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Sent: 14 December 2020 17:03
To: Cllr S Hebb <[REDACTED]>
Subject: Official Sensitive: PWE Review

Attachment below

PWE STATEMENT

The claim that TBC is about to imminently lose £30m is inaccurate. In fact £10m has already been repaid although it was not due until the end of the year.

The balance of the funding is fully supported with long term (15yrs+) fixed asset leases which will be refinanced in order to make full repayment.

PWE is a Green Energy specialist significantly reducing energy consumption and carbon footprints primarily in the leisure centres owned by Local Authorities- it currently has 41 installations under management and a further 10 ready to complete when the Leisure Centres are allowed to fully re-open.

Each site has entered into long term energy contracts with PWE.

It also has an £8m or 13MW of imminent pipeline of 11 commercial installations and is about to install a pioneering solution to one of the UK's largest water treatment plants converting waste to energy.

PWE entered into a collaboration agreement with SSE, a major utility company just over a year ago for the provision of a temporary power solution in areas of constrained power. Covid and Brexit have impacted progress in this area.

PWE is also collaborating with Green Fuel providers to create Carbon Zero energy at source - and will be instrumental in supporting the Government's zero carbon targets.

The disruption in the leisure sector, with the closure of many leisure facilities during lockdown and tier three restrictions has, like many other industries materially impacted the potential for PWE to achieve its installation and income forecasts in 2020.

Notwithstanding, PWE has paid all interest on time - TBC has to date earned around £4.8m from this investment which has benefited the Council's ratepayers.

Due to the delays in installations caused by the aforementioned issues, in order to earn interest to offset the cost of funds, PWE deposited funds on 60 days notice with JCF-PWE at an interest rate of 9.5% with full legal opinion and full security as reported. All due interest was paid timeously and the funds have since been fully returned to PWE.

JLG Plc under advice from its Corporate Advisors ahead of a potential listing or private sale split out its non core activities into Green Ops at par value so that shareholders retained

their value and for no other reason. All shareholders and the Market were advised accordingly.

The management of PWE remain confident the company will be in a position to refinance the business when the leisure centres return to normal operation and the associated swimming pools recommence their heating requirements.

In line with PWE's medium term financial planning, refinancing of the Bond was scheduled for mid 2020 but the effects of the Covid restrictions has delayed this until 2021.

PWE management are in open dialogue with its investors, including TBC, who have been presented with all the salient facts and have also been presented with a number of viable options which are currently being considered.