

CYC SHAREHOLDER COMMITTEE

Yorwaste Ltd & SJB Recycling Ltd Business Update

Content

The Managing Director, Sandy Boyle, intends to present to the committee, a business update for Yorwaste & SJB Recycling, including key business developments and trading performance to the end of 2017/18 Q3.

Annual Budget 2018/19

The Annual Budget for Yorwaste Ltd and SJB Recycling Ltd is due to be considered by the respective Boards on 29th March 2018.

The budgets included in these reports are therefore provisional and may be subject to change. Any changes will be reported back to the Shareholder Members for ratification.

Yorwaste

Yorwaste has undergone significant change over the past 12 months including the acquisition of Todd Waste Management in July 2017, its subsequent hive-up into Yorwaste in December 2017, and the earlier than planned opening of Harewood Transfer station in August 2017 to support the commissioning of AWRP. In addition 2017 also saw the mobilisation of the NYCC HWRC contract covering 20 sites.

Yorwaste also had changes in its senior management with the retirement of its long serving Finance Director in August 2017 and the departure of its Managing director in September 2017. The Board subsequently appointed a new Managing Director who took up post on 1st January 2018.

The challenges facing the company in the 2018/19 budget year are no less significant with a need to:

- Deliver sufficient tonnages to maximise the shareholder benefit of AWRP tiers.
- Optimise the trade transport business acquired as part of Todds including the implementation of new route management software.
- Deliver a cost effective PAS100 solution for green waste at Harewood.
- Closure and restoration of the Harewood Landfill site.

SJB Recycling Limited

SJB Recycling is the region's largest independent, specialist, green waste composting business.

The focus of the business over the next year is to deliver cost effective operations as well as explore opportunities to develop both new and existing sites. In terms of product development SJB plans to build on its newly created Yorganics™ brand.

Shareholder Approvals

Shareholder approval is being sought to note the provisional budgets pending the approval at Yorwaste / SJB Recycling Board on 29th March 2018.

Important Note: the content of the business plan and budgets contains commercially sensitive information and is not for general circulation.

Appendices (all commercially confidential)

1. Yorwaste Ltd budget summary 2018-19
2. SJB Recycling Ltd budget summary 2018-19