



**PURE CYCLE
CORPORATION**

FINANCIAL RESULTS Q1-2026

EARNINGS PRESENTATION

Presented By:

MARK HARDING



WWW.PURECYCLEWATER.COM





FORWARD LOOKING STATEMENT

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.

**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.

**BRENT BROUILLARD**

Vice President, Engineering

Brent Brouillard, Vice President of Engineering at Pure Cycle since 2017, oversees the planning, design, and operation of water and wastewater systems in the Denver-Metro area. A licensed Professional Engineer with fifteen years' experience, he holds degrees in Civil Engineering and Hydrology from the University of Wyoming and Colorado School of Mines.

**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

Frederick A. Fendel III

Director

Patrick J. Beirne

Chair of the Board

Susan D. 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

INVESTMENT SNAPSHOT



26 Straight Profitable Quarters

Pure Cycle has posted net income for six consecutive years, demonstrating a durable and resilient earnings model.



Recurring Revenue Base

Stable earnings from water and wastewater utilities, rental income, and service fees underwrite financial predictability.



Sky Ranch Development Visibility

Phased development of over 1,400 lots across multiple years ensures revenue continuity into FY26—and beyond.



Capital Position & Liquidity

As of Q1 '26, \$23.9M in cash and restricted cash. \$51.8M Note Receivable enabling flexibility in capital allocation decisions.

1st Quarter Results

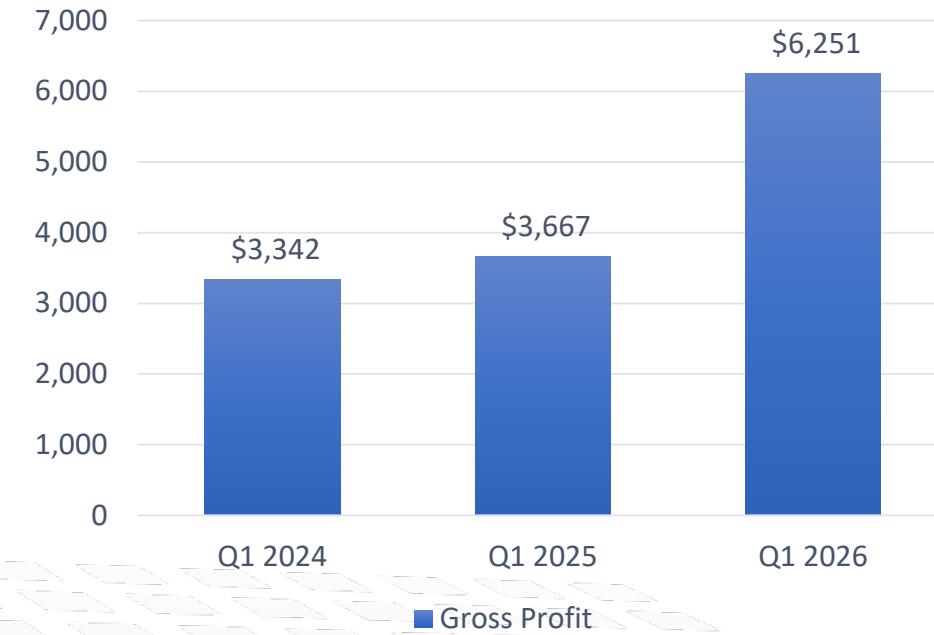


Q1 2026 results reflect higher revenue and gross profit driven primarily by the timing of finished lot deliveries, with revenue recognition shifting into the quarter.

QoQ Q1 Revenue



QoQ Q4 Gross Profit



1st Quarter Results



Q1 2026 net income increased approximately 16% to \$4.6 million, and EPS increased approximately 19% to \$0.19, reflecting higher profitability year over year.

QoQ Q1 Net Income



QoQ Q1 EPS

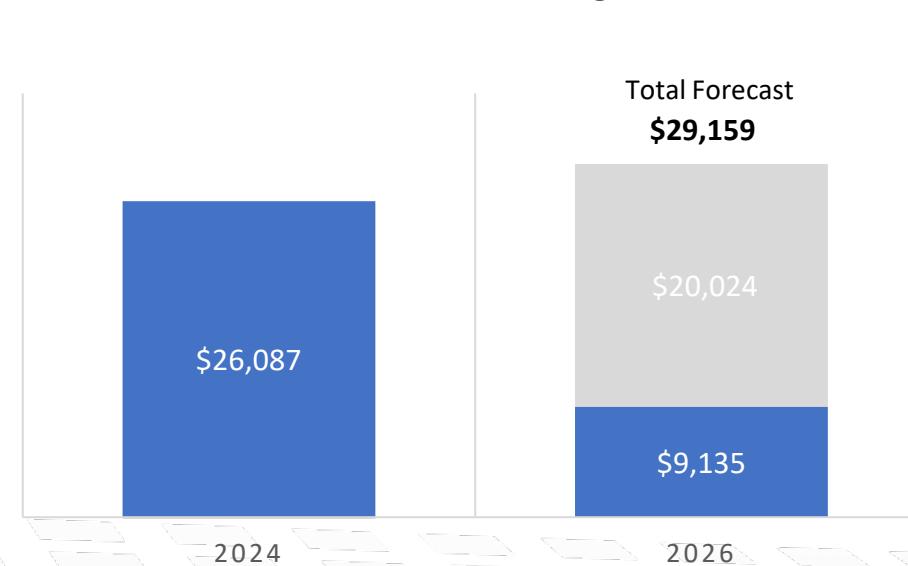


YEAR TO DATE RESULTS 

As of Q1 2026, approximately 31% of the full-year revenue forecast and 32% of the gross profit forecast have been achieved. This compares favorably to prior years, reflecting stronger early-year contribution driven by the timing of finished lot deliveries.

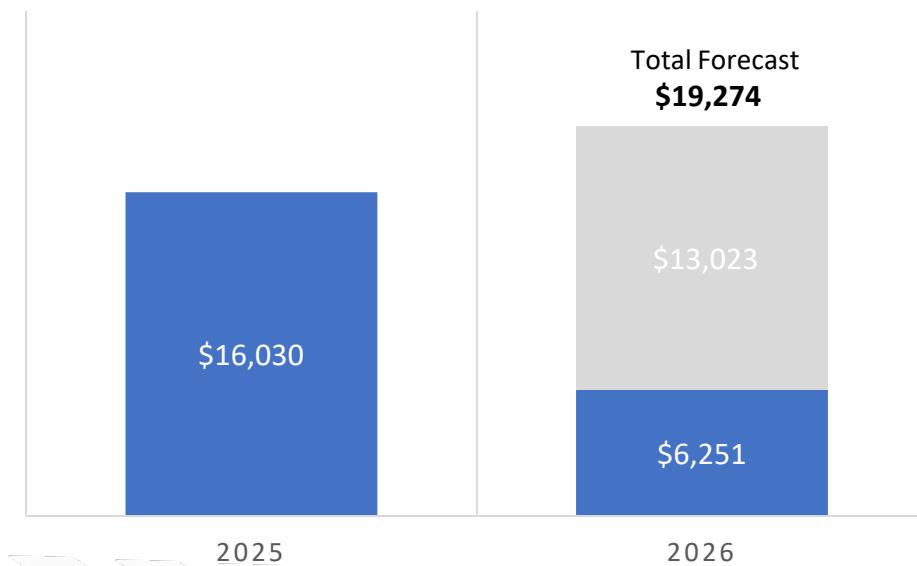
REVENUE

■ Actual to Date ■ Remaining Forecast



GROSS PROFIT

■ Actual to Date ■ Forecast Remaining

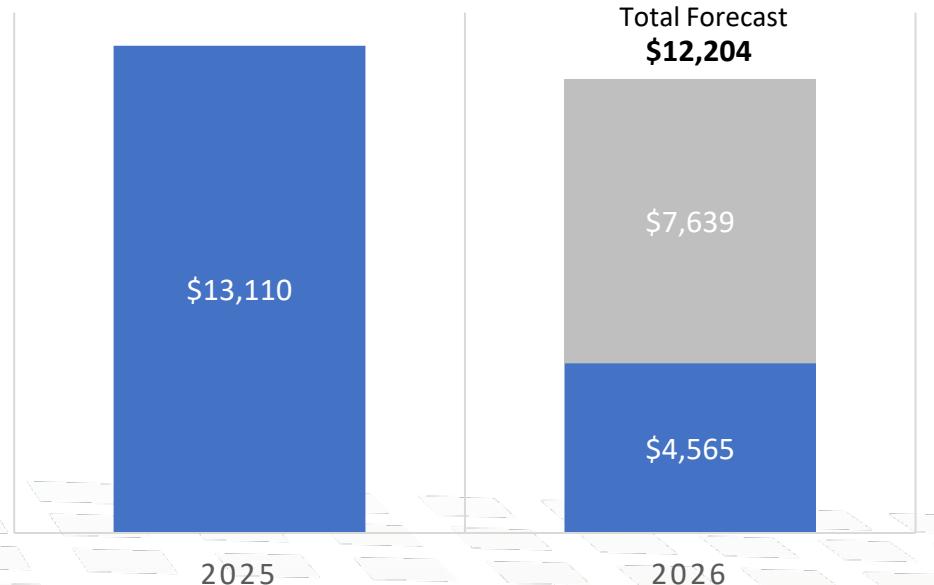


YEAR TO DATE RESULTS 

As of Q1 2026, approximately 37% of the full-year net income and EPS forecasts have been achieved, representing a stronger early-year contribution compared to FY 2025, when earnings were more back-half weighted.

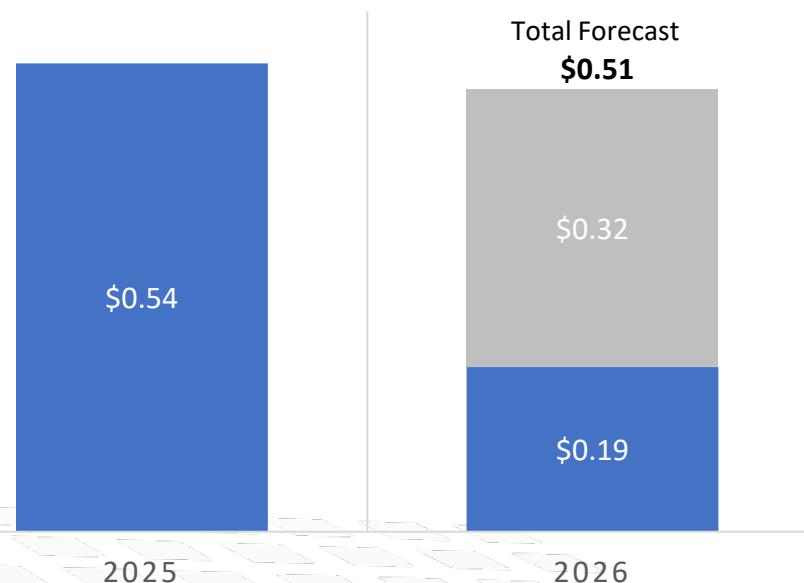
NET INCOME

■ Actual to Date ■ Remaining Forecast



EPS

■ Actual to Date ■ Total





Water Utilities

DOMESTIC

Base utility fees and service charges add steady income, smoothing quarterly earnings volatility

INDUSTRIAL

Industrial water sales to oil & gas operations generate incremental, high-margin income tied to drilling and fracking, further strengthening the return on Pure Cycle's water assets

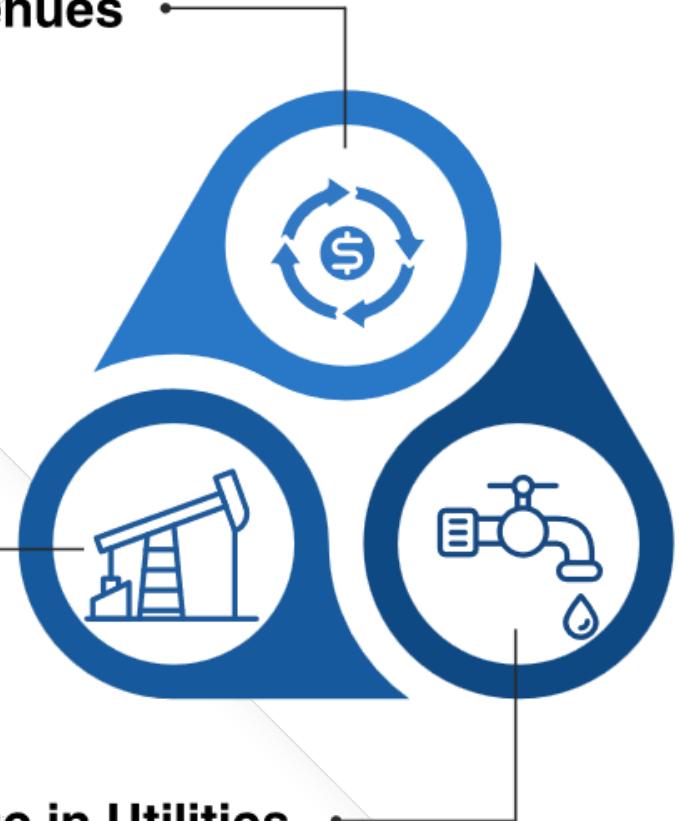
CONNECTIONS

Incremental taps deliver high-margin contribution as infrastructure investment outpaced tap connections

Recurring Utility Revenues

Oil & Gas Water Sales

Operating Leverage in Utilities

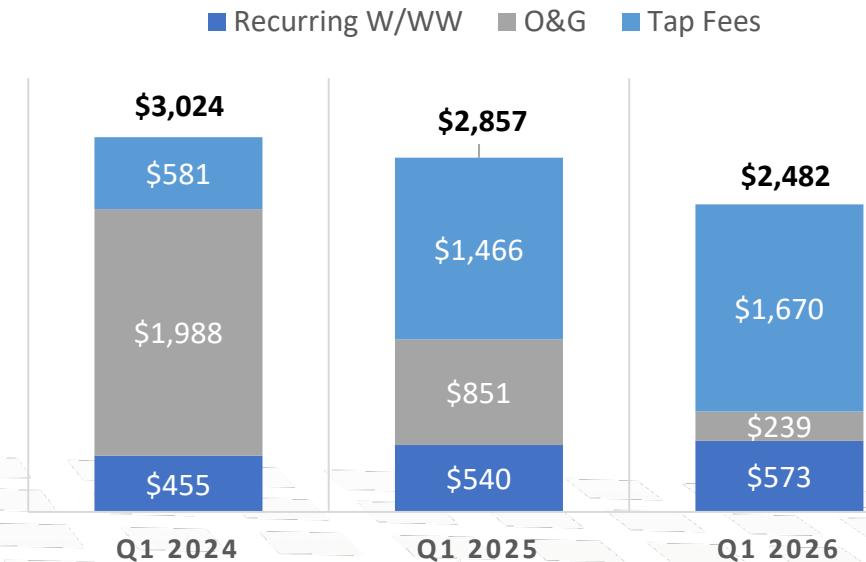


WATER REVENUE

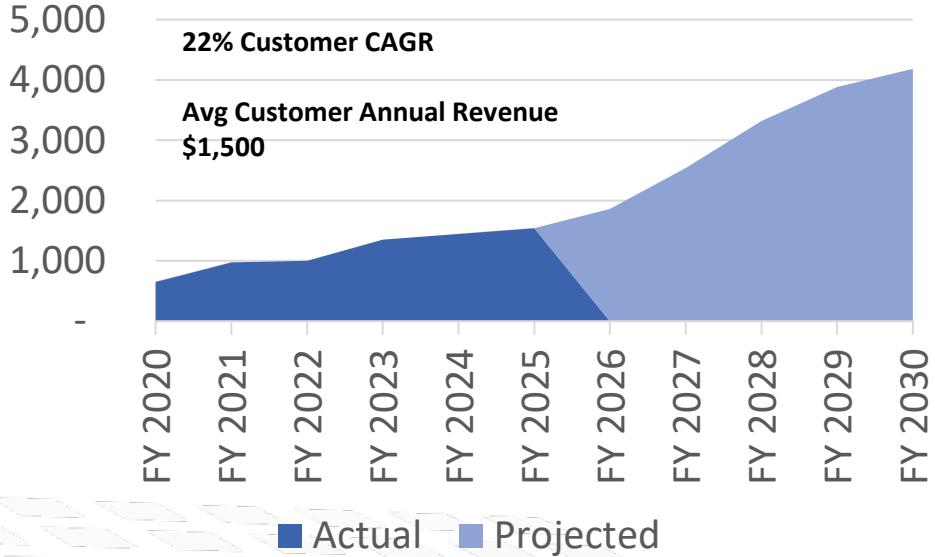


Recurring water and wastewater revenue increased approximately 26% from Q1 2024 to Q1 2026, demonstrating consistent growth in the core utility business. At the same time, tap fee revenue nearly tripled over the same period, reflecting increased development-driven connections. This combination supports a growing recurring base while capturing near-term value from system expansion.

WATER REVENUES BY TYPE (000S)



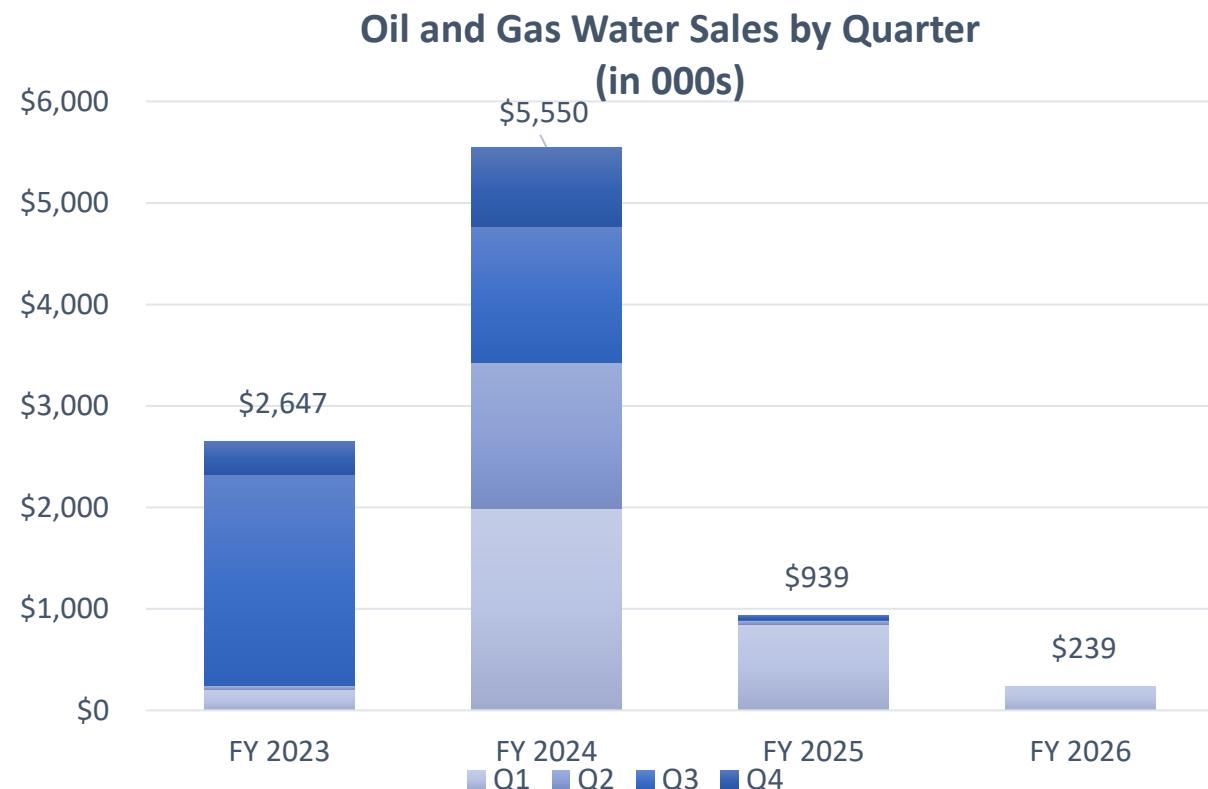
WATER UTILITY CUSTOMER GROWTH





Oil and gas water sales are driven by drilling activity and can vary meaningfully quarter to quarter. While volumes declined in FY 2025 and early FY 2026 due to reduced drilling, the underlying infrastructure, service area, and per-well economics remain intact, providing upside leverage as activity resumes.

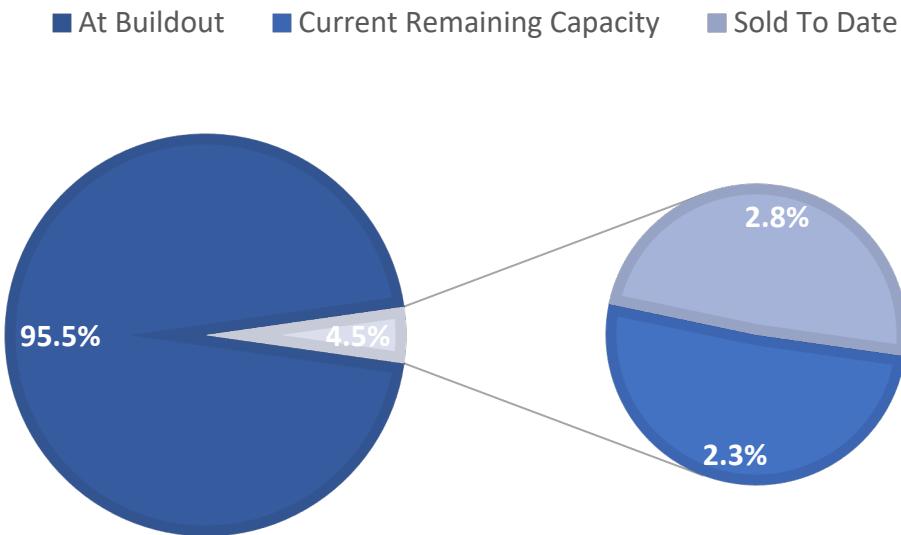
- > 150 WELLS DRILLED TO DATE
- OIL RIG CAN DRILL 60 WELLS PER YEAR
- WE CAN PROVIDE WATER TO MORE THAN 200 SQUARE MILES IN ADAMS & ARAPAHOE COUNTIES
- AVERAGE \$250,000 OF WATER SALES PER WELL



CAPACITY AND PRODUCTION

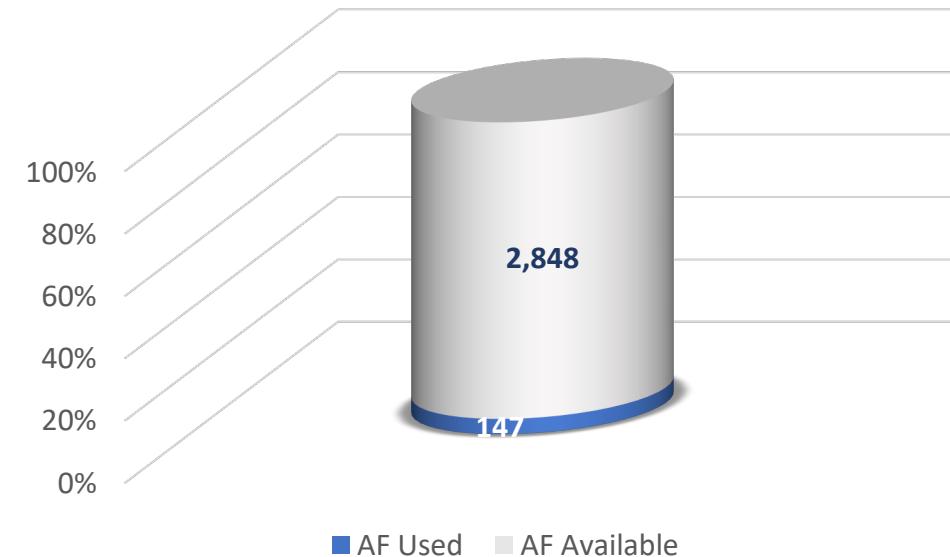


PORTFOLIO CAPACITY



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 1,695 connections, representing 2.8% of our overall capacity.

Acre Feet Production Q1-2026



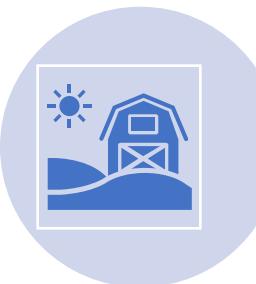
We continue to invest in our systems with a current book value of \$59.8M which can produce over 3.0M gallons of water per day.



Land Development



Phase 2C: 228 Lots: 89% complete by Q1 2026; all \$17.3M revenue payments received.



FY2026 continued Lot Production: Phase 2E – 159 lots grading to start Q3 for lot deliveries in FY'27.



Phase 2D: 204 Lots: 65% complete by Q1 2026; \$4.5M milestone payments received, \$14.5M remaining for FY26.



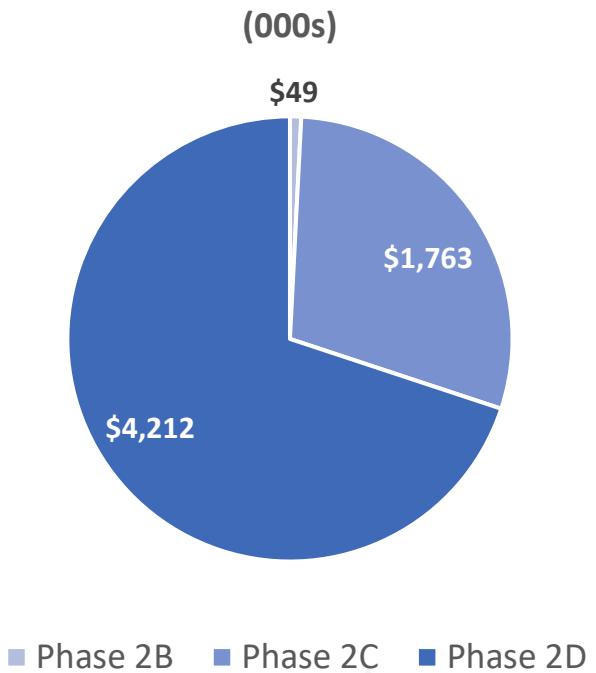
Visibility into FY26: Revenue growth expected to continue as final 2D and initial 2E milestones are completed.

LAND DEVELOPMENT REVENUE

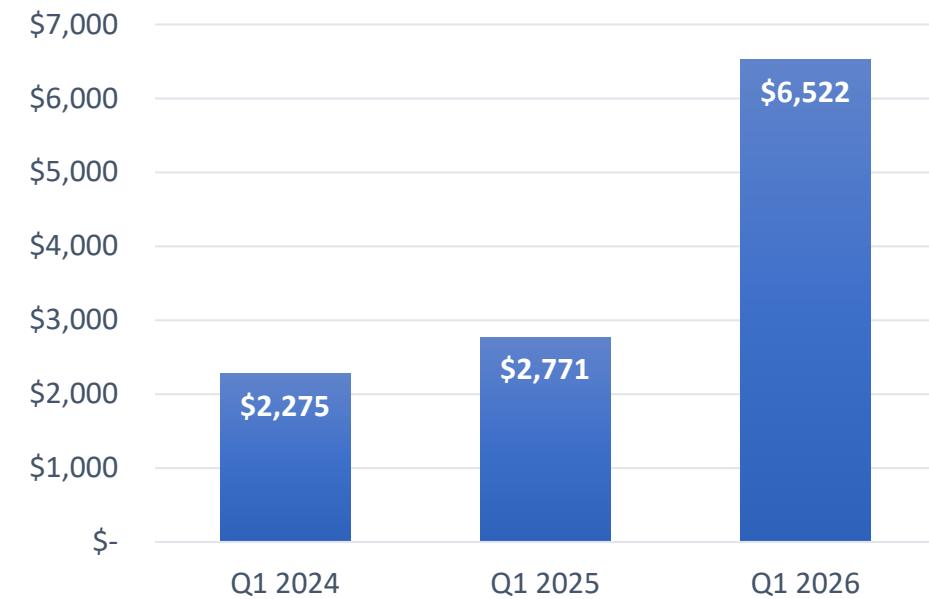


Land development revenue increased significantly in Q1 2026, driven by higher finished lot deliveries. Revenue was primarily generated from Phase 2D, with additional contributions from Phase 2C, reflecting the continued progression of later-stage development phases. Quarter-over-quarter land development revenue increased to \$6.5 million, up materially from prior-year periods due to delivery timing.

Lot Revenue Contribution by Phase Q1 2026



QoQ Total Land Development Revenue (000s)



PHASE 2A

229 Lots

+\$18.4M Lot Revenue
+\$6.3M Tap Fees
+\$300K/yr SFR Rents
+\$343K/yr W/WW Sales



PHASE 2B

211 Lots

+\$17.3M Lot Revenue
+\$7.3M Tap Fees
+\$510K/yr SFR Rents
+\$316K/yr W/WW Sales



PHASE 2C

228 Lots

+\$17.3M Lot Revenue
+\$8.3M Tap Fees
+\$1.2M/yr SFR Rents
+\$342K/yr W/WW Sales



PHASE 2D

204 Lots

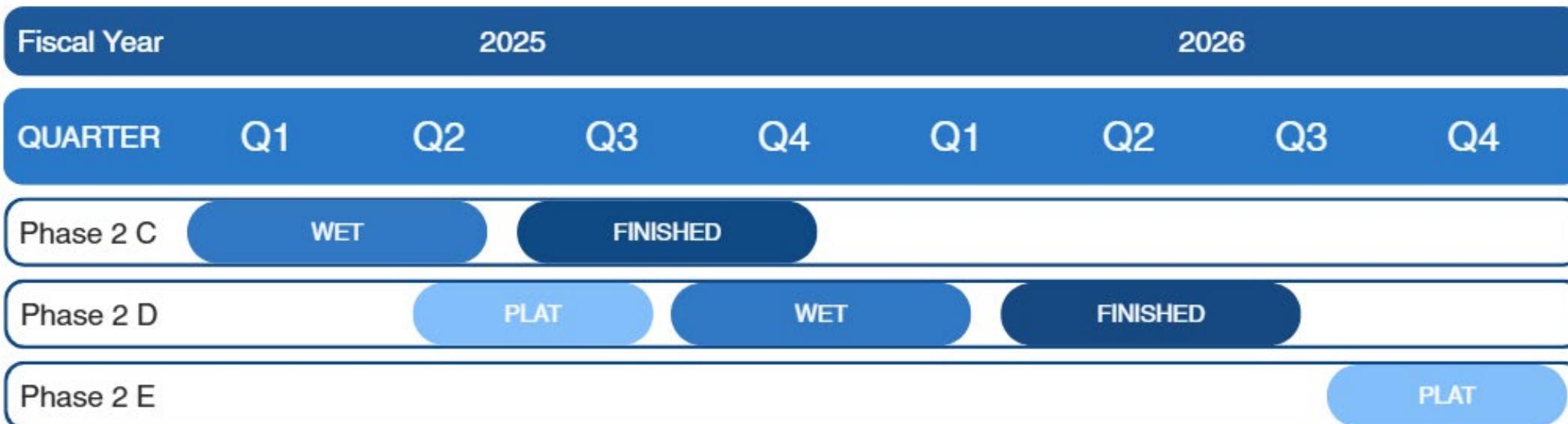
+\$19.0M Lot Revenue
+\$7.5M Tap Fees
+\$720K/yr SFR Rents
+\$306K/yr W/WW Sales



LAND DEVELOPMENT TIMELINE



Our land development continues to advance on schedule across Phases 2C through 2E. Phase 2C is now substantially complete, Phase 2D is well underway with wet utilities finishing in early fiscal 2026, and Phase 2E is entering the entitlement and grading phase, setting up continued lot deliveries through 2027.





PHASE 2E

159 Lots

This phase will add an estimated

- \$14M Lot Revenue
- \$4.3M Tap Fees
- \$300K/yr SFR Rents
- \$225K/yr W/WW Sales



GROUNDBREAKING ON HIGH SCHOOL

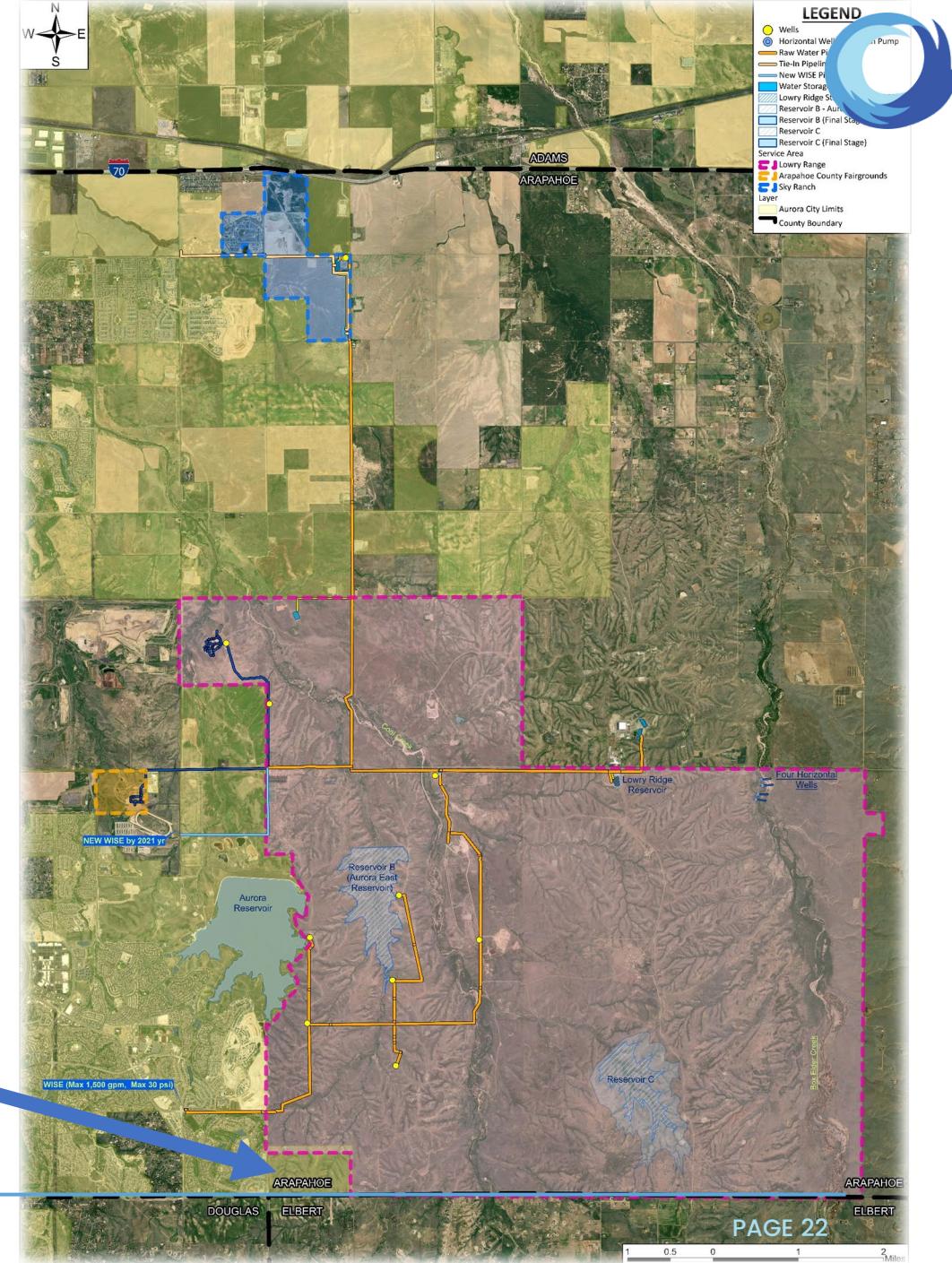


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Development Encroachment To Lowry Ranch





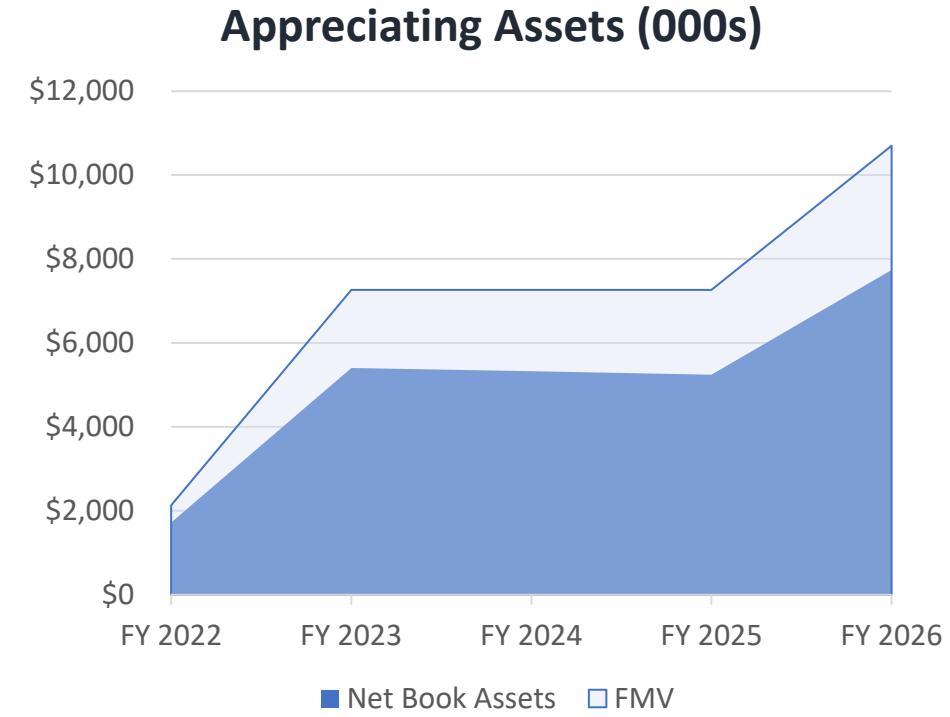
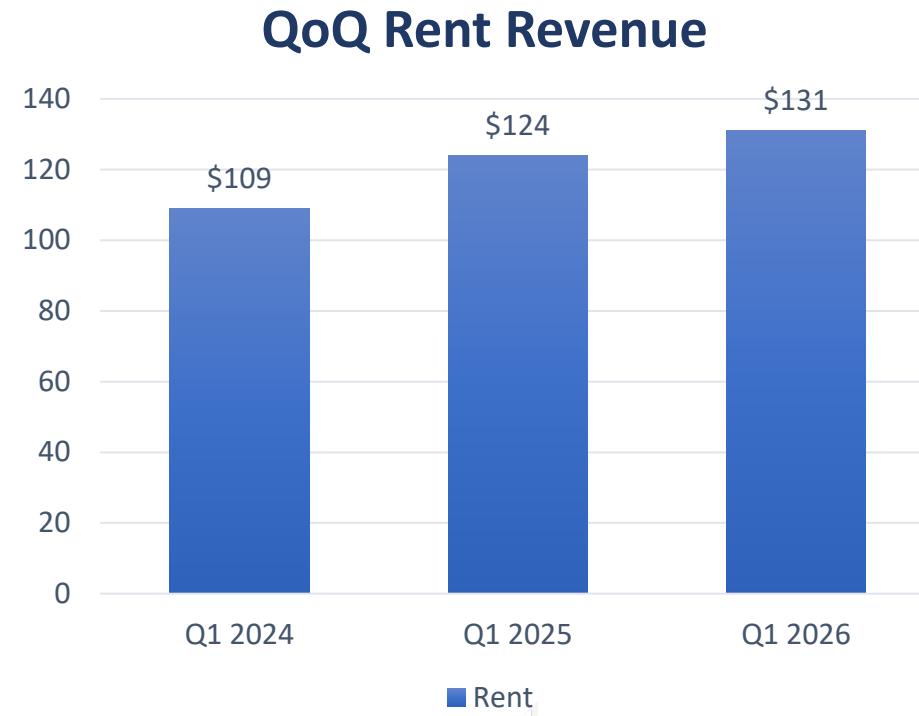
Single-Family Rentals

Segment Performance – Single-Family Rentals

- **19 Homes Completed** - Rental units built at Sky Ranch now fully leased, generating stable recurring income.
- **40 Additional Homes Under Contract** - Next phase of single-family rentals progressing, with occupancy expected through FY2026.
- **Steady Rental Income Stream** - Rentals complement tap fees and land sales, creating diversification across revenue types.
- **Asset-Light Expansion Model** - Partnerships with homebuilders reduce capital intensity and support scalable growth.



Single-family rental revenue increased approximately 20% from Q1 2024 to Q1 2026, driven by increasing units and rents. Asset values have also increased over the same period, with fair market value growing faster than net book assets, underscoring ongoing appreciation and long-term value creation.



SFR Portfolio

Sky Ranch Phase 1 & 2

■ Added in Phase ■ Prior Phases

4 Homes
\$120K Rent/Yr
\$1.4M Assets
\$2.1M FMV

4

14 Homes
\$420K Rent/Yr
\$5.3M Assets
\$7.4M FMV

10

4

31 Homes
\$930K Rent/Yr
\$11.3M Assets
\$16.3M FMV

17

14

71 Homes
\$2.1M Rent/Yr
\$25.3M Assets
\$37.3M FMV

40

31

95 Homes
\$2.9M Rent/Yr
\$33.7M Assets
\$52.5M FMV

24

71

105 Homes
\$3.1M Rent/Yr
\$37.2M Assets
\$57M FMV

10

95

Phase 1

Phase 2A

Phase 2B

Phase 2C

Phase 2D

Phase 2E

An aerial photograph of a residential neighborhood. The houses have grey roofs and white siding. Some have solar panels installed on the roof. The yards are landscaped with green lawns and small flower beds. A few cars are parked in driveways. The streets are paved and there are sidewalks. The overall scene is a typical suburban area.

Capital Allocation & Shareholder Value

STRONG BALANCE SHEET



\$70.4M Total Assets

\$8.9M in Wastewater Systems
\$31.6M Water Rights Portfolio
\$28.2M in Water Systems
\$1.7M in other assets

Water rights portfolio supports up to 60,000 connections, providing significant capacity for growth beyond the 1,700 currently served.

\$11.0M Total Assets

\$2.9M of Land for Development
\$7.8M developed land for sale
\$0.3M other assets

930-acre Sky Ranch community east of Denver, planned for up to 3,200 homes and 2M sq. ft. of commercial space, located 15 mi from downtown and 4 mi south of DIA.

\$7.8M Total Assets

\$10M in Fair Market Value

Pure Cycle develops and retains single-family rentals at Sky Ranch, recovering all lot and tap costs while generating positive cash flow and strong asset appreciation.

\$67.7M Total Liquidity

\$23.9M in Cash and Restricted
\$51.8M in Receivable from CAB
\$8.0M in Total Debt

Strong balance sheet with liquidity to support operations, including significant cash and a 6% interest-bearing receivable from the Sky Ranch CAB for approved public improvement reimbursements.

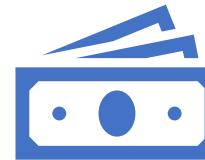
Recurring Revenue Strength



Utilities Revenue Stability: Recurring water and wastewater revenue offer consistent contribution across cycles



Rental Income from 19 Homes: Fully leased homes generating monthly cash flows; 5 units coming online in Q2 and an additional 40 units to expand income in FY26



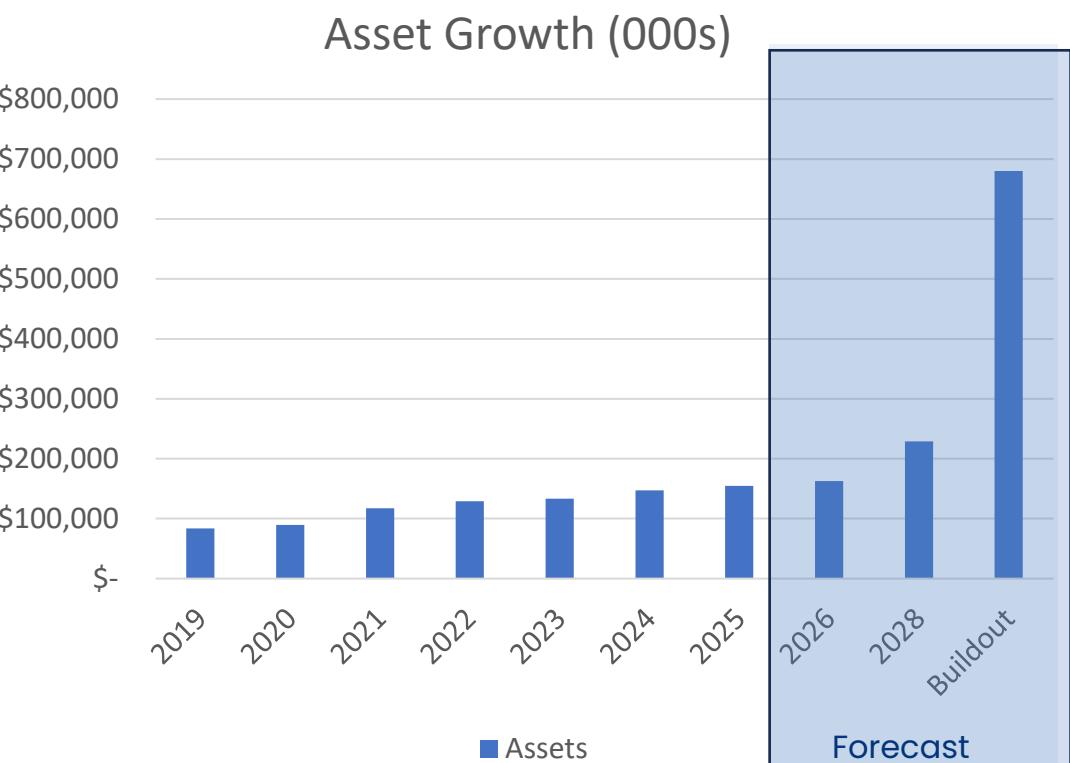
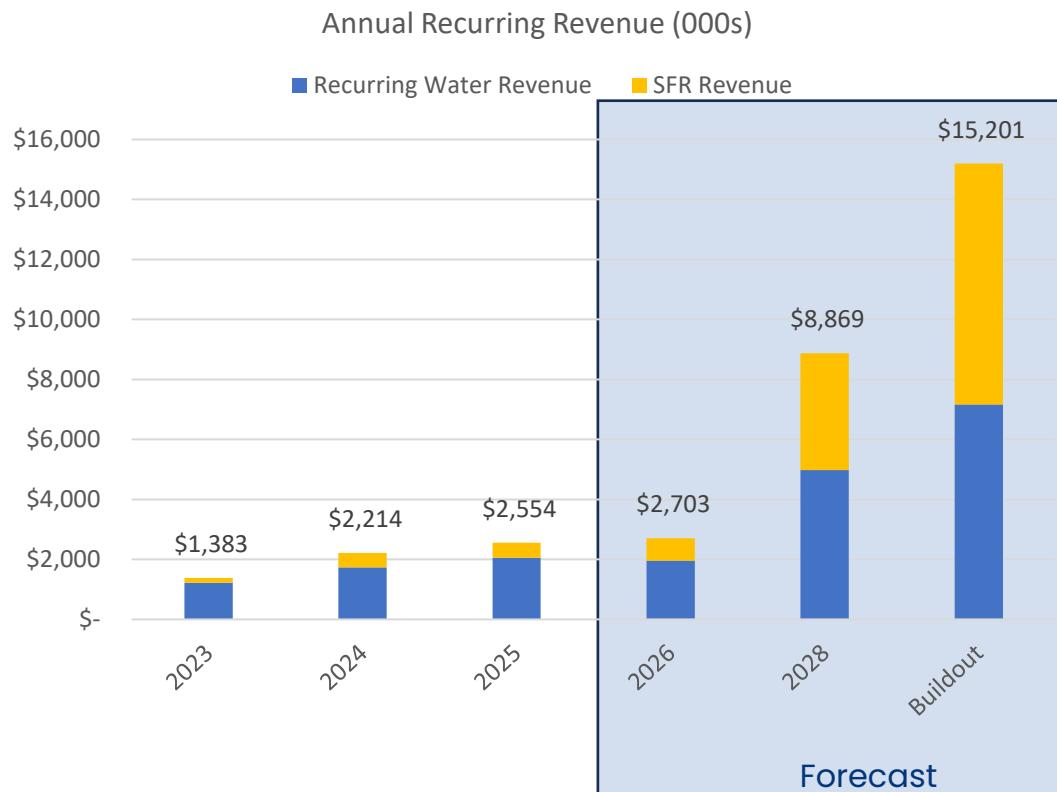
Diversified Earnings Mix: Blending utility income with residential rent yields lowers overall earnings volatility and cash flows



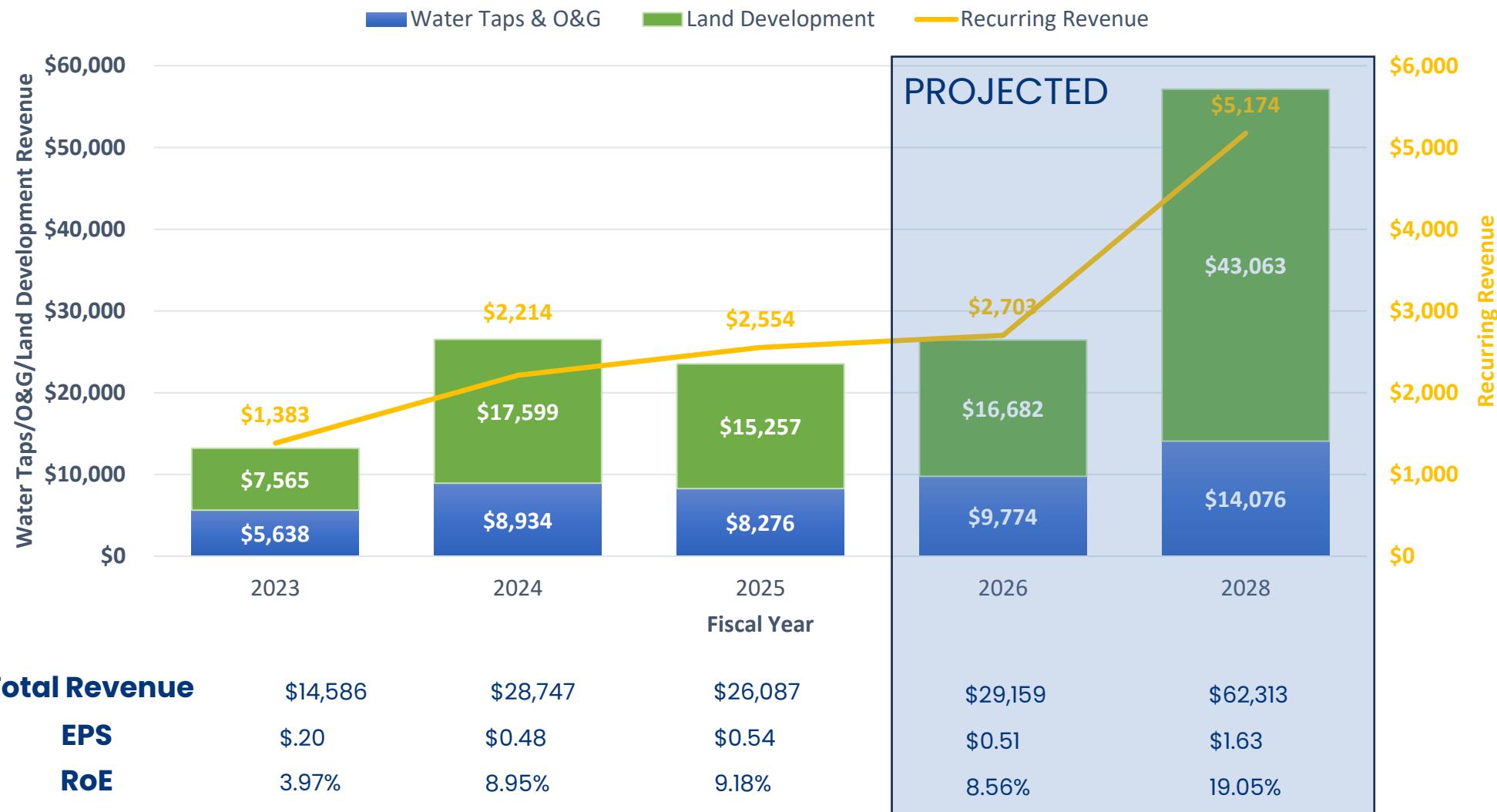
SFR Synergy with Land Development: Rental strategy monetizes lots internally, capturing additional value from Sky Ranch development

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.



PROFITABILITY TRENDS



Total Revenue

\$14,586 \$28,747 \$26,087

EPS

\$0.20 \$0.48 \$0.54

RoE

3.97% 8.95% 9.18%

Valuation Sensitivity Scenarios



FY26 Gross Revenue: \$26–30M Range: Scenario modeling based on timing of Phase 2D/2E milestone completions and builder uptake.



FY26 EPS Sensitivity: \$0.43–\$0.52: EPS estimates vary with lot closings pace and rental unit lease-up timing.



Upside in Timing Acceleration: If delivery milestones pull into early FY26, potential for beat vs baseline estimates.

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
Q4 2025	7,500	9.87	104,574
YTD 2026	7,100	10.85	97,474
Total	102,526	10.29	97,474

Short-Term (3–5 Years)

- Water Utilities:**
Customer base expected to grow to ~2,500 accounts with consistent tap sales across remaining Sky Ranch phases. Base utility fees and service charges continue to provide predictable, recurring revenue, with annual tap fee increases of ~3%.
- Land Development:**
Ongoing lot deliveries and steady absorption at Sky Ranch drive near-term growth. Lot margins are expected to remain healthy as costs stabilize, with commercial parcels set through completion of Interchange to monetize providing additional upside.
- Single-Family Rentals:**
Expansion to more than 100 homes as the segment scales, benefiting from suburban population growth and sustained housing demand. Efficiencies improve as operations mature and occupancy remains strong.



Long-Term Outlook (Sky Ranch Buildout & Beyond)

• Water Utilities:

Buildout to ~5,000 total connections at Sky Ranch and expansion into adjacent service areas (e.g., Lowry Ranch, Arapahoe County parcels). Continued investment in infrastructure enhances recurring revenue streams and long-term shareholder value.

• Land Development:

Completion of final Sky Ranch phases and expansion into commercial parcels broaden development footprint. Monetization of high-value commercial land near the interstate adds strategic growth potential, including high water users such as Data Centers.

• Single-Family Rentals:

Portfolio expected to exceed 200 homes, creating a durable recurring-revenue platform. Operational efficiencies improve as the rental base expands, supported by Colorado's economic and population growth.





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Earnings Presentation

Q&A



www.purecyclewater.com