January 21, 2025

Drake Purchases PureCycle Resin Following Successful Production of Continuous Filament Yarns

ORLANDO, FL / ACCESS Newswire / January 21, 2025 /PureCycle Technologies, Inc. (NASDAQ:PCT), today, announced the initial sale of nearly 500,000 pounds of resin to Drake Extrusion Inc. (Drake) for the production of continuous filament yarns, which could be used to make items such as rugs, upholstery, and apparel. Drake is North America's leading manufacturer of colored filament yarn, and staple fiber.

The agreement comes after Drake's successful production of continuous fiber using a compound that includes PureCycle's PureFive™ resin. The resin was produced at Ironton, Ohio from 100% post-consumer recycled (PCR) feedstock and then developed into a compound by PureCycle's Research & Development team in Durham, North Carolina.

Drake CEO John Parkinson said, "We've been looking for a partner who can repeatedly deliver a post-consumer recycled polypropylene that can be turned into a sustainable fiber for our customers. We've tested PureCycle's material under various operating conditions and produced multiple types of fiber - their product significantly surpassed our expectations. These fiber packages are now with many of our customers to gauge their interest, but we see this as a strong growth opportunity for our company."

Approximately 20% of the global virgin polypropylene (PP) supply is used for fiber and yarn. Until now, there has not been a reliable recycling alternative to replace virgin PP due to the complexity of the fiber manufacturing process. Polypropylene fiber is preferred for its light weight, durability, moisture and chemical resistance.

PureCycle CEO Dustin Olson said, "This achievement is a testament to our technology, the quality of our product, and the talent of our team. We've worked diligently to create a compound that runs like the virgin material Drake uses for various applications. This is a transformative moment for the industry, and has the ability to change the way fiber producers think about recycled PP."

Olson added, "We needed a partner like Drake to realize this breakthrough. Their industry knowledge and manufacturing capacity is expected to help bring PureCycle's recycled PP solution to a much larger customer-base and improve the circularity of textiles."

Drake and PureCycle worked through multiple trials to produce continuous filaments of varying thicknesses in order to expand the end-use applications. The thicker fiber is ideal for outdoor upholstery, while the thinner material is intended for the apparel market. The fiber was also successfully textured, which softens the material to the touch.

PureCycle's R&D team plans to continue testing various compounds at the Company's lab to increase the amount of recycled content that can be successfully introduced for fiber

applications. Work is also being done to create a compound for staple fibers which could open the door to opportunities within the carpet, automotive and other industries.

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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 removes 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

Forward-Looking Statements

This press release contains forward-looking statements, including statements about the continued execution of PureCycle's business plan, the expected timing of commercial sales, the commercialization of Ironton operations, the expected increase in production of the Ironton operations, the planned compounding operations, the sourcing of materials, and planned future updates. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. 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 PureCycle's management 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, 2023 and PureCycle's Quarterly Reports on Form 10-Q for various quarterly periods, 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 ultra-pure recycled ("UPR") resin 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, following certain performance and other tests, and commence full-scale commercial operations in a timely and cost-effective manner or at all; 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 minimize or eliminate the many hazards and operational risks at its manufacturing facilities that can result in potential injury to individuals, disrupt its business (including interruptions or disruptions in operations at its facilities), and subject PCT to liability and increased costs; 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, and (ii) its first commercial-scale European plant located in Antwerp, Belgium, in a timely and cost-effective manner; PCT's ability to procure, sort and process polypropylene plastic waste at its planned plastic waste 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 and putative class action cases; 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 interest rates, availability of capital, economic cycles, and other macro-economic impacts; turnover in employees and increases in employee-related costs; changes in the prices and availability of labor (including labor shortages), transportation and materials, including 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 conflict in the Middle East); 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.

SOURCE: PureCycle Technologies

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