

# Second Quarter 2021 Corporate Update

August 12, 2021



# Forward-Looking Statements

Certain statements in this Presentation contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), including statements about the outcome of any legal proceedings to which PCT is, or may become a party, and the financial condition, results of operations, earnings outlook and prospects of PureCycle Technologies, Inc. (“PCT”). Forward-looking statements generally relate to future events or our future financial or operating performance and may refer to projections and forecasts. Forward-looking statements are typically identified by 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 PCT and are inherently subject to uncertainties and changes in circumstances and their potential effects and speak only as of this Presentation. 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 Company’s Quarterly Report on Form 10-Q entitled “Risk Factors,” those discussed and identified in public filings made with the SEC by PCT, and the following: PCT’s ability to meet, and to continue to meet, applicable regulatory requirements for the use of PCT’s ultra-pure recycled polypropylene (“UPRP”) in food grade applications (both in the United States and abroad); PCT’s ability to comply on an ongoing basis with the numerous regulatory requirements applicable to the UPRP and PCT’s facilities (both in the United States and abroad); 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; PCT’s ability to scale and build the Ironton plant in a timely and cost-effective manner; PCT’s ability to build its first cluster facility, located in Augusta, Georgia in a timely and cost-effective manner; 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; PCT’s future capital requirements and sources and uses of cash; PCT’s ability to obtain funding for its operations and future growth; developments and projections relating to PCT’s competitors and industry; the outcome of any legal proceedings to which PCT is, or may become a party, including recently filed securities class action cases; the ability to recognize the anticipated benefits of the Business Combination; unexpected costs related to the Business Combination; 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; operational risk; and the risk that the COVID-19 pandemic, and local, state, federal and international responses to addressing the pandemic may have an adverse effect on PCT’s business operations, as well as PCT’s financial condition and results of operations. PCT specifically disclaims any obligation to update this Presentation. These forward-looking statements should not be relied upon as representing PCT’s assessments as of any date subsequent to the date of this Presentation. Accordingly, undue reliance should not be placed upon the forward-looking statements.

# 2021 Quarter 2 Highlights



OPERATIONS 1	FEEDSTOCK 2	COMMERCIAL 3	FINANCE 4
<ul style="list-style-type: none"> <li>Announced Plant 2 location in Augusta, GA</li> <li>Maintained Plant 1 schedule and budget</li> <li>Partnered with Emerson to advance Born Digital strategy</li> <li>Partnered with GulfSpan to secure module capacity for Augusta</li> </ul>	<ul style="list-style-type: none"> <li>Built Feedstock R&amp;D unit to process #3-#7 bales with advanced technologies</li> <li>Began nationwide purchases of mixed plastic bales for evaluation and processing</li> <li>Engaged in active negotiations for 300M+ pounds of feedstock</li> </ul>	<ul style="list-style-type: none"> <li>Progressed JV discussions to bring PCT capacity to Asia</li> <li>Advancing Cluster Plant sales term sheets to definitive agreements</li> <li>Broadened targeted verticals: packaging, automotive, home products, construction, and pharmaceutical</li> </ul>	<ul style="list-style-type: none"> <li>Ended Q2 2021 with \$238M in unrestricted cash and investments</li> <li>With site selection complete, evaluating financing options</li> <li>Preparing for long lead purchases in Q3 2021</li> </ul>

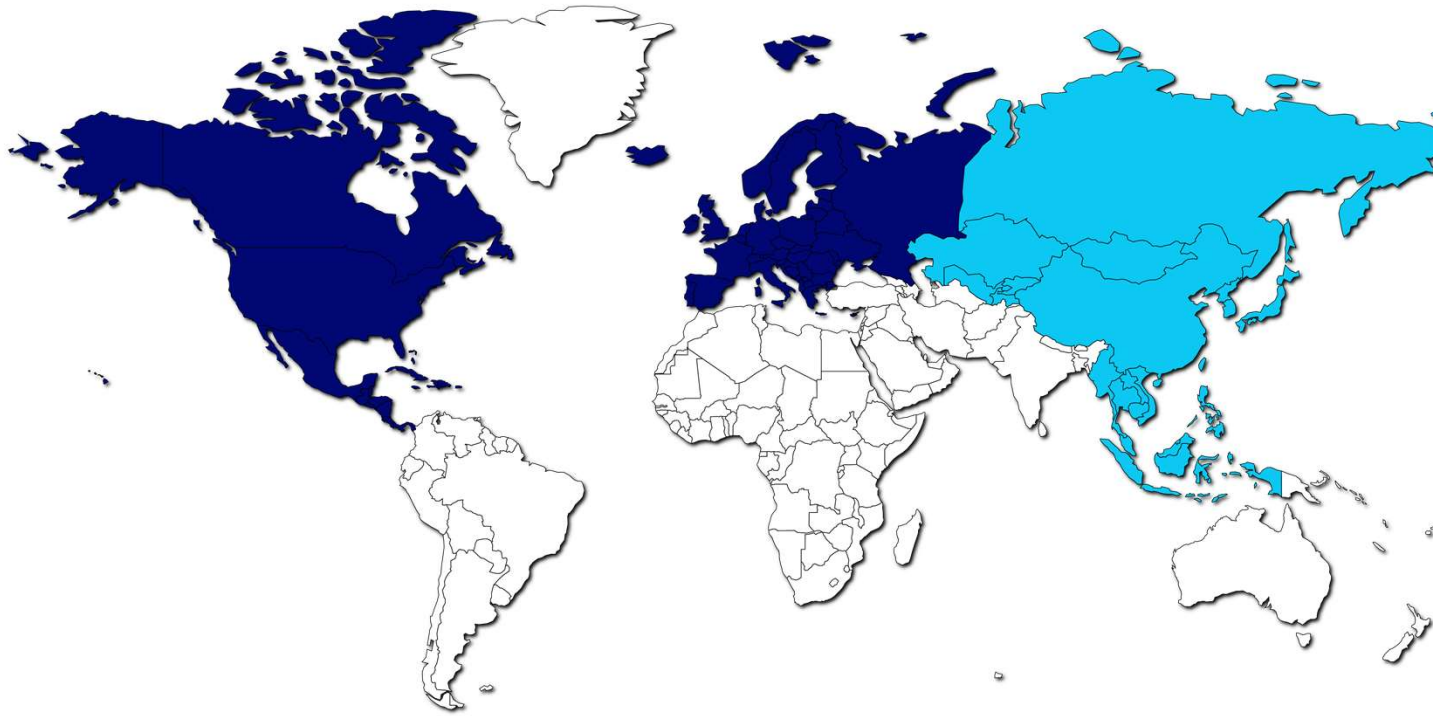
OPERATIONS

FEEDSTOCK

COMMERCIAL

FINANCE

# Q2 2021 Update on Global Priorities



Map: <https://www.freeworldmaps.net/>

- **North America** – Ironton remains on track; Plant 2 location announced; Plant 3 site selection analysis underway
- **Europe** – Detailed site selection activities in process; finalizing feedstock strategy and supply chain analysis
- **Asia Pacific** – Working towards long term agreements; fielding additional inquiries for regional joint ventures



# On June 23, We Hosted Our Inaugural Investor Day

- **Executive Summary** – 100+ attendees across investment community and industry
- **FEU Walkthrough** – demonstrated our process in action and explained the unit operations that make up our purification process
- **Feedstock Preprocessing** – Highlighted our Preprocessing facility that uses infrared sorting and advanced water separation to characterize and optimize regional feedstock options
- **Expo** – Explained in further detail how we're executing against our strategy across construction, operations, digital, and commercial collaborations



# General Operations Update

## Ironton Plant (107M)

- Cost and schedules are on track; equipment is arriving on site
- Implemented ongoing de-risking schedule analysis
- Module construction expected to start in Q3 2021



## Augusta Plant (650M)

- Secured Augusta site; Long lead equipment procurement efforts in progress with expected purchase in Q3 2021
- Initial design expected to be complete in early Q4 2021; site work expected to start in Q1 2022
- Detailed schedule analysis underway



## Cluster Plant 3 (390M)

- Location search underway
- Long lead equipment purchases expected in the first half 2022



# Comprehensive Selection Process for Augusta



50+ Sites evaluated across southeast, central and eastern United States



Sites evaluated across 13 criteria: Environmental, Engineering, Supply Chain, Economic, etc.



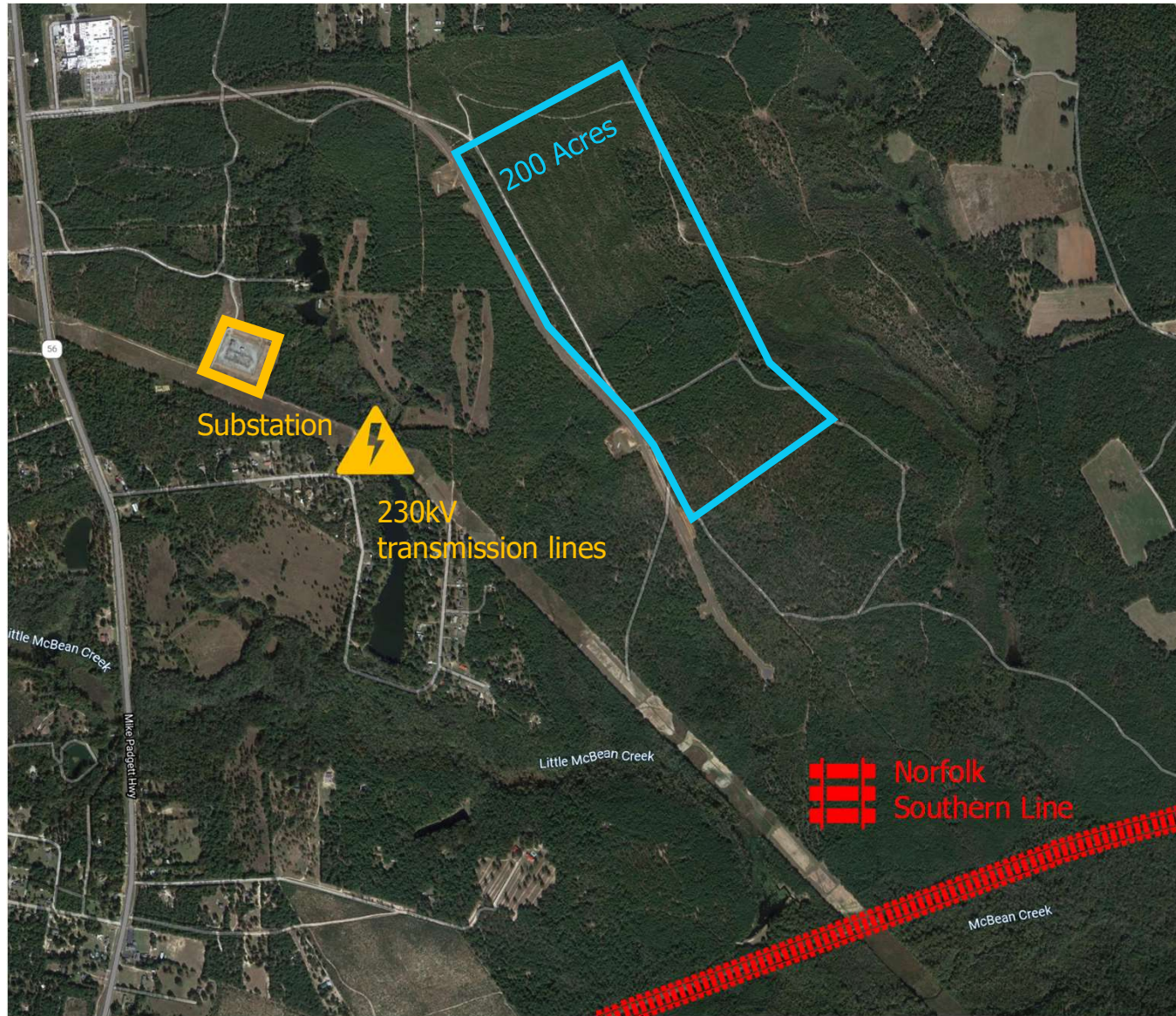
Targeted Southeast as ideal location for export and feedstock



Augusta selected for strong labor market, excellent supply chain, and overall economic value



# Augusta Delivers Strong Value and Global Reach



- **Optimized Infrastructure** – industrial park with access to electricity and natural gas at site boundary
- **Engineering** – initial design nearing completion; permitting activities in process



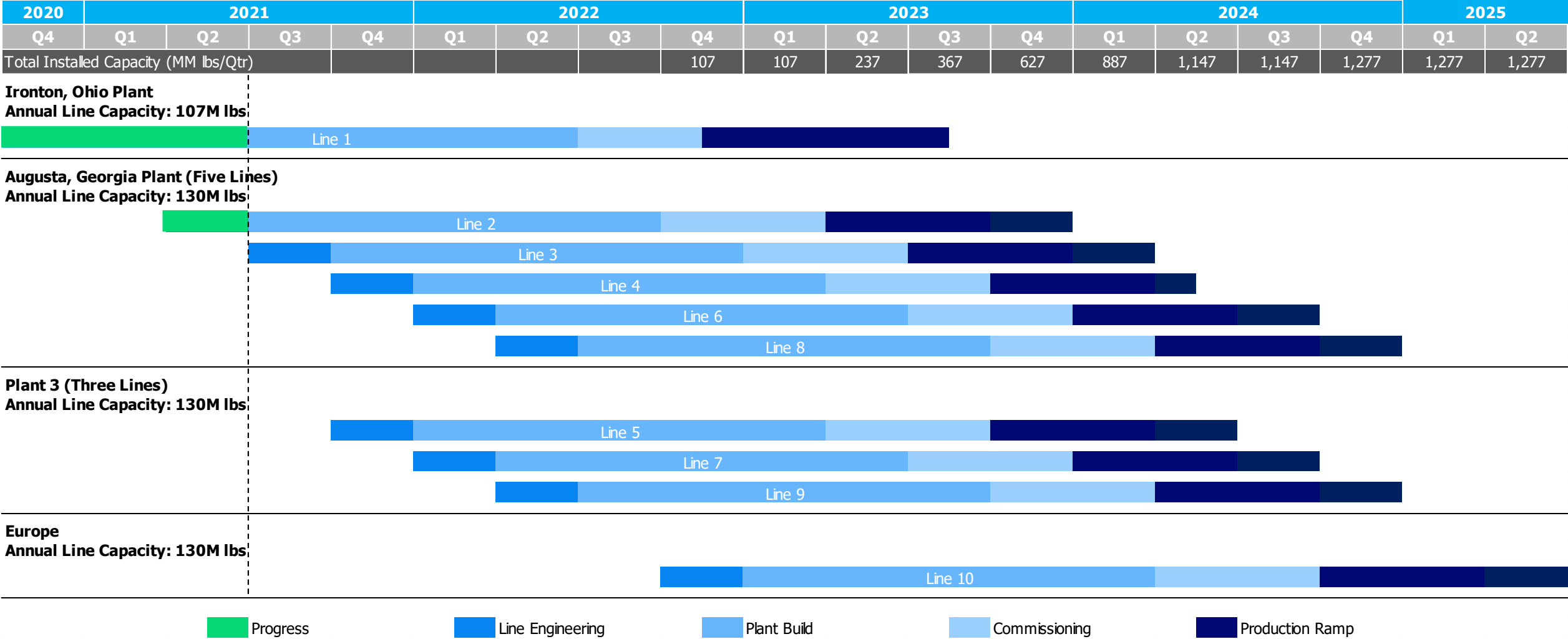
- **Advanced Supply Chain** – interstate and rail access to reduce inbound/outbound costs
- **Access to Feedstock** – ideal location to obtain both local and region feedstock
- **Global Reach** – Close proximity to multiple ports, including Port of Savannah



- **Strong Labor Market** – broad access to specialized skillsets with favorable economics
- **Ideal Community** – strong local community with site located within an industrial park

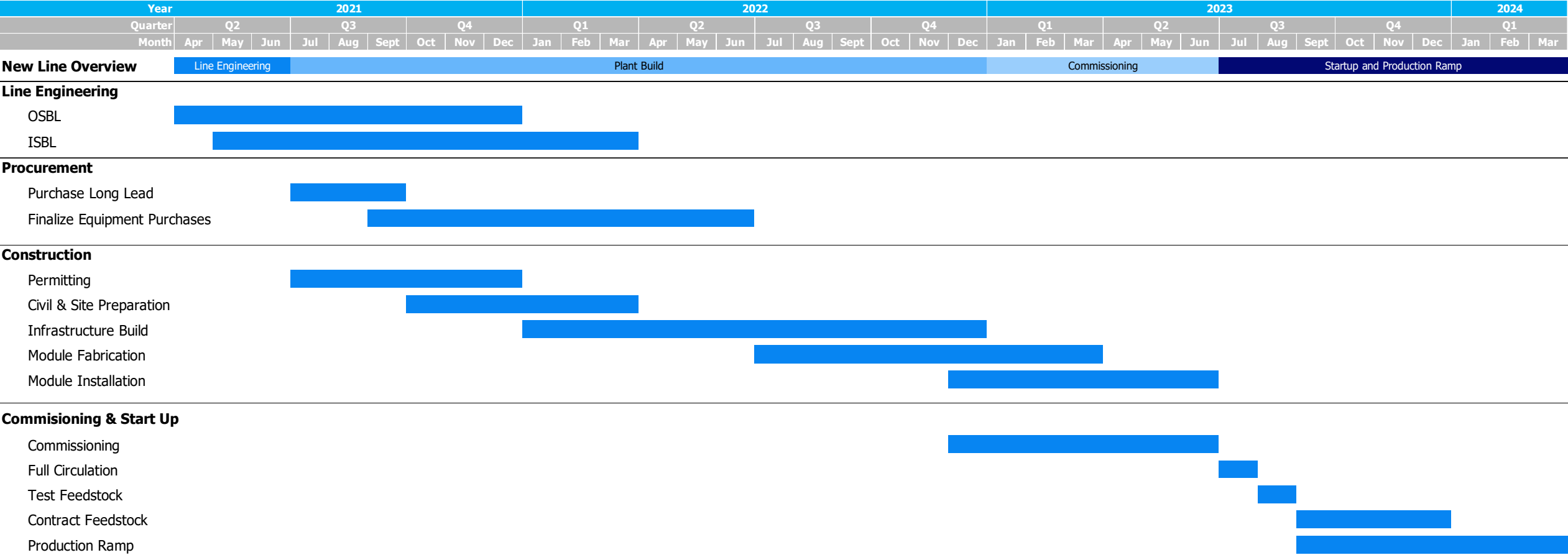


# The Path to 1 Billion Pounds of Production in 2025



*Note: Production timeline subject to outside variables including securing debt financing and supply chain disruptions affecting delivery of long lead materials*

# Development Overview: Augusta Plant, Line 1



Note: Production timeline subject to outside variables including securing debt financing and supply chain disruptions affecting delivery of long lead materials

# We are in Active Negotiations with Numerous Feedstock Suppliers for 300M+ Pounds Annually



## Post-Consumer Curbside

- Segregated bales
- Comingled bales

- **Active LOI Negotiations: 50M+ Pounds**
- Purchased various plastic bales from across the country for Feedstock Preprocessing, analysis, and continued discussions with Material Recovery Facilities (MRFs)



## Post-Consumer Non-Curbside

- Targeted streams
- Circularity programs

- **Active Discussions & LOI Negotiations: 200M+ Pounds**
- Actively targeting feedstock across agricultural, automotive, and medical; joined various associations to develop circular partnerships
- Suppliers prefer partners that can manage a range of impurities



## Post Industrial

- Direct from industries
- Brokered waste

- **Active Discussions: 80M+ Pounds**
- Conducting initial trials with multiple preprocessors and film producers; challenging feedstocks are priced well below market



## Advocacy

- Industry representation
- New PP collection programs

- Conducted National MRF survey of more than 150 MRFs to identify MRFs best suited to provide PCT either PP bales or mixed plastic bales that can be sorted at a PCT facility

## Mixed Bales



## Preprocessing





# Our Sourcing and Supply Chain Study is Creating a More Versatile Feedstock Acquisition Strategy

## Study

Evaluated technologies and sourcing locations to drive purchasing strategy across each bale type.

## Result

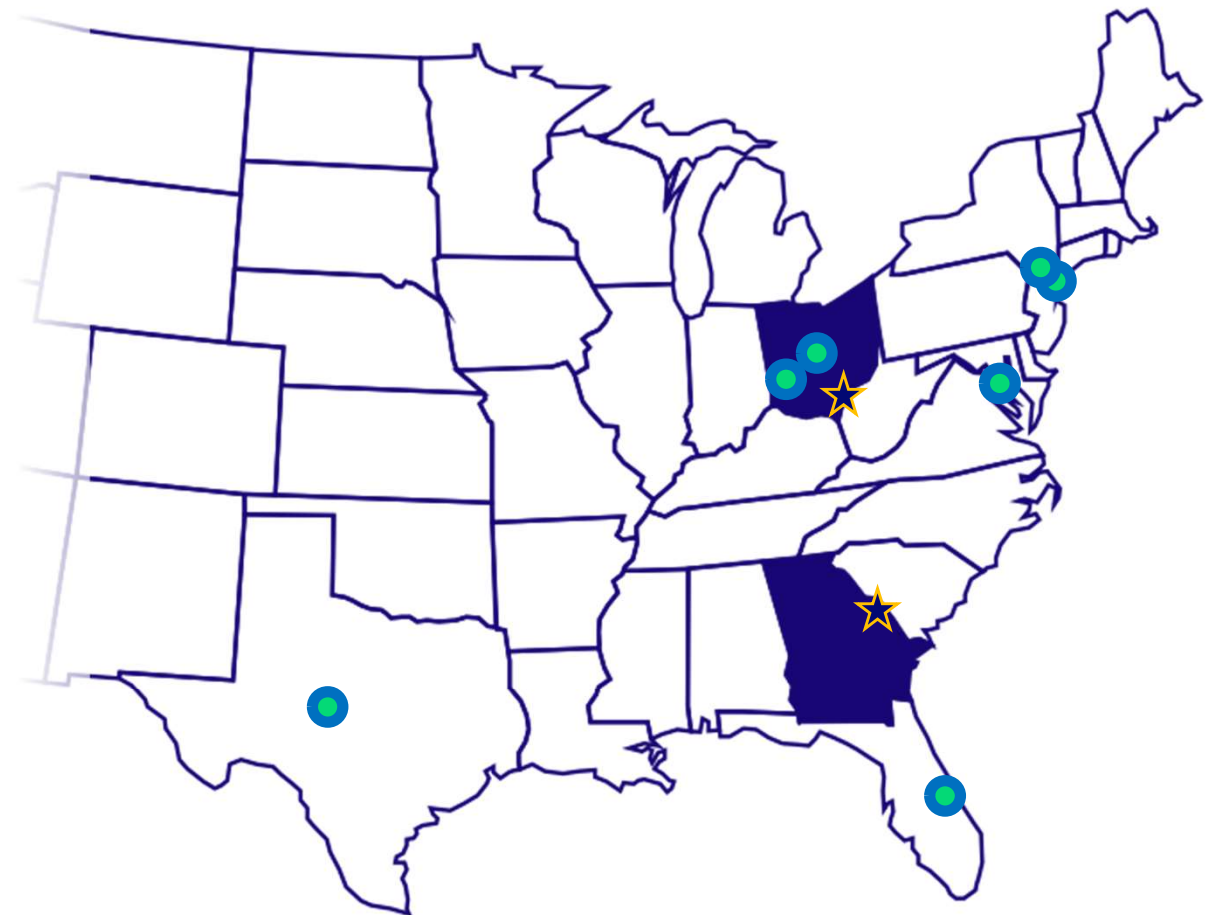
Identified supply chain efficiencies by locating pre-processing facilities closer to the source.

## Path Forward

Identifying locations and required technologies to efficiently harvest PP for Augusta Plant.

PCT contracted to purchase 200MM pounds of Preprocessing capacity with delivery and operation to begin in 2022.

Engaging with industry peers in adjacent sectors to collaborate on collection.



★ PCT Facility

● Feedstock Supplier

# Our Resin Delivers: Exceptional Clarity



# Robust Pipeline is Driving Signed Agreements in Q3

## Our Pricing Methodology

**A Index + Premium**  
based on virgin pricing plus a premium

**B Fixed Price**  
Reflect a flat price, de-linked from the price of virgin (\$1-\$2 per pound)

**C Feedstock+ Processing**  
Passes on cost of feedstock to de-risk operating margin (\$1+ per pound)

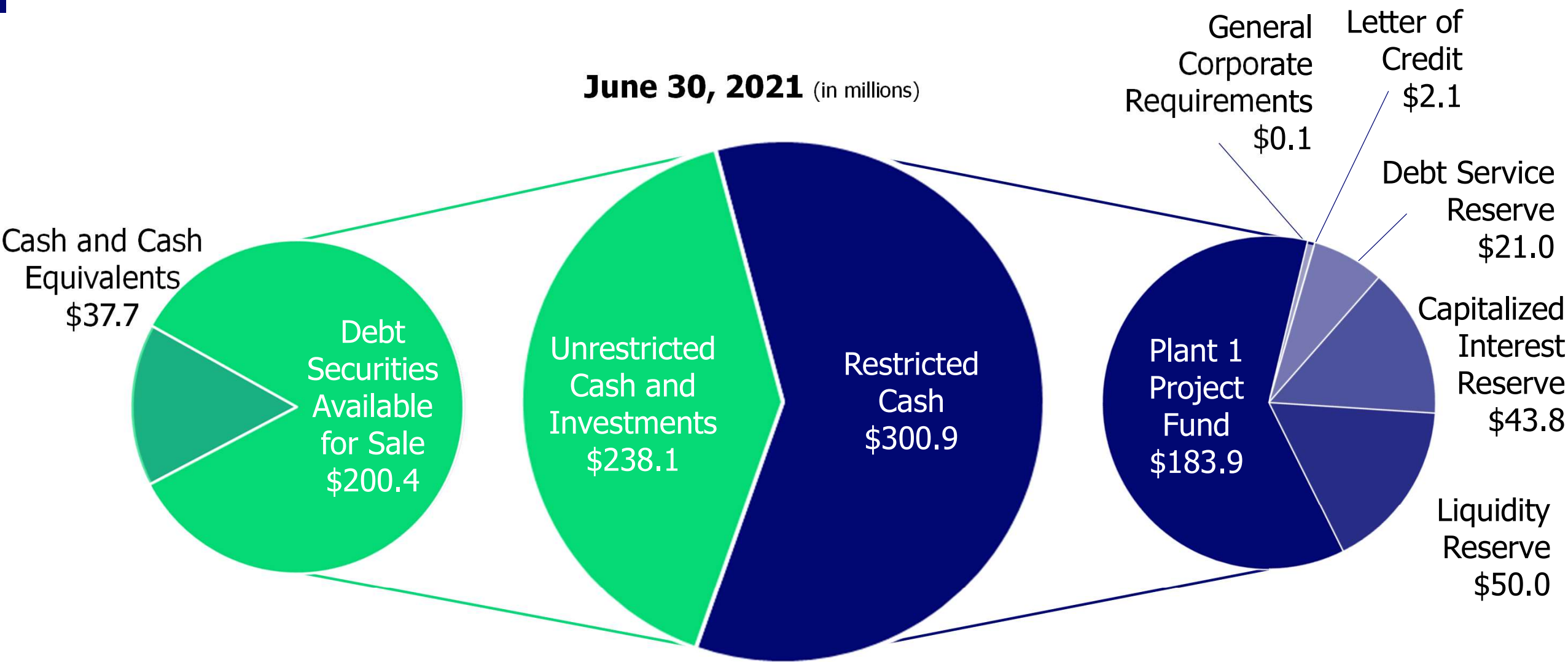
Plant 2+

## Augusta Update

- **Existing Strategic Partners** – ~40% of Augusta output allocated for existing strategic partners and customers from Ironton Plant
- **Validated New Feedstock+ Model** – market accepting "Feedstock+" pricing model which protects margins and potentially increases operating margin
- **Q3 Sales Contracts** – Advancing multiple "Feedstock+" agreements with additional definitive deals expected to close in Q3
- **Targeting New Verticals** – Automotive, Home products, Construction, and Pharmaceutical



# Strong Liquidity Position of \$539M



OPERATIONS

FEEDSTOCK

COMMERCIAL

FINANCE

# Q2 Liquidity and Changes from Prior Quarter

## Summary of Liquidity Changes

(IN MILLIONS)	March 31, 2021	June 30, 2021	change
Cash and Cash Equivalents	\$252.5	\$37.7	\$(214.8)
Debt Securities Available for Sale	-	200.4	200.4
<b>Total Unrestricted</b>	<b>\$252.5</b>	<b>\$238.1</b>	<b>\$(14.4)</b>
<b>Restricted Cash</b>			
Plant 1 project fund (Ironton, OH)	\$188.7	\$183.9	\$(4.8)
Letter of Credit for Ironton, OH utilities	2.1	2.1	-
General corporate requirements	-	0.1	0.1
<b>Reserve Requirements per Revenue Bonds</b>			
General Liquidity Reserve	50.0	50.0	-
Capitalized Interest Reserve (interest payments through 12/1/2023)	55.7	43.8	(11.9)
Debt Service Reserve (portion of future principal payments)	21.0	21.0	-
<b>Total Restricted</b>	<b>\$317.5</b>	<b>\$300.9</b>	<b>\$(16.6)</b>
<b>Total Available</b>	<b>\$570.0</b>	<b>\$539.0</b>	<b>\$(31.0)</b>

- **\$539M Available Funds**
- **Operating and SGA Expenses** – \$14.4M in General and Administrative expenses
- **Ironton Project Fund** – \$4.8M draw for construction progress payments
- **Capitalized Interest Payments** – \$11.9M first bond interest payment

# PCT Credit Quality Has Improved

Issue <sup>2</sup>	Maturity	CUSIP	Tax Status	Debt Type	Coupon	At Issuance Yield	At Issuance Price	As of 8/6/2021 Yield	As of 8/6/2021 Price	Yield Change
Series 2020A	2025	84355AAA0	T/E	Senior	6.25%	6.50%	98.91%	3.26%	111.91%	<b>-3.24%</b>
Series 2020A	2030	84355AAB8	T/E	Senior	6.75%	6.75%	98.17%	3.82%	117.25%	<b>-2.93%</b>
Series 2020A	2042	84355AAC6	T/E	Senior	7.00%	7.25%	97.25%	4.27%	117.24%	<b>-2.98%</b>
Series 2020B	2025	84355AAD4	T/E	Subordinate	10.00%	10.00%	100.00%	5.90%	115.37%	<b>-4.10%</b>
Series 2020B	2027	84355AAE2	T/E	Subordinate	10.00%	10.00%	100.00%	6.00%	120.73%	<b>-4.00%</b>
Series 2020C	2027	84355AAF9	Taxable	Subordinate	13.00%	13.00%	100.00%	11.25%	107.71%	<b>-1.75%</b>

1. Sources: (1) Piper Sandler & Co.; and (2) ICE Evals (theice.com)

2. Issue Date: October 7, 2020



# PureCycle is Delivering on Our Commitments

- 1** **Ironton** is **on-track** and **fully funded**
- 2** **Augusta** selected for five lines totaling up to **650M pounds capacity**
- 3** Market is accepting “**Feedstock+**” pricing model
- 4** ~**40% of Augusta capacity** is allocated to existing customers
- 5** Signed **Feedstock LOI for up to 80M annually**; more to come
- 6** Feedstock Preprocessing identifying **smarter supply chain strategies**
- 7** **FDA No Objection Letter "NOL"** to be filed this quarter
- 8** **Executing JV strategy** across Asia Pacific
- 9** **Initiating the Augusta project finance strategy** this quarter
- 10** Management **laser focused on Plant 1 commissioning** in Ironton

**One Goal, A Pure Planet.**

