

PureCycle Provides Ironton Purification Facility Production Update

IRONTON, OH / ACCESSWIRE / January 16, 2024 / [PureCycle Technologies, Inc.](https://www.purecycletechnologies.com)

(Nasdaq:PCT), today, announced an update on the status of activities at the company's flagship purification facility located in Ironton, Ohio. PureCycle restarted operations in late December and has since been ramping up operations.

PureCycle CEO Dustin Olson said, "We've experienced substantial progress over the past month. We repaired the mechanical seal failure from December, which was caused by a minor component malfunction. Plus, the installation of the automatic screen changer and the other improvements we recently made are proving to be effective and helping us run more continuously." Olson added, "The adsorbent bead debris has largely been flushed from the system and the recent longer periods of operation will allow our team to optimize the process for both cost and process efficiencies."

In the last two weeks, PureCycle produced 183,000 pounds of pellets. That is nearly the same amount produced during the fourth quarter of 2023. This includes six different 24-hour periods, where the team produced levels that have increased from 10,000 pounds to 72,000 pounds. All the pellets made since coming back online have been produced from post-consumer recycled material.

"We have run a wide variety of feedstock that includes recycled curbside material, woven polypropylene, and agglomerated agricultural twine," Olson said. "We have purposefully run challenging feeds to test our technology, define the boundaries of our technology, and to set us up for long-term feedstock flexibility. Each of these feedstocks have different levels of contaminants and different physical properties. We are seeing those contaminants successfully come out in the process with the increased production of co-product one and co-product two."

As the team in Ironton works to continue increasing run rates, a primary focus will be on the co-product recovery system. During the November outage, our team implemented several improvements to simplify the removal of co-product one from the system. Co-product one is a waxy, low-molecular weight polypropylene material that is pulled out of the extraction column. Co-product one removal was originally a challenging operation and a plant limitation, but since the November upgrades, it is operating reliably, consistently and is no longer a constraint to our production.

We are now working through similar challenges with co-product two, which is generally comprised of polyethylene and other inorganics. The consistency of co-product two can vary depending on the type of feedstock being processed. While the core technology is successfully removing those contaminants, the transfer of co-product two out of the purification system is limited and below design rates. The lower pace of removal ultimately impacts the rate at which feed can be delivered into the system or the duration we can introduce feedstock. The current modified process is manual, but we are working diligently to

improve efficiency and better automate the procedure.

Until the operational plan to remove co-product two more efficiently is fully implemented, the PureCycle team has shifted to our feedstocks that contain lower levels of polyethylene. This shift has already led to significantly higher, more consistent run rates.

Over the past weekend and after making the feedstock changes, the Ironton facility ran at 5,000 pounds per hour of feed and approximately 4,700 pounds per hour of product. The 300-pound difference represents the successful removal of contaminants. The plan is to continue optimizing the operations to increase production rates over the coming days and weeks.

PureCycle Chief Sustainability Officer Tamsin Ettefagh said, "It's great to see our finished product silos starting to fill up. Since we resumed operations in December, the color of the product has varied across each feedstock, due in part to purposely bypassing the adsorber step of the operation. I'm excited to share that despite the variation in color we've seen a significant demand from the market for these pellets, because this resin has good mechanical properties, minimal odor and lower mold reject rates than resin produced by other recycling options." Ettefagh continued, "Color is only one piece of the puzzle. We expect that to improve when we reintroduce adsorbent shortly, but this product meets our other qualifications and should help customers quickly go to market with our resin. Despite the higher level of color relative to our flagship PureFive™ resin, we believe the value of these pellets is consistent with or better than the original market estimates."

Initial interest in the recently produced material has come from compounders who supply the automotive and furniture industries with polypropylene products.

"All production facilities, especially a first-of-its-kind technology like ours, must face the types of mechanical and operational challenges we have seen," Olson said. "I'm encouraged by the demonstrable progress the team is making each and every week to improve plant production and reliability. It is a positive sign that we are beginning to see larger stretches of continuous operations. It shows that our team is properly diagnosing and solving the items that impact the system's reliability." Olson added, "While the road to full-scale operations has been more difficult than expected, I believe we have the right team in place to navigate it and we are building momentum. I remain amazed by their resolve, ingenuity, and grit, which ultimately gives me confidence in our ability to meet the upcoming production milestones."

We want to show the world our facility, our technology and the progress that we've made. Therefore, PureCycle will be hosting an "Ironton Showcase Day" on March 7 where investors can see the technology for themselves. This event will feature a tour of our pre-processing facility, purification operation and offtake distribution area. We look forward to highlighting our technology, our team and our vision in greater detail. Full details on the "Ironton Showcase Day" will be released in the coming weeks.

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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 outcome of any legal proceedings to which PureCycle is, or may become a party, and the financial condition, results of operations, earnings outlook and prospects of PureCycle. 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 the management of PureCycle 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, 2022 and PureCycle's Quarterly Reports on Form 10-Q, 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 UPR resin (as defined below) 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 (as defined below),

following certain performance and other tests, and commence full-scale commercial operations in a timely and cost-effective manner;

- 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 complete the necessary funding with respect to, and complete the construction of, (i) its first U.S. multi-line facility, located in Augusta, Georgia (the "Augusta Facility"); (ii) its first commercial-scale European plant located in Antwerp, Belgium and (iii) its first commercial-scale Asian plant located in Ulsan, South Korea, in a timely and cost-effective manner;
- PCT's ability to sort and process polypropylene plastic waste at its plastic waste prep ("Feed PreP") facilities;
- PCT's ability to maintain exclusivity under the Procter & Gamble Company ("P&G") license (as described below);
- 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 case;
- 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 rising interest rates, availability of capital, economic cycles, and other macro-economic impacts;
- turnover or increases in employees and employee-related costs;
- changes in the prices and availability of labor (including labor shortages), transportation and materials,
- including significant 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 current situation in Israel);
- 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 LLC.

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