January 20, 2023

Via E-mail (KScottMathews@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: Dustin Olson

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
December 2022 Project Status Report

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 December 31, 2022 (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 ("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. During our review our observations indicated that progress made through the Relevant Period was not commensurate with Project objectives. As discussed further below, the current timeline for key completion milestones is: (a) Facility ready for solvent introduction into the process in early February 2023; (b) initiation of polymer and first sale of product (Commercial

Operation) in mid-February 2023; (c) initial production on recycled feed in early March 2023; and (d) targeted Substantial Completion in late March 2023.

The next monthly Project review meeting is scheduled for February 9, 2023 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, Kenneth Rush – 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 (“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 December 31, 2022 (the “Relevant Period”). We visited the Project on January 12, 2023 and participated in a progress meeting. 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 is 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 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 Owner’s construction manager reported that the overall progress, as modified to reflect work added by approved change orders (“COs”), is 96.4 percent complete as compared to a re-baselined plan of 99.8 percent complete. As previously reported, Denham-Blythe and the 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 group continued updating the ISBL 3D model, ISBL and programming and controls integration for the distributed control system (“DCS”). Documentation of as-built conditions continued. Procurement activities continued with monitoring and expediting of Building 605 heating, ventilating and air conditioning (“HVAC”) equipment and “I/O cards” for electrical cabinets. Delivery of the complete KE-250 extruder was accepted.

Construction activities by Denham-Blythe continued with the installation of central utility plant piping insulation in Building 610 and pulling and terminating of electrical cable to “E-house 3”. Checkouts in all three “E-houses” continued. Addressing of the preprocess equipment punchlist items in Building 504 continued and checkouts were in progress. Installation of PK-720 and PK-730 extruders, including the pelletizer, dryer and classifier package, continued and installation of PK-740 additive extruder was

completed allowing commissioning to commence. Installation of vacuum and vent relief piping in Building 610 commenced. Interconnecting of ISBL modules continued. Final inspection and closure of vessels continued. Installation of degassing equipment at Building 615 continued as did installation of associated degassing piping. Setting of equipment in and around Building 605 continued. Installation activities at the rail loadout building were nearing completion and certification of the scale was completed. Installation of site electrical distribution and telecom systems continued as did installation of the remaining finished product conveyance equipment and components. As previously reported, the substation was successfully energized on March 17, 2022. Energization of all areas on permanent power was essentially complete.

Start-up continued with mechanical completion walkdowns of the completed systems and pre-start-up safety reviews ("PSSRs") of turned over systems. Final inspections and closure of major vessels continued. Checkouts and commissioning of pre-process wash lines, dry lines, agglomeration equipment and dust collection system continued. Boil-out of auxiliary boilers was completed. The addition of details to the commissioning and start-up schedule continued.

As discussed later in the Report and/or previously reported, there are several near-concurrent critical paths, including the previously reported path through the delays associated with the delivery and installation of the extruder (KE-250/PK-310) equipment. The equipment was delivered during the Relevant Period and installation commenced. Schedule mitigation discussions between the Owner, Denham Blythe, the ISBL equipment supplier and sub-suppliers continue as does identification of alternate suppliers. As previously noted, there are numerous delays that have previously impacted the Project or continue to impact the Project, even if not directly impacting the current critical path. These impacts include, but are not limited to, the war in Ukraine, COVID-19, supply chain issues and low water on the Mississippi River. The current timeline for key completion milestones is: (a) Facility ready for solvent introduction into the process in early February 2023; (b) initiation of polymer and first sale of product (Commercial Operation) in mid-February 2023; (c) initial production on recycled feed in early March 2023; and (d) targeted Substantial Completion in late March 2023. The Owner continues to evaluate commissioning and start up of operations procedures so as to ensure the safe and efficient start of operations. Budget overruns beyond contingency continue to be funded by PCT.

During the Relevant Period there were no Occupational Safety and Health Administration ("OSHA") recordable safety incidents reported. There were no environmental incidents reported 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 during the Relevant Period the actual and planned progress was modified to reflect work added by additional approved COs. The schedule progress is shown in Table 1.

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

Project Phase	Cumulative Through December 2022 Planned % [2] [3]	Cumulative Through December 2022 Actual % [3]	Cumulative Through November 2022 Actual % [4]
Engineering	100	100	99.9
Procurement	100	99.8	99.7
Construction	99.7	93.0	88.6
Start-Up	99.4 [5]	71.2 [5]	61.3 [5]
Weighted Total	99.8	96.4	94.4

1) All progress is shown in percent ("%") unless noted.
2) The "planned" percentage complete represents the re-baseline established in January 2022 maintaining the contractual dates.
3) As modified to reflect work added by approved COs.
4) Does not include work added by approved COs during the Relevant Period.
5) As adjusted for correct schedule logic and detailing of activities.

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 engineering is essentially complete and the engineering coordination for vent relief piping and pipe supports at relief devices was nearing completion. Updating of the ISBL 3D model and ISBL pipe support analysis continued as did addressing of engineering related requests for information ("RFIs"). Documentation of as-built conditions continued as did support of DCS programming and controls integration.

Procurement

Overall, the Owner's construction manager reported that, as modified to reflect work added by additional approved COs, 99.8 percent of the procurement effort was completed against a planned 100 percent of the new baseline plan.

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

- Continued to issue field requisitions as required;
- Continued monitoring and expediting of Building 605 HVAC equipment;
- Identified and confirmed alternate source of "I/O Cards" for electrical cabinets;
- Identified and confirmed alternate source of ISBL waste stream control valves;
- Accepted delivery of complete KE-250 extruder;
- Continued receipt and offloading of miscellaneous remaining material; and
- Continued ISBL supplier and sub-vendor information exchange.

Procurement is, with the exceptions discussed later in this Report, tracking materially on schedule and the Owner reported that they and the EPC Contractor are closely monitoring market conditions and supply chain impacts from COVID-19 to track and minimize or mitigate risk to the schedule.

Construction

Overall, the Owner's construction manager reported that, as modified to reflect work added by additional approved COs, 93.0 percent of the construction effort was completed against a planned 99.7 percent of the new baseline plan. Denham-Blythe construction activities through the Relevant Period include, but are not limited to, the following:

- Continued resolution of punchlist items in Building 509;
- Continued insulation and painting of piping in Building 509;
- Completed boil-out of auxiliary boilers in Building 509;
- Continued energization of electrical equipment in "E-house 2" at Building 509;
- Continued low-voltage and controls installation in Building 509;
- Continued terminating of electrical cable in Building 504;
- Continued addressing of wash line, dry line and agglomeration equipment punchlist items in Building 504;
- Continued low-voltage and controls terminations in Building 504;
- Continued checkouts of wash lines, dry lines and agglomeration equipment in Building 504;
- Continued connecting of feedstock storage and conveyance instrumentation;
- Continued installation of various Building 610 (process building) equipment;
- Continued instrumentation installation at PK-100 and PK-110 extruders in Building 610;
- Continued installation of conveyance and electrical connections to PK-100 and PK-110 extruders in Building 610;
- Continued installation of PK-730 pelletizer, dryer and classifier package in Building 610;
- Continued electrical installation to PK-720 and PK-730 extruders in Building 610;
- Completed installation of PK-740 additive extruder instrumentation in Building 610;
- Commenced installation of vacuum and vent relief piping in Building 610;
- Completed installation of electrical equipment and commenced energization in "E-house 3" at Building 610;
- Continued interconnecting ISBL process and pipe modules at Building 610;
- Continued pulling of electrical cable to pumps in ISBL area;
- Continued setting and installation of waste densification process equipment in Building 615;
- Continued installation of degassing equipment at Building 615;
- Commenced installation of degassing piping at Building 615;
- Continued rough-in of electrical in Building 615;
- Continued installation of fire suppression system in Building 615;
- Continued addressing punchlist items in Building 620 (commons building);
- Continued installation of fire and gas detection items in various areas;

- Continued resolution of remaining punchlist items in Building 640;
- Commenced installation of extruder KE-250 equipment in Building 605;
- Continued installation of equipment and electrical in and around Building 605;
- Continued installation of various remaining ISBL pipe support foundations;
- Completed inspection and closure of C-220 mixing column;
- Continued installation of air and gas piping to thermal oxidizer;
- Continued installation of electrical in rail loadout building;
- Completed certification of rail loadout scales;
- Continued installation of deluge system in various areas;
- Continued fire water connections to building headers;
- Continued installation of site electrical distribution and telecom systems;
- Continued installation of remaining finished product conveyance piping and components; and
- Continued installation of remaining feedstock conveyance items.

Our review of the construction activities indicates progress materially in support of Project objectives of most but not all activities. The delayed extruder (KE-250/PK-310) equipment was delivered during the Relevant Period and installation commenced. The current timeline for key completion milestones is: (a) Facility ready for solvent introduction into the process in early February 2023; (b) initiation of polymer and first sale of product (Commercial Operation) in mid-February 2023; (c) initial production on recycled feed in early March 2023; and (d) targeted Substantial Completion in late March 2023. The Owner continues to pursue all available workaround approaches.

The EPC Contractor reported that the manpower during the Relevant Period averaged approximately 408 but peaked at over 500.

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 used for schedule compliance.

ISBL Equipment Supply

Review of ISBL equipment supplier's drawings continued. The design of the flare, knock-out drum and vent relief was completed and the fabrication of modules was completed. During the Relevant Period the delivery of ISBL modules was completed and setting of process and piping pipe rack modules was completed and interconnecting of modules continued. Setting of "north bank" modules was completed. Installation of extruders continued. The delayed extruder (KE-250/PK-310) equipment was delivered during the Relevant Period and installation commenced. Inspection and closure of the V-120 imbiber and V-500 diatomaceous earth slurry tank was previously completed and inspection and closure of the C-220 mixing column was completed during the Relevant Period.

Pre-processing Equipment Supply

The pre-processing equipment supplier's engineering and design activities were previously completed as was the development of the operations and maintenance ("O&M") manuals. Delivery of preprocessing equipment was completed as was the installation of the wash line, dry line and agglomeration equipment. Checkout and commissioning of the wash lines, dry lines and agglomeration equipment continued. Runs on feedstock through dry line, wash line and agglomeration equipment continued.

Material Handling Equipment Supply

The design and engineering of material handling equipment was previously completed. Development of the ISBL coproduct and waste streams conveyance systems was completed. Delivery of components and conveyance system piping was complete and installation of feedstock conveyance piping was essentially complete and installation of product conveyance piping continued. Installation of the finished product conveyance equipment and components continued. Commissioning of feedstock material conveyance and storage, including feedstock silo rotary valves, bulk bag loader, box dumper and bulk bag unloader, continued.

Degassing Equipment Supply

As previously reported, the degassing equipment supplier reported that engineering was complete as was fabrication. Delivery of degassing system components was completed and installation continued. Installation of the degassing tower was completed. Installation of degassing equipment at Building 615 continued as was installation of related degassing piping.

Interconnections

The Owner previously reported that the natural gas line to the Facility was installed. Installation of the metering related foundations was completed and the gas metering skid was set. Installation of "point-of-distribution" items was completed as was the commissioning of the gas line to the boundary line.

As previously reported, installation of the substation was completed and the substation was successfully energized on March 17, 2022. Energizing of all areas on permanent power was nearing completion.

Start-Up, Commissioning and Operations

Overall, the Owner's construction manager reported that, as modified to reflect work added by additional approved COs, 71.2 percent of the commissioning and start-up effort was completed against a planned 99.4 percent of the new baseline plan. Commissioning planning with regular coordination meetings continued.

As previously reported, the substation was energized on March 17, 2022 and, as mentioned above, energizing of all areas on permanent power was essentially complete.

Checkout, commissioning and start-up activities through the Relevant Period include, but are not limited to, the following:

- Continued configuration of DCS;
- Commenced loop checking;

- Continued mechanical completion walkdowns of completed systems;
- Continued checkouts of Building 509 "E-house 2" high-voltage panels and switchgear;
- Continued checkouts of Building 504 "E-house 1" high-voltage panels and switchgear;
- Continued checkouts of Building 504 "E house 3" high voltage panels and switchgear;
- Continued commissioning of glycol system in Building 509;
- Commenced commissioning of PK-740 additive extruder in Building 610;
- Continued PSSRs of turned over systems;
- Continued checkouts and commissioning of dry lines and wash lines in Building 504;
- Continued commissioning of agglomeration equipment in Building 504;
- Continued commissioning of dust collection system in and adjacent to Building 504;
- Continued runs on feedstock through dry line, wash line and agglomeration equipment;
- Continued commissioning of feedstock material conveyance and storage, including feedstock silo rotary valves, bulk bag loader and box dumper;
- Confirmed transfer operation of material to feedstock silo;
- Continued final inspections and closure of certain major vessels, including the C-220 mixing column;
- Completed boil-out of auxiliary boilers;
- Commenced HVAC checkouts in Buildings 610 and 630;
- Continued hydrostatic and pneumatic testing of completed sections of piping systems; and
- Continued detailing of the commissioning and start-up schedule.

At the time of the visit the Owner reported that 369 of 1,863 loop checks were completed.

As previously reported, the plant manager continued planning for the hiring of plant personnel and has established the required level of personnel as well as their duties. As previously noted, a number of plant personnel positions were filled by specific current Owner personnel. The Owner reported that hiring continued with all salaried positions but one having been filled.

As mentioned above, development of a detailed commissioning and start-up schedule continued. Review of O&M manuals submitted to date by sub-suppliers continued as did development of the training program. As previously reported select classroom process training is in progress with certain classroom training having been completed.

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 that there were no OSHA recordable incidents and no lost time incidents. Since the commencement of work at the Project Site, there were two recordable incidents and no lost time incidents.
- The Owner reported that there were 103,128 manhours worked during the Relevant Period and 882,612 cumulative manhours worked through the end of the Relevant Period.

- There were no environmental incidents reported at the Project Site during the Relevant Period.

The Owner reported that COVID-19 trends continued to be monitored. During the Relevant Period there were no reported COVID-19 cases.

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;
- Continued implementation of changeover to the SWPPP for industrial operations;
- Implemented air permit monitoring requirements for dust collection in conjunction with start up and commissioning of pre-process equipment in Building 504;
- Continued coordination with local wastewater treatment plants and Ohio Environmental Protection Agency ("OEPA") to ensure compliance with all environmental permits for commissioning activities; and
- Continued working on obtaining those permits required for the current phase of construction, start-up and operation.The Owner reported that, with the exception of Buildings 610, 630, 605 and Building 615, all certificates of occupancy have been received. The Owner also reported that the EPC Contractor was working on handing over more areas of Building 504 to the Owner.

The Owner reported that all necessary permits required for the current phase of construction, start-up and operation have been or are being secured. As previously reported, the final Air Permit was received from OEPA.

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 is required to submit a copy of their quality control plan to the Owner.

During the Relevant Period, the Owner reported no material quality assurance issues. Denham-Blythe continued to report that the required concrete sampling and gathering of test cylinders continued as did inspection of structural steel connection welding and torquing of bolts. Final inspections and closure of major vessels, including the C-220 mixing column, continued.

Schedule

In light of the numerous schedule impacts discussed previously and again in this Report, the Owner has modified the work sequence of the remaining activities so as to achieve the earliest possible completion.

The modified approach does not utilize certain of the remaining unachieved milestones in the original schedule as these were presented in our previous monthly reports. The remaining modified key completion milestones are presented in Table 2.

Table 2
Key Completion Milestone Dates (1)

Key Event	Planned Date (1)	Forecasted/ Actual Date (2)
ISBL Hot Commissioning and Start-Up Milestones		
Facility Ready for Solvent Introduction	February 7, 2023	February 7, 2023
Initial Production on Virgin Feed	February 15, 2023	February 15, 2023
Initial Production on Recycled Feed	March 2, 2023	March 2, 2023
Process Capable of Running at 100 Percent Rates (Performance Test Capable)	March 7, 2023	March 7, 2023
Major Completion Milestones		
Commercial Operations (Initiation of Polymer and First Sale of Product)	February 15, 2023	February 15, 2023
Target Substantial Completion	March 20, 2023	March 20, 2023

1) Targeted Dates Based on December 2022 Monthly Construction Report.
2) An (A) after a date indicates an actual date or completed activity.

The Owner indicated that, due to the newness of the process and technology of the Project, the above planned and forecasted dates are not considered fixed but are considered targets with a plus/minus range of two weeks. This plus/minus range allows for the Project team to respond to any unforeseen conditions or troubleshooting that often occur during the start-up and commissioning process.

Substantial completion is at conclusion of a successful performance test, currently targeted for March 20, 2023. Commercial operations will begin at initiation of polymer, currently forecasted for February 15, 2023.

The Owner and Denham-Blythe reported that there are several near-concurrent critical paths, including the previously reported path through the delays associated with the delivery and installation of the extruder (KE-250/PK-310) equipment. The equipment was delivered during the Relevant Period and installation commenced. As previously reported, schedule mitigation discussions between the Owner, Denham-Blythe, the ISBL equipment supplier and sub-suppliers continue. Additional mitigation actions during the Relevant Period included, but were not limited to, identifying alternate suppliers and/or substitutions which meet the specifications such as "I/O Cards" and ISBL waste stream control valves. As previously noted, there are numerous delays that have previously impacted the Project or continue to impact the Project, even if not directly impacting the current critical path. These impacts include, but are not limited to, the war in Ukraine, COVID-19, supply chain issues and low water on the Mississippi River. The Owner and its contractors continue to closely manage and work to successfully mitigate most of these delays. As mentioned above, the Owner continues to evaluate commissioning and start up of operations procedures so as to ensure the safe and efficient start of operations.

As previously reported, Denham-Blythe and their subcontractors have not yet submitted COs to extend their respective completion dates.

Change Orders

There were several 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, major equipment supply contracts and other budget variances through November 30, 2022. The total out-of-scope cost approved and/or pending COs under the EPC Contract, major equipment supply contracts and other budget variances, as of November 30, 2022, was approximately $99,935,982 of which Contingency will fund $21,153,011 and $4,889,499 is being funded by Budgeted Allowances and realized savings. The remaining $73,893,472 is being funded by PCT.

The Owner reported that the bulk of the $99,935,982 funded by PCT for COs and other budget variances is related to supply chain issues reported to be due to COVID-19 and a Project de-risking activity that allows PCT to process higher levels of solids and polyethylene in the feedstocks, and other recently identified improvements.

Table 3
Construction Contract Approved and Pending Change Orders and Other Budget Variances

Item No.	Contract/Area	Cost Impact	Schedule Impact	Status
1	Total ISBL Equipment Supply (1)	$12,809,637	None	Approved/ Pending
2	Total EPC Contract (1)	91,823,936	None	Approved/ Pending
3	Material Handling	1,192,764	None	Approved
4	Pre-processing Equipment (2)	265,928	None	Approved
5	Degassing Equipment Contract (1) (2)	(6,523)	None	Approved
	Sub-Total	$106,084,742		
	Other Budget Variances	6,148,760		
	Total	$ 99,935,982		

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

Summary of Cost and Contingency

During the Relevant Period, the Borrower made payments with PCT funds covering work completed during November 2022.

The budget and expenditures, as presented by the Owner, are shown in Table 4.

Table 4
Facility Budget and Expenditures through the Relevant Period [1]

Cost Category	Facility Budget [1]	Adjusted Facility Budget	Payments Made to Date	Remaining Budget
Facility Costs [2]	$ 242,079,604	$322,577,168	$266,753,683	$55,823,485
LOC [3]	1,830,000			0
Financing Costs	97,979,918	97,979,918	50,376,999	47,602,919
Capitalized Interest Reserve [4]	55,723,700	55,723,700	30,330,671	25,393,029
Debt Service Reserve [5]	20,987,800	20,987,800		20,987,800
Cost of Issuance [6]	21,268,418	21,268,418	20,046,328	1,222,090
Development Costs [7]	55,735,603	55,735,603	55,735,603	
Total	$397,625,125	$476,292,689	$372,866,286	$103,426,404

1) "Facility" refers to the production facility located in Ironton, Ohio and referred to by PCT as "Plant 1".
2) Facility Costs include: engineering, procurement of certain materials, construction costs, program management, inspections and testing and other various required elements for cost to complete the Facility.
3) Letter of Credit ("LOC") is related to an LOC for the Facility and was included in restricted cash on the PCT balance sheet.
4) Capitalized Interest Required Reserve represents future interest payments through December 1, 2023.
5) Debt Service Required Reserve represents a portion of debt service required to be in reserve.
6) Cost of Issuance represents remaining reimbursable costs for engineering reviews, legal fees, etc.
7) Development Costs include: cost to construct the FEU, land purchases and other development related expenses.

The adjusted Facility budget is $476,292,689 and includes $21,153,011 of construction contingency. Cumulative Project expenditures reported by the Borrower were $372,866,286. Included in the current expenditures are total costs in Table 4 above in the columns titled *"Payments Made to Date"*. Through the Relevant Period, net allocation of contingency, allowances and actual or planned payments by PCT was reported to be $21,153,011. We note that although this amount was allocated and funds will be drawn, the appropriate funds will be returned to contingency in the allowed time to maintain the required $21,153,011 level.

Miscellaneous

None at this time.

Areas of Concern

As discussed above and/or previously reported, there are several near-concurrent critical paths, including the previously reported path through the delays associated with the delivery and installation of the extruder (KE-250/PK-310) equipment. The equipment was delivered during the Relevant Period and installation commenced. Schedule mitigation discussions between the Owner, Denham Blythe, the ISBL equipment supplier and sub-suppliers continue. Additional mitigation actions during the Relevant Period included, but were not limited to, identifying alternate suppliers and/or substitutions which meet the specifications such as "I/O Cards" and ISBL waste stream control valves. As previously noted, there are numerous delays that have previously impacted the Project or continue to impact the Project, even if not directly impacting the current critical path. These impacts include, but are not limited to, the war in Ukraine, COVID-19, supply chain issues and low water on the Mississippi River. The current timeline for key completion milestones is: (a) Facility ready for solvent introduction into the process in early February 2023; (b) initiation of polymer and first sale of product (Commercial Operation) in mid-February 2023; (c) initial production on recycled feed in early March 2023; and (d) targeted Substantial Completion in late March 2023.

As previously noted, the Owner also reported several other earlier items that delayed near critical activities at the time. These items include, but are not limited to, the Project safety management effort requiring significantly more time than planned, supply chain issues causing the preprocessing equipment to be delivered late, and significantly longer lead times for structural steel.

The Owner and its contractors continue to closely manage and work to successfully mitigate most of these delays. Additionally, the Owner continues to evaluate commissioning and start up of operations procedures so as to ensure the safe and efficient start of operations.

Photographs

Photographs included in Attachment 1 were taken on January 12, 2023.

Attachment 1: Photographs

Figure 1: Installation of Extruder PK-720 in Building 610

Figure 2: Installation of Fire Water Header near Extruder PK-720 in Building 610

Figure 3: Installation of Equipment in Building 605

Figure 4: General View of Process Modules

Figure 5: Installation of KE-250 Extruder in Building 605

Figure 6: Preprocessing Feedstock in Building 507