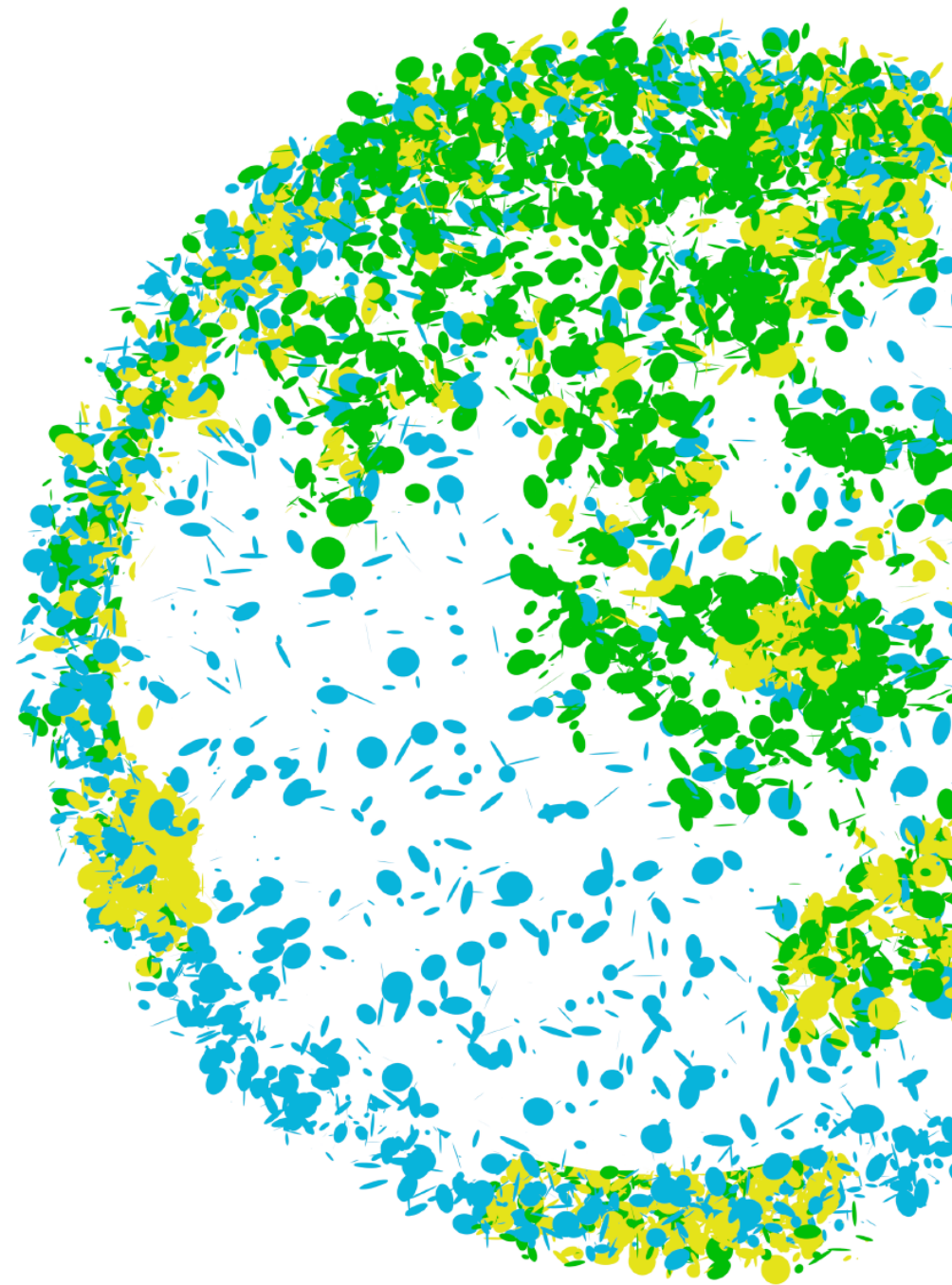


# **ECOVE Environment Corp. 2024 1<sup>st</sup> Institutional Investor Conference**

**2024.03.07**



# Disclaimer

- The consolidated financial statement is hereby based on International Financial Reporting Standards (IFRS) and reviewed/ audited by CPA.
- This presentation may include forward-looking statements with respect to the operations and business of the company other than the historical results. The actual results may differ from those indicated forward-looking statements due to unknown risks and uncertainties. Investors should make their own judgement and control the investment risk.



# Agenda

- Operation Review
- Financial Highlights
- Future Outlook

# Operation Review

# Awards & Honors



- Ministry of Environment' s National Corporate Environmental Protection Award
- The high Distinction Award of 2022 Incineration Plant Audit & Evaluation by Ministry of Environment.
- Ministry of Economic Affairs' 2023 Energy Saving Benchmark Award
- Kaohsiung City Government' s "2023 Photovoltaic Smart Building Award"
- Ranked as the 2<sup>nd</sup> place in the Environmental Sanitation Services category of the "Top 650 Service Industries 2022" by Commonwealth Magazine.
- Greenhouse gas emissions inventory passes external verification



- Ministry of Labor and National Science and Technology Council "Excellent Occupational Safety and Health Unit."
- "No Lost Time Injuries Hours: 2 Million Hours" certification by the Ministry of Labor-Tainan EfW Plant.
- National Science and Technology Council' s Excellence Award for Promoting Workplace Safety and Health
- Certification of Health Workplace by the Ministry of Health and Welfare
- 2023 Outstanding Young Engineer Award by the Chinese Institute of Engineers
- Chinese Institute of Environmental Engineering "2023 Service Contribution Award, Outstanding Engineer Award, Outstanding Young Engineer Award."



- Consistently ranked in the top 5% in the Corporate Governance Evaluation by the Financial Supervisory Commission for 9 consecutive terms.
- Ranked in the top 10% of non-financial electronic listed and OTC companies with a market capitalization of over NT\$10 billion by the Financial Supervisory Commission (the only OTC company to achieve this for 5 consecutive years).
- "2022 Green Procurement Excellent Enterprise" by Taipei City Government.
- "2022 Green Procurement Excellent Enterprise" by Kaohsiung City Government.
- New Taipei City Government "Excellent Supplier Performance Evaluation."
- Taoyuan International Airport Corp., Ltd. "Excellent Supplier Performance Evaluation."

# Energy-from-Waste



- Acquisition of the BOT project for the green energy sustainable recycling center in Chiayi City
- Acquiring the environmental protection land in the Lunwei West Second Zone of Changhua Coastal Industrial Park and handling the environmental impact assessment (EIA) process.
- Our partner has won the best applicant for the Melaka case in Malaysia and is currently in the investment contract signing process with local government.
- Currently operating 10 large urban incineration plants (8 in Taiwan + 2 in Macau). Assisting owners to properly dispose of waste and turn it into energy.
- The monthly collection, transport, and management of waste is approximately 23,000 tons, accounting for about 36% of the total volume entrusted for collection and management in the country's major urban waste incineration plants.



Green Energy Sustainable Recycling Center in Chiayi City

## 2023 Contribution to Circular Economy

- ✓ Incineration plants is expected to handle approximately **2.47 million** tons of waste.
- ✓ Energy-from-Waste is expected to generate **1.3 billion** kWh of electricity, about **360,000** house holds annual electricity consumption. It is expected to reduce CO2 emissions by **640,000 tons**, which is equivalent to the annual carbon absorption approximately **1,665** Daan Forest Parks in Taipei City.



# Renewable Energy



- Solar power development of over 163MW capacity has been obtained:
  - connected to the national grid around 106MW
  - under construction around 57MW
- In addition to steady expansion in the domestic market, the second-phase expansion project in New Jersey, USA, is undergoing the process of obtaining state government registration and approval.
- Will continuously strive for large-scale external maintenance projects. The total maintenance quantity is 484MW with steady expansion of our own projects.
- Taipower's Regulation Reserve Ancillary Service of 5MW project is conducted.
- Energy-heavy industries are active for green energy procurement. Currently, the signed contracts account for around 16MW.



Taichung Port Tourist Service Center

## 2023 Contribution to Circular Economy

- ✓ Solar power plants are expected to generate **130 million** kWh of electricity, about **40,000** house holds annual electricity consumption. It is expected to reduce CO2 emissions by **60,000 tons**, which is equivalent to the annual carbon absorption approximately **154** Daan Forest Parks in Taipei.

# Recycling and Reuse (1/2)



## Waste Isopropanol Recycling

- Obtained National Science and Technology Council and the Ministry of Economic Affairs' general reuse case, and the production capacity utilization rate is already at full capacity
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ECOVE SRC Waste Isopropanol Recycling Plant

**2023  
Contribution  
to Circular  
Economy**

- ✓ Recycled around **16,000 tons** of W-IPA. **4,100 tons** of industrial grade of IPA were reproduced.
- ✓ Can reduce the use of raw materials and cut carbon emissions by approximately **3,719 tons**, which is equivalent to the annual carbon absorption approximately **10 Daan Forest Parks** in Taipei.



# Recycling and Reuse (2/2)



## Water Treatment

- Operation of TSMC Southern Taiwan Science Park Reclaimed Water Plant
- Operation of New Taipei City Linkao Water Resource Fields
- Operation of New Taipei Yingge, Sanxia and Jinshan etc. 12 contact bed treatments
- Participation in the operation of Kaohsiung Fengshan River Reclaimed Water Plant
- Participation in the operation of Kaohsiung Linhai Wastewater Treatment and Reclaimed Water SPC Plant
- Participation in the construction of Wastewater Sewer System in Zhongli (not yet operational)
- Investment of Taoyuan North District Water Resources Recycling Center (not yet operational)



TSMC Southern Taiwan Science Park Reclaimed Water Plant

**2023  
Contribution  
to Circular  
Economy**

- ✓ The sewage disposal capacity is around **25.8 million tons**. It's equivalent to the annual sewage treatment of **310,000 people**.
- ✓ The wastewater treated by the CTCL Group's reclaimed water is approximately **47 million tons**.

# Mechatronic Maintenance

- Execution of the establishment of an international semiconductor factory solvent recovery system and subsequent O&M acquisition.
- Execution of expansion work for self-contained solvent recovery system in international memory fabrication plants.
- Operation of international high-tech manufacturers' public facility projects.
- Maintenance project for electromechanical equipment in transportation stations.
- Implementation of EfW plant equipment efficiency improvement and upgrading projects.(e.g. STSP, Gangshan, Xizhou EfW plants)



Air conditioning equipment maintenance

## 2023 Contribution to Circular Economy

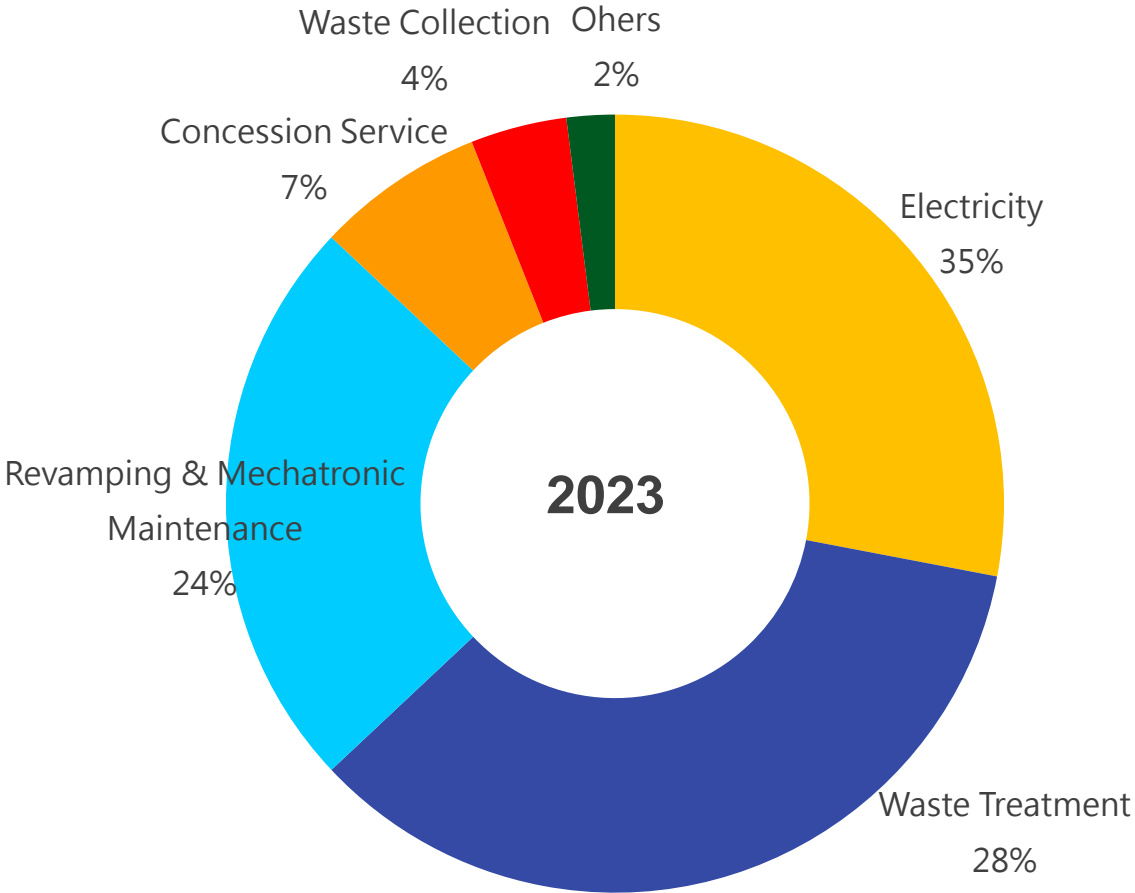
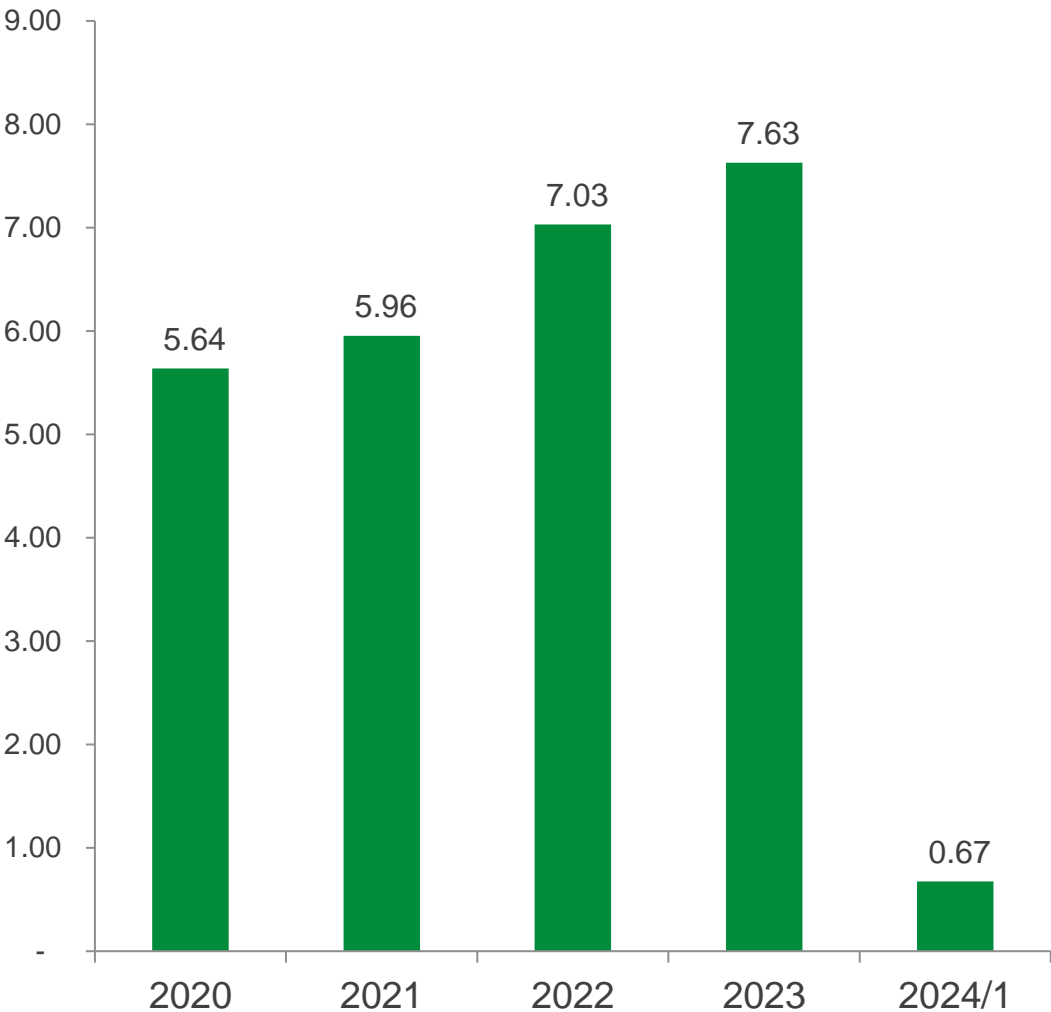
- ✓ Leveraging high-tech recycling and reuse technologies to expand opportunities for establishing high-tech industrial waste recycling facilities.
- ✓ Through intelligent management of the incineration plant, effective equipment upgrades and expansion of the incineration plant's life extension business can be achieved.

# Financial Highlights



# Consolidated Revenue Breakdown

Unit: NT\$, Billion



# 2023 Consolidated Income Statement

Unit: NT\$, Thousand

	2023/1/1~12/31		2022/1/1~12/31		YOY
	Amount	%	Amount	%	%
Operating Revenue	7,628,502	100.0%	7,030,160	100.0%	8.5%
Operating Costs	(6,008,793)	-78.8%	(5,444,710)	-77.4%	10.4%
Gross Profit	1,619,709	21.2%	1,585,450	22.6%	2.2%
Operating Expenses	(158,067)	-2.0%	(165,428)	-2.4%	-4.4%
Operating Profit	1,461,642	19.2%	1,420,022	20.2%	2.9%
Total Non-Operating Income and Expenses	161,506	2.1%	98,071	1.4%	64.7%
Profit before income tax	1,623,148	21.3%	1,518,093	21.6%	6.9%
Income Tax Expense	(256,460)	-3.4%	(239,931)	-3.4%	6.9%
Profit for the period	1,366,688	17.9%	1,278,162	18.2%	6.9%
Profit attributable to Owners of the parent	1,164,640	15.3%	1,045,026	14.9%	11.4%
Earnings Per Share	<b>16.36</b>		<b>14.91</b>		9.7%



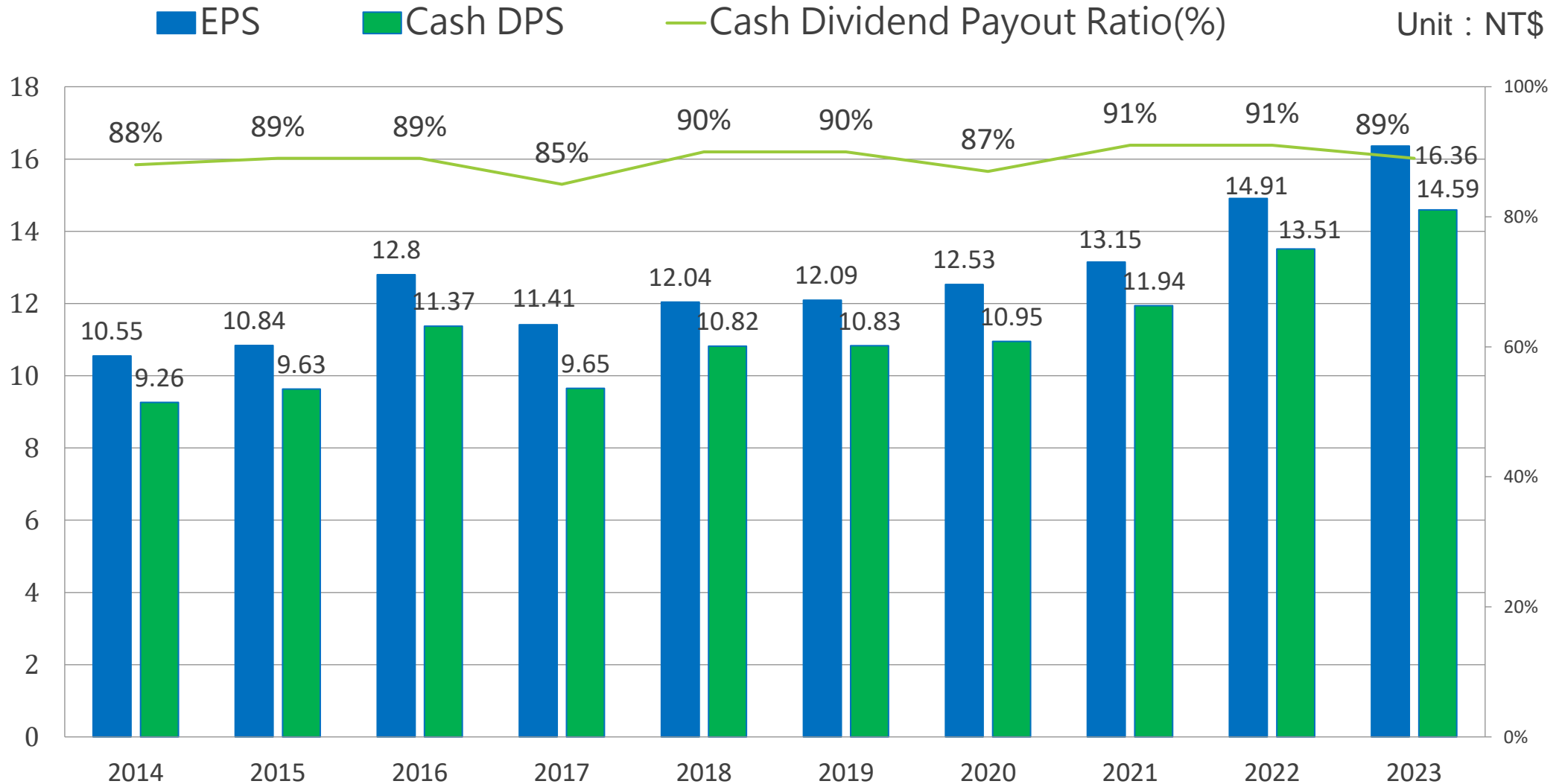
# 2023 Consolidated Balance Sheet

Unit: NT\$, Thousand

	2023/12/31		2022/12/31	
	Amount	%	Amount	%
<b>Current assets*</b>	5,130,790	39.22%	5,243,157	39.52
<b>Non-current assets</b>	7,952,512	60.78%	8,024,456	60.48
<b>Total assets</b>	<b>13,083,302</b>	<b>100.00%</b>	<b>13,267,613</b>	<b>100.00</b>
<b>Current liabilities</b>	2,474,156	18.91%	2,948,142	22.22
<b>Non-current liabilities</b>	3,792,495	28.99%	3,782,886	28.51
<b>Total Liabilities</b>	<b>6,266,651</b>	<b>47.90%</b>	<b>6,731,028</b>	<b>50.73</b>
<b>Current liabilities</b>	6,322,675	48.32%	6,108,360	46.04
<b>Non-current liabilities</b>	493,976	3.78%	428,225	3.23
<b>Total Liabilities</b>	<b>6,816,651</b>	<b>52.10%</b>	<b>6,536,585</b>	<b>49.27</b>
<b>Current liabilities</b>	<b>13,083,302</b>	<b>100.00%</b>	<b>13,267,613</b>	<b>100.00</b>

\* Cash and cash equivalents:NT\$1.663bn.

# Dividends



# Future Outlook



# Energy-from-Waste

## Domestic

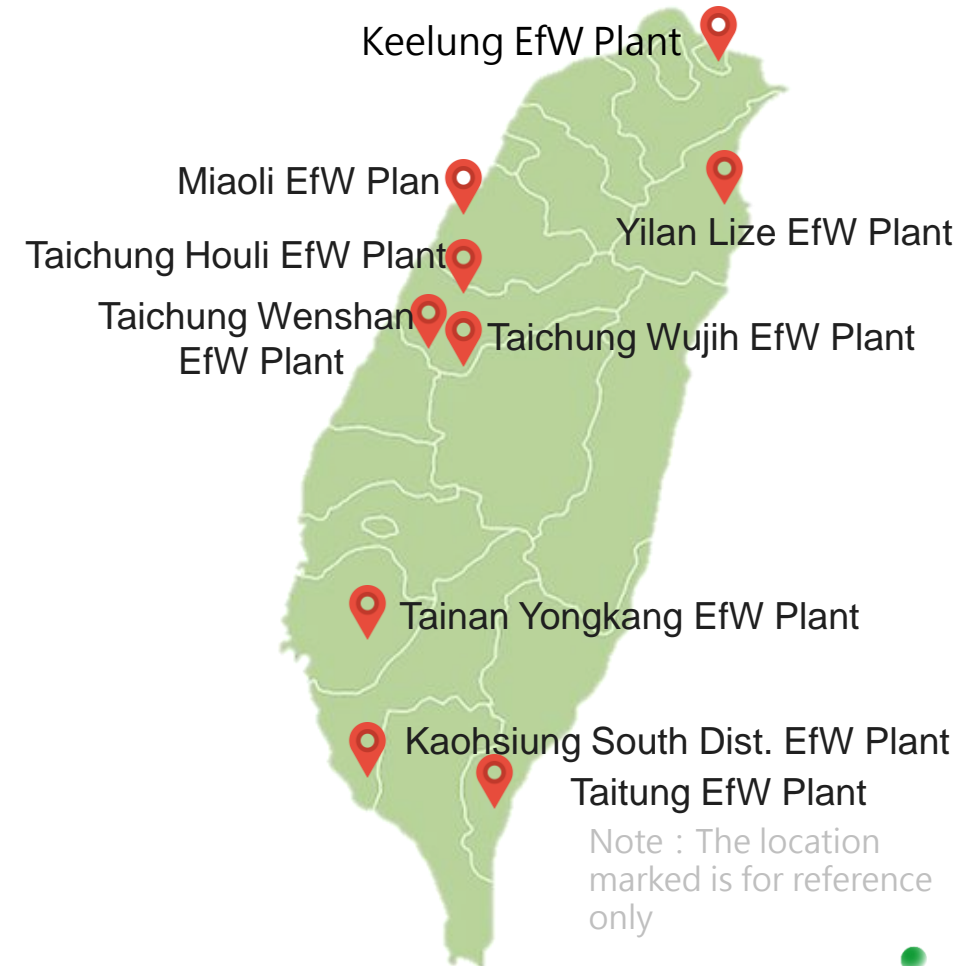
Continue to monitor the planning of new municipal waste incineration projects in counties and cities, and actively allocate resources to pursue these opportunities.

- Cooperate with Group for newly built or operation of EfW plants. (ex. Wen Shen)
- Using the experience of revamping and implementation in multiple plants, including Tainan, Xizhou, and Gangshan, to pursue the ROT revamping and operation project for the incineration plant. (ex. Kaohsiung South Dist.)

## Overseas

- Aligning with the government's Southbound Policy, seeking collaboration with local businesses abroad by leveraging waste incineration technology expertise.
- Capitalizing on existing operational performance to compete for the O&M services of the Macau Incineration Center and Special Waste Treatment Station after their expiration at the end of the year.

Incineration opportunities in the next 5 years



# Renewable Energy

## D o m e s t i c

- Follow the development direction of government policies to steadily expand solar power and energy storage investment.
- To address the needs of large power consumers and achieve the 2050 net-zero emissions goal, expanding the scale of green energy transactions.
- Expanding maintenance business scale by leveraging accumulated maintenance experience and implementing tools to continuously improve efficiency.

## O v e r s e a s

- Leveraging the successful experience of developing solar photovoltaic power plants in the U.S., paying attention to overseas market trends, and prioritizing mature markets.
- The United States has passed an anti-inflation bill, providing incentives for the development of the renewable energy market. Will continue to assess investment opportunities in the US solar and energy storage projects.



Taichung Metro Beitun Depot



Lumberton



# Recycling and Reuse

## Water Treatment

Will continue to pay close attention to the trend of promoting reused water resource and will work with Group to strive for construction and operation projects.

- The government and high-tech companies plan to build new reclaimed water plants of approximately 334,000 CMD/Day.
- The government's promotion of seawater desalination plants of approximately 860,000 CMD/Day.

## Hi-tech Industry Waste

- Negotiating with technology sources for cooperation in waste recycling and reuse, pursuing opportunities in the recycling and reuse business, and evaluating the investment for establishing plans.
- Pursuing the operation and maintenance services for the High-Tech Circular Economy Innovation Center.

Water-related business opportunities in the next 5 years (Reclaimed Water, Sea Water Desalination Plant)



# Electromechanical Maintenance and Revamping

- Continuously striving to secure opportunities for the subsequent electromechanical maintenance of recently completed light rail and metro facilities in recent years.
- Actively seeking opportunities to provide maintenance, repair and operation services for water, gas, and electricity utilities in high-tech industrial parks.
- Actively monitoring the planning of the Zero Waste Center in the industrial park and striving for the opportunity to establish processing or reuse facilities within the park.
- Continuously striving for the improvement of incineration plant equipment efficiency and the replacement of old equipment with new ones.



Operation of N2 Gas Purification Equipment



Cleanroom Overhead Crane Maintenance



Chiller equipment maintenance

# ECOVE<sup>®</sup>

Every Resource Counts

