DATA ROOM – SECTION 5: FINANCIAL MODEL, USE OF FUNDS & PIPELINE ACTIVATION

Entity: SA Water Innovation (SAWI) / SORR
Version: January 2026
Status: Final – Financial Architecture Defined

5.1 Executive Summary – Financial Positioning

The SAWI / SORR platform is structured as a **capital-efficient, program-led infrastructure enablement model**.

It is intentionally designed to:

- minimise balance sheet risk
- avoid heavy construction capex
- leverage authority and donor funding
- generate multiple revenue streams per deployment
- scale through replication, not reinvention

The platform does **not** rely on:

- single large EPC contracts
- speculative infrastructure builds
- long construction timelines

Instead, it focuses on:

- **modular deployment**
- **programmatic funding**
- **multi-party value capture**

This is a **de-risked financial architecture**.

5.2 Revenue Streams – How Money Is Made

The platform generates revenue across **six primary channels**:

Confidential – Commercial in Confidence

1. Program Design & Management Fees (SAWI)

SAWI earns fees for:

- program scoping
- authority engagement
- stakeholder coordination
- performance framework design
- delivery orchestration
- reporting & governance

These are typically:

- fixed fees
- milestone-based fees
- retainer models

This creates:

- predictable cashflow
- low-risk revenue
- strong margins

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2. Technology Licensing & Material Supply (SORR)

SORR earns revenue through:

- IP licensing fees
- material supply margins
- performance-based royalties

This includes:

- Gyroid material supply
- PAGE™ chemistry integration
- deployment system components

This is the **defensible, high-margin layer**.

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3. Manufacturing Margin (Superlon)

Superlon generates:

- manufacturing margin
- long-term supply contract value

This provides:

- cost-down benefits at scale
- margin stability
- localisation advantage

This layer is critical for:

- grants
- DFIs
- sovereign mandates

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4. Processing & Destruction Fees (Bygen)

Bygen generates revenue through:

- PFAS destruction fees
- contaminant processing fees
- recovery service charges

This creates:

- recurring revenue
- high-value service income
- long-term site relationships

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5. Circular Recovery & Product Revenue

Through Circular Seed, Swayampurna hubs and Jospong facilities, revenue is generated from:

- plastic to building products
- waste-derived construction materials
- recovered resource streams

This is:

- incremental revenue
- margin accretive
- impact-positive

It is also **extremely attractive to donors and governments**.

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6. Regional JV & Delivery Margins

Regional partners (India, Ghana, UK/EU, KSA, Pacific) generate:

- delivery margins
- JV equity value
- long-term service contracts

This provides:

- geographic diversification
- political insulation
- scale leverage

5.3 Cost Structure – Where Money Is Spent

The cost base is deliberately **lean and modular**.

SAWI (Platform Layer)

- program staff
- stakeholder engagement
- travel
- governance & reporting
- legal & compliance

SAWI does **not** carry:

- construction cost
- manufacturing capex
- processing plant capex

SORR (Technology Layer)

- R&D
- IP protection
- QA/QC
- materials development

Manufacturing (Superlon)

- production cost (passed through)
- materials
- labour
- energy

These are **recovered in unit economics**.

Processing (Bygen)

- operational processing costs
- energy
- compliance

Again, **recovered through service fees**.

Regional Partners

- local staff
- logistics
- installation
- maintenance

Typically **co-funded by authorities or donors**.

5.4 Use of Funds – How Capital Is Deployed

Capital raised is used to **activate the pipeline**, not build heavy assets.

Primary uses:

1. **Platform build-out**
    - SAWI program team
    - delivery management
    - authority engagement capacity
2. **Technology scale-up**
    - SORR material optimisation
    - PAGE™ chemistry expansion
    - QA/QC frameworks
3. **Manufacturing integration**
    - tooling
    - process optimisation with Superlon
    - localisation readiness (India, Ghana, KSA)
4. **Pilot co-funding**
    - gap funding for pilots
    - match funding for grants
    - donor co-investment triggers
5. **Regional activation**
    - JV structuring (India, Ghana, UK/EU, KSA)
    - legal frameworks
    - market entry support
6. **Data & validation**
    - SARDI / CSIRO / CRC studies
    - performance reporting
    - case study development
7. **Commercial acceleration**
    - partnership development
    - ecosystem architecture (Dr Elise Hickey)
    - deal structuring

Key point:

Funds are used to unlock multiples of external capital, not replace it.

5.5 Funding Sources – How Programs Are Paid For

Programs are funded through a **stacked funding architecture**:

- **State & Federal grants (Australia)**
- **SMA grants (SA)**
- **CRC funding (Solving Plastic Waste CRC)**
- **GIZ develoPPP (Ghana)**
- **Donor programs (Pacific, Africa, Asia)**
- **Sovereign funds (KSA)**
- **Council co-funding**
- **Industry contributions**
- **Defence innovation programs**

This dramatically reduces:

- reliance on equity
- balance sheet pressure
- investor risk

5.6 Pipeline Activation – How Revenue Comes On

The pipeline is staged across **three activation waves**.

Wave 1 – Immediate (0–12 months)

- SA councils (Holdfast Bay, West Torrens, Charles Sturt, Onkaparinga, PAE, Marion)
- SMA programs
- Bygen PFAS pilot (VIC)
- CSIRO Tasmania diagnostics
- CRC microplastics programs

These are:

- low barrier
- fast to deploy
- politically supported

They generate:

- early revenue
- validation
- case studies

Wave 2 – Near Term (12–24 months)

- Ghana JV (Jospong + GIZ)
- India Swayampurna hubs
- UK/EU Meliora ESG programs
- Norfolk Island
- Chuuk FSM programs

These bring:

- scale
- donor funding
- international profile

Wave 3 – Scale (24–48 months)

- KSA giga-projects
- large ports programs
- national rollouts

This is where:

- revenue accelerates
- valuation inflects
- platform leverage is realised

5.7 Unit Economics – Why This Scales

Each deployment typically includes:

- SAWI program fee
- SORR material supply
- Superlon manufacturing margin
- Bygen processing fee
- circular recovery revenue
- regional delivery margin

This creates **stacked value per site**.

Importantly:

- no single layer needs to be large to make the program viable
- together they create **strong blended margins**

This is a **portfolio model**, not a single-bet model.

5.8 Capital Efficiency & Leverage

This model is:

- **capex-light**
- **grant-leveraged**
- **donor-aligned**
- **sovereign-friendly**

It is designed to:

- use $1 of equity to unlock $5–10 of external capital
- build recurring revenue
- create long-term contracted income

This is extremely attractive to:

- DFIs
- climate funds
- infrastructure investors
- sovereign funds

5.9 Risk Management & Downside Protection

Key risks and mitigations:

Political risk

- mitigated through authority partnerships (SMA, EPA, ministries)

Technology risk

- mitigated through independent validation (SARDI, CSIRO, CRC)

Manufacturing risk

- mitigated through Superlon scale capability

Processing risk

- mitigated through Bygen integration

Funding risk

- mitigated through stacked funding model

Market risk

- mitigated through multi-jurisdiction pipeline

This is a **risk-balanced architecture**.

5.10 Valuation Narrative – Why This Is Compelling

The platform's value is not in:

- a single product
- a single market
- a single contract

It is in:

- the **architecture**
- the **relationships**
- the **embedded positions**
- the **defensible IP**
- the **repeatable model**

From an investor perspective, this reads as:

"A scalable infrastructure platform with multiple monetisation points."

That is exactly what drives:

- higher multiples
- strategic interest
- acquisition potential

5.11 Exit & Strategic Options

Potential exit pathways include:

- strategic acquisition by infrastructure groups
- integration into global water & waste majors
- sovereign fund partnerships
- long-term yield vehicles
- spin-outs of regional JVs

The model is designed to be:

- **acquirable**
- **integrable**
- **bankable**

5.12 Summary

This section demonstrates that:

- the model is capital efficient
- revenue streams are diversified
- risk is managed
- scale is intentional
- funding is layered
- value creation is systemic

Together with Sections 2, 3 and 4, this forms a **complete investment-grade platform narrative**.

END – DATA ROOM SECTION 5: FINANCIAL MODEL, USE OF FUNDS & PIPELINE ACTIVATION