

Senior Term Loan Facility Agreement Assurance Statement for Lenders

Statement from Mercia Waste Management

1. Financial Performance

The Company performed satisfactorily in 2023 and January 2024 was largely in line with internal budgeting.

The Loan Ratios show that our performance in the last twelve months has been adequate if slightly below that Modelled, our projected cash generation is, however, superior to the Financial Model.

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

2. Loan Repayment

Repayments of Capital and Interest for the period ending 31st December 2023 were made on time in accordance with the Loan Agreement as have such all previous payments. The Company has every confidence that it will be able to deal with the payments due at the end of June 2024 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. We continue to benefit from our best-in-class rating flowing from the Plant design and our collaborative approach to risk management with the Insurer.

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. 15.02.2024