

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2022

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

Complete all entries in accordance with the instructions to the Form 5500.

Part I Annual Report Identification Information

For calendar plan year 2022 or fiscal plan year beginning 04/01/2022 and ending 06/17/2022

- A This return/report is for: a multiemployer plan, a multiple-employer plan, a single-employer plan, a DFE (specify)
B This return/report is: the first return/report, the final return/report, an amended return/report, a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here
D Check box if filing under: Form 5558, automatic extension, the DFVC program, special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here

Part II Basic Plan Information—enter all requested information

1a Name of plan: ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN): 003
1c Effective date of plan: 04/01/1993
2a Plan sponsor's name (employer, if for a single-employer plan): ADVANCED DRAINAGE SYSTEMS, INC.
2b Employer Identification Number (EIN): 51-0105665
2c Plan Sponsor's telephone number: 614-658-0106
2d Business code (see instructions): 326100

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

Table with 4 columns: SIGN HERE, Signature, Date, and Name. Rows include plan administrator, employer/plan sponsor, and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022) v. 220413

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 4545
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 3602 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 6g 0 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2I 2O b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

**SCHEDULE C
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Service Provider Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2022

This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 04/01/2022 and ending 06/17/2022

A Name of plan
ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
ADVANCED DRAINAGE SYSTEMS, INC.

D Employer Identification Number (EIN)
51-0105665

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... Yes No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FIFTH THIRD BANK

31-1051736

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

STOUT RISIUS ROSS

38-3003685

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
49 99	OTHER SERVICES	60818	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

PRINCIPAL

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 64	CONTRACT ADMINISTRATOR	38485	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

FIFTH THIRD

31-1051736

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	INVESTMENT MANAGEMENT	295517	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

BELLWETHER CONSULTING

22-3784192

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16 70	CONSULTANT	2500	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

**SCHEDULE H
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

► **File as an attachment to Form 5500.**

OMB No. 1210-0110

2022

This Form is Open to Public Inspection

For calendar plan year 2022 or fiscal plan year beginning **04/01/2022** and ending **06/17/2022**

A Name of plan ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ► 003
C Plan sponsor's name as shown on line 2a of Form 5500 ADVANCED DRAINAGE SYSTEMS, INC.	D Employer Identification Number (EIN) 51-0105665

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)	90	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	1	
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred.....	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred.....	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests.....	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants).....	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts.....	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	22578678	
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	1428664201	
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	1451242970	0
Liabilities			
g Benefit claims payable.....	1g	111	
h Operating payables.....	1h	11796	
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j	1732	
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	13639	0
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	1451229331	0

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)		
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)	635	
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		635
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)	1442637	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		1442637
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	-1468774	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-116941
c Other income	2c		-113340193
d Total income. Add all income amounts in column (b) and enter total	2d		-113482636
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1442637	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		1442637
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	60818	
(2) Contract administrator fees.....	2i(2)	38486	
(3) Investment advisory and management fees	2i(3)	298018	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		397322
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1839959
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-115322595
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan.....	2l(2)		1335906736

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

- (1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

- (1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **GBQ PARTNERS, LLC**

(2) EIN: **20-2122306**

d The opinion of an independent qualified public accountant is **not attached** because:

- (1) This form is filed for a CCT, PSA, or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

		Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....	4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	4d		X	
e Was this plan covered by a fidelity bond?.....	4e	X		50000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.).....	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	4k	X		
l Has the plan failed to provide any benefit when due under the plan?.....	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.....	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... Yes No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year 0.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
ADVANCED DRAINAGE SYSTEMS, INC. PROFIT SHARING RETIREMENT PLAN	51-0105665	001

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection.
--	---	---

For calendar plan year 2022 or fiscal plan year beginning 04/01/2022 and ending 06/17/2022

A Name of plan <u>ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ADVANCED DRAINAGE SYSTEMS, INC.</u>	D Employer Identification Number (EIN) <u>51-0105665</u>	

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....

1	0
---	---

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 42-0127290

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....

3	
---	--

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a	
b Enter the amount contributed by the employer to the plan for this plan year.....	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? Yes No N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? Yes No N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... Increase Decrease Both No

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... Yes No

11 a Does the ESOP hold any preferred stock?..... Yes No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... Yes No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... Yes No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer _____

b EIN _____

c Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____

c Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____

c Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____

c Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____

c Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____

c Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....	15a	
b The corresponding number for the second preceding plan year.....	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
 0-3 years 3-6 years 6-9 years 9-12 years 12-15 years 15-18 years 18-21 years 21 years or more

c What duration measure was used to calculate line 19(b)?
 Effective duration Macaulay duration Modified duration Other (specify): _____

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

Yes.

No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

No. Other. Provide explanation _____

CONTENTS



	Page
Independent Auditor's Report	3
Financial Statements:	
Statements of Net Assets Available for Benefits	6
Statements of Changes in Net Assets Available for Benefits	7
Notes to Financial Statements	8



To the Plan Administrator of
Advanced Drainage Systems, Inc.
Employee Stock Ownership Plan
Hilliard, Ohio

Independent Auditor's Report

Opinion

We have audited the financial statements of Advanced Drainage Systems, Inc. Employee Stock Ownership Plan and its related trust, collectively (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The financial statements comprise the statements of net assets available for benefits as of June 30, 2022 and March 31, 2022, and the related statements of changes in net assets available for benefits for the three months ended June 30, 2022 and twelve months ended March 31, 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of June 30, 2022 and March 31, 2022, and the changes in its net assets available for benefits for the three months ended June 30, 2022 and twelve months ended March 31, 2022, in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Management is responsible for maintaining a current plan instrument, including all plan amendments. Management is also responsible for administering the Plan and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

To the Plan Administrator of
Advanced Drainage Systems, Inc.
Employee Stock Ownership Plan
Page 3

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

GBQ Partners LLC

Columbus, Ohio
April 18, 2023

ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Statements of Net Assets Available for Benefits June 30, 2022 and March 31, 2022

	June 30, 2022			March 31, 2022		
	Supplemental Allocation Information		Total	Supplemental Allocation Information		Total
	Allocated	Unallocated		Allocated	Unallocated	
ASSETS AND LIABILITIES						
Investments - mutual fund and money market	\$ -	\$ -	\$ -	\$ 22,578,679	\$ -	\$ 22,578,679
Investment in sponsor company convertible preferred stock - at market value	-	-	-	1,428,664,201	-	1,428,664,201
Receivables	-	-	-	90	-	90
Total assets	-	-	-	1,451,242,970	-	1,451,242,970
Accrued fees and other liabilities	-	-	-	(13,639)	-	(13,639)
Total liabilities	-	-	-	(13,639)	-	(13,639)
NET ASSETS AVAILABLE FOR BENEFITS	\$ -	\$ -	\$ -	\$ 1,451,229,331	\$ -	\$ 1,451,229,331

The accompanying notes are an integral part of the financial statements.

ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Statements of Changes in Net Assets Available for Benefits For the Three Months Ended June 30, 2022 and For the Twelve Months Ended March 31, 2022

	Three Months Ended June 30, 2022			Twelve Months Ended March 31, 2022		
	Supplemental Allocation Information		Total	Supplemental Allocation Information		Total
	Allocated	Unallocated		Allocated	Unallocated	
Additions To Net Assets Attributed To						
Dividend income	\$ 1,442,637	\$ -	\$ 1,442,637	\$ 5,877,683	\$ 339,937	\$ 6,217,620
Employer contribution	-	-	-	-	324,663	324,663
Net appreciation of sponsor's preferred stock	-	-	-	178,454,935	11,315,389	189,770,324
Allocation of sponsor preferred stock - fair value	-	-	-	86,798,938	-	86,798,938
Net appreciation of mutual fund and money market funds	-	-	-	4,307,845	-	4,307,845
Total additions	1,442,637	-	1,442,637	275,439,401	11,979,989	287,419,390
Deductions From Net Assets Attributed To						
Interest expense	-	-	-	-	2,557	2,557
Distributions to participants:						
Dividends	1,442,637	-	1,442,637	5,646,141	-	5,646,141
Redemption of shares by sponsor company	-	-	-	297,118,448	-	297,118,448
Payments from mutual fund, money market fund and allocated cash dividend funds	-	-	-	12,724,688	-	12,724,688
Diversified investments transferred to profit sharing plan	-	-	-	43,369,447	-	43,369,447
Allocation of 949,564 shares for the twelve months ended March 31, 2022 of preferred stock of sponsor company - fair value:						
For compensation	-	-	-	-	86,568,104	86,568,104
For dividend payments	-	-	-	231,542	-	231,542
Transfer to the Advanced Drainage Systems, Inc. Retirement and Stock Ownership Plan	1,335,906,736	-	1,335,906,736	-	-	-
Net depreciation of sponsor's preferred stock	113,340,354	-	113,340,354	-	-	-
Net depreciation of mutual fund and money market fund	1,584,919	-	1,584,919	-	-	-
Professional and investment management fees	397,322	-	397,322	1,152,119	650	1,152,769
Total deductions	1,452,671,968	-	1,452,671,968	360,242,385	86,571,311	446,813,696
Net decrease in net assets available for benefits	(1,451,229,331)	-	(1,451,229,331)	(84,802,984)	(74,591,322)	(159,394,306)
NET ASSETS AVAILABLE FOR BENEFITS						
Beginning of year	1,451,229,331	-	1,451,229,331	1,536,032,315	74,591,322	1,610,623,637
End of year	\$ -	\$ -	\$ -	\$ 1,451,229,331	\$ -	\$ 1,451,229,331

The accompanying notes are an integral part of the financial statements.

ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements
June 30, 2022 and March 31, 2022

Plan Description

The following description of the Advanced Drainage Systems, Inc. Employee Stock Ownership Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a complete description of the Plan's provisions.

General

Advanced Drainage Systems, Inc. (the "Company" or the "Sponsor"), established the Plan effective as of April 1, 1993. The Plan operates as a tax-qualified leveraged employee stock ownership plan (ESOP) and is designed to comply with Section 401(a) and Section 4957(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986 (the "Code"), as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended. The Plan is administered by a committee (the "ESOP Committee") consisting of no less than two people appointed by the Sponsor's board of directors. The trust department of Fifth Third Bank, Columbus, Ohio, is the Plan's trustee (the "Trustee").

The Plan was funded on September 30, 1993, when certain common shareholders of the Company exchanged 44,170,488 common shares for 44,170,488 shares of 2.5% cumulative convertible voting preferred stock. The Plan then purchased 44,170,488 shares of the Company's newly created 2.5% convertible preferred stock from these shareholders for \$34,500,276. To finance the purchase of the preferred stock, the Plan received a \$5,000,000 transfer from the Company's profit-sharing plan (non-leveraged), as well as a 30-year term loan of \$29,500,276 from the Company (leveraged).

Non-leveraged shares are shares purchased with the \$5,000,000 transfer from the profit-sharing plan. Leveraged shares are shares purchased with the 30-year term loan from the Company.

The loan was to be paid back through a combination of Company contributions and preferred stock dividends on unallocated shares. As the Plan made each payment of principal and interest, an appropriate percentage of stock was allocated to eligible employees' accounts in accordance with applicable regulations under the Code. The borrowings were collateralized by the unallocated shares of stock. The Company has no rights to encumber the shares once they are allocated to the participants under the Plan. Accordingly, the financial statements of the Plan for the three months ended June 30, 2022 and twelve months ended March 31, 2022, present separately the assets and liabilities and changes therein pertaining to:

- a. The accounts of employees with vested rights (partial or full) in allocated stock (allocated)
- b. Stock not yet allocated to employees (unallocated)

Effective April 1, 2014, in consideration of the Company's registration as a public entity and Initial Public Offering (IPO) which closed on July 24, 2014, the Plan was amended to change the manner in which the distribution of a Participant's ESOP Account is to be made. Post-IPO, the Company's common stock, par value \$0.01 per share, will be "registration-type class of securities" (as such term is defined in Code Section 409(e)(4)). Therefore, as a result of this amendment, the Trustee will no longer have the put right to put back its shares to the Company. Participants will receive common stock, converted at the rate of 0.7692 share for each share of convertible preferred stock. Previously, distributions of convertible preferred stock were settled in cash.

ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements
June 30, 2022 and March 31, 2022

Plan Description (continued)

General

The Board of Directors voted to merge this Plan into and with the Advanced Drainage Systems, Inc. Retirement Plan effective April 1, 2022, and re-name the combined plan to be the Advanced Drainage Systems, Inc. Retirement and Stock Ownership Plan ("KSOP Plan"). As part of this merger, each participant's and beneficiary's total account balance under the KSOP Plan shall be at least equal to the total account balance he or she had under this Plan immediately prior to the April 1, 2022 plan merger.

On April 12, 2022, the preferred shares of Advanced Drainage Systems, Inc. stock were converted to Advanced Drainage Systems, Inc. common stock. Then, on June 6, 2022, all trust assets of this Plan were transferred to the KSOP Plan's trust.

Eligibility

Full-time employees of the Company who have reached the age of 18 are generally eligible to participate in the Plan on March 31 after six months of service.

Contributions

The Company is obligated to make contributions to the Plan that, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan to the Company. As the Plan makes annual payments of principal and interest, an appropriate percentage of preferred stock is allocated to eligible employees' accounts in accordance with applicable regulations under the Code. Any discretionary contributions made to the Plan by the Company may be used to (1) repay the loan, (2) hold in cash or other investments, or (3) buy additional Company stock.

Company contributions are held and managed by the Trustee, who invests cash received, interest, and dividend income and makes distributions to participants. The Trustee also administers the payment of interest and principal on the loan, which is reimbursed to the Trustee through contributions as determined by the Company.

Vesting

Participants become vested in their allocated shares as follows:

Years of Service	Vesting Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or greater	100%

Participants' allocated share of preferred stock from the \$5,000,000 contribution from the Company's profit-sharing plan is fully vested, which was made when the Plan was created in 1993.

ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements
June 30, 2022 and March 31, 2022

Plan Description (continued)

Allocation of Contributions, Investment Income, Appreciation in Value and Forfeitures

The Company's contributions are allocated to eligible participants' accounts based on the ratio of each eligible participant's compensation for the year to total compensation for all participants.

The investment income and unrealized appreciation (depreciation) in value are allocated to the applicable participant accounts based on the ratio of each participant's account balance to the total of all participant account balances at the Plan's year-end.

Required dividends on the allocated shares are allocated based on each participant's stock account balance. Required dividends on the unallocated shares are used to service the Plan's debt, unless directed otherwise by the ESOP Committee as described above.

Forfeitures resulting from termination of participants who are less than 100% vested are reallocated proportionately among remaining participants at the Plan's year-end. During the twelve-month period ended March 31, 2022, \$75 in cash and 216,659 shares of stock were reallocated. No amounts were reallocated during the three-month period ended June 30, 2022.

Voting Rights

The Company stock held in the allocated portion of the Plan will normally be voted by the Trustee as directed by the ESOP Committee. However, in certain circumstances, the participants in the Plan will have the right to direct the vote of the Trustee. The Trustee will vote any unallocated shares of Company stock and allocated shares of Company stock for which no participant instructions were received in the same proportion as the allocated Company stock for which instructions have been received is voted.

Distributions

No distributions from the Plan, other than cash dividends on non-leveraged shares and discretionary cash dividends on leveraged shares, will be made until a participant retires, dies (in which cash payment shall be made to his or her beneficiary or, if none, his or her legal representatives), or otherwise terminates employment with the Company.

Payment of Benefits

Upon retirement, disability, death or vested termination, a participant or designated beneficiary may elect to receive the amount in their account in the form of cash or Company stock with any fractional shares paid in cash.

ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements
June 30, 2022 and March 31, 2022

Plan Description (continued)

Diversification

Upon attainment of age 50 and seven years of participation in the Plan, participants may elect to diversify 25% of the number of shares of Company stock credited to their ESOP stock account. The Plan was amended to provide a Plan-to-Plan transfer of diversified investments to the Advanced Drainage Systems Retirement Plan (the "Retirement Plan") (formerly the Advanced Drainage Systems, Inc. Profit Sharing Retirement Plan. The funds transferred to the Retirement Plan are invested in accordance with the investment options elected by the participants. The Plan does not accept transfers of funds from the Retirement Plan.

Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Allocated Cash Dividend Funds

The Plan's allocated cash dividends are held in a temporary investment fund for the purpose of purchasing mutual funds. Allocated cash dividend funds are stated at fair value based on independent quotations.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For additional disclosure regarding fair value of investments, see the *Fair Value Measurements* footnote herein.

The Company guarantees the value of not less than \$0.7818 per share of the convertible preferred shares of the Company. The conversion ratio requires 0.7692 common shares for each preferred share. Fair value is estimated by management in the absence of readily ascertainable market values by using an annual independent appraisal. The independently appraised fair value at March 31, 2022 was \$91.41 per preferred share. Because of the inherent uncertainty of valuation methods, those estimated values may differ from the values that would have been used had an active market for the securities existed.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the specific identification method. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

**Notes to Financial Statements
June 30, 2022 and March 31, 2022**

Summary of Significant Accounting Policies (continued)

Required Dividends

A 2.5% (\$0.1954 per share) dividend, which is required to be paid by the Company on an annual basis, was paid on March 28, 2022. Dividends on the non-leveraged shares are paid in cash directly to the participants and are tax deductible by the Company. Dividends on leveraged shares are paid in cash and used to service the Plan's debt. Because all cash related to required dividend payments was used to service debt, previously unallocated shares were allocated to the participants to satisfy the allocated and unallocated shares dividend requirement.

Discretionary Dividends

On May 31, 2022, the Company declared a \$0.12 per share dividend on its common stock and those dividends, which are tax deductible by the Company, were paid in cash to participants in June 2022.

For the twelve months ended March 31, 2022, the Company declared discretionary dividends which were paid on June 24, 2021, September 23, 2021, December 15, 2021 and March 21, 2022. Discretionary dividends on allocated shares (both leveraged and non-leveraged) are paid in cash to the participants and are tax deductible by the Company. Discretionary dividends on unallocated shares were used to service the Plan debt.

Dividends

Dividend income for the three-months ended June 30, 2022 and twelve-months ended March 31, 2022 is composed of the following:

	Three Months Ended June 30, 2022		Twelve Months Ended March 31, 2022	
	Allocated	Unallocated	Allocated	Unallocated
Nonleveraged - required	\$ -	\$ -	\$ 1,883	\$ -
Leveraged - required	-	-	231,542	18,559
Total required	-	-	233,425	18,559
Nonleveraged - discretionary	1,442,637	-	41,907	-
Leveraged - discretionary	-	-	5,602,351	321,378
Total discretionary	1,442,637	-	5,644,258	321,378
Total dividend income	\$ 1,442,637	\$ -	\$ 5,877,683	\$ 339,937

During the twelve-month period ending March 31, 2022, the ESOP Committee directed the Trustee to use all dividends on unallocated shares to service the Plan's debt. Thus, no dividends on unallocated shares were allocated to participants. Had an allocation of dividends occurred, it would have been based on total shares in the participant's ESOP stock account in relation to total shares at March 15 of each Plan year.

During the twelve-month period ending March 31, 2022, the Company's board of directors approved the allocation of 947,031 preferred shares, totaling \$86,568,104 at fair value to the ESOP participants, in addition to the cash dividends; and 2,533 preferred shares allocated as dividends, totaling \$231,542 at fair value, during the twelve-month period ending March 31, 2022.

ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements
June 30, 2022 and March 31, 2022

Summary of Significant Accounting Policies (continued)

Administrative Expenses

During the three-months ended June 30, 2022 and twelve-months ended March 31, 2022, the Plan Sponsor paid Plan administrative costs of approximately \$12,000 and \$63,000, respectively. The Plan paid its remaining administrative expenses including audit, consulting and recordkeeping fees of approximately \$102,000 and \$446,000 for the three-months ended June 30, 2022 and twelve-months ended March 31, 2022, respectively. Additionally, the Plan paid trustee fees of approximately \$295,000 and \$707,000 during the three-months ended June 30, 2022 and twelve-months ended March 31, 2022, respectively.

Payment of Benefits

Benefits are recorded when paid.

Investments

The Plan's investments as of March 31, 2022 are as follows:

Investments in mutual funds and money market funds	\$ 22,578,679
Preferred stock of the Company:	
Allocated shares	15,629,189
Unallocated shares	-
Total number of shares	<u>15,629,189</u>
Cost - \$0.7818 per share	<u>12,218,900</u>
Fair value - \$91.41 per share	<u>1,428,664,201</u>
Total investments	<u>\$ 1,451,242,880</u>

During the twelve-months ended March 31, 2022, 3,677,150 shares were redeemed by participants. Shares redeemed by participants for purposes of diversification are recycled within the Plan for cash and the shares are then reallocated to the remaining participants.

ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements
June 30, 2022 and March 31, 2022

Fair Value Measurements

GAAP established a fair value hierarchy that prioritizes the inputs to measure the fair value of the assets or liabilities being measured. Fair value is defined as the exchange value that would be received on the measurement date to sell an asset or to value the amount paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants. The three levels of the fair value hierarchy are as follows:

- Level 1 Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date. Level 1 inputs provide the most reliable measure of fair value as of the measurement date.
- Level 2 Inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3 Inputs are significant and unobservable inputs for the asset or liability.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 or March 31, 2022.

Money market fund:

Valued at cost, which approximates fair value.

Mutual fund and common stock:

Value at the net asset value of shares held by the Plan at year-end.

Company preferred Stock:

Determining the fair value of the Company preferred stock is judgmental in nature and involves the use of significant estimates and assumptions. These estimates and assumptions include revenue growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rates, future economic and market conditions, and determination of appropriate market comparables. The Plan believes these assumptions are reasonable, but are inherently uncertain. Management used an annual independent appraisal in estimating fair value of the Company's preferred stock. Actual future results may differ materially from those estimates.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

**Notes to Financial Statements
June 30, 2022 and March 31, 2022**

Fair Value Measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of March 31, 2022. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

Assets at fair value as of March 31, 2022:

	Level 1	Level 2	Level 3	Total
Investments in the fair value hierarchy:				
Mutual fund	\$ 21,474,970	\$ -	\$ -	\$ 21,474,970
Money market fund	-	1,103,709	-	1,103,709
Company preferred stock	-	-	1,428,664,201	1,428,664,201
Total assets at fair value	\$ 21,474,970	\$ 1,103,709	\$ 1,428,664,201	\$ 1,451,242,880

A reconciliation of changes in fair value of Company preferred stock classified as Level 3 in the fair value hierarchy for the three-months ended June 30, 2022 and twelve-months ended March 31, 2022, is as follows:

	June 30, 2022	March 31, 2022
Balance - beginning of year	\$ 1,428,664,201	\$ 1,536,012,325
Net appreciation - unrealized	-	189,770,324
Net depreciation - realized	(113,340,354)	-
Conversion of shares to common stock	(1,315,323,847)	-
Redemption of shares	-	(297,118,448)
Balance - end of year	\$ -	\$ 1,428,664,201

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the three-month period ended June 30, 2022 or the twelve-month period ended March 31, 2022 and 2021, there were no transfers in or out of Level 1, Level 2 or Level 3.

Loan Payable

On September 30, 1993, the Trustee entered into a \$29,500,276 secured term loan agreement with the Company. The proceeds of the loan were used to purchase convertible preferred stock from the Company's shareholders. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 30 years. The loan bears interest at the lower of the three-month London InterBank Offered Rate or 6.78%, determined at the beginning of the Plan year. At the beginning of fiscal year March 31, 2022, the loan interest rate was 0.20%. The loan was paid in full by the Plan as of March 31, 2022.

ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements
June 30, 2022 and March 31, 2022



Party-in-Interest Transactions

The Plan's investments, including a money market fund, are held by Fifth Third Bank of Columbus (Fifth Third). Fifth Third is the Trustee, as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

The Plan also uses various accounting, consulting and legal firms to assist with the administration of the Plan. Fees paid to these firms by the Plan qualify as party-in-interest transactions as well.

Through March 31, 2022, the Plan had a loan with the Sponsor and this transaction qualified as a party-in-interest transaction. The Plan repaid the loan on March 31, 2022.

Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to the Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his/her beneficiary at the time prescribed by the Plan terms and the Code. Upon termination of the Plan, the ESOP Committee shall direct the Trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary to repay the loan.

Tax Status

The Internal Revenue Service ("IRS") determined and informed the Company by a letter dated June 21, 2017, that the Plan and related trust are designed in accordance with the applicable sections of the Code. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the Internal Revenue Code ("IRC") and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of June 30, 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in process.

ADVANCED DRAINAGE SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements
June 30, 2022 and March 31, 2022

Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of changes in net assets available for benefits per the financial statements for the twelve-month period ended March 31, 2022 to Form 5500:

Net change in net assets available for benefits per the financial statements	\$(159,394,306)
Plus: amounts allocated to withdrawing participants at beginning of year	2,560,831
Net change in net assets available for benefits per Form 5500	<u>\$(156,833,475)</u>

Plan Amendment

Effective as of April 1, 2021, the Plan is amended to provide that participants are not required to complete 1,000 hours of service during the plan year to receive an allocation of employer contributions for the April 1, 2021 to March 31, 2022 plan year.

Subsequent Events – Date of Management Evaluation

The Plan has evaluated subsequent events through the date of the Independent Auditor's Report, the date the financial statements were available to be issued.