ADS ECO

Joint Venture Model

Formation, Conditions, Strategic Importance and Investment Opportunities

AI Sorting | Recycling | Waste-to-Energy

Green Energy | ESG

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CONCEPT

Executive Overview

ADS ECO SPV is designed as a unified strategic platform for forming specialized Joint Ventures across the eco-industrial complex. Each JV may focus on a technological, operational, energy, agro, logistics, educational or infrastructure module while remaining aligned with the common ADS ECO strategy, ESG standards and brand framework.

The JV model makes a large integrated project easier to finance, manage and scale. It allows each direction to attract its own investors, technology providers, EPC/O&M partners and specialized management team.

Partnership flow: capital, technology, operations and ESG reporting

01 Specialized entities

Each JV can be structured as a separate company or special-purpose subsidiary for a defined module.

02 Shared ecosystem

JVs use common ADS ECO infrastructure, governance principles and ESG policies.

03 Investor clarity

Each direction may have a clear revenue model, reporting package and investment entry point.

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ORGANIZATION FORM

1. Joint Venture Formation Model

Under ADS ECO SPV, Joint Ventures may be organized as separate legal entities, including LLC, CJSC/JSC structures or dedicated special-purpose subsidiaries. Each JV is formed around a specific technology zone, operating module or commercial direction of the complex.

ADS ECO SPV

Strategic sponsor and platform

→

JV Entity

Separate legal and financial structure

→

Operating Module

Technology, energy, recycling, agro or logistics

→

Revenue Model

Dedicated cash flows and reporting

LLC / Limited Liability Company

Flexible participation, simple governance and suitable structure for operational JVs.

CJSC / JSC Structure

Useful for wider shareholder participation, formal boards and institutional governance.

Special Purpose Subsidiary

Dedicated entity for one business line, technology module or investment package.

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PARTNERSHIP ARCHITECTURE

2. Participants and Roles

The JV structure may combine capital, technology, engineering, operations and public-sector coordination within one integrated commercial framework.

Investors
Private, institutional, ESG and green finance

Technology
Equipment, AI, energy and agro technologies

EPC
Design, construction and installation

ADS ECO SPV
Strategic platform

O&M
Operation, maintenance and technical management

Markets
Offtake, sales and commercialization

Public Partners
Permits, land, infrastructure and PPP coordination

Management
Dedicated teams and reporting

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LEGAL, FINANCIAL AND ESG REQUIREMENTS

3. Main Conditions for JV Creation

A Joint Venture Agreement should define the rights, obligations, participation level, investment form, governance procedure, profit distribution and dispute-resolution mechanisms between the parties.

LC Legal Conditions

JV agreement, charter, voting rights, reserved matters, dispute resolution and exit provisions.

PC Participation Conditions

Capital, technology, equipment, land, construction, licenses, management expertise or market access.

FC Financial Conditions

Investment amount, investment form, dividends, cash flow, profit distribution and funding schedule.

TC Technology Conditions

Use rights, warranties, service obligations, performance KPIs and IP protection.

GC Governance Conditions

Director, board or supervisory body, voting procedure and approval thresholds.

ES ESG Conditions

Environmental standards, social impact, efficiency, labor practices and compliance requirements.

RM Risk Management

Allocation of construction, financial, technology, market, legal and operational risks.

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DECISION-MAKING MODEL

4. Governance and Management

Each JV should have its own charter, shareholding or participation structure, management bodies, financial statements and revenue model.
At the same time, it remains aligned with ADS ECO's overall strategy, ESG policy and brand system.

Reserved Matters

Budget approval, major CAPEX, debt, technology change, new shareholders and exit terms.

Shareholders / Participants

Capital, technology and strategic rights

Control Principles

Transparency, role separation, accountable management and documented decisions.

Board / Supervisory Council

Reserved matters, approvals and oversight

Reporting

Monthly operational KPIs, quarterly financial reports and annual ESG reporting.

Executive Director / Management Team

Daily operations, budget execution and reporting

Brand Alignment

All JVs follow ADS ECO strategic positioning, ESG requirements and communication standards.

Strong Governance
Clear roles, rights and responsibilities.

Accountable Oversight
Independent supervision and clear decision rights.

Sustainable Value
Aligned with ESG policy and long-term impact.

Trusted Partnership
Transparent, fair and future-focused growth.

INTEGRATED OPERATING LOGIC

5. Technology and ESG Framework

Technology partners may contribute equipment, digital systems, AI sorting, recycling technologies, energy systems or agro-industrial solutions. Their rights and obligations should be linked to performance guarantees, service levels and IP protection.

High-value recovery and technology localization

Waste Input
Reception, weighing and pre-sorting

AI Sorting
NIR, VIS, robotics and QC

Recycling
Plastics, paper, metals and glass

Energy / Agro
WtE, PV, BESS, compost and feed

ESG Data
CEMS, reporting and impact KPIs

Environmental
Waste reduction, resource recovery, closed-loop water and emissions monitoring.

Social
Jobs, training, safety standards and community education.

Governance
Transparent reporting, KPIs and compliance-based management.

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WHY IT MATTERS

6. Strategic Importance of the JV Model

The JV model is important for the efficient development of ADS ECO because it divides a large integrated project into separate, manageable and investment-attractive directions.

1 Investment Mobilization

Each direction can attract its own investors and financing sources.

2 Risk Sharing

Technology, financial and operating risks are distributed among partners.

3 Specialized Management

Experienced companies and experts manage the relevant business line.

4 Technology Development

International know-how can be localized in Armenia.

5 Phased Expansion

Individual JVs can start according to readiness, funding and market demand.

6 Corporate Transparency

Separate reporting and governance increase investor confidence.

Strategic result: ADS ECO becomes a platform where investors, technology partners, operators and public stakeholders can build specialized businesses while contributing to one circular-economy ecosystem.

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BUSINESS DIRECTIONS

7. Joint Venture Opportunity Portfolio

Each direction represents a strategic growth area that can be structured as a separate Joint Venture or business module.

01

AI Sorting JV

AI and robotic waste sorting systems.

02

Recycling JV

Plastics, paper, glass, metals and secondary materials.

03

Waste-to-Energy JV

Syngas, electricity and thermal energy production.

04

Green Energy JV

Solar PV, BESS and renewable energy integration.

05

Organics & Agro JV

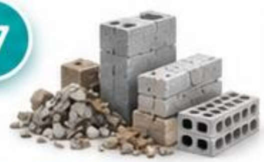
Compost, fertilizer, animal feed, greenhouses and agro production.

06

High-Value Materials JV

E-waste, batteries, solar panels and valuable metals.

07



Construction Materials JV

Products from construction waste, slag and recycled inputs.

08

Logistics & Operations JV

Reception, transport, storage and internal logistics.

09

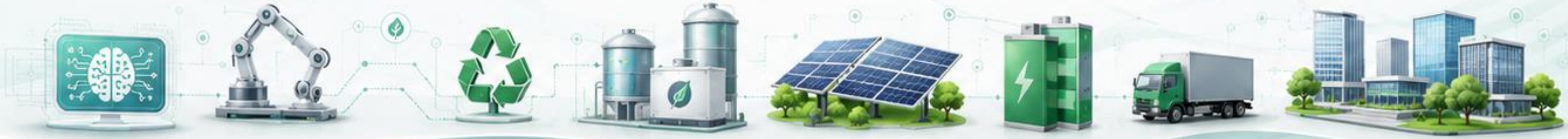
Eco Education & Innovation JV

Training center, labs, demo technologies and professional programs.

10

Real Estate & Infrastructure JV

Industrial, administrative, warehouse, education and service infrastructure.



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WHY INVESTORS BENEFIT

8. Investment Advantages

The JV model allows investors to participate in a specific direction rather than in the entire project.
This creates clearer risk exposure, more focused due diligence and stronger accountability for each business line.

1 Focused Entry

Investors can select the module that matches their strategy, sector expertise and return profile.

2 Dedicated Cash Flows

Each JV may have its own revenue model, forecasts, budget and financial statements.

3 Shared Infrastructure

JVs can use common utilities, logistics, energy, water, labs, SCADA and support services.

4 Long-Term Revenue

Recycling, energy sales, recovered materials, agro production, green finance and ESG impacts.

5 Global Partnerships

The model supports IFIs, climate funds, technology companies and public-sector cooperation.

6 Scalable Exit Options

Share transfers, buy-back clauses, strategic sale or expansion into additional modules.

- Recycling
- Energy
- Agro
- High-Value
- ESG/Other

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BALANCED RISK ALLOCATION

9. Risk Management Framework

The JV structure assigns major risks to the parties best positioned to manage them.

Risk Area	Management Mechanism	Primary Holder
Construction	EPC scope, timeline, acceptance tests and delay remedies.	EPC Partner
Technology	Performance guarantees, warranties and service obligations.	Tech Partner
Operations	Availability, maintenance, staffing and production KPIs.	O&M Team
Market	Offtake, price assumptions and customer diversification.	JV Company
Finance	Debt, capital calls, budget control and liquidity reserves.	Investors / JV
Legal & ESG	Permits, compliance, monitoring and reporting.	JV + ADS ECO

A strong JV framework does not eliminate risk; it makes risk visible, assignable, measurable and commercially manageable.

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FROM CONCEPT TO OPERATING JV

10. Partnership Roadmap and Conclusion

1

Select Module

Define the JV direction, technology scope and commercial objective.

2

Structure Participation

Agree shares, contribution type, voting rights and reserved matters.

3

Sign JV Agreement

Approve charter, governance, financing, reporting and risk allocation.

4

Finance & Build

Mobilize investors, EPC/O&M; partners, permits and construction package.

5

Operate & Scale

Launch operations, report ESG KPIs, reinvest and expand to new modules.

Conclusion

The Joint Venture model is an efficient, flexible and investment-attractive structure for ADS ECO. It brings investors, technology partners, companies and public stakeholders into one coordinated ecosystem. This approach supports diversified financing, balanced risk allocation, advanced technologies, efficient governance and long-term sustainable growth.

ADS ECO Joint Ventures can become a major platform for Armenia's

- Circular Economy
- Green Energy
- Waste Recycling
- ESG Investment Sector

ADS ECO SPV
Joint Venture Investment Framework

Building partnerships. Creating long-term value.