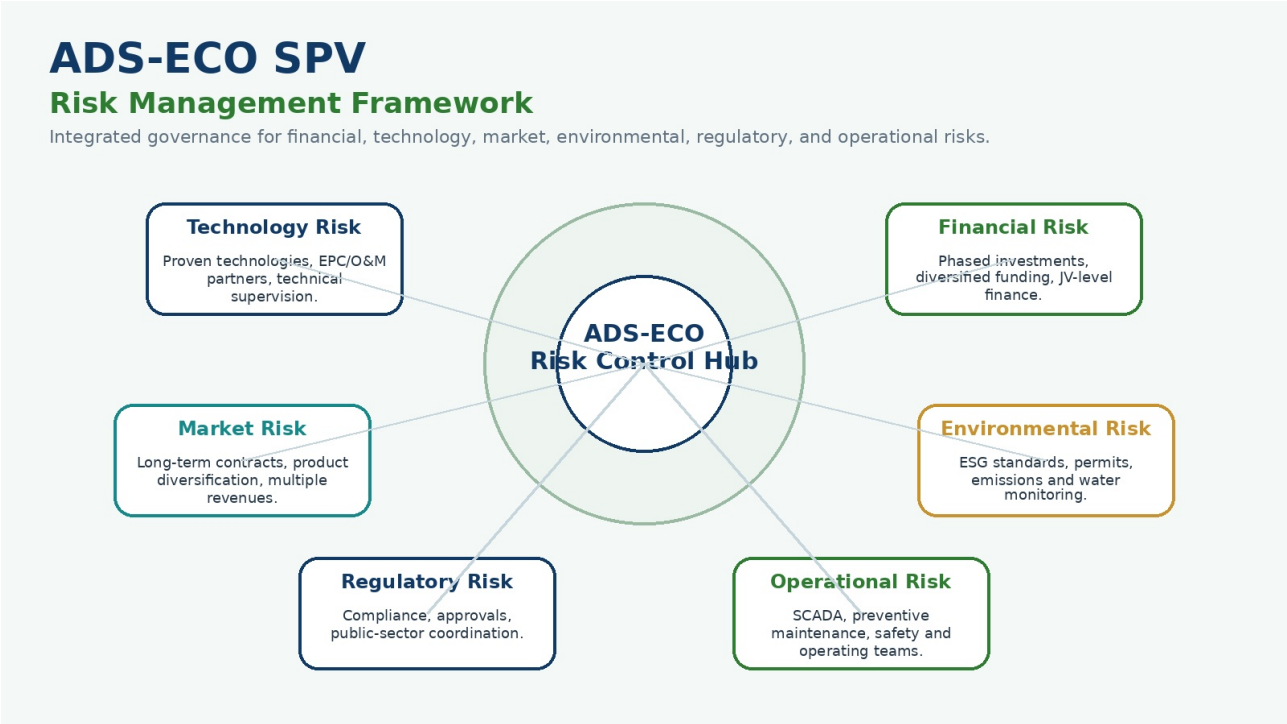
ADS-ECO SPV

RISK MANAGEMENT



ADS-ECO SPV intends to establish a risk management system that supports the ongoing identification, monitoring, and mitigation of the project's core financial, technological, environmental, regulatory, market, and operational risks. The objective is to build a structured and investor-trusted control framework that helps the platform remain resilient as it develops multiple business directions and Joint Ventures.

This framework is designed to reduce uncertainty, improve decision-making, and protect long-term value. Rather than treating risk as an isolated compliance issue, ADS-ECO integrates risk management into project governance, phased implementation, financing strategy, infrastructure coordination, and business-unit oversight.

1. Risk Management Framework Overview

The ADS-ECO SPV risk management system is intended to provide a practical and continuous management framework for the eco-industrial complex. It focuses on the main categories of risks that are common in large infrastructure and eco-industrial projects and organizes them into a structure that is understandable both to management and to external stakeholders such as investors, banks, and strategic partners.

The role of the framework is not only to identify threats, but also to connect each risk category with a corresponding mitigation mechanism. This helps make the project more controllable and more bankable. It also supports transparency, because stakeholders can see how major risks are being addressed in advance rather than after a problem has emerged.

The framework assumes that different risks should be managed at different levels. Some are handled at the platform level by ADS-ECO SPV, while others can be allocated to specific Joint Ventures, EPC contractors, O&M; partners, or business-line operators. This allocation logic reduces concentration of risk in a single entity and supports better accountability.

Risk Management Framework

Key risk categories and mitigation tools embedded in the Multi-SPV and JV model.

Risk Category	Mitigation Mechanism
Technology	Proven technologies, EPC/O&M partners, pilot validation, technical supervision
Financial	Phased investments, diversified funding, JV-level financing, bankable cash flows
Market	Multiple revenue streams, long-term contracts, product diversification, export potential
Environmental	ESG standards, permits, monitoring systems, emissions and water control
Regulatory	Legal compliance, public-sector coordination, licenses and structured approvals
Operational	SCADA, preventive maintenance, safety rules, specialized operating teams

Risk is distributed across separate JV/SPV units, reducing concentration and improving bankability.

Illustrative risk matrix summarizing the main project risk categories and the corresponding mitigation mechanisms embedded in the SPV and JV model.

2. Main Risk Categories and Mitigation Logic

The main risks and mitigation directions are expected to include the following:

- Technology risks: mitigated through the use of proven technologies, experienced EPC/O&M partners, technical supervision, commissioning controls, and staged implementation where appropriate.
- Financial risks: managed through phased investments, diversified funding sources, separate JV structures, and project designs that support clearer cash flows and financing packages.
- Market risks: reduced through long-term contracts, diversified revenue streams, product diversification, and alignment with real market demand for energy, materials, and services.
- Environmental risks: controlled through ESG standards, monitoring systems, environmental permits, emissions management, water and waste controls, and compliance procedures.
- Regulatory risks: reduced through legal compliance, structured approvals, public-sector coordination, and alignment with relevant policy and permitting requirements.
- Operational risks: managed through specialized management teams, SCADA and digital monitoring systems, preventive maintenance, safety procedures, and clear operating responsibilities.

This logic helps convert broad project uncertainty into a structured system of responsibilities and controls. Each risk can be monitored over time, escalated when necessary, and linked to specific management responses.

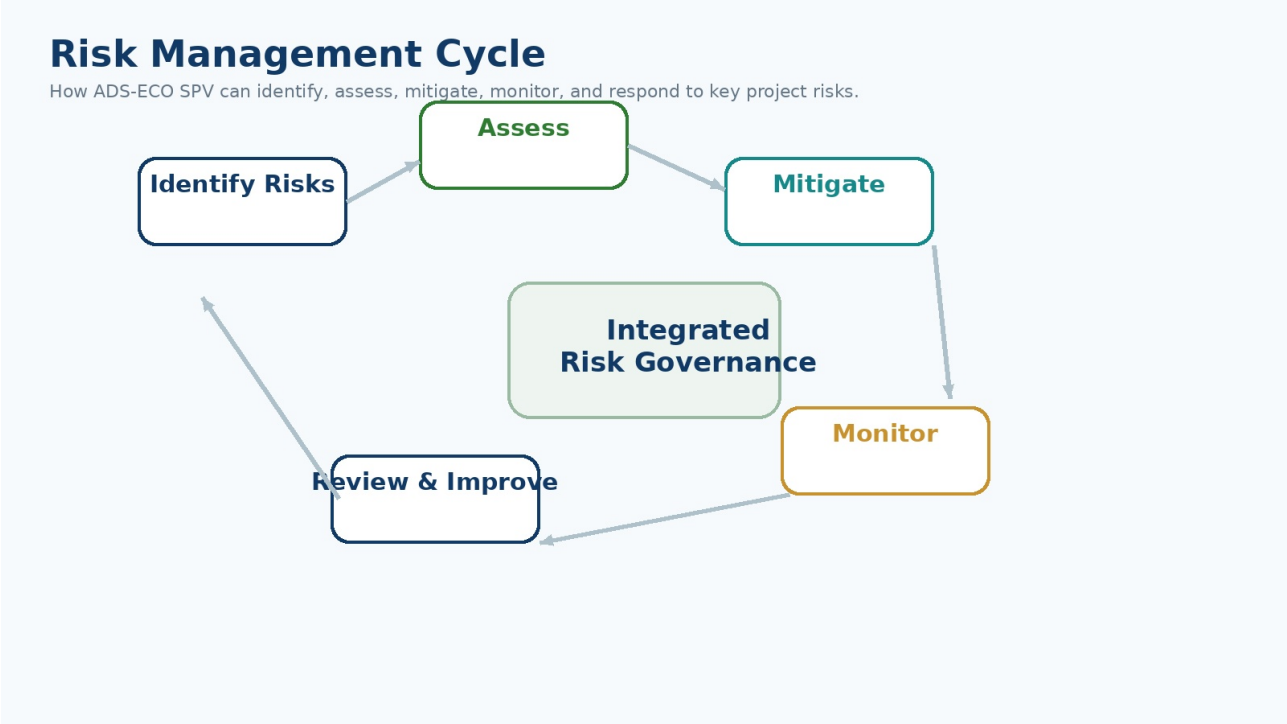
Risk Category	Illustrative Mitigation Direction
Technology	Proven technologies, EPC/O&M partners, technical supervision, staged deployment
Financial	Phased investments, diversified funding, JV-level financing, clearer cash flows
Market	Long-term contracts, diversified products and services, multiple revenue streams
Environmental	ESG standards, permits, monitoring systems, emissions and water control
Regulatory	Legal compliance, structured approvals, public-sector coordination
Operational	SCADA, preventive maintenance, safety systems, specialized operating teams

3. Monitoring and Control Process

A good risk management system requires a repeatable process. For ADS-ECO SPV, this can be organized as a cycle of risk identification, assessment, mitigation planning, monitoring, and periodic review. This cycle allows the project team to move from general awareness of risk toward measurable control and continuous improvement.

The monitoring function may draw from financial reporting, technical performance data, ESG dashboards, contractor reporting, and Joint Venture-level information. In this way, risk management is supported by real operational inputs rather than assumptions alone. Over time, such a system can strengthen both early-warning capacity and management responsiveness.

Periodic review is equally important. As the project evolves from development into implementation and operation, the materiality of risks can change. The framework therefore needs to remain dynamic and adaptable.



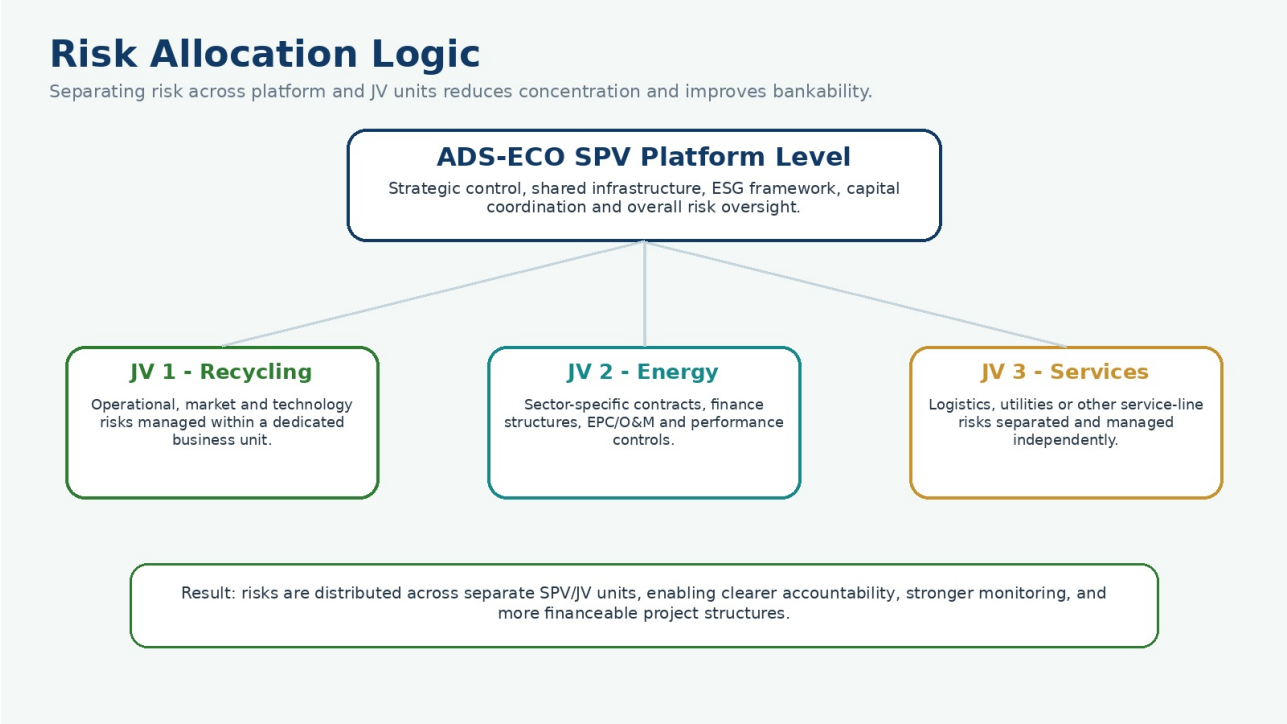
Illustrative risk management cycle showing how ADS-ECO SPV can identify, assess, mitigate, monitor, and improve control of key project risks over time.

4. Risk Allocation Across SPV and JV Structures

One of the strongest features of the ADS-ECO SPV model is its ability to distribute risk across platform-level structures and individual Joint Ventures. This avoids concentrating every form of exposure in one legal entity. Instead, technology-intensive activities, market-facing businesses, and service lines can each be organized into dedicated units with clearer responsibilities, tailored financing, and more focused oversight.

At the platform level, ADS-ECO SPV may retain strategic control over common infrastructure, land, ESG policy, brand integrity, and overall risk governance. At the JV level, sector-specific operating, market, and implementation risks can be managed closer to the activity itself. This separation improves clarity, accountability, and bankability.

Such an approach is particularly useful for attracting external partners, because investors and lenders can participate in a more targeted risk-return profile rather than taking exposure to the entire complex at once.



Illustrative risk allocation logic showing how strategic control remains at the SPV platform level while business-line risks can be distributed across dedicated JV units.

5. Strategic Benefits of the Risk Management System

- Reduces the overall risk concentration of the project;
- Improves investor and lender confidence through clearer controls;
- Supports phased implementation and capital discipline;
- Aligns risk oversight with esg governance and operational monitoring;
- Creates a more resilient and better-managed development structure for long-term growth.

As a result, the system helps reduce overall project risk, increase investor confidence, and support the stable and controllable development of the ADS-ECO complex. It is not only a protective mechanism, but also a strategic tool for improving governance quality, project bankability, and long-term sustainability.

Conclusion
The ADS-ECO SPV risk management system provides an integrated framework for identifying, allocating, monitoring, and mitigating the project’s main risks. By combining platform-level governance with JV-level specialization, the model supports stronger accountability, reduced risk concentration, and greater confidence for investors, partners, and financiers.