

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 9, 2025

PURE CYCLE CORPORATION

(Exact name of registrant as specified in its charter)

Colorado

(State or other jurisdiction of incorporation)

0-8814

(Commission File Number)

84-0705083

(IRS Employer Identification No.)

34501 East Quincy Avenue, Building 1, Suite D, Watkins, CO 80137

(Address of principal executive offices) (Zip Code)

Registrant's telephone, including area code

(303) 292-3456

N/A

(Former name or former address, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock 1/3 of \$.01 par value	PCYO	The NASDAQ Stock Market
(Title of each class)	(Trading Symbol(s))	(Name of each exchange on which registered)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth Registrant as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth Registrant ☐

If an emerging growth Registrant, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

This current report on Form 8-K is filed by Pure Cycle Corporation (**Registrant**), a Colorado corporation, in connection with the matters described herein

Item 2.02 Results of Operations and Financial Condition.

On April 9, 2025, the Registrant issued a press release announcing its financial results for the three and six months ended February 28, 2025. A copy of the press release is furnished as Exhibit 99.1 hereto, and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the press release furnished as Exhibit 99.1 to this current report on Form 8-K shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information or exhibit be deemed incorporated by reference into any filing under the Securities Act of 1933 or Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in any such filing.

Item 7.01 Regulation FD Disclosure

On April 10, 2025, the Registrant presented and posted on its website a presentation summarizing Pure Cycle’s operations and financial results (**Earnings Presentation**). The Earnings Presentation is furnished as Exhibit 99.2 to this Form 8-K and is incorporated herein by reference.

The information contained in the Earnings Presentation is summary information and should be read in conjunction with Pure Cycle’s filings with the Securities and Exchange Commission and other public announcements that Pure Cycle may make by press release or otherwise from time to time. The Earnings Presentation will be posted in the Investor Relations section of Pure Cycle’s website, www.purecyclewater.com.

The information contained in this Item 7.01 of Form 8-K, including the accompanying Exhibit 99.2 is being furnished, and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (**Exchange Act**), or otherwise subject to the liabilities of that section. The information contained in the presentation shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated April 9, 2025, announcing earnings for the three and six months ended February 28, 2025
99.2	Three and six months ended February 28, 2025 earnings presentation
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 10, 2025

PURE CYCLE CORPORATION

By: /s/ Marc S. Spezialy
Marc S. Spezialy
Vice President and Chief Financial Officer



Pure Cycle Announces Financial Results For the Three and Six Months Ended February 28, 2025

DENVER, CO / ACCESSWIRE / April 9, 2025 – Pure Cycle Corporation (NASDAQ Capital Market: PCYO) announced its financial results for the three and six months ended February 28, 2025. Pure Cycle posted its twenty-third consecutive fiscal quarter with positive net income. Development at the Sky Ranch Master Planned Community continues to progress, as we complete our seasonally low winter quarter. We have completed development of Phase 2A, and we are finishing our landscaping and warranty work on Phase 2B as our national homebuilder partners have begun construction in Phase 2B with approximately 70 homes completed or under construction for the spring selling season. We are actively developing Phase 2C, with utility work and road work well underway, and we anticipate delivering finished lots with home construction expected to begin late summer of 2025. Additionally, we have finalized our grading work in Phase 2D and expect to complete these lots by the end of the calendar year 2025. Finally, we have started platting our next subphase, Phase 2E, for which we expect to have lots ready for our national homebuilder partners by the end of fiscal 2026. Pure Cycle continues to drive income from our resource rich asset base and in the three and six months ended February 28, 2025, we reported an increase in our royalty revenues from our oil and gas mineral interest at Sky Ranch, where an additional six wells were completed in 2024 that began producing during this fiscal year.

Our capital management and balance sheet strategy remains focused on growth and shareholder returns. We are prioritizing investment in our ongoing development projects while utilizing available liquidity to continue our share repurchase program and reserving sufficient capital for strategic development initiatives and land acquisitions.

Q2 and YTD 2025 Highlights

- Revenues for the three and six months ended February 28, 2025 of \$4.0 million and \$9.7 million, which drove pre-tax income of \$1.1 million and \$6.3 million;
 - Net income for the three and six months ended February 28, 2025 of \$0.8 million and \$4.7 million;
 - Royalty income for the three and six months ended February 28, 2025 of \$1.9 million and \$4.7 million;
 - EBITDA for the three and six months ended February 28, 2025 of \$1.8 million and \$7.6 million (see table below for reconciliation of net income to EBITDA);
 - Cash & cash equivalents totaled \$16.8 million as of February 28, 2025;
 - For the three and six months ended February 28, 2025, we delivered 64 and 367 acre-feet of water.
-

Net Income to EBITDA Reconciliation

We continue our profitability as shown in the table below:

(In thousands)	Three Months Ended		Six Months Ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Net Income	\$ 809	\$ 118	\$ 4,746	\$ 2,183
Add back:				
Interest expense, net	109	111	218	219
Taxes	267	41	1,538	778
Depreciation / amortization	617	508	1,143	1,018
EBITDA	<u>\$ 1,802</u>	<u>\$ 778</u>	<u>\$ 7,645</u>	<u>\$ 4,198</u>
Earnings per common share - basic and diluted				
Basic	<u>\$ 0.03</u>	<u>\$ —</u>	<u>\$ 0.20</u>	<u>\$ 0.09</u>
Diluted	<u>\$ 0.03</u>	<u>\$ —</u>	<u>\$ 0.20</u>	<u>\$ 0.09</u>
Weighted average common shares outstanding:				
Basic	<u>24,083,718</u>	<u>24,086,826</u>	<u>24,077,780</u>	<u>24,084,773</u>
Diluted	<u>24,196,178</u>	<u>24,149,195</u>	<u>24,177,677</u>	<u>24,149,524</u>

“Second quarter is a seasonally slow quarter due to our Colorado winters making field construction challenging. That said we have a record number of lots under construction and have made substantial progress through the winter months towards delivering these lots,” commented Mark Harding, CEO of Pure Cycle. “Our entry level market segmentation and our developing finished lots for our homebuilder customers continues to differentiate us in the market and bolster our value proposition to our homebuilder customers,” continued Mr. Harding.

Q2 and YTD 2025 Financial Summary

Revenues

For the three months ended February 28, 2025 and February 29, 2024, we reported total revenue of \$4.0 million and \$3.2 million with \$2.6 million and \$1.8 million being generated in our water and wastewater resource development segment, \$1.3 million and \$1.3 million generated by our land development segment, and \$0.1 million and \$0.1 million reported in our single-family rental business.

For the six months ended February 28, 2025 and February 29, 2024, we reported total revenue of \$9.7 million and \$8.6 million with \$5.7 million and \$5.1 million being generated in our water and wastewater resource development segment, \$3.8 million and \$3.3 million generated by our land development segment, and \$0.2 million and \$0.2 million reported in our single-family rental business.

For the three months ended February 28, 2025 and February 29, 2024, we sold 52 and 0 water or water and wastewater taps for \$2.1 million and \$0. For the six months ended February 28, 2025 and February 29, 2024, we sold 90 and 15 water or water and wastewater taps for \$3.6 million and \$0.6 million. As of February 28, 2025, we have sold 895 water and wastewater taps at Sky Ranch in Phases 1, 2A, and 2B. Based on current prices and engineering estimates, we believe Phase 2 of Sky Ranch will exceed \$20 million in water and wastewater tap fee revenue and cash over the next three years.

As of February 28, 2025, the first development phase (509 lots) is complete and the second development phase (1,032 lots) is being developed in five subphases, referred to as Phase 2A (229 lots), Phase 2B (211 lots), Phase 2C (228 lots), Phase 2D (218 lots) and Phase 2E (146 lots). As of February 28, 2025, Phase 2A is 100% complete, Phase 2B is approximately 95% complete, Phase 2C is approximately 48% complete, Phase 2D is approximately 18% complete and Phase 2E is expected to begin development work in fiscal 2025. Phase 2B is substantially completed with some landscaping and warranty items remaining. Phase 2C is expected to be completed by the end of Pure Cycle's fiscal 2025, Phase 2D is expected to be completed by the end of calendar 2025 and Phase 2E is expected to be completed by the end of Pure Cycle's fiscal 2026.

As of February 28, 2025, the single-family rental business had 14 homes built and rented in Sky Ranch and 17 additional homes under contract to build in Phase 2B starting in the spring of 2025. As noted in the prior quarters, due to the overwhelming demand for rental homes at Sky Ranch, we expect to have a total of 98 homes in Phases 1 and 2 with the ability to add more than 200 homes as Sky Ranch builds out.

"Despite typical winter slowdowns, Pure Cycle maintained positive net income in the quarter, leveraging its robust balance sheet and diversified asset portfolio. Our earnings showcased the strength of our oil and gas royalty portfolio through our royalty income and the strength of our water and wastewater infrastructure through our water and wastewater tap sales. We continue to see strong demand for our entry-level housing at Sky Ranch as we expand development across multiple subphases," stated Marc Spezialy, CFO of Pure Cycle. "Development activities are currently underway on 228 lots in Phase 2C, with finished lot deliveries scheduled for fiscal 2025. Additionally, we commenced development on an additional 218 lots in Phase 2D, with deliveries anticipated in fiscal 2026. We are also moving forward with a new subphase, Phase 2E, with an additional 146 lots we expect to deliver by the end of fiscal 2026," concluded Mr. Spezialy.

Working Capital

With the recent uncertainty in the capital markets our Company is well positioned with a strong balance sheet and terrific working capital (current assets less current liabilities) of \$19.8 million as of February 28, 2025, with \$16.8 million of cash and cash equivalents. This allows us to not only to execute delivering lots to our homebuilder customers but to capitalize on acquisition opportunities as they may become available.

Q2 and YTD 2025 Operational Summary

Water and Wastewater Resource Development

Water deliveries decreased for the three months ended February 28, 2025, to 64 acre-feet delivered as compared to 404 acre-feet delivered for 2024. Water deliveries decreased for the six months ended February 28, 2025, to 367 acre-feet delivered as compared to 1,028 acre-feet delivered for 2024. The decreases were due to a decrease in water sold to oil and gas operations, which is not part of our recurring water revenue to residential customers. Oil and gas operations are highly variable and dependent on oil prices, demand for gas, and the timing of development of other leases in our service areas. As Sky Ranch continues to develop, we anticipate continued growth in our residential water and wastewater service revenues. The water and wastewater tap sales increased in 2025 to \$2.1 million compared to \$0 in 2024 for the three months ended and increased in 2025 to \$3.6 million compared to \$0.6 million in 2024 for the six months ended, primarily due to the timing of development activities in Phase 2B.

Land Development

For the three months ended February 28, 2025, lot sales revenue decreased to \$1.1 million as compared to \$1.2 million in 2024 due to an increase in estimated cost to complete Phase 2B in 2025 and multiple phases under construction simultaneously. For the six months ended February 28, 2025, lot sales revenue increased to \$3.5 million as compared to \$3.1 million in 2024 due to having three phases under construction Phase 2B, 2C and 2D in 2025. Because lot sale revenue is recognized as construction progresses, revenue will fluctuate due to timing of construction activities.

Single Family Rentals

Rental income for the three and six months ended February 28, 2025 and February 29, 2024 was consistent at \$0.1 million for the three months ended and \$0.2 million for the six month ended as both periods represented the 14 completed homes in our portfolio. An additional 17 homes are under contract to be built in Phase 2B starting in the spring of 2025.

Earnings Presentation Information

Pure Cycle will host an earnings presentation on Thursday April 10, 2025, at 8:30AM Eastern (6:30AM Mountain) to discuss the financial results and answer questions. For an interactive experience, including the ability to ask questions and view the slide presentation, please register and join the event via the link below. Call in access will be in listen-only mode. See below for event details. Additionally, we will post a detailed slide presentation on our website, which will provide an overview of Pure Cycle and present summary financial results and can be accessed at www.purecyclewater.com.

When:	8:30AM Eastern (6:30AM Mountain) on April 10, 2025
Event link:	https://www.purecyclewater.com/Q22025
Call in number:	872-240-8702 (access code: 194540545#)
Replay:	https://www.purecyclewater.com/investors/news-events/ir-calendar

Other Important Information

The table below presents our consolidated results of operations for the three and six months ended February 28, 2025 and February 29, 2024 (unaudited):

	Three Months Ended		Six Months Ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
<i>(In thousands, except share information)</i>				
Revenues:				
Metered water usage from:				
Municipal customers	\$ 129	\$ 111	\$ 359	\$ 313
Commercial customers	161	1,481	1,175	3,613
Wastewater treatment fees	93	87	182	173
Water and wastewater tap fees	2,126	—	3,592	581
Lot sales	1,136	1,215	3,455	3,111
Project management fees	116	41	369	141
Single-family rentals	118	125	242	234
Special facility projects and other	116	137	373	417
Total revenues	<u>3,995</u>	<u>3,197</u>	<u>9,747</u>	<u>8,583</u>
Cost of revenues:				
Water service operations	402	511	885	1,064
Wastewater service operations	226	181	405	340
Land development construction costs	1,048	81	1,623	769
Project management costs	169	168	254	247
Single-family rental costs	25	33	93	90
Depletion and depreciation	468	360	839	722
Other	130	86	455	232
Total cost of revenues	<u>2,468</u>	<u>1,420</u>	<u>4,554</u>	<u>3,464</u>
General and administrative expenses	2,705	1,997	4,497	3,435
Depreciation	149	148	304	296
Operating income (loss)	<u>(1,327)</u>	<u>(368)</u>	<u>392</u>	<u>1,388</u>
Other income (expense):				
Interest income - related party	322	215	806	939
Interest income - Investments	217	286	465	594
Oil and gas royalty income, net	1,910	53	4,717	87
Oil and gas lease income, net	—	20	—	38
Other, net	63	64	122	134
Interest expense, net	<u>(109)</u>	<u>(111)</u>	<u>(218)</u>	<u>(219)</u>
Income from operations before income taxes	1,076	159	6,284	2,961
Income tax expense	<u>(267)</u>	<u>(41)</u>	<u>(1,538)</u>	<u>(778)</u>
Net income	<u>\$ 809</u>	<u>\$ 118</u>	<u>\$ 4,746</u>	<u>\$ 2,183</u>
Earnings per common share - basic and diluted				
Basic	<u>\$ 0.03</u>	<u>\$ —</u>	<u>\$ 0.20</u>	<u>\$ 0.09</u>
Diluted	<u>\$ 0.03</u>	<u>\$ —</u>	<u>\$ 0.20</u>	<u>\$ 0.09</u>
Weighted average common shares outstanding:				
Basic	<u>24,083,718</u>	<u>24,086,826</u>	<u>24,077,780</u>	<u>24,084,773</u>
Diluted	<u>24,196,178</u>	<u>24,149,195</u>	<u>24,177,677</u>	<u>24,149,524</u>

The following table presents our consolidated financial position as of February 28, 2025 (unaudited) and August 31, 2024 (audited):

(In thousands, except shares)

ASSETS:

Current assets:

	February 28, 2025	August 31, 2024
	(unaudited)	
Cash and cash equivalents	\$ 16,801	\$ 22,113
Trade accounts receivable, net	3,397	1,472
Income taxes receivable	1,370	—
Prepaid expenses and other assets	811	530
Land under development	4,612	3,647
Reimbursable public improvements and project management fees	—	10,100
Total current assets	26,991	37,862
Restricted cash	5,338	3,245
Investments in water and water systems, net	64,832	60,486
Construction in progress	1,876	3,161
Single-family rental units	4,947	5,059
Land and mineral rights:		
Held for development	4,580	3,683
Held for investment purposes	—	451
Held for sale	451	—
Other assets	1,305	1,164
Notes receivable – related parties, including accrued interest		
Reimbursable public improvements and project management fees	38,005	30,864
Other	1,197	1,221
Operating leases - right of use assets	134	158
Total assets	<u>\$ 149,656</u>	<u>\$ 147,354</u>

LIABILITIES:

Current liabilities:

Accounts payable	\$ 1,350	\$ 1,948
Accrued liabilities	2,423	1,514
Accrued liabilities – related parties	1,107	2,208
Income taxes payable	—	1,442
Deferred lot sales revenue	2,048	2,173
Debt, current portion	252	64
Total current liabilities	7,180	9,349
Debt, less current portion	6,616	6,821
Deferred tax liability, net	1,395	1,395
Lease obligations - operating leases, less current portion	53	87
Total liabilities	<u>15,244</u>	<u>17,652</u>

Commitments and contingencies

SHAREHOLDERS' EQUITY:

Series B preferred shares: par value \$0.001 per share, 25 million authorized;
432,513 issued and outstanding (liquidation preference of \$432,513)

Common shares: par value 1/3 of \$.01 per share, 40.0 million authorized;
24,076,305 and 24,063,894 outstanding, respectively

Additional paid-in capital	80	80
	175,390	175,125
Accumulated deficit	(41,058)	(45,503)
Total shareholders' equity	<u>134,412</u>	<u>129,702</u>
Total liabilities and shareholders' equity	<u>\$ 149,656</u>	<u>\$ 147,354</u>

Company Information

Pure Cycle continues to grow and strengthen its operations, grow its balance sheet, and drive recurring revenues. We operate in three distinct business segments, each of which complements the other. At our core, we are an innovative and vertically integrated wholesale water and wastewater service provider. In 2017, we launched our land development segment which develops master planned communities on land we own and to which we provide water and wastewater services. In 2021, we launched our newest line of business, the rental of single-family homes located at Sky Ranch, which provides long-term recurring revenues, furthers our land development operations, and adds more customers to our water resource segment.

Additional information, including our recent press releases and SEC filings, is available at www.purecyclewater.com, or you may contact our President, Mark W. Harding, or our CFO, Marc Spezialy, at 303-292-3456 or info@purecyclewater.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are all statements, other than statements of historical facts, included in this press release that address activities, events or developments that we expect or anticipate will or may occur in the future, such as statements about the following: factors that differentiate us in the market; the completion, delivery and success of our rental units; timing of development at Sky Ranch, including timing of delivery of finished lots; future water and wastewater tap sales and revenues; timing of future home construction by our home builder customers; the strength of the Sky Ranch market, including the demand for entry-level and rental homes; and forecasts about our future sales of water to oil and gas operators, our sales of lots, and our expected financial results. The words "anticipate," "likely," "may," "should," "could," "will," "believe," "estimate," "expect," "plan," "intend," "potential" and similar expressions are intended to identify forward-looking statements. Investors are cautioned that forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause actual results to differ materially. Factors that could cause actual results to differ from projected results include, without limitation: home mortgage interest rates, inflation, trade policies, tariffs, and other factors impacting the housing market and home sales; the risk factors discussed in Part I, Item 1A of our most recent Annual Report on Form 10-K for the fiscal year ended August 31, 2024; and those factors discussed from time to time in our press releases, public statement and documents filed or furnished with the U.S. Securities and Exchange Commission. Except as required by law, we disclaim any obligation to update publicly any forward-looking statements, whether because of new information, future events or otherwise.

SOURCE: Pure Cycle Corporation



PURE CYCLE CORPORATION

Earnings Presentation

For the Six Months Ended
February 28th, 2025

Presented by Mark Harding



www.purecyclewwater.com

Exhibit 99.2


Exhibit 99.2





Forward-Looking Statements

Statements that are not historical facts contained or incorporated by reference in this presentation are “forward-looking statements” (“FLS”) within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934 as amended. FLS involve risks and uncertainties that could cause actual results to differ from projected results. The words “anticipate,” “believe,” “estimate,” “expect,” “plan,” “intend” and similar expressions, as they relate to us, are intended to identify FLS. Such statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. We are not able to predict all factors that may affect future results. We cannot assure you that any of our expectations will be realized. Our actual results could differ materially from those discussed in or implied by these forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such FLS include, without limitation: the risk factors discussed in our most recent Annual Report on Form 10-K; the timing of new home construction and other development in the areas where we may sell our water, which in turn may be impacted by credit availability; population growth; employment rates; general economic conditions; the market price of water; changes in customer consumption patterns; changes in applicable statutory and regulatory requirements; changes in governmental policies and procedures; uncertainties in the estimation of water available under decrees; uncertainties in the estimation of costs of delivery of water and treatment of wastewater; uncertainties in the estimation of the service life of our systems; uncertainties in the estimation of costs of construction projects; uncertainties in the amount and timing of reimbursable public improvement payments; uncertainty in the single family home rental market and our ability to rent homes in a timely manner or at the amount we project; the strength and financial resources of our competitors; our ability to find and retain skilled personnel; climatic and weather conditions, including flood, droughts and freezing conditions; labor relations; availability and cost of labor, material and equipment; delays in anticipated permit and construction dates; environmental risks and regulations; our ability to raise capital; our ability to negotiate contracts with new customers; and uncertainties in water court rulings; and other factors discussed from time to time in our press releases, public statements and documents filed or furnished with the SEC.



Leadership Team



MARK W. HARDING
President, CEO, and Director

Mark is an exceptional leader who has significantly shaped Pure Cycle's success. Under his 35-year tenure, the company has successfully acquired over \$130 million in water and land interests. His vision and strategic acumen have been instrumental in the company's growth and impact.



MARC SPEZIALY
VP, CFO, Principal Accounting Officer, Principal Financial Officer

Marc brings over 20 years of financial expertise. He manages our financial operations and single-family rentals. Marc obtained his bachelor's degree in Accounting and Finance from the University of San Francisco and is a licensed Certified Public Accountant.



SCOTT LEHMAN
Vice President, Engineering

Scott brings four decades of experience as a Professional Engineer (PE) to the role. His expertise encompasses planning, design, construction, and operation of water and wastewater systems. With educational foundations from the University of Colorado and Stanford University, he plays a pivotal role in shaping our strategies and operations in this vital sector.



DIRK LASHNITS
Vice President, Land Development

Dirk is a seasoned leader with a Civil Engineering background and over two decades of local land development experience. He skillfully guides land development, entitlements, and construction, playing a vital role in advancing corporate objectives, risk management, and project success.



Board of Directors

Mark W. Harding

President and CEO

Jeffrey G. Sheets

Director

Fredrick A. Fendel III

Director

Patrick J. Beirne

Chair of the Board

Susan Heitmann

Director and Chair of the Audit
Committee

Wanda J. Abel

Director and Chair of the Nominating
and Governance Committee

Daniel R. Kozlowski

Director and Chair of the
Compensation Committee





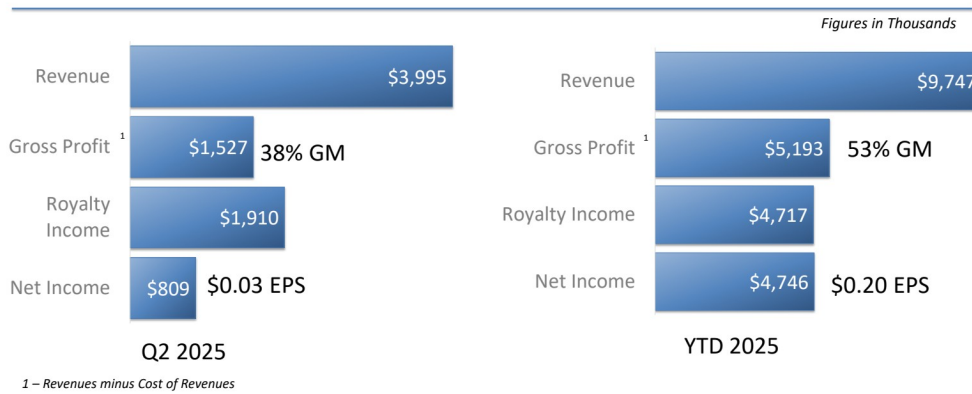
PURE CYCLE CORPORATION





Financial Performance Results

In Q2 2025, we delivered revenue of \$4.0M, gross profit of \$1.5M with a 38% gross margin, and net income of \$0.8M, translating to \$0.03 EPS. YTD 2025, we delivered revenue of \$9.7M, gross profit of \$5.2M with a 53% gross margin, and net income of \$4.7M, translating to \$0.20 EPS. These results demonstrate robust profitability and operational efficiency, reinforcing our focus on driving shareholder value.

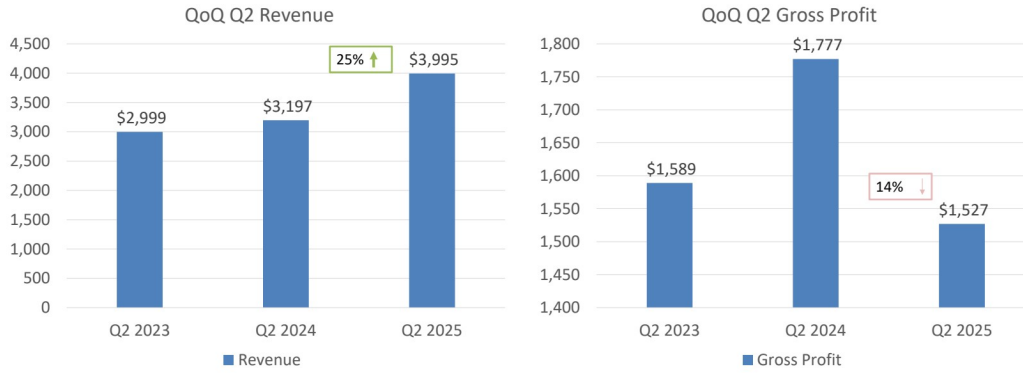




Financial Performance QoQ

In Q2 2025, we reported revenue of \$4.0M, reflecting a 25% year-over-year increase. Gross profit totaled \$1.5M, marking a 14% decline compared to Q2 2024. The growth in overall revenue was primarily driven by strong performance in water taps. However, land development activity was seasonally adjusted during the winter and is expected to normalize as we approach the end of the fiscal year.

Figures in Thousands

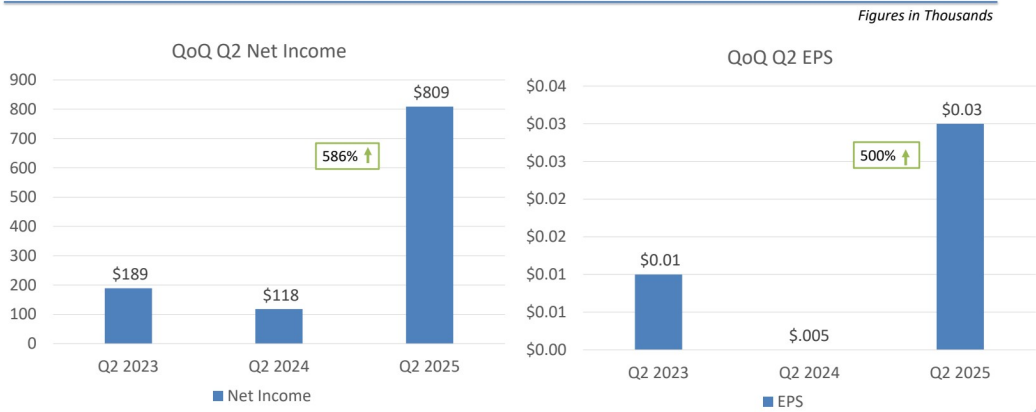




Financial Performance QoQ

In Q2 2025, net income rose to \$0.8M, a 586% year-over-year increase from Q2 2024, while EPS climbed to \$0.03, up from \$0 in the prior year. This continued growth reflects enhanced profitability and value creation for shareholders, supported by disciplined operational execution.

CONSOLIDATED METRICS



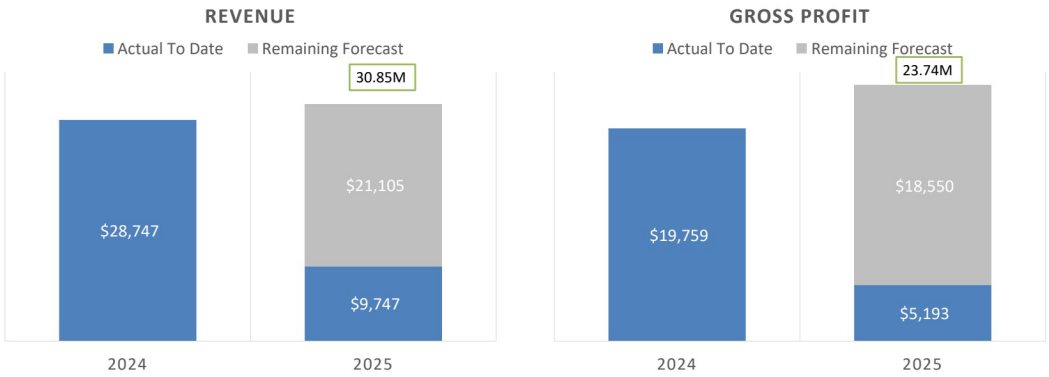


Financial Performance YTD

CONSOLIDATED METRICS

Year-to-date results for Q2-2025 demonstrate solid progress toward our annual goals. We have achieved \$9.7M in revenue and \$5.2M in gross profit, representing 31.6% and 21.9% of our full-year 2025 guidance, respectively. Overall revenues came in above our trailing 3 prior year seasonally adjusted second quarter revenues with 3 phases of our land development under construction. Revenues are anticipated to accelerate through the remaining fiscal year as we enter the spring and summer months, positioning us for strong full-year projections.

Figures in Thousands



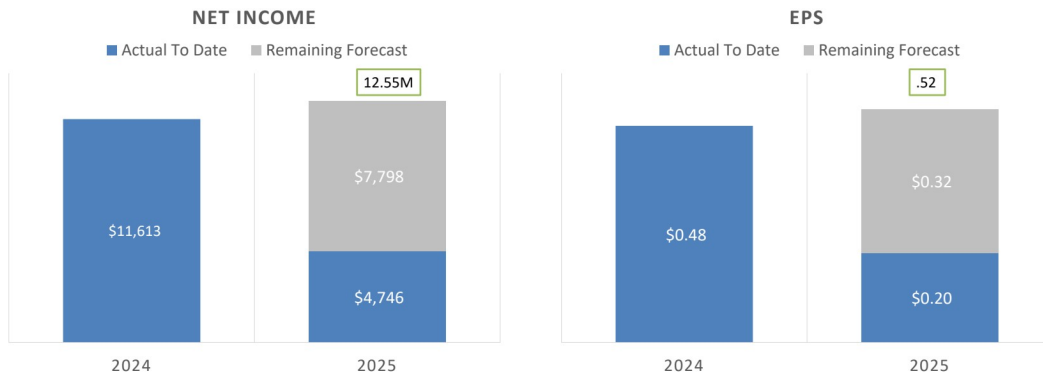


Financial Performance YTD

Net income year-to-date totaled \$4.7M, or 37.8% of our full-year target, while earnings per share reached \$0.20, which is 38.5% of our 2025 EPS guidance. Notably, net income was positively impacted by royalty income YTD.

CONSOLIDATED METRICS

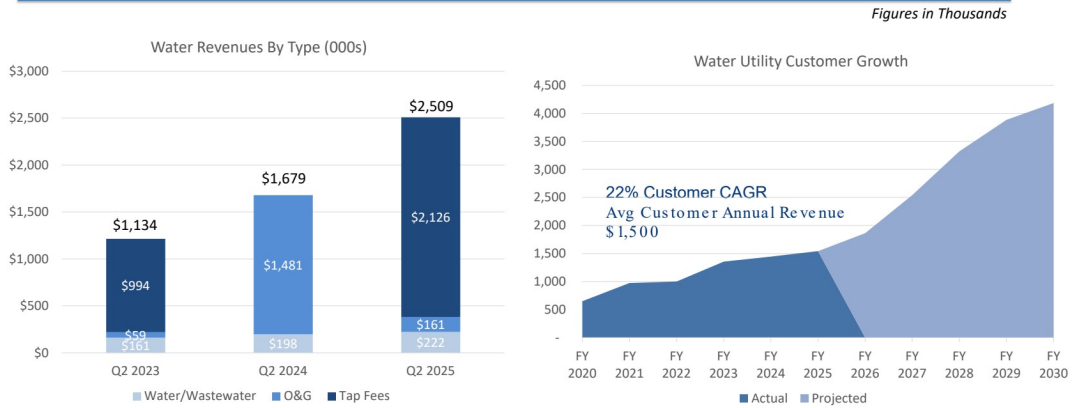
Figures in Thousands





Financial Performance (QTD)

WATER UTILITIES



WE PROVIDE RAW WATER TO O&G OPERATORS FOR DRILLING

With existing systems, we provide water to O&G operators.

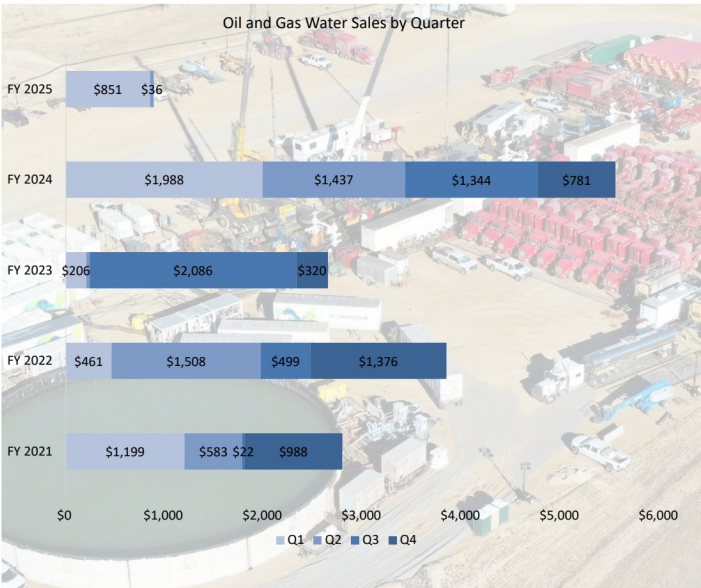
We have also made strategic investments in our system to further our ability to provide water when it is needed, where it is needed in the future.

> 150 WELLS
DRILLED TO
DATE

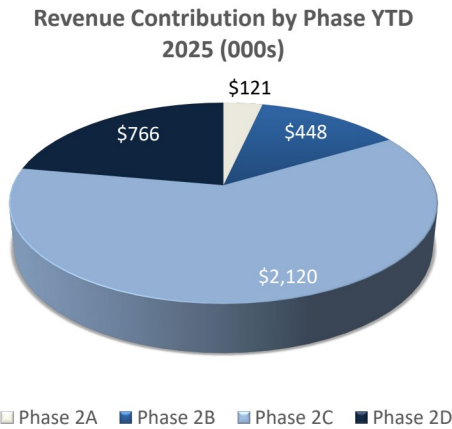
OIL RIG CAN
DRILL 60 WELLS
PER YEAR

AVERAGE
\$250,000 OF
WATER SALES
PER WELL

WE CAN PROVIDE
WATER TO MORE THAN
200 SQUARE MILES IN
ADAMS & ARAPAHOE
COUNTIES



Financial Performance (YTD)



Phase	Lots	SFR Lots	Progress
Phase 1	505	4	100%
Phase 2A	219	10	100%
Phase 2B	194	17	95%
Phase 2C	188	40	48%
Phase 2D	191	27	18%
	1297	98	



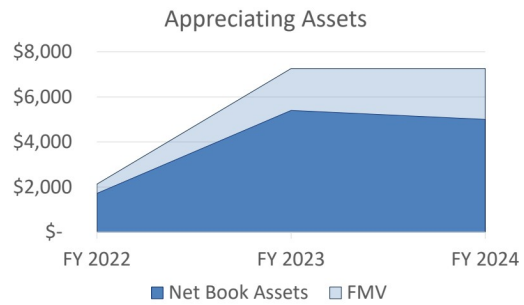
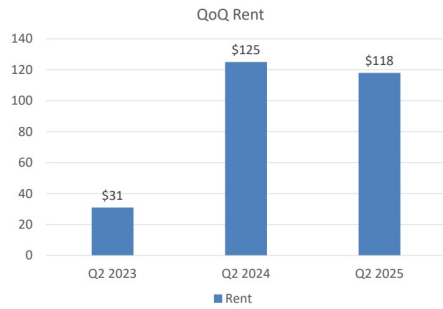


Financial Performance (QTD)

QUARTERLY RENT
REVENUE
\$118k

COMPLETED
HOMES
14

GROSS
MARGIN
79%





PURE CYCLE CORPORATION

ER

OVERVIEW

LA

**WE OPERATE
MULTIPLE
COMPLIMENTARY
SEGMENTS**

**WATER &
WASTEWATER**

- Own **over 30K acre-feet** of water rights (surface and ground water)
- Water rights we estimate can serve up to **60,000 SFEs**
- Denver metro land development **requires developers to have water service** as a condition of zoning, offering us a competitive edge
- Provide **industrial and oil and gas** customers with water
- **Own and reuse** our reclaimed water

**LAND
DEVELOPMENT**

- Own **highly-appreciated property** in attractive and easily accessible I-70 Corridor of Denver, Colorado
- Developing nearly **930 acres** of a full Master Planned community known as Sky Ranch
- Sky Ranch can have around **3,200 residential units** and over **2 million square feet** of retail, commercial and industrial uses (Equivalent of 1,800 residential units)
- Developing residential and commercial land for which we are the **sole water and wastewater service provider**

**SINGLE-
FAMILY
RENTALS**

- Build **single-family homes** in the Denver metro area in neighborhoods we are developing
- Receive **rental income** in growing housing market
- Benefit from **immediate asset appreciation** and **positive cash flows**
- **Provide water and wastewater** service to rental properties



PURE CYCLE CORPORATION



EW



WATER



LA



WATER SEGMENT

\$24.3 M WATER SYSTEMS

\$8.9 M WASTEWATER SYSTEMS

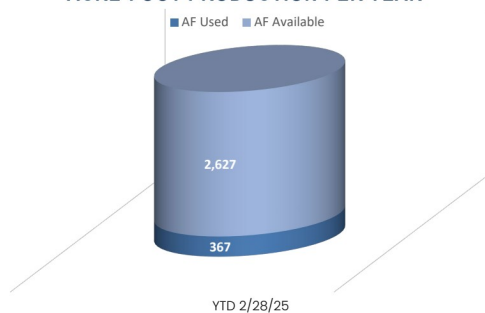
\$31.6 M WATER RIGHTS PORTFOLIO

\$64.8 M
TOTAL WATER ASSETS
NET

Our water rights portfolio can provide water to as many as 60,000 connections. This would allow ample room for growth within our current water system, which presently supports roughly 2,500 connections.

CURRENT SYSTEM CAPACITY

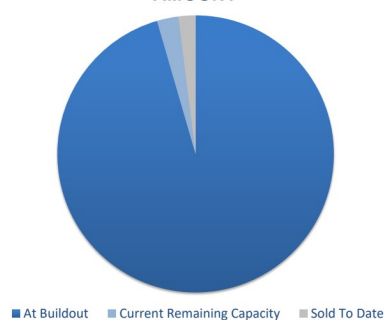
ACRE-FOOT PRODUCTION PER YEAR



We continue to invest in our systems with a current book value of \$55.9M which can produce over 3.4M gallons of water per day

TAP FEES - PORTFOLIO CAPACITY (60,000)

AMOUNT



We estimate our portfolio can serve approximately 60,000 connections, generating approximately \$2.3 billion in revenues based on current rates. To date, we have added around 1,542 connections, representing less than 2% of our overall capacity



PURE CYCLE CORPORATION



History & Strategy

Pure Cycle Corporation has a strategic history of entering the land development industry, driven by its vision to enhance shareholder value and create integrated communities. Initially focused on water utility services, the company recognized the opportunity to expand its operations in the late 2010s as urban growth and housing demands increased.

In 2010, Pure Cycle acquired the land that eventually became Sky Ranch and engaged in partnerships that allowed it to develop residential projects alongside its water utility offerings. This vertical integration enabled the company to provide essential services directly to the communities it was developing.

Metrics of Completed Phases

TOTAL LOT SALES

\$77m

GROSS MARGIN

79%

PHASE 2A

229 Lots

Land development is substantially complete. Out of 229 homes, 223 are finished and occupied.



2A

PHASE 2B

211 Lots

All paving is complete, and homebuilders have begun construction on homes. Land development is estimated to be completed by summer of 2025.



2B

PHASE 2C

228 Lots

Grading is finished, and utility work is underway. Land development is scheduled to be completed by the end of fiscal year 2025.



2C

PHASE 2D

218 Lots

Grading in progress and lots are expected to be available winter of 2025.

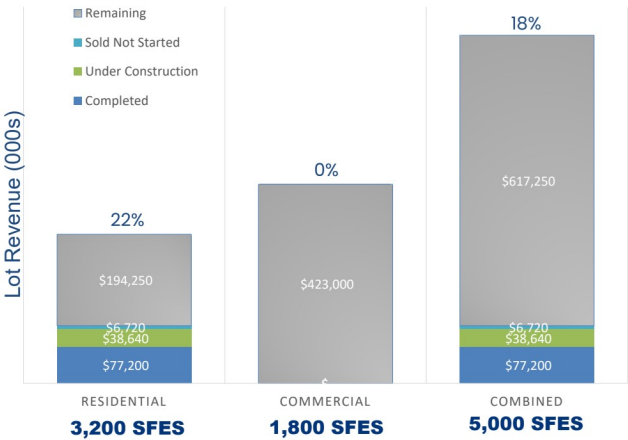


2D

SKY RANCH CAPACITY PROJECTIONS

LAND DEVELOPMENT

Pure Cycle’s land acquisition cost for Sky Ranch was \$3.7 million, but with over \$600 million in potential development revenue expected in the coming years, it highlights the substantial hidden value on the company’s balance sheet.





PURE CYCLE CORPORATION

EV

RENTALS

FIN

OVERVIEW OF OPERATIONS

Pure Cycle Corporation entered the single-family rental (SFR) market as a strategic move to diversify and expand its revenue streams. As a company originally focused on water rights and infrastructure development, Pure Cycle realized the potential in the rapidly growing demand for rental properties, particularly single-family homes.

25

- 1 Maximizing Land Development Opportunities:** By developing single-family homes for rent on these properties, the company can enhance the value of its landholdings and generate consistent income.
 - 2 Recurring Revenue:** SFR properties provide a steady, recurring revenue stream. This aligns with Pure Cycle's strategy to balance its revenue mix.
 - 3 Leverage Market Demand:** The SFR market has been booming, driven by increased demand for rental housing from families who prefer single-family homes over apartments but may not be ready or able to purchase a home. This demand is especially strong in suburban and near-urban areas, where Pure Cycle has land.
 - 4 Higher Return on Investment:** Developing rental properties on their land potentially offers higher returns than simply selling lots or developing for sale. This allows Pure Cycle to capitalize on both land appreciation and rental income.
-



SINGLE-FAMILY RENTALS

\$5.3 M COMPLETED HOMES

\$1.0 M HOMES UNDER CONSTRUCTION

\$7.4 M
IN FAIR MARKET
VALUE

Pure Cycle contracts to build single-family homes in its Sky Ranch Master Planned Community to hold for rentals. Lot development costs fully recovered (horizontal costs and tap fees) Each unit covers financing costs and provides positive cash flows. Segment provides excellent asset appreciation positive cash flows.

SFR Portfolio

Sky Ranch Phase 1 & 2

Cumulative Metrics

■ Added in Phase
■ Prior Phases



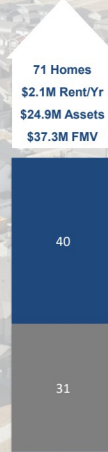
Phase 1



Phase 2A



Phase 2B



Phase 2C



Phase 2D



LIQUIDITY

\$16.8 M CASH AND ST
INVESTMENT

\$5.3 M RESTRICTED CASH

\$38.0 M RECEIVABLE
FROM CAB

\$60.1 M IN TOTAL
LIQUIDITY

Pure Cycle has a strong balance sheet with liquidity to support our business segments. Pure Cycle maintains a significant cash position as well as a receivable from the Sky Ranch CAB for approved reimbursements for public improvement that were paid for by Pure Cycle. The receivable bears interest at a rate of 6% per annum.



PURE CYCLE CORPORATION



COMPANY OUTLOOK



WATER UTILITIES



SHORT TERM OUTLOOK (3-5 YEARS)

- Customer growth to 2,500 accounts
- Consistent tap sales over the remaining phases adding to the recurring customer base
- Annual tap fee increases at 3%

LONG TERM OUTLOOK (SR Buildout)

- Buildout of Sky Ranch 5,000 total residential and commercial connections at Sky Ranch
- Achieving greater operational efficiencies as the segment grows
- Building long-term, recurring revenue streams to enhance shareholder value
- System expansion will serve additional areas (Lowry Ranch, Arapahoe County parcels)

COMPANY OUTLOOK



**LAND
DEV**



SHORT TERM OUTLOOK (3-5 YEARS)

- Steady lot sales over the next 5 years through the completion of Sky Ranch with opportunities to expand portfolio
- Increasing lot margins as lot costs are expected to remain consistent through the remainder of Sky Ranch Development
- Most valuable commercial land yet to begin monetizing which will accelerate margins

LONG TERM OUTLOOK (SR Buildout)

- Buildout/Completion of final phases of the Sky Ranch project
- Expanding development into the Lowry Ranch and surrounding areas approach Pure Cycle's service region
- Bringing online valuable commercial land at interstate interchange

COMPANY OUTLOOK



SINGLE FAMILY RENTALS



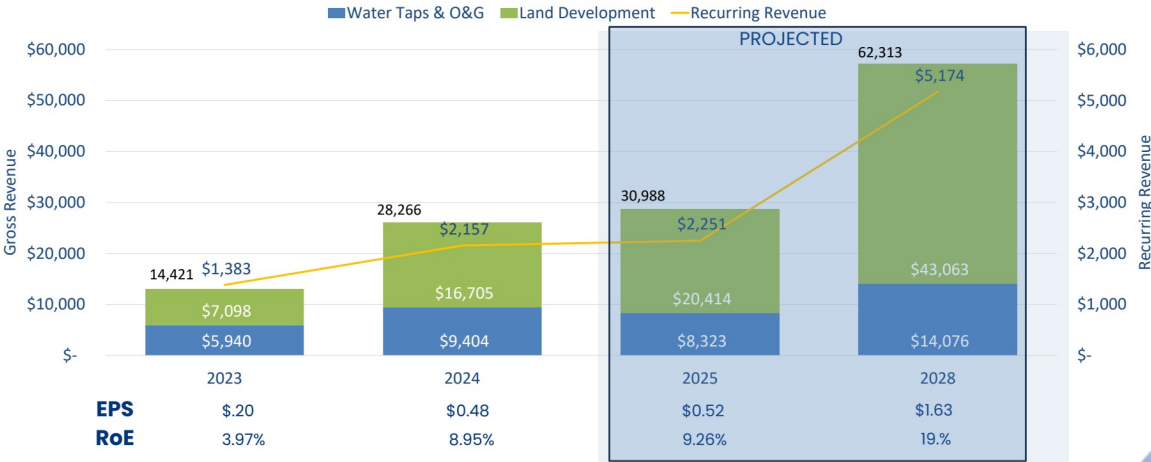
SHORT TERM OUTLOOK (3-5 YEARS)

- Expansion of segment to over 100 homes in the next 5 years
- Increased efficiencies as segment continues to scale
- Sustained population growth, particularly in suburban areas, will drive continued demand for single-family rentals

LONG TERM OUTLOOK (SR Buildout)

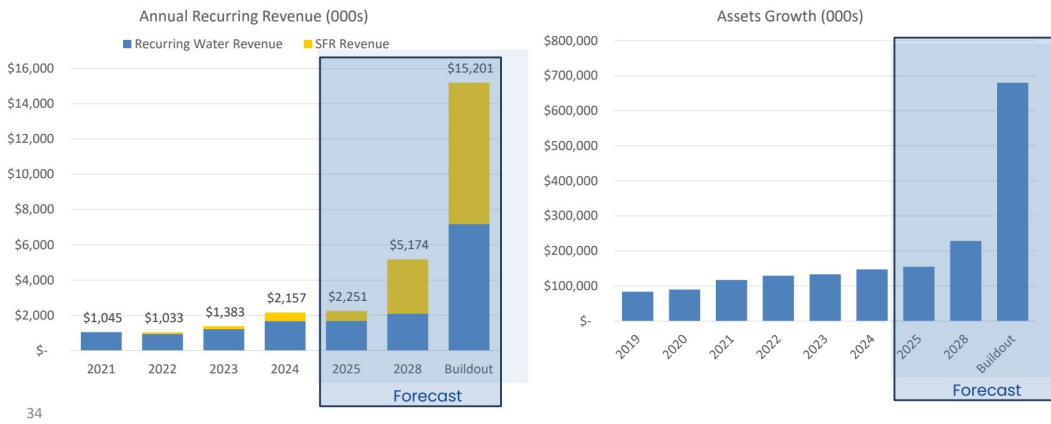
- Expansion of segment to over 200 homes growing a diversified investment portfolio to generate long-term recurring revenue
- Increasing operational efficiencies as the rental segment scales
- Leveraging Colorado's strong economic growth and stable job market to support sustained rental demand and affordability

Profitability Trends



Shareholder Value

Pure Cycle has shown consistent growth in both recurring revenue (with contributions from water services and an increasing SFR component) and total assets over recent years, suggesting a strong financial position for continued expansion and growing returns on investments.



Stock Repurchase Program Update

The Company continues to invest in itself, through its approved stock repurchase program. We believe our shares remain considerably undervalued – maybe more than ever given our momentum and we will continue to be in the market repurchasing shares opportunistically. We continue to demonstrate the value of our assets and execution in our core businesses, both creating outstanding shareholder value.

Fiscal Period	Total Number of Shares Purchased	Average Price Paid per Share	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
Q1 2024	20,000	\$9.92	180,000
Q2 2024	10,000	\$9.94	170,000
Q3 2024	15,000	\$9.48	155,000
Q4 2024	14,926	\$9.34	140,074
Q1 2025	10,000	\$10.73	130,074
Q2 2025	16,000	\$12.31	114,074
Q3 2025	2,000	\$10.19	112,074
Total	87,926	\$10.27	112,074



PURE CYCLE CORPORATION

Earnings Presentation

Q&A



www.purecyclewater.com

