



012024-11-300000276720pcyo:SingleFamilyRentalsMember2024-09-012024-11-300000276720us-gaap:LineOfCreditMember2024-01-310000276720pcyo:SingleFamilyRentalHomeNotesTwoMember2023-08-300000276720pcyo:SingleFamilyRentalHomeNotesOneMember2021-11-290000276720pcyo:SingleFamilyRentalHomeNotesTwoMember2023-08-302023-08-300000276720pcyo:PaymentBeginningOnJuly282027Memberpcyo:LostCreekLoanMember2022-06-282022-06-280000276720us-gaap:LineOfCreditMember2024-01-312024-01-06-280000276720pcyo:PaymentBeginningOnJuly282025Memberpcyo:LostCreekLoanMember2022-06-282022-06-280000276720pcyo:SingleFamilyRentalHomeNotesOneMember2021-11-290000276720pcyo:LostCreekLoanMember2022-06-282022-06-280000276720pcyo:LostCreekWaterSupplyMember2024-11-300000276720us-gaap:OperatingSegmentsMemberpcyo:SingleFamilyRentalsMember2024-09-012024-11-300000276720us-gaap:OperatingSegmentsMemberpcyo:WaterAndWastewaterResourceDevelopmentSegmentMember2024-09-012024-11-300000276720us-gaap:OperatingSegmentsMemberpcyo:SingleFamilyRentalHomeNotesTwoMember2023-08-300000276720pcyo:LandDevelopmentSegmentMember2024-09-012024-11-300000276720us-gaap:OperatingSegmentsMemberpcyo:WaterAndWastewaterResourceDevelopmentSegmentMember2023-09-012023-11-300000276720pcyo:LandDevelopmentSegmentMember2024-09-012024-11-300000276720pcyo:WaterAndWastewaterResourceDevelopmentSegmentMember2023-09-012023-11-300000276720pcyo:LandDevelopmentSegmentMember2023-09-012023-11-300000276720pcyo:SkyRanchCommunityAuthorityBoardMemberpcyo:ContractToConstructFencingAroundPhase2bMemberus-gaap:RelatedPartyMember2021-09-012022-08-310000276720pcyo:SkyRanchCommunityAuthorityBoardMemberpcyo:ContractToConstructFencingAroundPhase2aMemberus-gaap:RelatedPartyMember2021-09-012022-08-310000276720pcyo:SkyRanchAndWaterAndWastewaterConstructionProjectsMember2024-09-012024-11-300000276720pcyo:FirstSubphaseMembersrt:MaximumMember2024-11-300000276720pcyo:ThirdSubphaseMember2024-11-300000276720pcyo:SecondSubphaseMember2024-11-3000002767202023-09-012023-11-300000276720pcyo:WildPointeServiceRightsMember2024-11-300000276720pcyo:WaterSupplyOtherMember2024-11-300000276720pcyo:SkyRanchWaterRightsAndOtherCostsMember2024-11-300000276720pcyo:SkyRanchPipelineMember2024-11-300000276720pcyo:RangeviewWaterSystemMember2024-11-300000276720pcyo:RangeviewWaterSupplyMember2024-11-300000276720pcyo:FairgroundsWaterAndWaterSystemMember2024-11-3000002767202024-11-300000276720pcyo:WildPointeServiceRightsMember2024-08-310000276720pcyo:SkyRanchWaterRightsAndOtherCostsMember2024-08-310000276720pcyo:SkyRanchPipelineMember2024-08-310000276720pcyo:RangeviewWaterSystemMember2024-08-310000276720pcyo:RangeviewWaterSupplyMember2024-08-3100002767202024-09-012024-11-30pcyo:agreementutr:afiso4217:USDutr:galiso4217:USDxbqli:sharespcyo:segmentbxqli:sharesiso4217:USDxbqli:purepcyo:installmentpcyo:Mpcyo:homepcyo:itempcyo:customerpcyo:LetterOfCred of Contentsâ€¢ UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 Formâ€¢ 10-Qâ€¢ QUARTERLY REPORT PURSUANT TO SECTIONâ€¢ 13 OR 15(d)â€¢ OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended November 30, 2024 orâ€¢ TRANSITION REPORT PURSUANT TO SECTIONâ€¢ 13 OR 15(d)â€¢ OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from \_\_\_\_\_ to \_\_\_\_\_ Commission file number 000-08814 PURE CYCLE CORPORATION (Exact name of registrant as specified in its charter)â€¢ Coloradoâ€¢ 84-0705083 (State or other jurisdiction of incorporation or organization)â€¢ (I.R.S. Employer Identification No.)â€¢ â€¢ 34501 E. Quincy Avenue, Bldg. 1, Suite D, Watkins, COâ€¢ 80137 (Address of principal executive offices)â€¢ (Zip Code)â€¢ (303) 292-4 â€¢ 3456 (Registrantâ€¢'s telephone number, including area code)â€¢ â€¢ Securities registered pursuant to Sectionâ€¢ 12(b)â€¢ of the Act: Common Stock 1/3 of \$0.01 par value PCY The NASDAQ Stock Market (Title of each class) (Trading Symbol(s)) Name of each exchange on which registeredâ€¢ Indicate by check mark whether the registrant (1)â€¢ has filed all reports required to be filed by Sectionâ€¢ 13 or 15(d)â€¢ of the Securities Exchange Act of 1934 during the preceding 12â€¢ months (or for such shorter period that the registrant was required to file such reports), and (2)â€¢ has been subject to such filing requirements for the past 90â€¢ days. Yes â€¢ No â€¢ Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Ruleâ€¢ 405 of Regulation S-T (â€¢ 232.405 of this chapter) during the preceding 12â€¢ months (or for such shorter period that the registrant was required to submit such files). Yes â€¢ No â€¢ Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of â€¢large accelerated filer,â€¢ â€¢ accelerated filer,â€¢ â€¢smaller reporting company,â€¢ and â€¢emerging growth companyâ€¢ in Ruleâ€¢ 12b-2 of the Exchange Act. Large accelerated filer â€¢ Accelerated filer â€¢ Non-accelerated filer â€¢ Smaller reporting company â€¢ Emerging growth company â€¢ If an emerging growth company, indicate by check mark if the registrant has elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Sectionâ€¢ 13(a)â€¢ of the Exchange Act. â€¢ Indicate by check mark whether the registrant is a shell company (as defined in Ruleâ€¢ 12b-2 of the Exchange Act). Yes â€¢ No â€¢ Indicate the number of shares outstanding of each of the issuerâ€¢'s classes of common stock, as of the latest practicable date: 24,076,909 shares of 1/3 of \$0.01 par value common stock as of January 7, 2025. â€¢ â€¢ â€¢ Table of Contents PURE CYCLE CORPORATION INDEX TO NOVEMBER 30, 2024 FORMâ€¢ 10-Qâ€¢ â€¢ Pageâ€¢ 1 of 1 PART I. FINANCIAL INFORMATION 4â€¢ â€¢ â€¢ Itemâ€¢ 1. Consolidated Financial Statements 4â€¢ â€¢ â€¢ Consolidated Balance Sheets: November 30, 2024 (unaudited) and Augustâ€¢ 31, 2024 (audited). For the three months ended November 30, 2024 and 2023 4â€¢ â€¢ â€¢ Consolidated Statements of Income (unaudited): For the three months ended November 30, 2024 and 2023 4â€¢ â€¢ â€¢ Consolidated Statements of Cash Flows (unaudited): For the three months ended November 30, 2024 and 2023 4â€¢ â€¢ â€¢ Consolidated Financial Statements 4â€¢ â€¢ â€¢ Itemâ€¢ 2. Managementâ€¢'s Discussion and Analysis of Financial Condition and Results of Operations 20â€¢ â€¢ â€¢ Itemâ€¢ 3. Quantitative and Qualitative Disclosures About Market Risk 27â€¢ â€¢ â€¢ Itemâ€¢ 4. Controls and Procedures 27â€¢ â€¢ â€¢ PART II. OTHER INFORMATION 28â€¢ â€¢ â€¢ Itemâ€¢ 2. Unregistered Sales of Equity Securities and Use of Proceeds 28â€¢ â€¢ â€¢ Itemâ€¢ 6. Exhibits 28â€¢ â€¢ â€¢ SIGNATURES 29â€¢ â€¢ â€¢ â€¢ Table of Contents FORWARD-LOOKING STATEMENTS Statements that are not historical facts contained in this Quarterly Report on Formâ€¢ 10-Q are â€¢forward-looking statementsâ€¢ within the meaning of the Private Securities Litigation Reform Act of 1995, Sectionâ€¢ 27A of the Securities Act of 1933, as amended (Securities Act), and Sectionâ€¢ 21E of the Securities Exchange Act of 1934, as amended (Exchange Act). The words â€¢anticipate,â€¢ â€¢seek,â€¢ â€¢project,â€¢ â€¢future,â€¢ â€¢likely,â€¢ â€¢believe,â€¢ â€¢may,â€¢ â€¢should,â€¢ â€¢could,â€¢ â€¢will,â€¢ â€¢estimate,â€¢ â€¢expect,â€¢ â€¢plan,â€¢ â€¢intend,â€¢ â€¢potentialâ€¢ and similar expressions, as they relate to us, are intended to identify forward-looking statements. Forward-looking statements include statements relating to, among other things: â€¢â€¢ future water supply needs in Colorado and how such needs will be met; â€¢â€¢ anticipated revenue from water sales; â€¢â€¢ anticipated increases in residential and commercial demand for water services and competition for these services; â€¢â€¢ estimated population increases in the Denver metropolitan area and the South Platte River basin; â€¢â€¢ demand for single-family rental homes; â€¢â€¢ plans for, and the efficiency of, development of our Sky Ranch property; â€¢â€¢ our competitive advantage; â€¢â€¢ the impact of individual housing and economic cycles on the number of connections we can serve with our water; â€¢â€¢ the number of new water connections needed to recover the costs of our water supplies; â€¢â€¢ the number of units planned for development at Sky Ranch; â€¢â€¢ the timing of the completion of construction and sale of finished lots at Sky Ranch; â€¢â€¢ the number of lots expected to be delivered in a fiscal period; â€¢â€¢ anticipated financial results, including anticipated increases in customers and revenue, from development of our Sky Ranch property; â€¢â€¢ estimated tap fees to be generated from the development of the various phases of Sky Ranch; â€¢â€¢ anticipated expansion and rental rates for our single-family rental homes; â€¢â€¢ anticipated revenue and cash flows from our single-family rental homes; â€¢â€¢ timing of and interpretation of royalties to the State Board of Land Commissioners; â€¢â€¢ participation in regional water projects, including â€¢WISEâ€¢ (as defined herein) and the timing and availability of water from, and projected costs related to, WISE; â€¢â€¢ future water or wastewater tap fees; â€¢â€¢ our ability to collect fees and charges from customers and other users; â€¢â€¢ the estimated amount of reimbursable costs for Sky Ranch and the collectability of reimbursables; â€¢â€¢ anticipated timing and amount of, and sources of funding for, (i) capital expenditures to construct infrastructure and increase production capacities, (ii) compliance with water, environmental and other regulations, and (iii) operations, including delivery and treatment of water and wastewater; â€¢â€¢ capital required and costs to develop Sky Ranch; â€¢â€¢ anticipated development of other phases concurrently with the second phase of Sky Ranch; â€¢â€¢ plans to provide water for drilling and hydraulic fracturing of oil and gas wells; â€¢â€¢ changes in oil and gas drilling activity on our property, on the Lowry Ranch, or in the surrounding areas; â€¢â€¢ estimated costs of earthwork, erosion control, streets, drainage and landscaping at Sky Ranch; â€¢â€¢ the anticipated revenue from customers in the Rangeview District, Sky Ranch Districts, and Elbert & Highway 86 District; â€¢â€¢ plans for the use and development of our water assets and potential delays; â€¢â€¢ estimated number of connections we can serve with our existing water rights; â€¢â€¢ factors affecting demand for water; â€¢â€¢ our ability to meet customer demands in a sustainable and environmentally friendly way; â€¢â€¢ our ability to reduce the amount of up-front construction costs for water and wastewater systems; â€¢â€¢ costs and plans for treatment of water and wastewater; â€¢â€¢ anticipated number of deep-water wells required to continue expanding and developing our Rangeview Water Supply; â€¢â€¢ expenditures for expenses and capital needs of the Rangeview District; â€¢â€¢ regional cooperation among area water providers in the development of new water supplies and water storage, transmission and distribution systems as the most cost-effective way to expand and enhance service capacities; â€¢â€¢ plans to drill water wells into aquifers located beneath the Lowry Ranch and the timing and estimated costs of such a build out; 1 Table of Contents â€¢ sufficiency of tap fees to fund infrastructure costs of the Rangeview District; â€¢ our ability to assist Colorado â€¢Front Rangeâ€¢ water providers in meeting current and future water needs; â€¢â€¢ plans to use raw water, effluent water or reclaimed water for agricultural and irrigation uses; â€¢â€¢ factors that may impact labor and material costs; â€¢â€¢ use of third parties to construct water and wastewater facilities and Sky Ranch lot improvements; â€¢â€¢ plans to utilize fixed-price contracts; â€¢â€¢ estimated supply capacity of our water assets; â€¢â€¢ our belief that we have exceeded market expectations with the delivery of our lots at Sky Ranch; â€¢â€¢ the impact of future cyberattacks on our business, financial condition, operating results and reputation; â€¢â€¢ our ability to comply with permit requirements and environmental regulations and the cost of such compliance; â€¢â€¢ the impact of water quality, solid waste disposal and environmental regulations on our financial condition and results of operations; â€¢â€¢ our belief that several long-term land development and housing factors remain positive; â€¢â€¢ anticipated mortgage interest rates; â€¢â€¢ our belief that Sky Ranch is better positioned to navigate the changing market than competitors; â€¢â€¢ the impact of the homebuilding market and interest rates on our business and financial condition; â€¢â€¢ the recoverability of water and wastewater service costs from rates; â€¢â€¢ forfeitures of option grants, vesting of non-vested options and the fair value of option awards; â€¢â€¢ the sufficiency of our working capital and financing sources to fund our operations; â€¢â€¢ estimated costs of public improvements to be funded by Pure Cycle and constructed on behalf of the Sky Ranch Community Authority Board; â€¢â€¢ the anticipated development of the Sky Ranch Academy and the timing of enrollment of upper grades; â€¢â€¢ service life of constructed facilities; â€¢â€¢ accounting estimates and the impact of new accounting pronouncements; and â€¢â€¢ the effectiveness of our disclosure controls and procedures and our internal controls over financial reporting. â€¢ Forward-looking statements reflect our current views with respect to future events and are subject to certain risks, uncertainties, and assumptions. There are no assurances that any of our expectations will be realized, and actual results could differ materially from those in such statements. Factors that could cause actual results to differ from those contemplated by such forward-looking statements include, without limitation: â€¢ political and economic instability, whether resulting from natural disasters, wars, terrorism, pandemics or other sources; â€¢ our ability to successfully expand our single-family home rental business and rent our single-family homes at rates sufficient to cover our costs; â€¢ 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, inflation and interest rates; â€¢ population growth; â€¢ changes in employment levels, job and personal income growth and household debt-to-income levels; â€¢ changes in consumer confidence generally and confidence of potential home buyers in particular; â€¢ declines in property values which impact tax revenue to the Sky Ranch Community Authority Board which would impact their ability to repay us; â€¢ changes in the supply of available new or existing homes and other housing alternatives, such as apartments and other residential rental property; â€¢ timing of oil and gas development in the areas where we sell our water; â€¢ the market price of homes, rental rates, and water, oil and gas prices; â€¢ changes in customer consumption patterns; â€¢ changes in applicable statutory and regulatory requirements; â€¢ changes in governmental policies and procedures, including with respect to land use and environmental and tax matters; â€¢ changes in interest rates; â€¢ changes in tenant relief laws, including laws regulating evictions, rent control laws, and other regulations that limit our ability to increase rental rates; â€¢ changes in private and federal mortgage financing programs and lending practices; â€¢ uncertainties in the estimation of water available under decrees; 2 Table of Contents â€¢ uncertainties in the estimation of number of connections we can service with our existing water supplies; â€¢ uncertainties in the estimation of costs of delivery of water and treatment of wastewater; â€¢ uncertainties in the estimation of the service life of our systems; â€¢ uncertainties in the estimation of costs of construction projects; â€¢ uncertainties in the amount of reimbursable costs we may ultimately collect; â€¢ the strength and financial resources of our competitors; â€¢ our ability to find and retain skilled personnel; â€¢ climatic and weather conditions, including floods, droughts and freezing conditions; â€¢ outbreaks of disease, such as the COVID-19 pandemic, and related stay-at-home orders, quarantine policies and restrictions on travel, trade and business operations, and the related impacts to the general economy; â€¢ turnover of elected and appointed officials and delays caused by political concerns and government procedures; â€¢ availability and cost of labor, material and equipment; â€¢ engineering and geological problems; â€¢ environmental risks and regulations; â€¢ our ability to raise capital; â€¢ changes in corporate tax rates; â€¢ our ability to negotiate contracts with customers; â€¢ uncertainties in water court rulings; â€¢ security and cyberattacks, including unauthorized access to confidential information on our information technology systems; and â€¢ the factors described under â€¢Risk Factorsâ€¢ in Part I Item 1A of our most recent Annual Report on Form 10-K. â€¢ We undertake no obligation, and disclaim any obligation, to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise. All forward-looking statements are expressly qualified by this cautionary statement. â€¢ 3 Table of Contents PART I A â€¢ FINANCIAL INFORMATION Item 1. Financial Statements PURE CYCLE CORPORATION CONSOLIDATED BALANCE SHEETS â€¢ â€¢ â€¢ â€¢ â€¢ â€¢ (In thousands, except shares) â€¢ November 30, 2024 â€¢ August 31, 2024 ASSETS: â€¢ â€¢ (unaudited) â€¢ â€¢ â€¢ Current assets: â€¢ â€¢ â€¢ â€¢ â€¢ Cash and cash equivalents â€¢ \$ 19,031 â€¢ \$ 22,113 Trade accounts receivable, net â€¢ 4,993 â€¢ 1,472 Prepaid expenses and other assets â€¢ 460 â€¢ 530 Land under development â€¢ 3,718 â€¢ 6,347 Reimbursable public improvements and project management fees â€¢ 10,100 Total current assets â€¢ 28,202 â€¢ 37,862 Restricted cash â€¢ 5,336 â€¢ 4,245 Investments in water and water systems, net â€¢ 63,773 â€¢ 60,486 Construction in progress â€¢ 2,584 â€¢ 3,161 Single-family rental units â€¢ 5,003 â€¢ 5,059 Land and mineral rights â€¢ 161 â€¢ 161 Held for development â€¢ 5,993 â€¢ 3,683 Held for investment purposes â€¢ 451 451 Other assets â€¢ 1,365 â€¢ 1,164 Notes receivable, net â€¢ related parties, including accrued interest â€¢ 1247 1,247 1,221 Operating leases - right of use assets â€¢ 154 â€¢ 158 Total assets â€¢ 149,688 â€¢ 147,354 LIABILITIES: â€¢ â€¢ â€¢ â€¢ â€¢ Current liabilities: â€¢ â€¢ â€¢ â€¢ â€¢ Accounts payable â€¢ \$ 2,230 â€¢ \$ 1,948 Accrued liabilities â€¢ 1,181 1,514 Accrued liabilities â€¢ related parties â€¢ 1,091 2,208 Income taxes payable â€¢ 2,712 1,442 Deferred tax assets â€¢ 6,812 Deferred tax liability, net â€¢ 1,395 Lease obligations - operating leases, less current portion â€¢ 756 87 Total liabilities â€¢ 16,101 â€¢ 17,652 Commitments and contingencies â€¢ â€¢ â€¢ â€¢ SHAREHOLDERS' EQUITY: â€¢ â€¢ â€¢ â€¢ â€¢ Series B preferred shares: par value \$ 0.001 per share, 25 million authorized; 432,513 issued and outstanding (liquidation preference of \$432,513) â€¢ â€¢ â€¢ Common shares: par value \$ 0.01 per share, 40,000 million authorized; 24,076,909 and 24,063,894 outstanding, respectively â€¢ 80,000 Additional paid-in capital â€¢ 175,181 â€¢ 175,125 Accumulated deficit â€¢ (41,674) â€¢ (45,503) Total shareholders' equity â€¢ 133,587 â€¢ 129,702 Total liabilities and shareholders' equity â€¢ 149,688 â€¢ 147,354 See accompanying Notes to the Consolidated Financial Statements 4 Table of Contents PURE CYCLE CORPORATION CONSOLIDATED STATEMENTS OF INCOME (unaudited) â€¢ â€¢ â€¢ â€¢ â€¢ Three Months Ended (In thousands, except share information) â€¢ November 30, 2024 â€¢ November 30, 2023 Revenues: â€¢ â€¢ â€¢ Metered water usage from: Municipal customers â€¢ \$ 230 â€¢ \$ 202 Commercial customers â€¢ 1,014 â€¢ 2,132 Wastewater treatment fees â€¢ 894 â€¢ 86 Water and wastewater tap fees â€¢ 1,466 â€¢ 581 Lot sales â€¢ 2,319 â€¢ 253 Single-family rentals â€¢ 124 â€¢ 124 Special facility projects and other â€¢ 257 â€¢ 280 Total revenues â€¢ 5,752 â€¢ 5,386 Project management fees â€¢ Cost of revenues: â€¢ â€¢ â€¢ Water service operations â€¢ 483 â€¢ 483





Months Ended % of Total Revenue Generated From:â€ November 30, 2024â€ November 30, 2023Lennarâ€ 25%â€ 14%KB Homeâ€ 16%â€ 8%Two oil & gas operators â€ 15%â€ 37%Melody (DR Horton)â€ 11%â€ 13%Sky Ranch CABâ€ 10%â€ 8%Challengerâ€ 6%â€ 10%â€ As of November 30, 2024, 94% of the reported trade accounts receivable balance is owed to Pure Cycle by the Rangeview District for tap fees, water usage and wastewater treatment fees.â€ NOTEA 10â€ ACCRUED LIABILITIESâ€ â€ â€ â€ â€ â€ â€ (In thousands)â€ A A A November 30, 2024A A A August 31, 2024Accrued compensationâ€ \$ 553â€ \$ 1,045Other operating payablesâ€ A 213â€ A 147Property taxesâ€ â€ 295â€ â€ 206Operating lease obligation, currentâ€ â€ 82â€ â€ 73Professional feesâ€ â€ 38â€ â€ 38Total accrued liabilitiesâ€ \$ 1,181â€ \$ 1,514â€ â€ â€ â€ â€ â€ â€ Land development costs due to the Sky Ranch CABâ€ \$ 799â€ \$ 1,556Due to Rangeview Metropolitan Districtâ€ â€ 292â€ â€ 652Total accrued liabilities - related partiesâ€ \$ 1,091â€ \$ 2,208â€ â€ 17Table of ContentsNOTEA 11â€ SEGMENT INFORMATIONThe Company reports two operating segments which meet segment disclosure requirements, the water and wastewater resource development segment and the land development segment. The single-family rentals, although not currently material to operations and not a required segment disclosure, is presented within the operating segment information below for informational purposes. The water and wastewater resource development segment includes providing water and wastewater services to customers, which water is provided by the Company using water rights owned or controlled by the Company, and developing, operating, and maintaining infrastructure to divert, treat and distribute that water and collect, treat and reuse reclaimed wastewater. The land development segment includes all activities necessary to develop and sell finished lots, which for the three months ended November 30, 2024 and 2023, was done exclusively at the Companyâ€™s Sky Ranch Master Planned Community. The single-family rental business includes the monthly rental fees received from the renters under the non-cancellable annual leases. The tables below present the measure of profit and assets used to assess the performance of the two required segments and the single-family rentals that the Company believes will become a segment for the periods presented:â€ â€ Three Months Ended November 30, 2024 (In thousands)â€ A A A Water and wastewater resource developmentâ€ A A A Land developmentâ€ Single-family rentalâ€ A A A A A TotalTotal revenueâ€ A A \$ 3,056â€ A A \$ 2,572â€ \$ 124â€ A A \$ 5,752â€ â€ Cost of revenueâ€ A 987â€ A 660â€ A 68â€ A 1,715Depreciation and depletionâ€ A 371â€ A 66â€ A 371Total cost of revenueâ€ A 1,358â€ A 660â€ A 68â€ A 2,086â€ â€ Segment profitâ€ \$ 1,698â€ \$ 1,912â€ \$ 56â€ \$ 3,666â€ â€ Three Months Ended November 30, 2023 (In thousands)â€ A A A Water and wastewater resource developmentâ€ A A A Land developmentâ€ Single-family rentalâ€ A A A A A TotalTotal revenueâ€ \$ 3,281â€ \$ 1,996â€ \$ 5,386â€ â€ Cost of revenueâ€ A 858â€ A 767â€ A 57â€ A 1,682Depreciation and depletionâ€ A 362â€ A 66â€ A 362Total cost of revenueâ€ A 1,220â€ A 767â€ A 57â€ A 2,044â€ â€ Segment profitâ€ \$ 2,061â€ \$ 1,229â€ \$ 52â€ \$ 3,342â€ The following table summarizes the Companyâ€™s total assets by segment. The assets consist of water rights and water and wastewater systems in the Companyâ€™s water and wastewater resource development segment; land, land development costs and deposits in the Companyâ€™s land development segment; and the cost of the homes in the single-family rental line. The Companyâ€™s other assets (Corporate) primarily consist of cash, short term investments, restricted cash, equipment, and related party notes receivable.â€ A A A August 31, 2024Water and wastewater resource developmentâ€ \$ 68,613â€ \$ 64,616Land developmentâ€ A 8,782A 8,521Single-family rentalâ€ A 5,323â€ A 5,371Corporateâ€ A 66,970â€ A 68,846Total assets â€ \$ 149,688â€ \$ 147,354â€ â€ NOTEA 12â€ EARNINGS PER SHAREâ€ Earnings per share (â€œEPSâ€) is calculated by dividing net income attributable to common shareholders by the weighted-average shares of common stock outstanding during the period. Certain outstanding options are excluded from the diluted EPS calculation because they are anti-dilutive (i.e., their assumed conversion into common stock would increase rather than decrease EPS). For the three months ended November 30, 2024 and 2023, the Company excluded 404,060 options and 487,882 options because their impact was anti-dilutive. 18Table of Contents â€ â€ â€ â€ â€ â€ â€ â€ â€ Three Months Ended (In thousands, except share and per share amounts)â€ A A A November 30, 2024A A A November 30, 2023Net incomeâ€ \$ 3,937â€ \$ 2,056â€ â€ â€ â€ â€ â€ â€ â€ Basic weighted average common sharesâ€ A 24,071,907â€ â€ â€ 24,078,544Effect of dilutive securitiesâ€ A 85,440â€ A 75,118Weighted average shares applicable to diluted earnings per shareâ€ A 24,157,347â€ â€ â€ 24,153,662â€ â€ â€ â€ â€ â€ Earnings per share - basicâ€ \$ 0.16â€ \$ 0.09Earnings per share - dilutedâ€ \$ 0.16â€ \$ 0.09â€ â€ NOTEA 13â€ INCOME TAXESThe income tax provision for interim periods is determined using an estimate of the annual effective tax rate, adjusted for discrete items. As of November 30, 2024, the Company is estimating an annual effective tax rate of approximately 24%. Each quarter, the estimate of the annual effective tax rate is updated, and if the estimated effective tax rate changes, a cumulative adjustment is made.â€ There is a potential for volatility of the effective tax rate due to various factors. The provision for income taxes is recorded at the end of each interim period based on the Companyâ€™s best estimate of its effective income tax rate expected to be applicable for the full fiscal year considering any items requiring discrete recognition.â€ The effective income tax rate for the three months ended November 30, 2024, was impacted by adjustments related to reconciling items between the Companyâ€™s books and tax returns. 19Table of Contentsâ€ A A A A A Item A 2. Managementâ€ A Discussion and Analysis of Financial Condition and Results of OperationsIn Managementâ€ A Discussion and Analysis of Financial Condition and Results of Operations (â€œMD&Aâ€), â€œwe,â€ â€œus,â€ â€œourâ€ and "Pure Cycle" refer to Pure Cycle Corporation and all entities owned or controlled by Pure Cycle Corporation. You should read the following discussion in conjunction with our consolidated financial statements and accompanying notes, related MD&A and discussion of our business included in our Annual Report on Form 10-K for the year ended August 31, 2024 (2024 Annual Report) filed with the United States (U.S.) Securities and Exchange Commission (SEC) and the unaudited consolidated financial statements and accompanying notes included in this Form 10-Q. The results of operations reported and summarized below are not necessarily indicative of future operating results, and future results could differ materially from those anticipated in forward-looking statements (refer to â€œDisclosure Regarding Forward-Looking Statementsâ€ in this Form 10-Q; and Part I, Item 1A, â€œRisk Factorsâ€ in our 2024 Annual Report for further discussion). We are a diversified water and wastewater service provider, land developer, and home rental company. We provide wholesale water and wastewater services in the Denver, Colorado area, develop land we own into master planned communities, and develop single-family homes for rent. Each of our businesses, providing water and wastewater services, land development and single-family home rentals generate attractive recurring monthly income. Recent Developments and Economic Conditionsâ€ The housing market stabilized in 2024 as the Federal Reserve shifted from an aggressive monetary policy in 2023 to a balance policy in 2024 with interest rates remaining relatively consistent throughout 2024. However, with the rising interest rates in 2022 and 2023, the 30-year fixed mortgage rates are still at their highest level in over 15 years. Homebuilders' strategic use of interest rate buydowns as incentives has played a crucial role in driving sales during higher levels of interest rates.â€ We believe several long-term land development and housing market fundamental factors remain positive, including favorable demographics, a lot and housing supply-demand imbalance resulting from a decade-plus of underproduction of new homes in relation to population growth, and low resale home inventory. While we remain confident in the long-term growth prospects for the industry given these factors, the current demand for new homes is subject to continued uncertainty due to many factors. The combination of higher mortgage interest rates since early 2022, several years of rising housing prices, elevated inflation, and various other macroeconomic and geopolitical concerns, has been moderating housing demand. Although interest and inflation rates have been stabilizing, we expect this moderate demand to continue into 2025. Given current conditions, we will continue to monitor market dynamics and surrounding community performance and adjust the timing of additional construction expenditures at Sky Ranch as necessary. We believe our reasonably priced (entry level) lots and the low inventory of entry level housing in the Denver market will help Sky Ranch navigate the changing market better than other surrounding and significantly higher priced communities.â€ Our future performance and the strategies we implement (and adjust or refine as necessary or appropriate) will depend significantly on prevailing economics, the homebuilding industry, capital, credit and financial market conditions and a fairly stable and constructive political and regulatory environment (particularly regarding housing and mortgage loan financing policies). The continuing impact of the Federal Reserveâ€ A aggressive raising of the federal funds interest rate and other measures during 2022 and 2023 to moderate persistent U.S. inflation and the uncertainty in future Federal Reserve monetary policy, are expected to be an ongoing headwind for the housing market in 2025 and beyond, as they have elevated mortgage loan interest rates and created macroeconomic uncertainty and volatility across financial markets. Prolonged supply chain disruptions and other production-related challenges could extend or delay our construction cycle times and intensify construction-related cost pressures beyond our experience in 2024. In addition, consumer demand for our homes, and our ability to grow our scale, revenue and returns in fiscal 2025 could be materially and negatively affected by the above-described monetary policy impacts or other factors that curtail mortgage loan availability, employment or income growth or consumer confidence in the U.S. or in the Colorado markets. The potential extent and effect of these factors on our business is highly uncertain, unpredictable and outside our control, and our past performance, including in fiscal 2024, should not be considered indicative of our future results.â€ 20Table of ContentsOur Business Strategyâ€ For more than 30 years, we have accumulated and continue to accumulate a portfolio of valuable water rights and land interests along the Front Range of Colorado. We have added an extensive network of wholesale water production, storage, treatment and distribution systems, and wastewater collection and treatment systems that we operate and maintain to serve domestic, commercial, and industrial customers in the eastern Denver metropolitan region. Our primary land asset, known as Sky Ranch, is in one of the most active development areas in the Denver metropolitan region along the rapidly developing I-70 corridor, and we are developing lots at Sky Ranch for residential, commercial, retail, and light industrial uses. Sky Ranch is zoned to include up to 3,200 single family and multifamily homes, parks, open spaces, trails, recreational centers, schools, and over two million square feet of retail, commercial and light industrial space, all of which will be serviced by our water and wastewater services segment. Additionally, we have retained lots in our Sky Ranch development for our single-family rental business where we build single-family homes for rent, typically under annual lease agreements. With 14 homes currently owned and rented, we continue to expand this new line of business which may include more than 200 rental homes at Sky Ranch over the next several years. Although we report our results of operations through our water and wastewater resource development segment and our land development segment, we operate these segments as a cohesive business designed to provide a cost effective, sustainable, and value-added business enterprise.â€ Water and Wastewaterâ€ Water resources throughout the western U.S., and particularly in Colorado, are a scarce and valuable resource. Our owned and/or controlled portfolio of more than 30,000 acre-feet of water is comprised of groundwater, designated basin groundwater, and surface water supplies. Our other significant water assets include 26,000 acre-feet of adjudicated reservoir sites, two wastewater reclamation facilities, water treatment facilities, potable and raw water storage facilities, wells and water production facilities, and roughly 50 miles of water distribution and wastewater collection lines. Our water supplies and wholesale facilities are primarily located in southeast Denver, an area which is limited in both water availability and infrastructure to produce, treat, store, and distribute water and wastewater. We believe this provides us with a unique competitive advantage in offering these services.â€ We provide wholesale water and wastewater service to local governments for both residential and commercial customers. The local governments we serve include the Rangeview Metropolitan District (â€œRangeview Districtâ€), Arapahoe County, the Sky Ranch Community Authority Board and related metropolitan districts (â€œSky Ranch CABâ€), and the Elbert and Highway 86 Commercial Metropolitan District (â€œElbert 86 Districtâ€). Our mission is to provide sustainable, reliable, high-quality water to our customers and collect, treat, and reuse wastewater using advance water treatment systems, which produce high quality reclaimed water we can reuse for outdoor irrigation and industrial demands. By using and reusing our water supplies, we proactively manage our valuable water rights in the water-scarce Denver, Colorado region which dramatically reduces the environmental impact of our water resource operations. We design, permit, construct, operate and maintain wholesale water and wastewater systems that we own or operate on behalf of governmental entities. We also design, permit, construct, operate, and maintain retail distribution and collection systems that we own or exclusively operate on behalf of our governmental customers. Additionally, we handle administrative functions, including meter reading, billing and collection of monthly water and wastewater revenues, regulatory water quality monitoring, sampling, testing, and reporting requirements to the Colorado Department of Public Health and Environment.â€ Revenues for our water operations are dependent on us growing the number of customers we serve. If we are unable to add customers to our systems and sell taps to builders, our revenues could be negatively impacted. We currently are the developer of the Sky Ranch Master Planned Community, which is the main driver of our tap sales. Prolonged periods of hot and dry weather generally cause increased water usage for watering lawns, washing cars, and keeping parks irrigated.â€ Additionally, prolonged periods of dry weather could lead to drought restrictions and limited water availability.â€ Despite our substantial water supply, customers may be required to conserve water usage under such drought restrictions which would negatively impact metered usage revenues.â€ We have addressed some of this vulnerability by instituting minimum customer charges which are intended to cover fixed costs of operations under all likely weather conditions.â€ 21Table of ContentsLand Developmentâ€ Our Land Development segment is primarily focused on developing the Sky Ranch Master Planned Community located along the booming I-70 corridor. We develop and sell residential, commercial, retail, and light industrial lots. Sky Ranch is zoned to include up to 3,200 single-family and multifamily homes, parks, open spaces, trails, recreational centers, and schools. Additionally, Sky Ranch is zoned to include over two million square feet of retail, commercial, and light industrial space, which is the equivalent of approximately 1,800 residential units, meaning the Sky Ranch community at build-out will include a total of roughly 5,000 residential and equivalent units. Our land development activities include the design, permitting, and construction of all the horizontal infrastructure, including, storm water, drainage, roads, curbs, sidewalks, parks, open space, trails, and other infrastructure to deliver â€œready to buildâ€ finished lots to home builders and commercial customers. Our land development activities generate revenue from the sale of finished lots as well as construction revenues from activities where we construct infrastructure on behalf of others. Land development revenues come from our home builder customers under specific agreements for the delivery of finished lots. Additionally, pursuant to certain agreements with the Sky Ranch CAB and its related metropolitan districts, on their behalf we construct public infrastructure such as roads, curbs, storm water, drainage, sidewalks, parks, open space, trails etc., the costs of which are reimbursed to us by the Sky Ranch CAB through funds generated from property taxes, fees or the issuance of municipal bonds.â€ Our land development activities provide a strategic complement to our water and wastewater activities because a significant component of any master planned community is providing high quality domestic water, irrigation water, and wastewater to the community. Having control over land and the water and wastewater services enables us to build infrastructure for potable water and irrigation distribution, wastewater and storm water collection, roads, parks, open spaces, and other investments efficiently and to manage delivery of these investments to match take-down commitments from our home builder customers without significant excess capacity in any of these investments.â€ We have been developing the Sky Ranch community since 2017, which we are developing in phases. We believe it will take approximately eight to ten more years to fully develop Sky Ranch. In 2017, we began the initial development phase of Sky Ranch when we entered separate contracts with several national homebuilders, pursuant to which we sold a total of 505 single-family, detached residential lots at Sky Ranch. Pursuant to these agreements, we were obligated to construct infrastructure and other public improvements as well as wholesale infrastructure improvements (i.e., a wastewater reclamation facility and wholesale water facilities). Phase 1 of the Sky Ranch development is complete, and all revenue and costs have been recognized.â€ During our fiscal 2021, we began construction on the second development phase at Sky Ranch. For this phase, we entered separate contracts with KB Home, Lennar Colorado, Melody (a DR Horton Company), and Challenger Homes to sell 781 single-family attached and detached residential lots at Sky Ranch, and we retained approximately 93 lots (through such contracts and subsequent amendments) for use in our single-family home rental business. The second development phase is approximately 250 acres and is being completed in four sub-phases (referred to as Phase 2A, 2B, 2C and 2D). Due to our strong performance in the first phase of the Sky Ranch project, we were able to realize an approximate 38% increase in our average lot prices in Phase 2. For example, we increased our sales price for a 45â€ A foot lot from an average of \$75,000 to \$103,200 and added an escalation clause that increases the prices depending on timing of payments. The timing of cash flows includes certain milestone deliveries such as the completion of governmental approvals for final plats, installation of wet utilities, and final completion of lot deliveries.â€ In February 2021, we began construction activities in Phase 2A at Sky Ranch, which has 229 residential lots, 10 of which we have retained for use in our single-family rental business. Contracts with three of the four homebuilders include milestone payments as construction progresses, with the fourth homebuilder contract having one payment due at delivery of the finished lot (i.e., the transfer of the title). As of November 30, 2024, Phase 2A of the Sky Ranch development is nearly 100% complete, and we have received all \$18.4 million of payments related to the sale of the 219 lots in Phase 2A.â€ In March 2023, we began construction activities in Phase 2B at Sky Ranch, which is platted for 211 residential lots, 17 of which we have retained for use in our single-family rental business. Contracts with three of the four homebuilders include milestone payments as construction progresses, with the fourth homebuilder contract having one payment due at delivery of the finished lot (i.e., the transfer of the title). As of November 30, 2024, Phase 2B of the Sky Ranch development is approximately 50% complete, and we have received all \$18.4 million of payments related to the sale of the 211 lots in Phase 2B.



\*â€[101.DEF](#)Inline XBRL Taxonomy Extension Definition Linkbase Document. \*â€[101.LAB](#)Inline XBRL Taxonomy Extension Label Linkbase Document. \*â€[101.PRE](#)Inline XBRL Taxonomy Extension Presentation Linkbase Document. \*â€[104](#)Cover page formatted as inline XBRL and contained in Exhibit 101â€[\\*Filed herewith.](#)28Table of Contentsâ€[SIGNATURES](#)Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.**PURE CYCLE CORPORATION**â€[/s/](#) Marc S. Spezialyâ€[A](#)â€[A](#)â€[Marc S. Spezialy](#)â€[A](#)â€[A](#)â€[Vice President and Chief Financial Officer](#)â€[A](#)â€[A](#)â€[January 8, 2025](#)â€[A](#)â€[A](#)â€[29EXHIBIT 31.1](#)â€[\\*CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002](#)â€[I, Mark W. Harding, certify that:](#)â€[1.](#)â€[A](#)â€[A](#)â€[I have reviewed this quarterly report on Form 10-Q of Pure Cycle Corporation;](#)â€[2.](#)â€[A](#)â€[A](#)â€[Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;](#)â€[3.](#)â€[A](#)â€[A](#)â€[Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;](#)â€[4.](#)â€[A](#)â€[A](#)â€[I am responsible for establishing and maintaining disclosure controls and procedures \(as defined in Exchange Act Rules 13a-15\(e\) and 15d-15\(e\)\) and internal control over financial reporting \(as defined in Exchange Act Rules 13a-15\(f\) and 15d-15\(f\)\) for the registrant and have:](#)â€[\(a\)](#)â€[A](#)â€[Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;](#)â€[\(b\)](#)â€[A](#)â€[Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;](#)â€[\(c\)](#)â€[A](#)â€[A](#)â€[Evaluated the effectiveness of the registrantâ€\['s\]\(#\) disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;](#) andâ€[\(d\)](#)â€[A](#)â€[A](#)â€[Disclosed in this report any change in the registrantâ€\['s\]\(#\) internal control over financial reporting that occurred during the registrantâ€\['s\]\(#\) most recent fiscal quarter \(the registrantâ€\['s\]\(#\) fourth fiscal quarter in the case of an annual report\) that has materially affected, or is reasonably likely to materially affect, the registrantâ€\['s\]\(#\) internal control over financial reporting;](#) andâ€[\(e\)](#)â€[A](#)â€[A](#)â€[I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrantâ€\['s\]\(#\) auditors and the audit committee of the registrantâ€\['s\]\(#\) board of directors \(or persons performing the equivalent functions\);](#)â€[\(f\)](#)â€[A](#)â€[A](#)â€[All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€\['s\]\(#\) ability to record, process, summarize and report financial information;](#) andâ€[\(g\)](#)â€[A](#)â€[A](#)â€[Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€\['s\]\(#\) internal control over financial reporting.](#)â€[A](#)â€[A](#)â€[Dated: January 8, 2025](#)â€[A](#)â€[A](#)â€[A](#)â€[/s/](#) **Mark W. Harding**â€[A](#)â€[A](#)â€[A](#)â€[/s/](#) **Mark W. Harding**â€[A](#)â€[A](#)â€[A](#)â€[Principal Executive Officer](#)â€[A](#)â€[A](#)â€[EXHIBIT 31.2](#)â€[\\*CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002](#)â€[I, Marc S. Spezialy, certify that:](#)â€[1.](#)â€[A](#)â€[A](#)â€[I have reviewed this quarterly report on Form 10-Q of Pure Cycle Corporation;](#)â€[2.](#)â€[A](#)â€[A](#)â€[Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;](#)â€[3.](#)â€[A](#)â€[A](#)â€[Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;](#)â€[4.](#)â€[A](#)â€[A](#)â€[I am responsible for establishing and maintaining disclosure controls and procedures \(as defined in Exchange Act Rules 13a-15\(e\) and 15d-15\(e\)\) and internal control over financial reporting \(as defined in Exchange Act Rules 13a-15\(f\) and 15d-15\(f\)\) for the registrant and have:](#)â€[\(a\)](#)â€[A](#)â€[Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;](#)â€[\(b\)](#)â€[A](#)â€[Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;](#)â€[\(c\)](#)â€[A](#)â€[A](#)â€[Evaluated the effectiveness of the registrantâ€\['s\]\(#\) disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;](#) andâ€[\(d\)](#)â€[A](#)â€[A](#)â€[Disclosed in this report any change in the registrantâ€\['s\]\(#\) internal control over financial reporting that occurred during the registrantâ€\['s\]\(#\) most recent fiscal quarter \(the registrantâ€\['s\]\(#\) fourth fiscal quarter in the case of an annual report\) that has materially affected, or is reasonably likely to materially affect, the registrantâ€\['s\]\(#\) internal control over financial reporting;](#) andâ€[\(e\)](#)â€[A](#)â€[A](#)â€[I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrantâ€\['s\]\(#\) auditors and the audit committee of the registrantâ€\['s\]\(#\) board of directors \(or persons performing the equivalent functions\);](#)â€[\(f\)](#)â€[A](#)â€[A](#)â€[All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€\['s\]\(#\) ability to record, process, summarize and report financial information;](#) andâ€[\(g\)](#)â€[A](#)â€[A](#)â€[Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€\['s\]\(#\) internal control over financial reporting.](#)â€[A](#)â€[A](#)â€[A](#)â€[Dated: January 8, 2025](#)â€[A](#)â€[A](#)â€[A](#)â€[/s/](#) **Marc S. Spezialy**â€[A](#)â€[A](#)â€[A](#)â€[Principal Financial Officer](#)â€[A](#)â€[A](#)â€[EXHIBIT 32.1](#)â€[\\*CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002](#)â€[In connection with the Quarterly Report on Form 10-Q of Pure Cycle Corporation \(the â€œCompanyâ€\) for the three months ended November 30, 2024, as filed with the Securities and Exchange Commission on the date hereof \(the â€œReportâ€\), I, \*\*Mark W. Harding\*\*, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. â§ 1350, as adopted pursuant to â§ 906 of the Sarbanes-Oxley Act of 2002, that:](#)â€[1.](#)â€[A](#)â€[A](#)â€[The Report fully complies with the requirements of Section 13\(a\) or 15\(d\) of the Securities Exchange Act of 1934;](#) andâ€[2.](#)â€[A](#)â€[A](#)â€[The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.](#)â€[A](#)â€[A](#)â€[/s/](#) **Mark W. Harding**â€[A](#)â€[A](#)â€[A](#)â€[Principal Executive Officer](#)â€[A](#)â€[A](#)â€[January 8, 2025](#)â€[A](#)â€[A](#)â€[A](#)â€[EXHIBIT 32.2](#)â€[\\*CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002](#)â€[In connection with the Quarterly Report on Form 10-Q of Pure Cycle Corporation \(the â€œCompanyâ€\) for the three months ended November 30, 2024, as filed with the Securities and Exchange Commission on the date hereof \(the â€œReportâ€\), I, \*\*Marc S. Spezialy\*\*, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. â§ 1350, as adopted pursuant to â§ 906 of the Sarbanes-Oxley Act of 2002, that:](#)â€[1.](#)â€[A](#)â€[A](#)â€[The Report fully complies with the requirements of Section 13\(a\) or 15\(d\) of the Securities Exchange Act of 1934;](#) andâ€[2.](#)â€[A](#)â€[A](#)â€[The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.](#)â€[A](#)â€[A](#)â€[/s/](#) **Marc S. Spezialy**â€[A](#)â€[A](#)â€[A](#)â€[Principal Financial Officer](#)â€[A](#)â€[A](#)â€[January 8, 2025](#)â€[A](#)â€[A](#)â€[A](#)