

## Newsletter - December 2022

### Energy from Waste Facility Rivenhall, UK - Successful closing of long-term export financing for Hitachi Zosen Inova energy from waste project

In May 2022, Hitachi Zosen Inova AG (HZI), Switzerland, signed an Engineering, Procurement and Construction (EPC) delivery contract with Indaver Rivenhall Ltd for the design and construction of an 595'000 tonnes-a-year energy from waste incineration facility in Rivenhall, Essex, UK called the "Rivenhall Integrated Waste Management Facility (IWMF) and Energy Centre in Essex, UK" (the Project).

This is HZI's 16<sup>th</sup> energy from waste project in the UK.



3D rendering of the Project (source: HZI)

#### Indaver Group

The Indaver Group ([www.indaver.com](http://www.indaver.com)) was founded in Antwerp in 1985 and is a Europe-wide waste management company that offers intelligent, integrated solutions to industries and government authorities. Its main focus lies in the field of recycling and waste treatment. Indaver has over 1'800 employees and has facilities and operations at more than 30 locations in Belgium, Germany, Ireland, the UK, the Netherlands, Italy, Spain and Portugal.

In line with the UK's increased efforts to reduce the amount of household waste being deposited into landfill sites, Indaver decided to carry out the project in Rivenhall, UK. The facility is able to process 595'000 tons of municipal solid waste per year (household and similar commercial and industrial, non-hazardous waste) and generates approx. 49 MW of electricity for export to the national grid, which is enough energy to supply the power needs of approximately 60'000 households year-round. Total Project cost amount to approx. GBP 500 million. The Project is Indaver's first energy from waste facility in the UK.

#### Long-term SERV covered export financing

The financing consists of a long-term export loan facility covered by the Swiss Export Risk Insurance (SERV) with the project company Indaver Rivenhall as borrower. Acting as financial advisor to HZI, AIL advised and supported HZI in the discussions with Indaver, SERV and Credit Suisse (the mandated lead arranger for the financing) on the structuring and implementation of the SERV backed senior debt financing.

Additionally, AIL assisted HZI in the negotiations with the financing bank in relation to the required reporting and information obligations required for the disbursement of funds out of the SERV covered debt facility.

Carsten Kaiser, Senior Sales Director at HZI: "We are very satisfied with the long-term export financing solution that we were able to provide to our client Indaver based on the support of SERV and Credit Suisse. The SERV covered export financing was an important supportive element in the EPC contract negotiations with Indaver. It helped us improving our client's business case making this project viable."

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### Structuring of a long-term security package for a Stadler Rail project as a reference case for risk mitigation in a Taiwanese project

AIL has closed a payment security package in favour of Stadler Rail for a project of metro trainsets in Taiwan. For the second time in three years, Stadler has been awarded a contract in Taiwan and for the first time, Stadler will deliver metro trainsets in Asia.

The metro trainsets will be delivered to the company of the metro of Kaohsiung, Taiwan's second largest city, located in the south of the island, with a population of approx. 2.72 million. Currently, Kaohsiung's metro system is composed of three lines, the red, the orange and the circle lines. Stadler's delivery is part of a turnkey contract for the complete electro-mechanical system and the construction of a maintenance depot for a fourth line (the "Yellow Line"), together with two partners.



Kaohsiung Metro System with the new Yellow Line (source: Railway Gazette International 01.09.22)

Stadler's scope of delivery includes 25 medium-capacity 3-car metro trainsets. Due to the complexity of the turnkey contract however, the delivery period for the metro trainsets is significantly longer compared to similar

projects which consist in the simple delivery of rolling stock only.

The tragic events of the war in Ukraine and the associated sanctions against Russia have once again made it clear that the risks in the cross-border trade are manifold. From our point of view, it remains essential that companies react to changing market conditions and continuously update their risk management policy.

Considering the current geopolitical situation and in line with the global risk management policy of Stadler, the main project risks had to be mitigated efficiently. With the support of the Swiss Export Risk Insurance (SERV), a security concept was implemented in particular to manage the long-term political risk of this transaction.

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