda J. Abel

Director and Chair of the
Nominating and Governance
Committee

Marc Spezialy

Vice President and CFO

Peter C. Howell

Director and Chair of the Audit
Committee

Daniel R. Kozlowski

Director and Chair of the
Compensation Committee

Jeffrey G. Sheets

Director

Fredrick A. Fendel III.

Director

PURE CYCLE CORPORATION

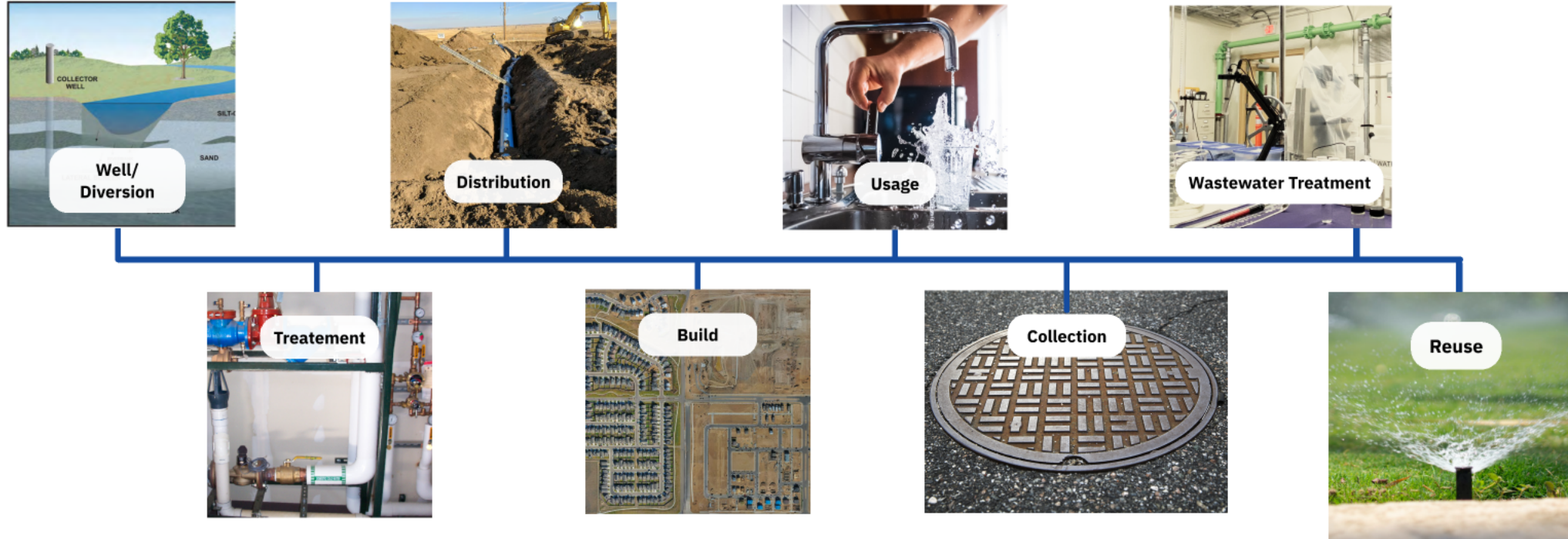
Q&A



APPENDIX

An aerial photograph of a large, modern suburban housing development. The houses are arranged in neat rows, featuring two-story designs with grey and white siding and dark grey roofs. Many homes have attached garages. The development is bordered by a paved road on the left and a street with a few cars on the right. In the background, there are open fields and distant mountains under a clear blue sky. The word 'APPENDIX' is written in large, white, bold, sans-serif capital letters across the center of the image.

Wholesale Water & Wastewater



Well/Diversion

- Vertically integrated, meaning we own, treat and sell water then collect, treat, and reuse wastewater
- Own and control nearly 30K acre feet of water
- Own rights to surface reservoir storage assets

Build

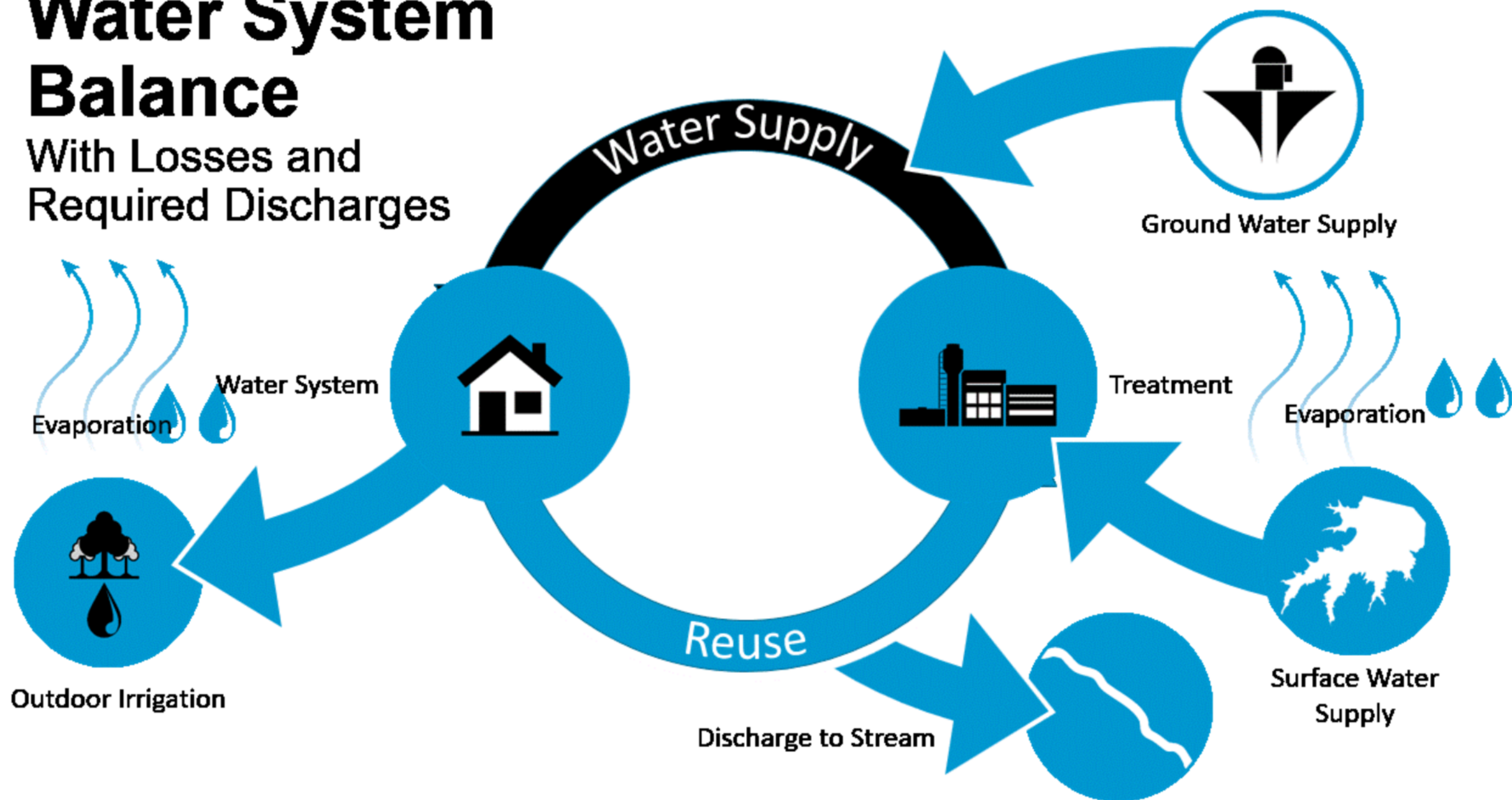
- Capacity to serve 60,000 taps
- Capital Capacity = \$2.3 billion
- One-Time Connection Fees:
- Water tap = \$30,977
- Sewer tap = \$7,250

Typical Usage

- Base fee = \$32.74
 - Consumption fee = Tiered
 - 0-15k gal - \$4.63 per 1,000 gal
 - 15k-30k gal - \$8.10 per 1,000 gal
 - >30k gal - \$9.95 per 1,000 gal
- (Approx \$1,500/yr/unit)

Water System Balance

With Losses and
Required Discharges

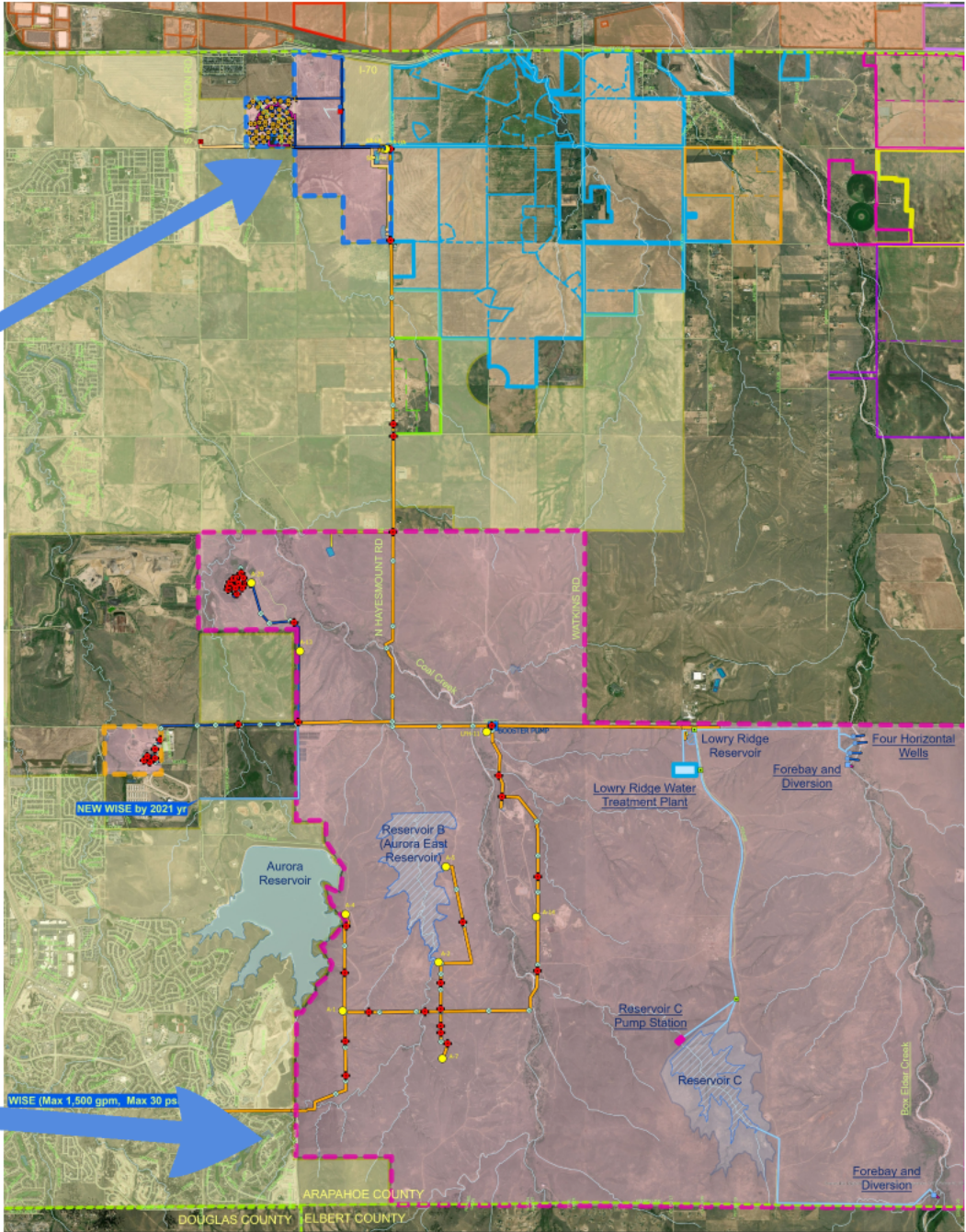


DEVELOPMENT ENCROACHMENT TO LOWRY RANGE



View looking north of
development
encroachment on Lowry
Range exclusive Service
Area

Sky Ranch



PROJECT: PARCEL OWNERS MAP
DATE: May 20, 2020

PERI CYCLE CORPORATION
1000 E. QUINCY AVE., SUITE 100
BOULDER, COLORADO 80501
P: 303.440.0000
WWW.PERICYCLECORP.COM

LAND DEVELOPMENT - PHASE 1 & 2 - Total Lots 1,359

Phase 1

Phase 1 - 509 lots **100% Complete** - Completed 2022
Rental lots - 4 lots

Sky Ranch Academy

K-7 opening in **8/2023**
High School opening in **2025**



Phase 2

Phase 2A - 229 lots
90% complete - est. completion 2023

Phase 2B - 211 lots
21% complete - est. completion 2024

Phase 2C - 204 lots
0% complete - est. completion 2025

Phase 2D - 206 lots
0% complete - est. completion 2026

Rental lots - 65 lots

PARTNERING HOMEBUILDERS

taylor
morrison
Homes Inspired by You

LENNAR®

D·R·HORTON®
America's Builder

RICHMOND
AMERICAN HOMES

kb
HOME

CHALLENGER
HOMES



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