July 20, 2021

Via E-mail (Katie.Carlson@umb.com)

UMB Bank, N.A., as Trustee
120 South 6th Street, Suite 1400
Minneapolis, Minnesota 55402
Attention: Corporate Trust

PureCycle: Ohio LLC
5950 Hazeltine National Drive, Suite 650
Orlando, Florida 32822
Attention: Michael Otworth

Subject: Southern Ohio Port Authority
Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020A
Subordinate Exempt Facility Revenue Bonds (PureCycle Project),Tax-Exempt Series 2020B and Taxable Series 2020C
PureCycle Polypropylene Phase II Project
June 2021 Project Status Report

Dear Ladies and Gentlemen:

Attached is the Construction Monitor's Project Status Report (the "Report") for the PureCycle Polypropylene Phase II Project (the "Project") for the period ending June 30, 2021 (the "Relevant Period"), being delivered to you by Leidos Engineering, LLC ("Leidos"), as Construction Monitor ("CM").

Our review of the data made available to us by PureCycle Ohio LLC (the "Owner"), Denham-Blythe Company (the "Denham-Blythe") and other equipment suppliers and contractors working on the Project for the Owner was performed within the scope and terms of a Professional Services Agreement ("PSA"), dated as of May 9, 2017, between Leidos and PureCycle Technologies, LLC. On October 1, 2020, UMB Bank, N.A. as trustee (the "Trustee") under the Indenture of Trust issued by the Southern Ohio Port Authority for Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020A, Subordinate Exempt Facility Revenue Bonds (PureCycle Project), Tax-Exempt Series 2020B and Subordinate Exempt Facility Revenue Bonds (PureCycle Project), Taxable Series 2020C dated October 1, 2020 (the "Indenture") entered into a Consent and Agreement with Leidos outlining the terms and conditions of the Trustee's use of the reports, certificates and other work products issued by Leidos. This Report is solely for the information of and assistance to the Trustee in connection with its review of the Project and is not to be used, circulated, quoted or otherwise referred to for any other purpose. The Independent Engineer disclaims any obligation to update this Report. This Report is not intended to, and may not be construed to benefit any party other than the Trustee and the Bondholders (as defined in the Indenture).

To the extent that it has been practical to do so, we have verified the status of the work performed by the Owner, Denham-Blythe and the major equipment suppliers and nothing has come to our attention during the review and observation that should cause us to believe that the progress made through the Relevant Period was not commensurate with Project objectives.

The next monthly Project review meeting is scheduled for August 12, 2021 at the PureCycle office in Ironton, Ohio. If you have any questions regarding this Report, or other aspects of the Project, please contact me by phone at 508.935.1606 or via email at Nicholas.Drobot@leidos.com.

Sincerely,
LEIDOS ENGINEERING, LLC

Nicholas Drobot
Construction Manager

ND/KMN

Attachment

Ec: Karen Napoli, James (Jim) Newell – Leidos Engineering, LLC

Leidos Engineering, LLC ("Leidos" or "we"), in its capacity as the Construction Monitor ("CM") reviewed the progress of engineering, procurement and construction of the PureCycle Polypropylene Phase II Project (the "Project") including: monthly reports from the Denham-Blythe Company (the "Denham-Blythe"), the engineering, procurement and construction ("EPC") contractor for the Outside Battery Limits ("OSBL"), including utilities and product storage under the Construction Contract dated October 7, 2020 (the "EPC Contract") and progress information from the Inside Battery Limits ("ISBL") and OSBL major equipment suppliers. Additionally, we held discussions with the Owner's management relative to the status of the Project to review the progress for the period ending June 30, 2021 (the "Relevant Period"). We visited the Project job site in Ironton, Ohio on July 15, 2021 and participated in a progress meeting held at the PureCycle office near the Project site in Ironton, Ohio. Terms used in this Project Status Report ("Report") without definition shall have the meaning ascribed thereto in the Credit Agreement or the EPC Contract.

Project Technical Description

The Project will be a waste polypropylene processing facility under development by the Owner and sponsored by PureCycle Technologies, LLC (the "Sponsor"). The Project will be located on 26 acres of land in Ironton, Lawrence County (the County"), Ohio (the "Facility Site"). The Facility Site is a former Dow Chemical Company ("Dow") plant site. The Facility Site land was previously donated by Dow to the Lawrence Economic Development Corporation ("LEDC") and includes three existing buildings (Building 504, Building 507, and Building 509) totaling 150,000 square feet that will be reused for raw material delivery, processing, and storage, and for utility equipment. An affiliate of the Owner purchased the land from the LEDC, and the affiliate sold the land to the Owner for use as the Facility Site.

Summary

During the progress meeting noted above, the Owner's construction manager and Denham-Blythe presented detailed updates highlighting the progress of EPC contractor activities under the Construction Contract. The Owner also reported on progress with regard to the ISBL equipment supply contract and the PureCycle-supplied OSBL equipment.

The Project was reported to be materially on schedule and the Owner's construction manager reported that the overall progress is 21.2 percent complete as compared to a re-baselined plan of 21.2 percent complete. As previously reported, the Denham-Blythe and major equipment supplier's engineering effort commenced with the issuance of a Notice to Proceed ("NTP") to all parties in October 2020. During the Relevant Period, the engineering activities included the risk-based structural design modifications to Building 509, Building 620 and common buildings, as well as development of building layouts. Rail spur and rail load-out building design continued as did the development of the ISBL 3D model. Engineering activities also continued for the wastewater pretreatment system, flare header and knockout drums, final product conveyance and degassing structural design. Procurement activities continued with the award of the site utilities and ISBL major foundations installation contracts as well as the award of the "E-House 2" installation contract. Purchasing of long-lead substation equipment was completed. Denham-Blythe continued painting of the structural steel in the existing buildings and commenced installation of the under-slab and overhead plumbing and to rough-in the electrical wiring. Installation of the Building 504 roofing continued and installation of raw material handling foundations was completed. Installation of underground fire protection commenced and installation of the stormwater drainage system continued. In summary, the Project appears to be materially on schedule and within budget.

The Owner continued to report that the required activities to support the PureCycle-supplied OSBL equipment continued materially on schedule to ensure timely coordination with ISBL and OSBL design. Deliveries of degassing equipment and storage silo sections commenced during the Relevant Period.

During the Relevant Period there were no Occupational Safety and Health Administration ("OSHA") recordable safety incidents reported. No reportable environmental incidents were reported at the Project Site during the Relevant Period.

Project Status

The Owner's construction manager reported the actual and planned schedule progress percentage complete for engineering, procurement and construction activities. We note that a new baseline schedule was established at the end of June 2021. The schedule progress is shown in Table 1.

Table 1
Completion Progress – PureCycle Polypropylene Phase II Project [1]

Project Phase	Cumulative Through June 2021 Planned % [2]	Cumulative Through June 2021 Actual %	Cumulative Through May 2021 Actual %
Engineering	56.6	56.6	50.0
Procurement	18.4	18.4	12.1
Construction	10.9	10.9	5.9
Start-Up	0.0	0.0	0.0
Weighted Total	21.2	21.2	14.9

1) All progress is shown in percent ("%") unless noted.
2) The "planned" percentage complete represents the re-baseline established in June 2021 maintaining the contractual dates.

EPC Contract Activities

EPC Contract activities reported by the Owner, the Owner's construction manager, Denham-Blythe and major equipment suppliers included engineering, procurement and construction activities as described herein.

Engineering

Overall, the Owner's construction manager reported that 56.6 percent of the engineering and design effort was completed against a planned 56.6 percent of the new baseline plan. The Owner reported that detailed engineering coordination meetings are continuing with Denham-Blythe, the ISBL equipment supplier and the OSBL equipment supplier. Denham-Blythe, the major equipment suppliers and the Owner continued to coordinate information exchange specific to material handling interfaces with the ISBL systems.

ISBL, OSBL and major equipment engineering activities through the Relevant Period include, but are not limited to, the following:

- Continued development of site utilities;
- Continued site material conveyance supports design;
- Continued utility building piping and general layout;
- Continued design coordination of Building 509 mechanical, piping and electrical;

- Continued the risk-based structural design modifications for Building 509, Building 620 and common buildings;
- Continued process building layout;
- Continued layout of common building floor plan;
- Continued rail spur and rail load-out building design;
- Continued development of the ISBL 3D model;
- Continued ISBL pipe stress analysis;
- Continued development of design drawings for long lead and non-long lead ISBL modules;
- Continued ISBL foundation design;
- Continued Building 610 and Building 620 structural design;
- Continued design of utility tie-points;
- Continued engineering of wastewater pretreatment system;
- Continued engineering of flare header and knockout drums;
- Continued engineering of final product conveyance;
- Continued degassing structural design;
- Continued the design of sanitary sewer collection, domestic water distribution and natural gas distribution utility systems and
- Continued design of "E-House 2" for building 509.

Our review of engineering activities indicates progress materially in support of Project objectives.

Procurement

Overall, the Owner's construction manager reported that 18.4 percent of the procurement effort was completed against a planned 18.4 percent of the new baseline plan.

ISBL, OSBL and major equipment engineering activities through the Relevant Period include, but are not limited to, the following:

- Completed purchasing of long lead substation equipment;
- Issued requests for proposals for degassing silo;
- Awarded contract for site utilities installation;
- Awarded contract for the installation of ISBL major foundations;
- Awarded contract for the installation of "E-House 2";
- Accepted delivery of first feedstock silo; and
- Continued ISBL supplier and sub-vendor information exchange.

Denham-Blythe also continued a pre-qualification process for major 2021 work packages including process piping, mechanical, and electrical scopes of work.

Construction

Overall, the Owner's construction manager reported that 10.9 percent of the construction effort was completed against a planned 10.9 percent of the new baseline plan. Denham-Blythe construction activities through the Relevant Period include, but are not limited to, the following:

- Completed installation of raw material handling foundations and canopy foundations;
- Completed under slab plumbing for offices in Building 504;
- Completed installation of Building 507 roofing;
- Completed Building 507 painting and continued Building 504 painting;
- Commenced preparations for installation of Building 507 equipment foundations;
- Commenced installation of underground fire protection;
- Commenced mobilization of utilities subcontractor;
- Commenced installation of Building 509 masonry partitions;
- Continued installation of natural gas service point of distribution items and completed metering station foundations;
- Continued installation of stormwater drainage system;
- Continued installation of fire protection in Building 507 and Building 504;
- Continued Building 504 siding repairs;
- Continued installation of Building 504 roofing;
- Continued installation of Building 504 under-slab plumbing;
- Continued Building 507 rough-in of electrical; and
- Continued installation of Building 504 under-slab plumbing and commenced installation of overhead plumbing.

Our review of the construction activities indicates progress materially in support of Project objectives. Nevertheless, as previously reported, the construction progress planned for February 2021 was not achieved as the weather was not conducive to the current phase of construction activities. Additionally, Denham-Blythe reported that the redesign of the process building has affected the critical path. The Owner is currently working with Denham-Blythe to confirm the impacts, if any, to the critical path or the completion date.

Owner Activities, Off-Site and Interconnection Projects

The Owner's construction manager and the Owner provided updates covering the Owner's responsibilities and offsite and interconnection project activities on the Project. As of the end of the Relevant Period, the Owner reported that all permits required for the current phase of construction are in place and that permitting activities for the upcoming phases of the Project were progressing materially as planned. Work is progressing on obtaining the remaining permits. As previously reported, a tracking procedure has been implemented and is being tracked for schedule compliance.

ISBL Equipment Supply

As previously reported, the procurement process has begun and several schedule critical supply and fabrication subcontracts were awarded, including but not limited to, high-pressure vessels and extruders.

Review of ISBL equipment supplier's drawings continued. Required interface coordination continued for the extruder and material handling as well for the flare, knock-out drum and vent relief design. Placement of purchase orders to sub-suppliers for material and equipment continued. The Owner reported that progress was materially on schedule.

Pre-processing Equipment Supply

As previously reported, the pre-processing equipment supplier's initial engineering kickoff meeting was held on October 14, 2020. The pre-processing equipment supplier continued with engineering and design activities and development of detailed equipment drawings and operations and maintenance ("O&M") manuals. Procurement of material for the wash line commenced.

Material Handling Equipment Supply

As previously reported, the material handling equipment supplier's initial engineering kickoff meeting was held on October 15, 2020. The material handling equipment supplier continued with the development of their portion of the rail load out system, the development of the finished material handling and ISBL waste streams, coordination with extrusion equipment in Building 610 and the fabrication of the raw material handling and storage systems. As mentioned above, the first feedstock silo was delivered during the Relevant Period.

Degassing Equipment Supply

As previously reported, the degassing equipment supplier's initial engineering kickoff meeting was held on October 12, 2020. As previously reported, the degassing equipment supplier reported that engineering was complete and that procurement of material and fabrication was in progress. Equipment deliveries were scheduled to commence in shortly.

Interconnections

The Owner previously reported that the natural gas line to the Facility was installed and the remaining work consisted of completing the metering station installation and tie-in. Installation of the metering related foundations was completed and installation of "point-of-distribution" items commenced.

As previously reported, the kick-off meeting with AEP was held on January 12, 2021 and regular progress meetings continue. Ordering of long-lead substation equipment was completed. The Owner previously reported that construction was scheduled to commence in November 2021 and be completed in March 2022.

The wastewater tie-in to the Scotia County system effort continued during the Relevant Period with the coordination of OSBL site connections. Installation of the pipeline along the county road commenced. As previously reported, the selected contractor confirmed a May 2021 to December 2021 installation schedule.

Start-Up, Commissioning and Operations

The Owner reported that activities in support of start-up and commissioning of the Project were not scheduled to commence.

The plant manager continued planning for the hiring of plant personnel and has established the required level of personnel as well as their duties. The training program and manuals are in development. We note

that a number of plant personnel positions will be filled by specific current Owner personnel. Hiring of the remaining plant personnel is scheduled to commence in late 2021.

Safety/Environmental/Permits

Safety and Environmental

The following items were reported through the Relevant Period:

- During the Relevant Period, the Owner's construction manager and Denham-Blythe reported there were no OSHA recordable incidents and no lost time incidents. Since the commencement of work at the Project Site, there was one recordable incident and no lost time incidents.
- The Owner reported that there were 13,096 manhours worked during the Relevant Period and 46,230 cumulative manhours worked through the end of the Relevant Period.

Permitting

Denham-Blythe continued to work with the Owner to secure the appropriate permits, certificates, notifications and approvals necessary to support the then-current phases of construction at the Project Site. Denham-Blythe is providing support to ensure overall compliance with applicable laws, regulations, permits and approvals.

The Owner and EPC Contractor reported that the following permitting activities were completed or continued through the Relevant Period:

- Continued to implement and monitor the stormwater pollution prevention plan ("SWPPP") at the Facility Site;
- Received the wastewater pretreatment system permit-to-install from Ohio Environmental Protection Agency ("OEPA");
- Continued preparation of the remaining two of four resubmittals for the air permit modifications for the entire site;
- Received complete building permits for Building 509; and
- Continued working on the building permits and obtaining those permits required for the current phase of construction.As previously reported, Denham-Blythe finalized the SWPPP plan for construction. The SWPPP plan identified the Best Management Practices ("BMPs") that were to be installed prior to disturbing the Facility Site. These BMPs will be maintained until the SWPPP permit is closed.

The Owner reported that all necessary permits required for the current construction activities have been or are being secured. The Owner also reported that the required activities for the air permit modifications are in progress and are on schedule. The modifications are associated with material handling and purification and are awaiting equipment manufacturer submittals and emission information.

Quality Assurance

As previously reported, Denham-Blythe, in cooperation with the Owner, developed a detailed quality surveillance plan for the Project which will be updated, as required, to address any additional quality

surveillance required for the then-current phase of construction. As part of the execution of the Project, each supplier and contractor are required to submit a copy of their quality control plans to the Owner.

During the Relevant Period, the Owner reported no material quality assurance issues. Denham-Blythe reported that the required compaction testing of subgrade installation and backfilling continued as did the concrete sampling and gathering of test cylinders. Inspection of masonry installation was also being performed.

Schedule

Table 2 displays key Project milestone dates. One key Project milestone was achieved during the Relevant Period.

Table 2
Key Project Milestone Dates (1)

Key Event	Planned Date (1)	Forecasted/ Actual Date (2) (3)
ISBL Equipment Supplier Delivery Schedule		
Stair and Pipe Rack Modules Arrive at Site	December 13, 2021	December 14, 2021
Non-Long Lead Vessel Modules Arrive at Site	May 12, 2022	May 17, 2022
Long Lead Vessel Modules Arrive at Site	June 1, 2022	July 19, 2022
Packaged and Ship Loose Equip. Arrive at Site	June 22, 2022	June 27, 2022
Construction Contract Schedule		
Issue OSBL Major Equip. Purchase Orders	October 7, 2020	October 7, 2020 (A)
OSBL Construction Start	November 30, 2020	November 30, 2020 (A)
Start Initial Earthwork (Mass Grading)	January 7, 2021	January 15, 2021 (A)
Start Site Utilities – Natural Gas, Water, Sewer	February 11, 2021	April 28, 2021 (A)
Start Degassing Equipment Installation	January 10, 2022	October 19, 2021
Start Raw Material Handling Equip. Installation	September 2, 2021	July 6, 2021
Start Finished Material Handling Equip. Installation	October 20, 2021	November 12, 2021
Start Packaged Equipment Module Setting	June 27, 2021	June 27, 2021
OSBL Mechanical Completion – Phase A	January 10, 2022	January 10, 2022
OSBL Substantial Completion – Phase A	February 11, 2022	January 31, 2022
All Modules Set and Leveled	August 4, 2022	July 21, 2022
OSBL Mechanical Completion – Phase B	July 14, 2022	July 1, 2022
OSBL Substantial Completion – Phase B	July 21, 2022	July 21, 2022
All Modules Installed and Interconnected	August 31, 2022	September 5, 2022
Detail ISBL Integration with OSBL Complete	August 31, 2022	September 5, 2022
Strat Hot Commissioning	September 11, 2022	September 14, 2022
OSBL Mechanical Completion – Phase C	September 11, 2022	September 16, 2022
OSBL Substantial Completion – Phase C	November 26, 2022	November 29, 2022
ISBL Mechanical Completion	October 17, 2022	October 22, 2022
Start Performance Testing	November 20, 2022	November 24, 2022
Commercial Plant Producing Final Product	December 1, 2022	December 1, 2022

1) Original baseline dates.
2) An (A) after a date indicates an actual date or completed activity.
3) From April 2021 Monthly Construction Schedule

As mentioned above, a new baseline schedule was established at the end of June 2021 maintaining the contractual dates. Modifications to the dates in Table 2, if any, based on the new baseline schedule will be incorporated in the next issue of the Report. The Owner and Denham-Blythe reported that the Project's

summary critical path is through ISBL design, procurement, delivery, installation, commissioning, and start-up. The Owner also reported that, to date, there has been no variance to the critical path from the original contract schedule.

Change Orders

There were several change orders ("COs") approved or finalized by the Owner with Denham-Blythe or major equipment suppliers during the Relevant Period. Table 3 shows approved COs under the EPC Contract and major equipment supply contracts through the end of the Relevant Period. The total out-of-scope cost approved and pending under the EPC Contract and major equipment supply contracts as of the end of the Relevant Period was approximately $9,837,294.

Table 3
Construction Contract Approved and Pending Change Orders

Item No.	Contract/Area	Cost Impact	Schedule Impact	Status
1	Total ISBL Equipment Supply (1)	$1,338,523	None	Approved
2	Total EPC Contract (1)	$7,440,894	None	Approved
3	Material Handling	$1,051,354	None	Pending
4	Degassing Equipment Contract (1) (2)	$ 6,523	None	Approved
	Total	$9,837,294		

1) Various COs.
2) Approximate conversion from Euros.

Summary of Cost and Contingency

Subsequent to the Relevant Period, the Borrower submitted the Borrower's Requisition for Payment Certificate dated July 22, 2021 (the "Construction Requisition") covering work completed during June 2021.

The budget and expenditures, as presented by the Owner are:

Table 4
Facility Budget and Expenditures through the Relevant Period

Cost Category	Facility Budget	Payments/Pending Bond Requisitions Made to Date	Remaining Budget
Development Costs (1)	$ 55,735,603	$ 55,735,603	$ 0
Financing Costs and Contingencies (2)	$ 99,809,918	$ 32,578,308	$ 67,231,610
Engineering, Procurement, Construction, Commissioning and Start-Up Costs	$242,079,604	$ 82,123,327	$159,956,277
Total	$397,625,125	$170,437,238	$227,187,887

1) Development Costs include: costs to construct the Feedstock Evaluation Unit ("FEU") land purchases and other development related expenses.
2) Financing costs and other Southern Ohio Port Authority ("SOPA") related costs include: capitalized interest, debt service reserve fund (as required to be maintained under the SOPA bonds), SOPA bond issue costs, and other items.

We note that the total Facility budget includes $21,153,011 of construction contingency. Cumulative Project expenditures reported by the Borrower (including the Construction Requisition above) were $170,437,238. Through the Relevant Period, net allocation of contingency and allowances was reported to be

$6,090,808.89. We note that, although this amount was allocated, the funding of contingency remains at the required $21,153,011 level.

Miscellaneous

None at this time.

Areas of Concern

None at this time.

Photographs

Photographs included in Attachment 1 were taken on July 15, 2021.

Attachment 1: Photographs

Figure 1: Completed Structural Steel Painting in Building 507

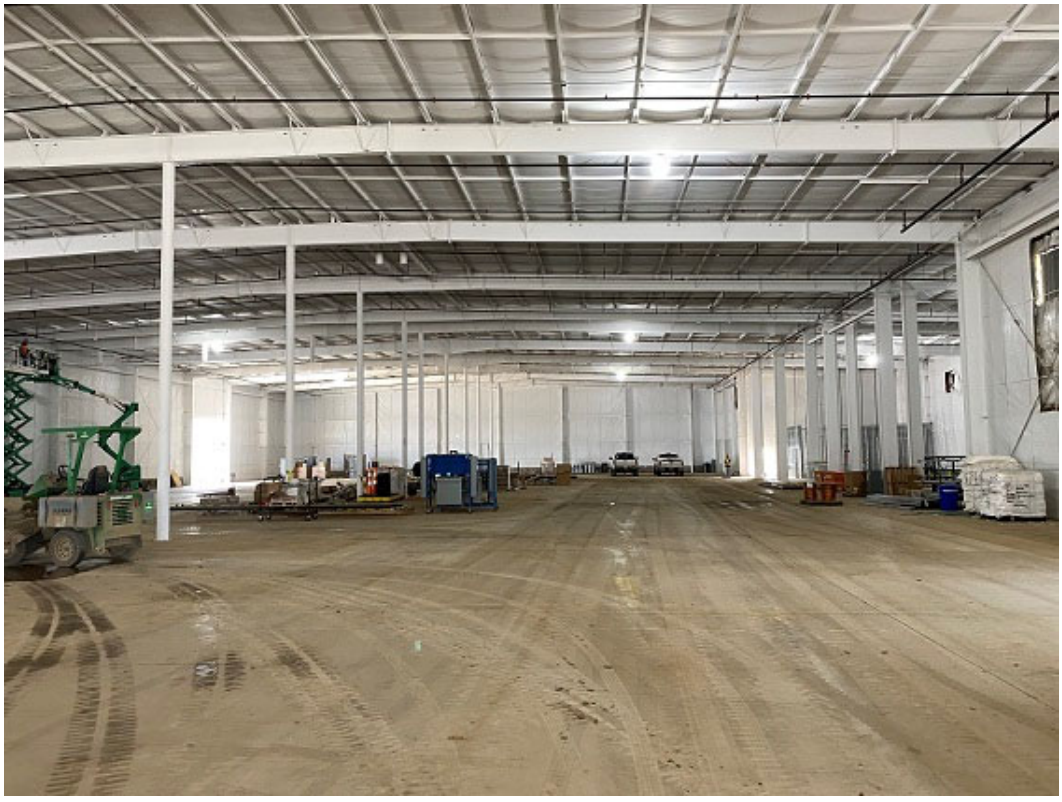

Figure 2: Installation of Partitions in Building 504

Figure 3: Installation of Masonry Block Wall in Building 509

Figure 4: Preparations for Installation of Process Building Pad

Figure 5: First Feedstock Silo in Laydown Area

Figure 6: Delivery of Equipment