ADS ECO
From Waste to Value

FINANCIAL MANAGEMENT SYSTEM

Integrated financial governance, budgeting, cash-flow control, performance reporting and investor transparency.

CONTROL & GOVERNANCE
Policies, approvals, and internal controls embedded across all financial flows.

PERFORMANCE & INSIGHT
Real-time dashboards and KPIs for smarter, faster decisions.

CASH FLOW & RESILIENCE
Strong liquidity management and risk protection for long-term value.

INVESTOR CONFIDENCE
Transparent reporting and disciplined capital allocation.

FINANCIAL MANAGEMENT SYSTEM ARCHITECTURE

Capital Sources
Equity, debt, grants, green finance

CAPEX Control
Budgets, EPC milestones, approvals

ADS ECO SPV
Financial & Control Center
CFO • Board • Audit Committee

OPEX Control
Operations, maintenance, payroll, office

Revenue Logic
Materials, energy, agro, services, EV, green products

Reserves
DSRA, maintenance, contingency, working capital

Investor Reporting
Financial statements, KPI dashboard, ESG-linked reports

CORE PRINCIPLES
Financial transparency
Controlled cash flows
Risk management
Investor protection

CAPEX CONTROL
80–120M USD
Indicative total CAPEX

OPEX CONTROL
8–14M USD
Annual operating cost range

REVENUE LOGIC
Multi-stream
Materials, energy, agro, EV, green products, services

INVESTOR REPORTING & CASH FLOW CONTROL
Transparent flows. Investor confidence. Long-term resilience.

Financial transparency | Controlled cash flows | Risk management | Investor protection

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Financial Governance | From Waste to Value

01. Executive Overview

A complete financial governance framework for ADS ECO as a bankable SPV / PPP / JV platform

01 Purpose

The financial management system is designed to ensure transparent capital deployment, disciplined budgeting, reliable cash-flow control, accountable reporting and long-term financial sustainability across the ADS ECO platform.

02 Operating Logic

The system connects the SPV, board, investment committee, finance department, audit function, procurement controls, reserve accounts, revenue streams and investor reporting into one coordinated governance model.

03 Investor Confidence

Clear approval rights, audited statements, KPI dashboards, reserve mechanisms and predictable distribution rules help protect shareholders, lenders and module-level joint venture partners.

04 Financial Outcome

The framework supports bankability by aligning capital structure, revenue management, OPEX control, risk mitigation and ESG-linked reporting with phased implementation and long-term value creation.

Core Financial Principle

Every dollar of capital, cost, revenue and reserve must be traceable, approved and reportable.

Financial transparency | Controlled cash flows | Risk management | Investor protection

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02. Financial Governance Architecture

SPV-centered decision rights, committees, finance department, audit controls and reporting lines

Capital Sources
Equity, debt, grants, green finance

CAPEX Control
Budgets, EPC milestones, approvals

OPEX Control
Operations, maintenance, payroll, utilities

Revenue Control
Materials, energy, agro, services, JV income

ADS ECO SPV
Financial Control Center

CFO + Board + Audit Committee

Reserves
DSRA, maintenance, contingency and working capital

Investor Reporting
Financial statements, KPI dashboard and ESG-linked reports

Core principle: financial transparency, controlled cash flows, risk management and investor protection

01 Board of Directors

Approves budgets, financial strategy, reserved matters, major CAPEX, debt, distributions and strategic investment decisions.

02 Finance Department / CFO

Prepares budgets, cash-flow forecasts, financial reports, payment approvals, variance analysis and management dashboards.

03 Audit & Risk Oversight

Monitors internal controls, procurement compliance, reserves, debt service, risk exposure and independent audit outputs.

03. Budgeting & Cost Control Framework

Separate CAPEX, OPEX and working capital controls supported by approval thresholds and variance reporting

1 CAPEX Budget
Development, EPC, equipment, civil works, commissioning

2 OPEX Budget
Staffing, utilities, maintenance, logistics, insurance, admin

3 Working Capital
Receivables, inventory, spare parts, payables and liquidity

4 Variance Control
Actual vs budget, approval limits and corrective actions

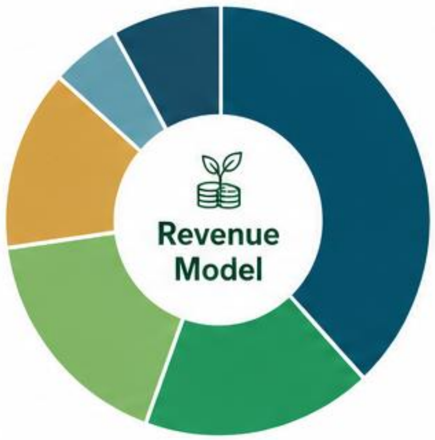
CAPEX Component	Control Approach
Land, permits and design	Board-approved development budget with contingency line
Civil works and infrastructure	EPC milestones, technical verification and payment certificates
Technology and equipment	Supplier due diligence, warranties, commissioning tests
Digital systems and ESG monitoring	Separate IT/SCADA budget with cybersecurity and audit trail
Contingency	Controlled release based on documented change orders

Spending Level	Required Approval
Routine OPEX	Finance Manager / Department Head
Medium procurement	CFO / CEO
Major CAPEX	Investment Committee
Debt, JV or reserved matter	Board and shareholder approval

04. Revenue & Cash-Flow Management

Multi-stream revenue control, forecasting, reserve accounts and distribution readiness.

Revenue Streams



- Recycled materials 38%
- Clean energy 16%
- Agro & bio products 18%
- High-value recovery 14%
- ESG / carbon / education 6%
- Logistics & platform services 8%

Revenue Source	Management Method
Recycled materials	Sales contracts, weighing records, product quality controls and receivables monitoring.
Clean energy	Metering, internal consumption allocation, utility savings and grid/offtake reconciliation.
Agro & bio products	Inventory tracking, product pricing, seasonal demand planning and sales reporting.
High-value recovery	Module-specific cost/revenue tracking and JV settlement where applicable.
ESG / carbon / education	Service contracts, training income, ESG reporting value and potential carbon-linked value.
Logistics & platform services	Service pricing, dispatch records, warehousing and digital platform billing.

Cash Flow Forecasting

Monthly, quarterly and annual forecasts align expected revenues, OPEX, debt service, tax payments, procurement milestones and reserve needs.

Reserve Accounts

DSRA, maintenance reserve, contingency reserve, environmental reserve and working capital reserve strengthen liquidity and lender confidence.

Distribution Readiness

Dividends and JV distributions should occur only after OPEX, taxes, debt service, reserves and reinvestment rules are satisfied.

Financial transparency | Controlled cash flows | Risk management | Investor protection

05. Revenue Waterfall & Distribution Policy

Order of funds for operational resilience, debt service, reserve funding, reinvestment and investor returns

1 **Operating Costs**
Payroll, utilities, O&M, logistics

→

2 **Taxes & Fees**
Statutory and regulatory obligations

→

3 **Debt Service**
Principal, interest and DSCR compliance

→

4 **Reserve Accounts**
DSRA, maintenance, contingency, environmental

→

5 **Reinvestment**
Expansion, upgrades and working capital

→

6 **Investor Returns**
Dividends and JV distributions

Waterfall objective: keep the platform bankable, protect cash discipline and enable predictable investor distributions after stabilization.

Priority	Use of Funds	Purpose
1	Operating expenses	Keep the platform operational and compliant.
2	Taxes and mandatory fees	Meet statutory obligations and avoid regulatory risk.
3	Debt service	Maintain lender compliance and DSCR discipline.
4	Reserve funding	Protect liquidity, maintenance, environmental and contingency needs.
5	Reinvestment and expansion	Support upgrades, future modules and scale-up.
6	Investor / JV distributions	Distribute available cash according to shareholder and JV agreements.

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06. Procurement, Accounting & Reporting System

Competitive purchasing, documented approvals, auditable accounts and investor-facing management reports.

P — Procurement Control

Competitive tenders, vendor qualification, technical evaluation, financial comparison, conflict-of-interest checks and milestone-based payments.

A — Accounting Standards

Accounting should follow applicable local standards with investor-readable reporting formats aligned to international financial statement logic.

R — Reporting Cycle

Monthly management reports, quarterly investor reports, annual audited financial statements and ESG-linked financial disclosures.

Report	Frequency	Management Use
Management accounts	Monthly	Budget control, OPEX variance and cash-flow monitoring
CAPEX utilization report	Monthly / quarterly	EPC progress, drawdown control and change order review
Revenue by stream report	Monthly	Commercial performance and market risk monitoring
Cash-flow forecast	Monthly rolling	Liquidity planning and reserve adequacy
Debt service report	Quarterly	DSCR, covenants, reserve coverage and lender compliance
Audited financial statements	Annually	Shareholder confidence, bankability and external verification

Procurement + Accounting + Reporting =
auditable financial governance for investors, lenders and public partners.

Financial transparency | Controlled cash flows | Risk management | Investor protection

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07. Financial KPI & Performance Management

A disciplined KPI system converts operational data into management decisions and investor confidence

1. **EBITDA Margin** — Operating profitability
2. **DSCR** — Debt service capacity
3. **IRR** — Investment return
4. **NPV** — Present value creation
5. **Payback** — Capital recovery period
6. **OPEX / ton** — Processing cost control
7. **Revenue / ton** — Recovery efficiency
8. **CAPEX Variance** — Budget discipline
9. **Collection Efficiency** — Cash realization rate
10. **Working Capital Ratio** — Liquidity management

KPI discipline converts operational data into financial control and investor confidence.

Profitability

EBITDA margin, revenue per ton and gross margin by stream evaluate value creation.

Liquidity

Working capital ratio, collection efficiency and reserve coverage protect short-term cash stability.

Investment Returns

IRR, NPV, payback period and dividend capacity measure investor economics.

Cost Discipline

OPEX per ton, CAPEX variance and procurement variance track cost control.

Financial transparency | Controlled cash flows | Risk management | Investor protection

08. Financial Risk Management & Internal Controls

Risk controls, reserve mechanisms, audit rights and protection measures for lenders and investors

Risk	Potential Exposure	Mitigation Approach
CAPEX escalation	Budget overrun during construction and procurement	Fixed-price or capped EPC packages, contingency reserve, value engineering and change-order control.
OPEX escalation	Higher staffing, energy, maintenance or logistics cost	Preventive maintenance, energy efficiency, procurement control and operational KPI monitoring.
Revenue volatility	Price changes in materials, energy or output markets	Diversified streams, offtake agreements, phased market entry and multiple buyer channels.
Currency risk	Mismatch between foreign-currency CAPEX/debt and local revenues	Currency matching, contract clauses, hedging where viable and conservative debt structuring.
Debt service risk	Insufficient operating cash to cover lender obligations	DSCR monitoring, debt service reserve account and distribution lock-up rules.
JV risk	Module-specific partner or settlement disputes	Clear JV agreements, audit rights, reporting duties, reserved matters and exit clauses.

Internal Controls

Dual approvals, contract-invoice matching, bank reconciliation, limited cash handling, procurement segregation and digital audit trail.

Audit Rights

Investors and lenders should receive access to audited accounts, management reports, CAPEX records and material contracts.

Reserved Matters

Major spending, debt, JV agreements, distributions, asset sales and related-party transactions require elevated approval.

Risk identified. Value protected. | Controls in place. Performance assured. | Transparency builds trust. Trust attracts capital. | Aligned interests. Sustainable growth.

09. Digital ERP & Investor Reporting Platform

Integrated financial system connecting accounting, procurement, inventory, operations, ESG data and investor dashboards

ERP Module	Function
Accounting	General ledger, AP/AR, bank reconciliation and tax records.
Budgeting	CAPEX/OPEX planning, variance reporting and scenario tracking.
Procurement	Purchase requests, approvals, tender documentation and supplier records.
Inventory and warehouse	Spare parts, recovered products, stock valuation and dispatch control.
Contract management	EPC, O&M, offtake, JV and service contract tracking.
Investor dashboard	Financial KPIs, cash waterfall, debt service, reserves and ESG-linked reporting.

10. Investor Protection & Shareholder Finance

Clear information rights, distribution rules, audit access and exit pathways strengthen institutional confidence.

1 Information Rights

Financial statements, CAPEX status and material contracts.

2 Dividend Policy

Distributions only after costs, debt service and reserves.

3 Reserved Matters

Major CAPEX, debt, JV, refinancing and asset decisions.

4 Exit Rights

Transfer rules, tag-along, drag-along and JV exit clauses.

Protection Mechanism	Purpose
Shareholder agreement	Defines rights, obligations, approvals, transfer rules and dispute resolution.
Audit rights	Allows review of accounts, project expenses, procurement records and revenue statements.
Distribution waterfall	Prevents premature dividends and protects liquidity, debt service and reserves.
JV settlement rules	Clarifies module-level revenue sharing, cost allocation and exit conditions.
Reserved matters	Protects investors from material decisions without required consent.
Reporting covenant	Creates a predictable communication rhythm for financial and ESG performance.

Audited reporting, reserved matters, disciplined distributions and exit rights strengthen investor protection.

11. Implementation Roadmap & Institutional Conclusion

Phased implementation of financial governance from feasibility to full operating control

1. **Financial Model** — CAPEX / OPEX revenue sensitivity
2. **SPV Setup** — Account policies, a provider approval rights
3. **Procurement Control** — Independent tendering & contract controls
4. **ERP Deployment** — Financial systems integration & dashboard reporting
5. **Audit & Reporting** — Audit, compliance oversight & investor reporting

Institutional Conclusion

The ADS ECO financial management system transforms the project into a transparent, controlled and bankable investment platform. It aligns capital deployment, cost control, revenue tracking, reserve discipline, risk management, audit oversight and investor reporting into one integrated framework.

Recommended Next Steps

Finalize the financial model, approve the SPV financial governance manual, define approval thresholds, establish reserve policies, select ERP tools, prepare investor reporting templates and appoint external auditors.

From Waste to Value - Financial transparency, controlled cash flows, risk management and investor protection.