

Senior Term Loan Facility Agreement Assurance Statement for Lenders

Statement from Mercia Waste Management

1. Financial Performance / General

After a sustained period of effort by the Councils and Mercia Waste Management, on 30th December 2022 an extension was signed to the Waste Management Contract. At the same time the Loan Agreement was revised and extended with the same end date of 11th January 2029.

The Company now has a new Financial Model to work to and has begun to report against this. Its trading in January was largely in line with the Model overall.

The Company's capacity to make repayments of the loan and interest in full and on time remains in place

2. Loan Repayment

Repayments of Capital and Interest for the period ending 30th December 2022 were made on time in accordance with the Loan Agreement. The Company has every confidence that it will be able to deal with the payments due at the end of June 2023 in the same way.

3. Buildings, Plant and other Infrastructure

No problems exist which would require the Lenders attention at any of the Company's Facilities.

4. Compliance with Environmental Conditions and Permits

There are no material issues at any sites.

5. Insurance

The company completed the renewal process for the insurances which are renewed at the end of December. Terms are imminent for the EfW which is renewed separately in March. The Company is confident that it can place all the required covers. There are no significant issues to report in respect of claims or other matters.

6. Key Staff

There are no changes to report

J W Haywood - Mercia Waste Management. 13.02.2023