

Senior Term Loan Facility Agreement Assurance Statement for Lenders

Statement from Mercia Waste Management

1. Financial Performance

The Company continued to produce a satisfactory performance both in terms of profitability and cash generation as it moved into the extended Contract period. Tonnages received under the Contract whilst slightly lower than modelled were within c2% of the level predicted. Income from recycling is ahead of the prior year whilst electricity prices have fallen.

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 30th June 2024 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 December 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 Energy from Waste Plant during February. 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.

Note

On 10th June 2024 Urbaser Limited, one of the two owners of Mercia Waste Management, was purchased by FCC Environment. Whilst the direct ownership has not changed (Urbaser Limited continues to own 50% of Mercia) FCC now has the entire beneficial ownership of the Company.