



Pure Cycle

a water, wastewater, and land development company

FINANCIAL RESULTS - FY 2021

Fiscal Quarter - Ended November 30, 2020

**LAND
DEVELOPMENT**

**FINANCIAL
RESULTS**

**OUR
COMPANY**

**WATER &
WASTEWATER**

PRESENTED BY

Mark Harding, CEO

January 5, 2021



SAFE HARBOR STATEMENT

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; 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.

ABOUT
PURE CYCLE

"SAFE HARBOR STATEMENT"



ABOUT PURE CYCLE

A diversified land and water resource developer. At our core, we are an innovative and vertically integrated water and wastewater service provider that owns a valuable portfolio of water rights in a water short region.

We also develop master planned communities creating value for investors, homeowners and businesses, which complements our water and wastewater resource development segment.

Water and Wastewater

Land Development

1 Groundwater Wells

29,500 Acre-Feet of Water Rights

15 Miles of Distribution Pipeline

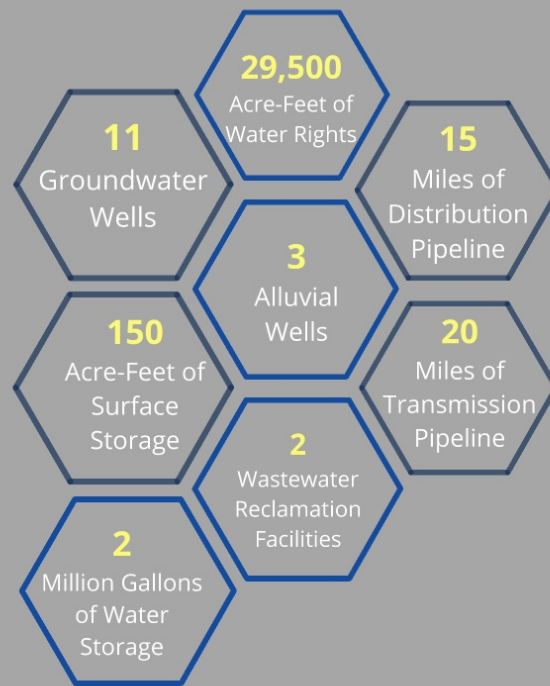
3 Alluvial Wells

50 Feet of Surface Storage

20 Miles of Transmission Pipeline

2 Wastewater Reclamation Facilities

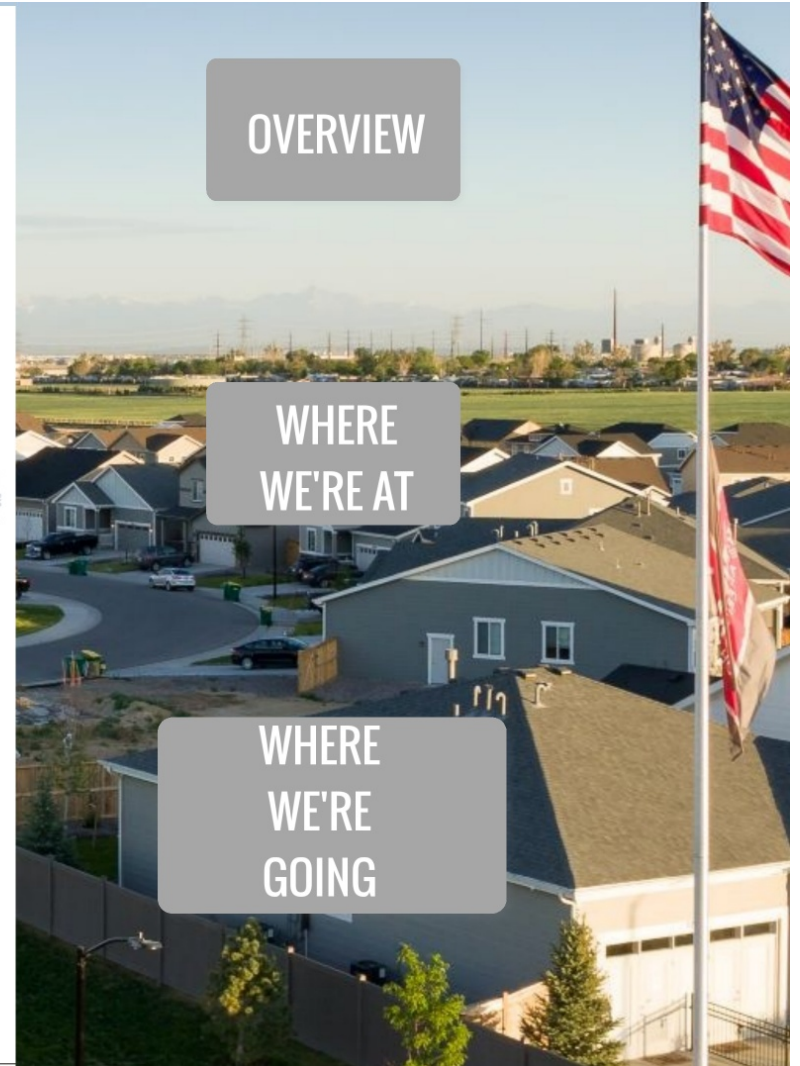
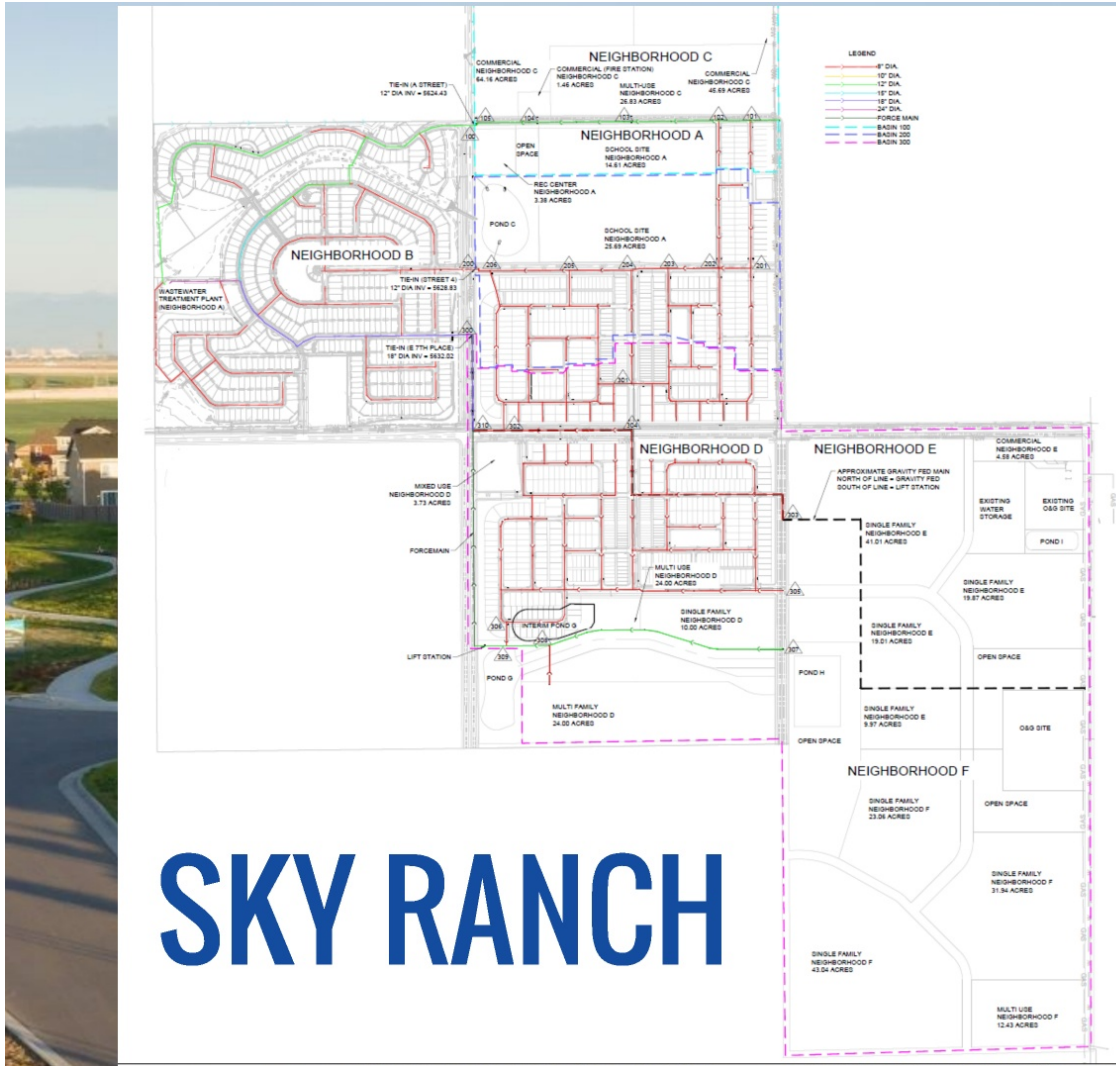
2 Gallons Water Storage



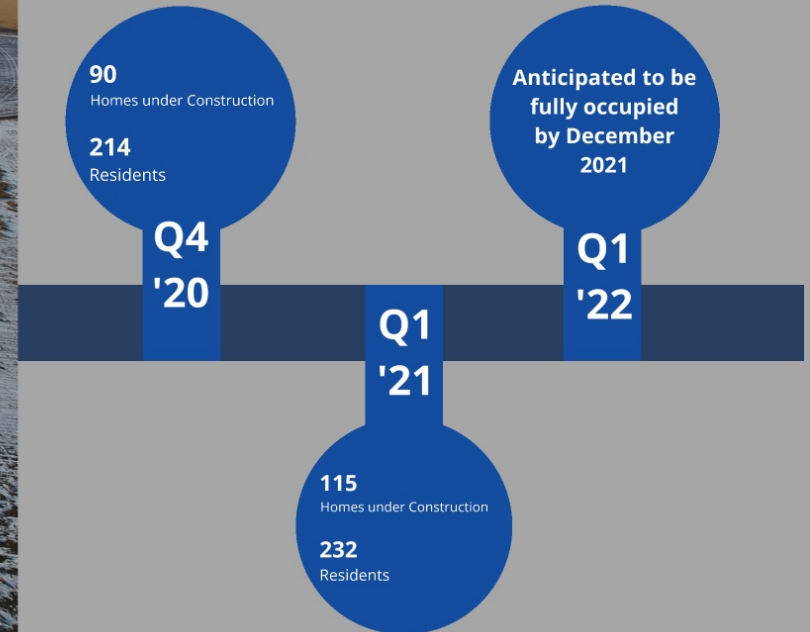
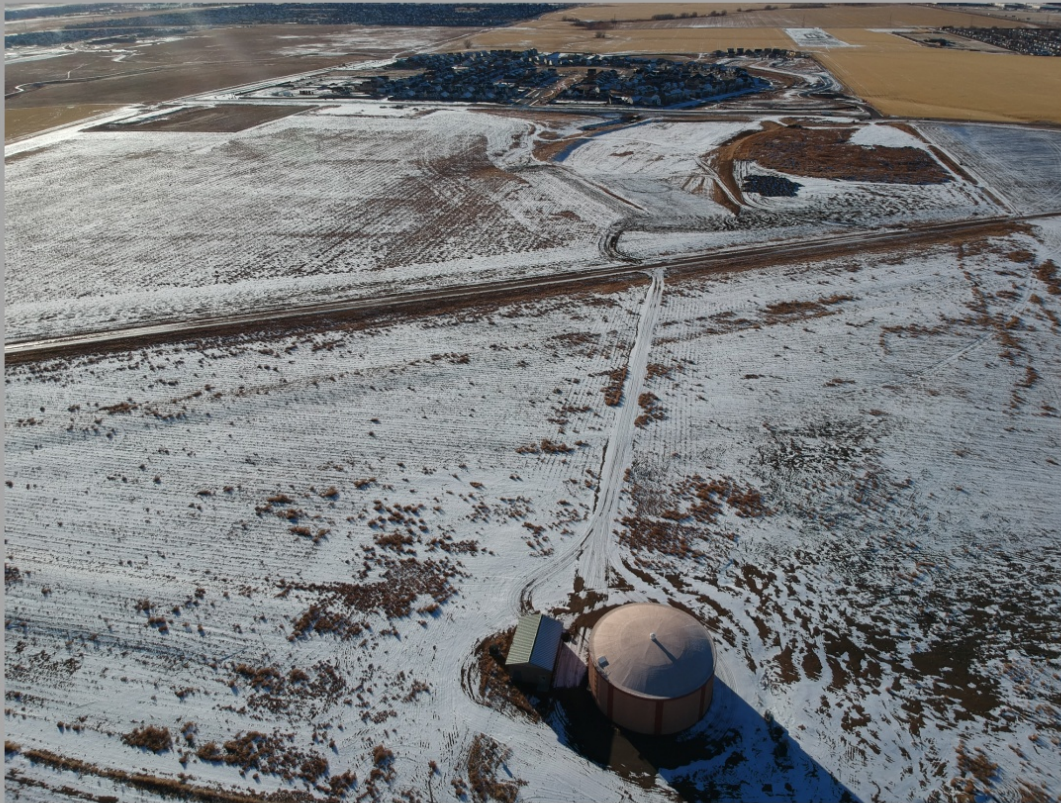
Land Development

- Developing the 930 acre master planned community, "Sky Ranch"
- Can accommodate up to 3,200 residential lots
- Can Accommodate up to 2 million square feet of commercial development (equivalent to 1,600 SFE's)
- 15 miles east of downtown Denver and 4 miles south of DIA





Sky Ranch Development



Sky Ranch Filing 1

Neighborhood B



Lots Sold

506 Lots Sold to 3 national home builders for 36.7 million

Lots Delivered

All 506 lots have been delivered as of Q1-2021

Homes Occupied

232 Homes are occupied by residents

Homes Under Construction

115 Homes are under construction at avg of 27 completed per month.

Estimated fully occupied by December 2021

SKY RANCH FILING 2 FORECAST

895 Total Platted Lots Anticipated

789 Lots Under Contract

106 Lots retained for future use



Strategy

Projections



WHAT'S NEXT

1st Lot
Deliveries
expected
in Winter
2021

Projected lot sales
and reimbursable
expenses
\$121M

January 2021
scheduled to start
grading

Attached and detached homes
(paired duplex and townhomes) will
be added on lots sized 32', 45' and
50'

Some will be alley loaded homes

Sky Ranch

Filing 1 - 506 Lots

Lot Sales	\$ 36.7 million
Current Reimbursables	\$ 10.5 million
Future Reimbursements	\$ 21.1 million
Tap Fees	\$ 14.9 million*
Costs	\$ 35.8 million

*\$9.9 million to date with \$5.0M expected before end of 2021

Filing 2 - 895 Lots

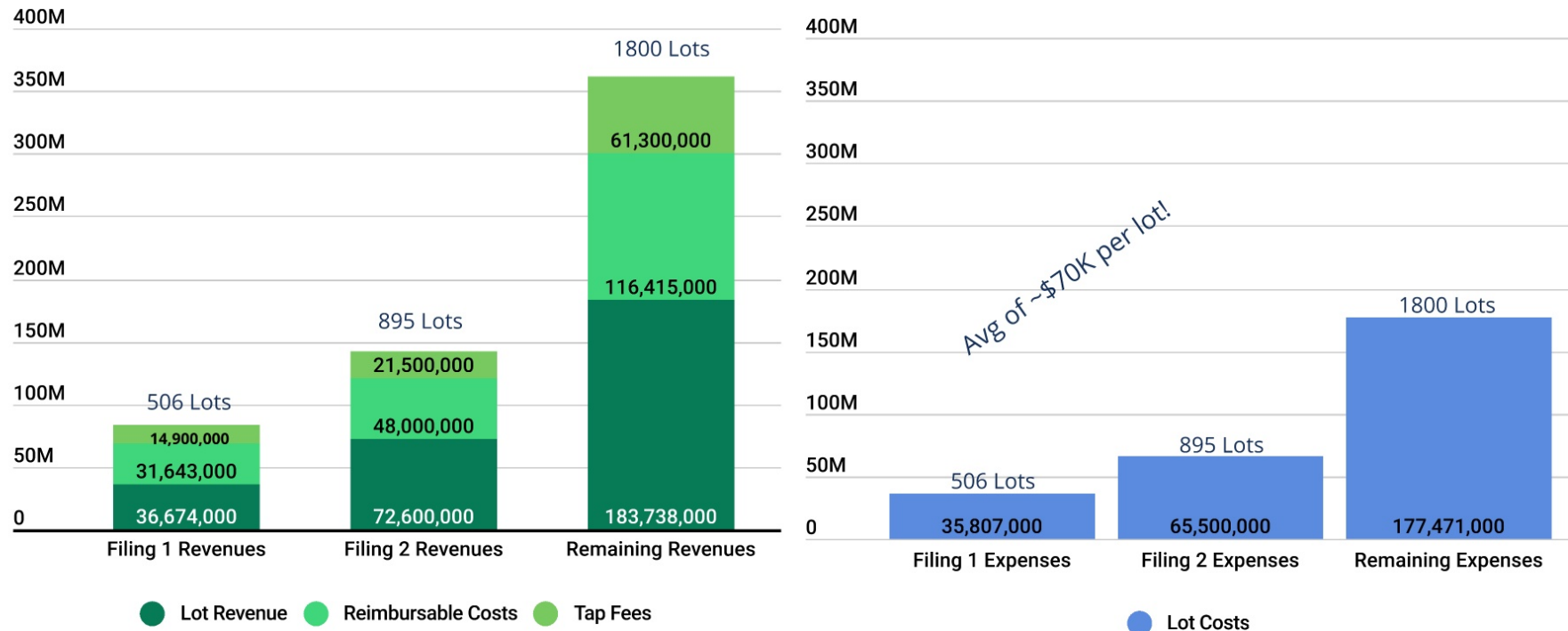
Lot Sales	\$ 72.6 million
Reimbursable	\$ 48.1 million
Tap Fees	\$ 21.5 million
Costs	\$ 65.5 million



Key Comparisons

- 50' Lots sold for 40% more
- 45' lots sold for 30% more
- Higher density and diversified product mix
- Lot construction costs to remaining relatively the same
- Majority of water and wastewater infrastructure already built in filing 1 and can be used for filing 2 with far less expenditures

Sky Ranch Master Plan



Water & Wastewater

Water Assets



Tap Fees



Metered Water Usage
Wastewater Treatment
Industrial Bulk Water

Tap Fees

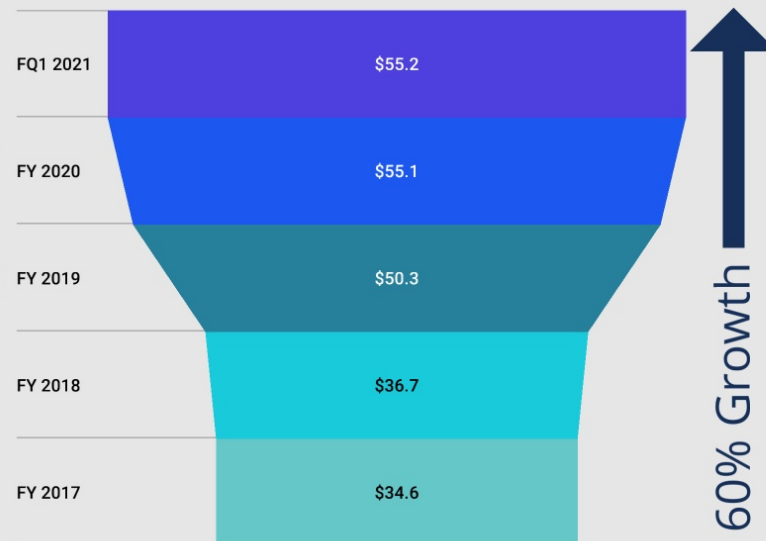
Utility
Services

Investment in Water and Tap Sales

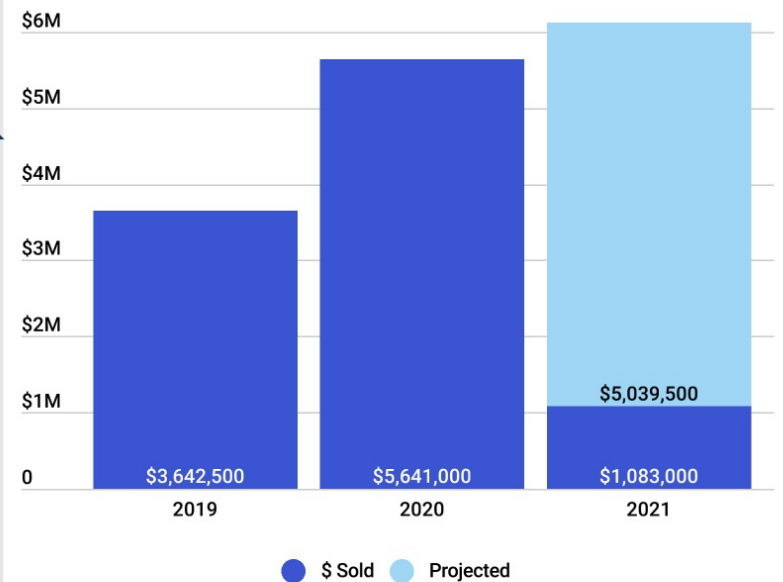
All major infrastructure is in service to support phase 2 of the Sky Ranch Development

Water Assets (Net)

In millions



Water/WW Tap Fees



(Current Rates)

Water Services

Growth from:

New Residential

New service customers added with every neighborhood

New Commercial

Future Sky Ranch commercial phases

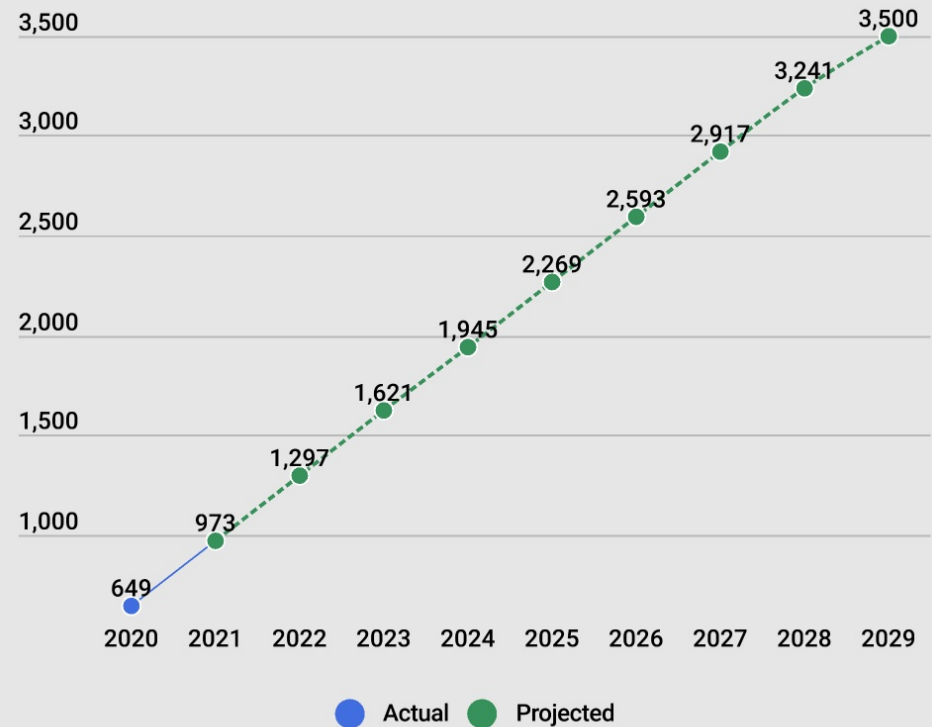
Existing Residential

Elbert and hwy 86 Residents

Existing Commercial

Elbert and Hwy 86 commercial customers

Monthly Water Customers



Q1 2021 Accomplishments

All Initial Lots Sold
and Delivered

Sky Ranch Filing 2
Start and
Contracted

Cash of \$21.3M
at 11/30/20

Sold 38 Taps to
Sky Ranch and
Wild Pointe

**All within one of the most challenging
environments to operate in.**

**Balance
Sheet**

**Income
Statement**

Leadership

Metrics

Summary Balance Sheet Information

ASSETS:	November 30, 2020 (Unaudited)	August 31, 2020	\$ Change	% Change
Current Assets:				
Cash and cash equivalents	\$ 21,303	\$ 21,797	\$ (494)	(2%)
Land development inventories	-	481	(481)	(100%)
All other current assets	3,055	3,713	(658)	(18%)
Total current assets	24,358	25,991	(1,633)	(6%)
Investments in water and water systems, net	55,165	55,087	78	0%
All other long-term assets	9,430	8,683	747	9%
Total assets	\$ 88,953	\$ 89,761	\$ (808)	(1%)
LIABILITIES:				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 2,364	\$ 2,783	\$ (419)	(15%)
All other current liabilities	2,058	3,435	(1,377)	(40%)
Total current liabilities	4,422	6,218	(1,796)	(29%)
All long-term liabilities	1,556	1,499	57	4%
Total liabilities	5,978	7,717	(1,739)	(23%)
Total shareholders' equity	82,975	82,044	931	1%
Total liabilities and shareholders' equity	\$ 88,953	\$ 89,761	\$ (808)	(1%)

Summary Income Statement Information

	Three Months Ended November 30,			
	2020	2019	\$ Change	% Change
	(unaudited)			
Revenues:				
Metered water usage				
Municipal water usage revenues	\$ 167	\$ 103	\$ 64	62%
Oil and Gas water usage revenues	1,199	37	1,162	3,141%
Wastewater treatment revenues	42	20	22	110%
Lot fee revenue	2,356	8,542	(6,186)	(72%)
Water and wastewater tap revenue	1,083	1,672	(589)	(35%)
Other revenue	21	86	(65)	(76%)
Total revenues	\$ 4,868	\$ 10,460	\$ (5,592)	(53%)
Expenses:				
Water service operations	\$ (545)	\$ (254)	\$ (291)	115%
Wastewater services operations	(92)	(26)	(66)	254%
Lot fee construction costs incurred	(1,719)	(8,063)	6,344	79%
Other	(24)	(24)	-	0%
Depreciation and depletion	(365)	(219)	(146)	67%
Total cost of revenues	(2,745)	(8,586)	5,841	68%
Gross profit	2,123	1,874	249	13%
General and administrative expenses	(1,086)	(801)	(285)	36%
Depreciation	(84)	(85)	1	1%
Operating income	953	988	(35)	(4%)
Income from reimbursables	-	6,276	(6,276)	(100%)
Other income	152	386	(234)	(61%)
Net income before taxes	1,105	7,650	(6,545)	(86%)
Income tax expense	(260)	(1,887)	1,627	86%
Net income	\$ 845	\$ 5,763	\$ (4,918)	(85%)
Earnings per fully diluted share	\$ 0.04	\$ 0.24	\$ (0.21)	(85%)

Leadership and Board of Directors

Mark W. Harding
President and CEO

Kevin B. McNeill
Vice President and CFO

Harrison H. Augur
Chairman of the Board**

Peter C. Howell
Director and Chairman of
the Audit Committee

Richard L. Guido
Director and Chairman of the
Nominating and Governance
Committee**

Arthur G. Epker III
Director and Chairman of
the Compensation
Committee

Patrick J. Beirne
Director

Jeffrey G. Sheets
Director

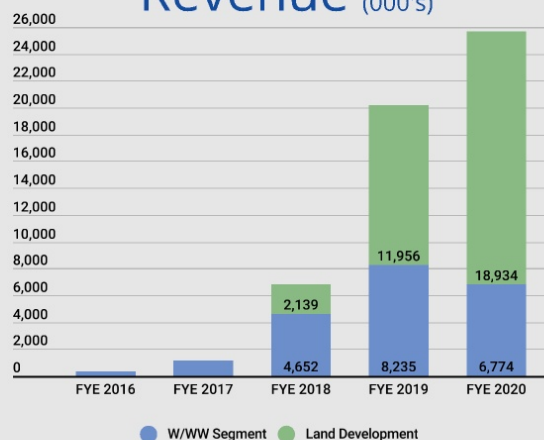
Fredrick A. Fendel III.
Director Nominee*

Daniel R. Kozlowski
Director Nominee*

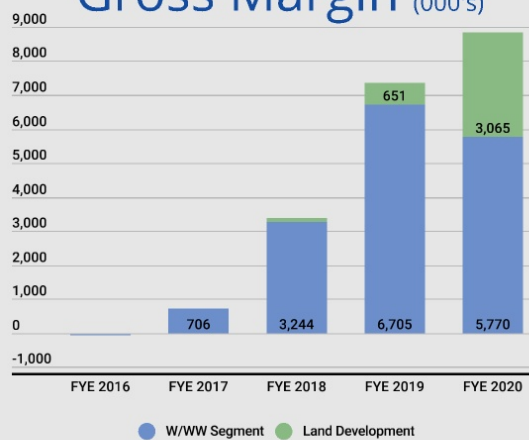
**Director nominee election will be held January 13, 2021*

***Not standing for re-election*

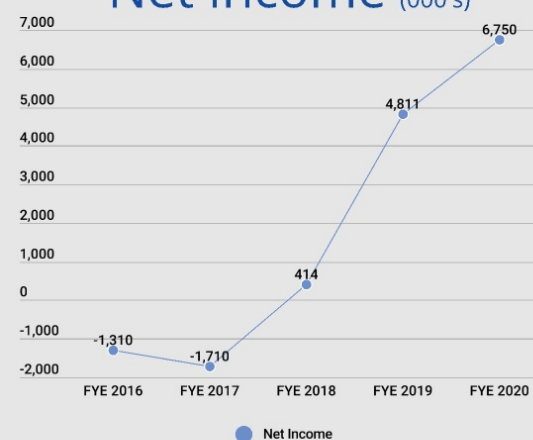
Revenue (000's)



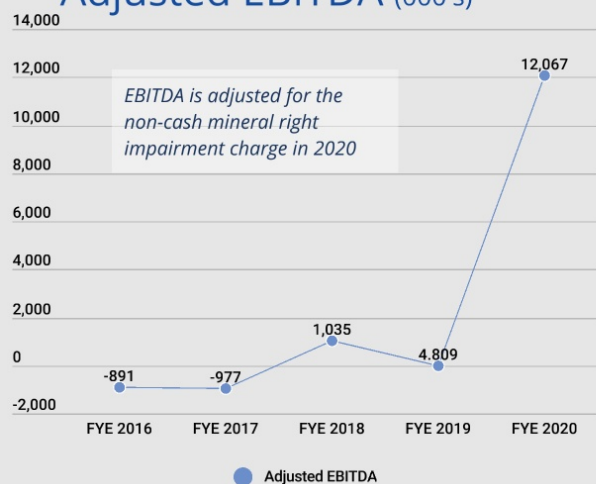
Gross Margin (000's)



Net Income (000's)



Adjusted EBITDA (000's)



\$21.8M

Cash

\$60.5M

**Gross
invested in
water
resources**

\$82.0M

**Shareholders'
equity**

**All stats as of
fiscal year end 2020**

Contact and Company Information



Corporate Headquarters:

34501 E. Quincy Ave, BLDG 34, Watkins, CO 80137



Additional information contact us or visit our website:

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www.purecyclewater.com

Follow us on twitter
@PureCycleCorp

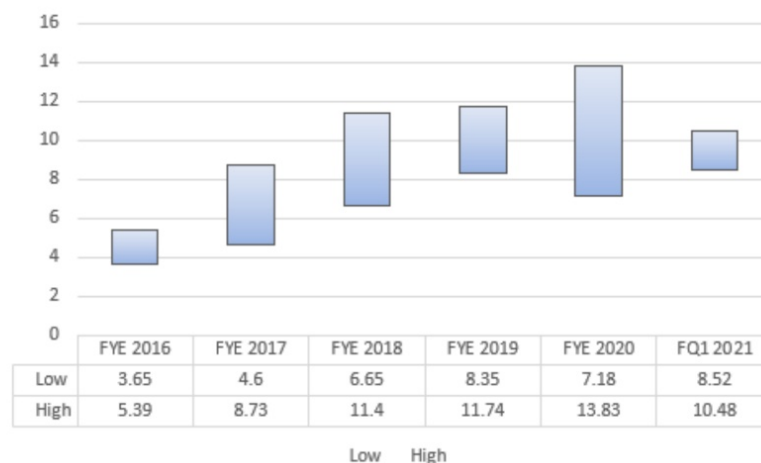


Additional information:

Ticker symbol (NASDAQ Capital
Market): PCYO

Shares outstanding: 23.9 million

PCYO Stock Price Range





Questions?



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