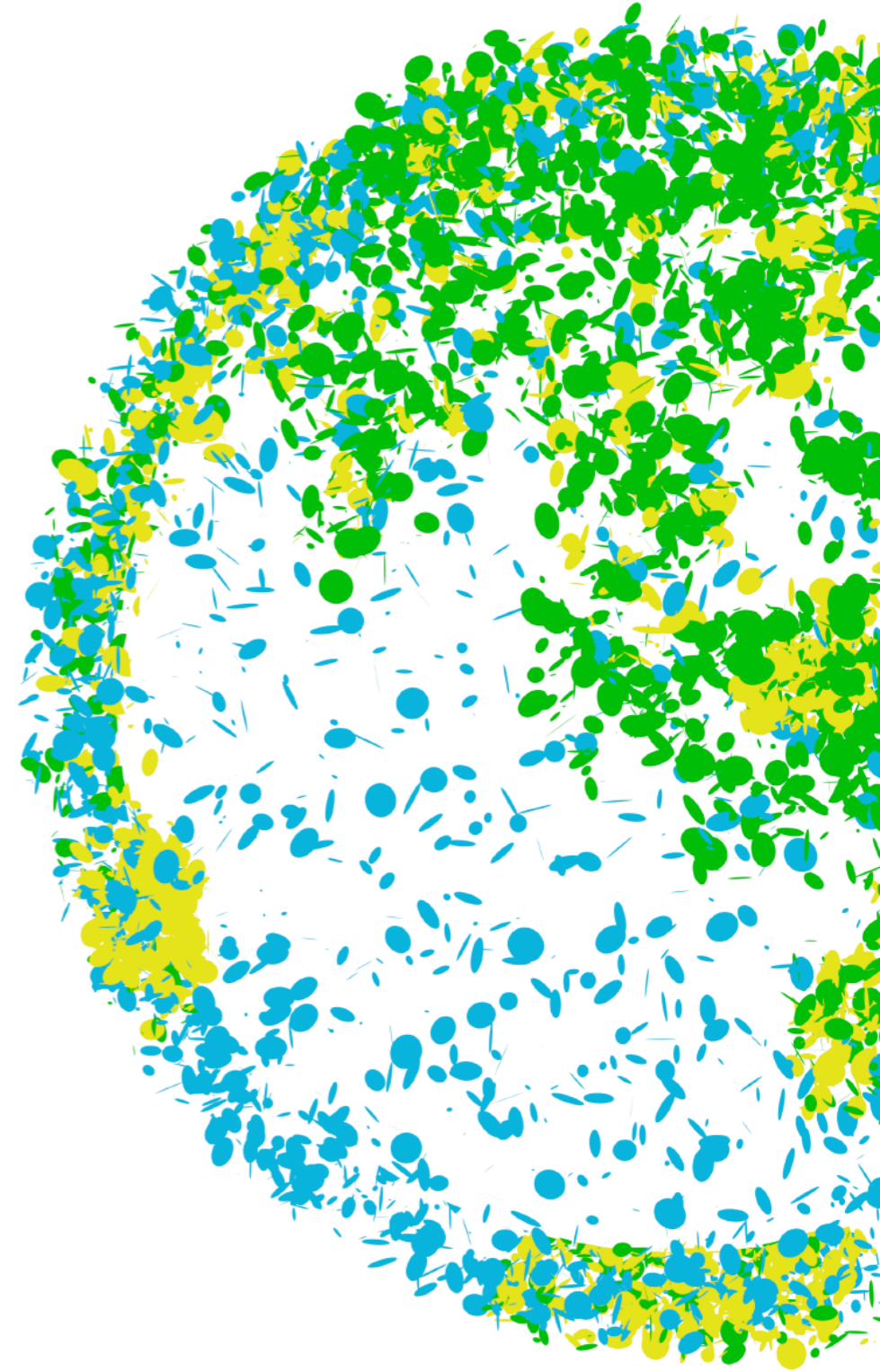


**ECOVE Environment Corp.  
2021 2<sup>nd</sup> Institutional  
Investor Conference**

2021.06.23



# Disclaimer

- The consolidated financial statement is hereby based on International Financial Reporting Standards (IFRS) and 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

- Review
- Future Outlook
- Summary of Financial Report

# Review



# Actions to Fight COVID-19 and Their Impact

## Actions to Fight COVID-19

- Do inventory on materials needed for operation and they haven't been affected; as for resources for pandemic, such as thermometers, masks, and alcohol, the stock is enough
- All of our plants have enhanced their actions against the pandemic (such as tracking employees' travel history, setting up regions for item exchange, splitting work areas, using communication apps to update information, reducing subcontractors' access to our operation regions, enhancing disinfection on waste collection vehicles, etc). Also, our EfW plants have suspended inspecting accepted waste.
- If waste is collected from COVID-19 hotspots, reservations shall be made before entering our plants, after which vehicles will go directly to the bunkers and dump the waste without any human contact. Disinfection actions will be enhanced after the above activity
- Responding actions have been designed in case of our on-site employees accidentally being infected, including splitting work areas, adjusting work shifts, extending working hours, supervisors working in shifts, having support from neighboring plants, etc.
- Cooperate with Medical institutions to conduct rapid tests on COVID-19. As for environmental protection business, suggestions have been made to clients to let our staff in the frontline to get

## Impact on Company Operation

- So far, our operation has been remaining unaffected, but we will keep tracking the impact on each of our projects and initiate right-protection actions if necessary

# Waste Management and EfW

## Domestic

- Changhua Xizhou EfW Plant O&M & Revamping Project
- Taoyuan Airport Incinerator O&M Project
- Kaohsiung South Region EfW Plant Crane O&M, Annual Overhaul, and Equipment Upgrade Project
- Kaohsiung Central Region EfW Plant Annual Overhaul and Equipment Upgrade Project
- Taoyuan Airport Incinerator Equipment Revamping Project
- Nantou Caotun Household Waste Disposal Project



## Overseas

- MRIP Flue Gas Monitoring Equipment Revamping Project





# Photovoltaics

## Investment

- **14 projects have been connected the national grid**  
THSR Taoyuan Station, Kaohsiung Metro North Depot Detention Pot, Tainan Hobichu Landfill, Hualien Fengli Landfill 2<sup>nd</sup> Phase, TIPC (Keelung, Taipei, Taichung, Anping, Kaohsiung, Hualien, and Suao), Miaoli Aviation Station, Taoyuan Metro Qingpu Depot, Neihu Tri-Services General Hospital, etc.
- **Projects under construction/application**  
Different harbors of TIPC, National Military Hualien Hospital, Taichung Metro Beitun Depot, South Taiwan Science Park, etc.

## Operation

- Use thermal drones and AI intelligent monitoring systems to improve operation efficiency and efficacy
- PV O&M, including internal and external projects

# Recycling and Reuse

## Waste Solvent Recycling and Reuse

### WIPA Recycling and Reuse

- Permit from IDB to treat WIPA on individual case basis has been obtained in January of this year, and permit from MOST to treat WIPA on general case basis has been obtained in March of this year, increasing our waste solvent sources

## Water Treatment

### O&M and Equipment Upgrade

- New Taipei City Linkou Water Resource Recycling Center O&M Project
- Kaohsiung Central Region Wastewater Treatment Plant Equipment Upgrade Project
- Pintung Agriculture Bio-Science Park Water Resource Plant Equipment Upgrade Project





# Other Fields

## Technical Services and Maintenance Projects

- Taoyuan Metro Flood Control Equipment Maintenance
- Taichung Harbor Agriculture Item Inspection Plant O&M Project



# Future Outlook



# Waste Management and EfW

## Domestic

For the next five years, 12 EfW Plants will need to renew contracts, and we will proactively participate with our resources:

- Taoyuan Biomass Center and Changhua Resource Center will be referred to create advantages
- Cooperate with Group for newly built EfW plants
- Collectively utilize our project experience of implementation and budgeting from revamping projects in Tainan, Gangshan, Pintung, etc.
- Establish waste management data base to have better understanding over the market and effectively arrange the source of waste

Plant	Characteristic
Taoyuan Biomass Center (obtained and SPC established)	BOT (construction + O&M)
Changhua Resource Center (obtained and SPC established)	BOT (construction + O&M)
Changhua Xizhou EfW Plant (obtained)	ROT (revamping + O&M)
Chiayi Lukow EfW Plant	ROT (revamping + O&M)
Kaohsiung Renwu EfW Plant	ROT (revamping + O&M)
Kaohsiung Gangshan EfW Plant	ROT (revamping + O&M)
Tainan Chengxi EfW Plant	BOT (construction + O&M)
Taiching Wenshan EfW Plant	BOT (construction + revamping + O&M)
Hsinchu EfW Plant	ROT (revamping + O&M)
Kaohsiung South Region EfW Plant	BOT (construction + O&M)
Pintung Kanding EfW Plant	ROT (revamping + O&M)
New Taipei City Bali EfW Plant	ROT (revamping + O&M)
Taichung Houli EfW Plant	ROT (revamping + O&M)
Chiayi EfW Plant	BOT (construction + O&M)
Taiching Wujih EfW Plant	ROT (revamping + O&M)



# Waste Management and EfW

## Overseas

- In conjunction with the government's Southbound Policy, we will cooperate with local developers to export our techniques and experience on waste management and EfW from Taiwan
- Malaysia EfW Market:
  - ✓ For Johor EfW BOT Project, we have cooperated with local enterprises to bid for this tender together, and we will be responsible for O&M works
  - ✓ For Melaka EfW BOT Project, we will cooperate with local enterprises to bid for this tender together, and we will be responsible for O&M works



# Photovoltaics

Renewable energy has become a global trend, and Taiwan has set a goal of achieving 20 GW of PV establishment by 2025. Also, green supply chains and demands for renewable energy have been growing.

- In Taiwan, we will focus on organic growth and expand investment
- In overseas, we will keep exploring large-scale projects in the US, and Australia
- For O&M services, we can expand our business and improve efficiency through our accumulating experience and tools





# Recycling and Reuse

## Semi-Conductor Waste

Be focused on hi-tech enterprises' development on zero-waste center at CTSP, and pursue business opportunities in recycling and reuse

## Water Treatment

- So far, the central and local governments have planned to build 11 new water reclamation plants with a total capacity of 300,000 CMD. Group has secured the projects at Fengshan and Lingshai, and we will keep cooperating with Group to pursue O&M services after construction
- Governments has been promoting the construction of desalination plants (including Taoyuan, Hsinchu, Chiayi, Tainan, and Kaohsiung) with about 600,000 CMD. We will cooperate with Group to create synergy.
- In addition to pursuing the O&M services and expansion works for current wastewater plants, we will pay additional attention to tendering schedules of treatment plants for industrial or municipal wastewater

Plant	CMD (10,000)
Fengshan Water Resource Center (obtained)	4.50
Linhai Water Resource Center (obtained)	3.30
Yongkang Water Resource Center (awarded)	1.55
Anping Water Resource Center (awarded)	3.75
Taoyuan North Water Resource Center	4.00
Zhubei Water Resource Center	1.00
Shuinan Water Resource Center	2.00
Fengyuan Water Resource Center	2.00
Futian Water Resource Center	5.80
Rende Water Resource Center	1.00
Nanzi Water Resource Center	2.00
Taoyuan Desalination Plant	10.00
Hsinchu Desalination Plant	10.00
Chiayi Desalination Plant	10.00
Taiana Desalination Plant	20.00
Kaohsiung Desalination Plant	10.00

# Other Fields

- Utilities of high-tech plants: We cooperate with Group to develop strategies for the field of high-tech industry and to pursue O&M services for current and to-be-constructed plants.
- Metro: For the next five years, Taichung Metro Green Line, Xinying Line Eastern Extension, Taoyuan International Airport Metro Extension, Sanying Line, and Wanda Line will have opportunities in dynamic testing and O&M services for trails and depots
- LRT: Through our past experience in O&M services for Kaohsiung and Danhai LRTs, we will cooperate with Group to pursue the O&M services after various cities have built their own LRTs (dozen in total)
- Air-bridges: We will cooperate with current technical provider to collectively pursue the business opportunities in air-bridge, power, and air equipment replacement for domestic





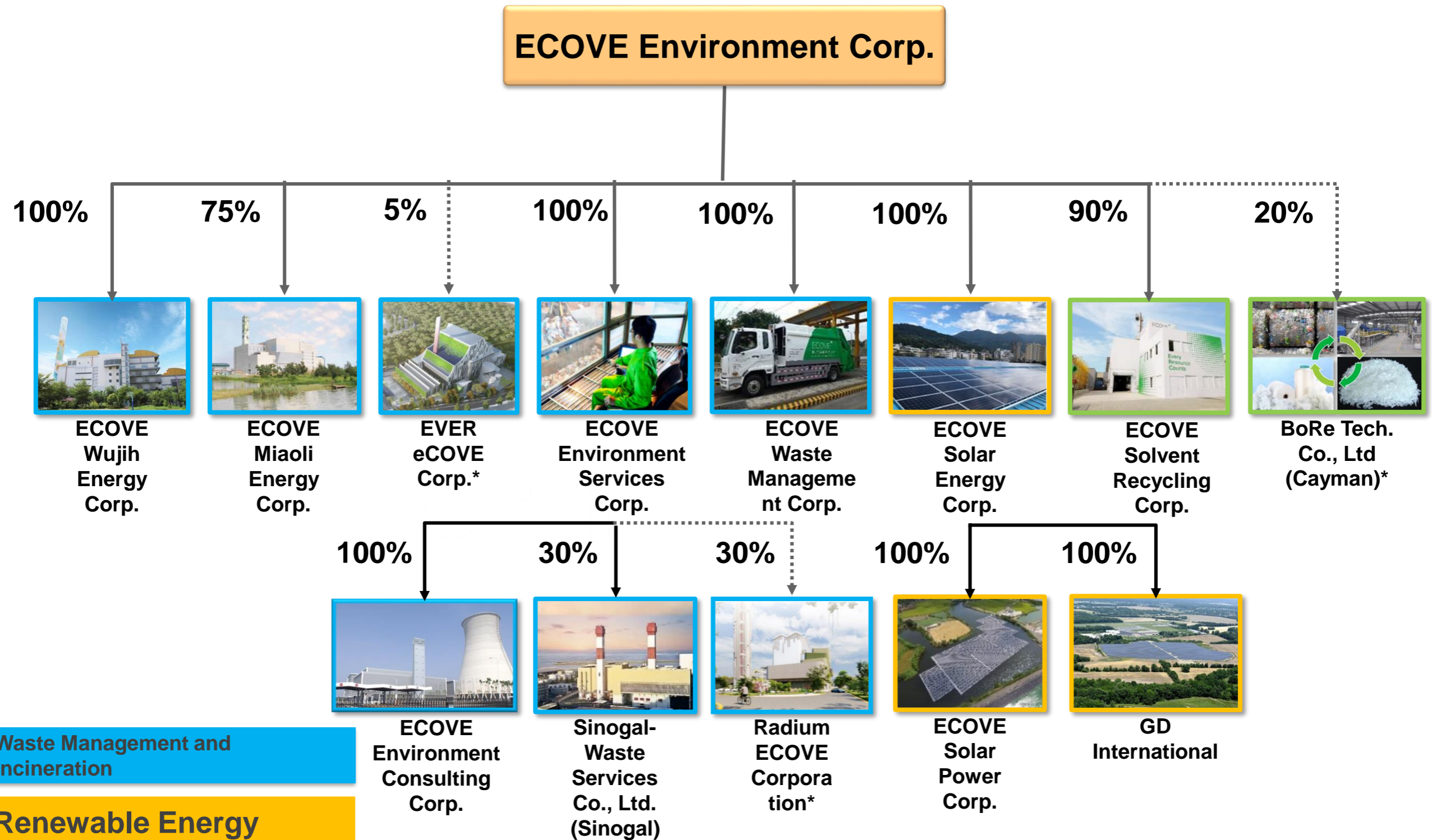
# Financing Plan – Issue Ordinary Corporate Bonds (Including Green Bonds)

- Total Issuance: NTD 2 billion of ordinary corporate bonds (including NTD 1 billion of green bonds)
- Period: 5 years
- Credibility rating: For long- and short-term respectively, Taiwan Ratings has rated us as twA and twA-1, with future development rated as stable
- Usage of bonds: To repay our debt and finance our green investment plan
- Anticipated benefits:
  - ✓ Financial benefits: To reduce interests, ensure our mid- and short-term cost of capital, and reduce risks from interest fluctuation
  - ✓ Environmental benefits: To increase our PV capacity by 25 MW, increasing annual power generation by 2.87 million kw/h and reducing carbon by 14,630 tons



# Summary of Financial Report

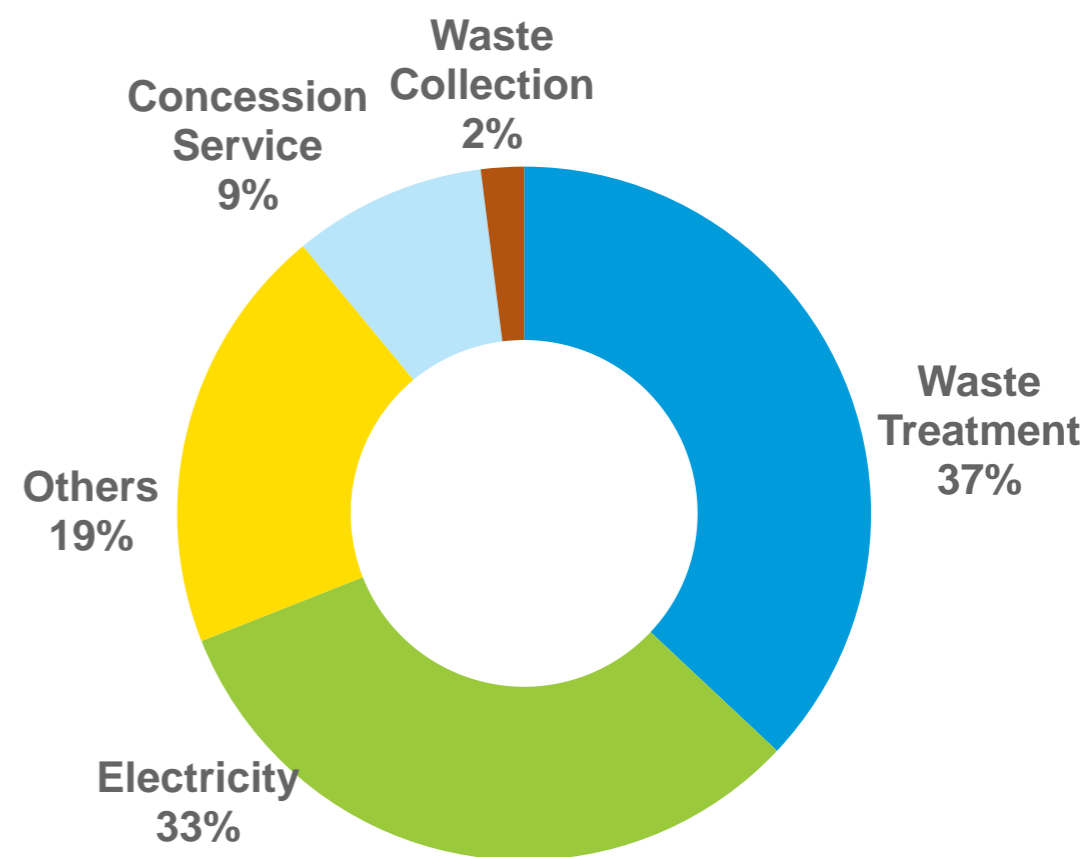
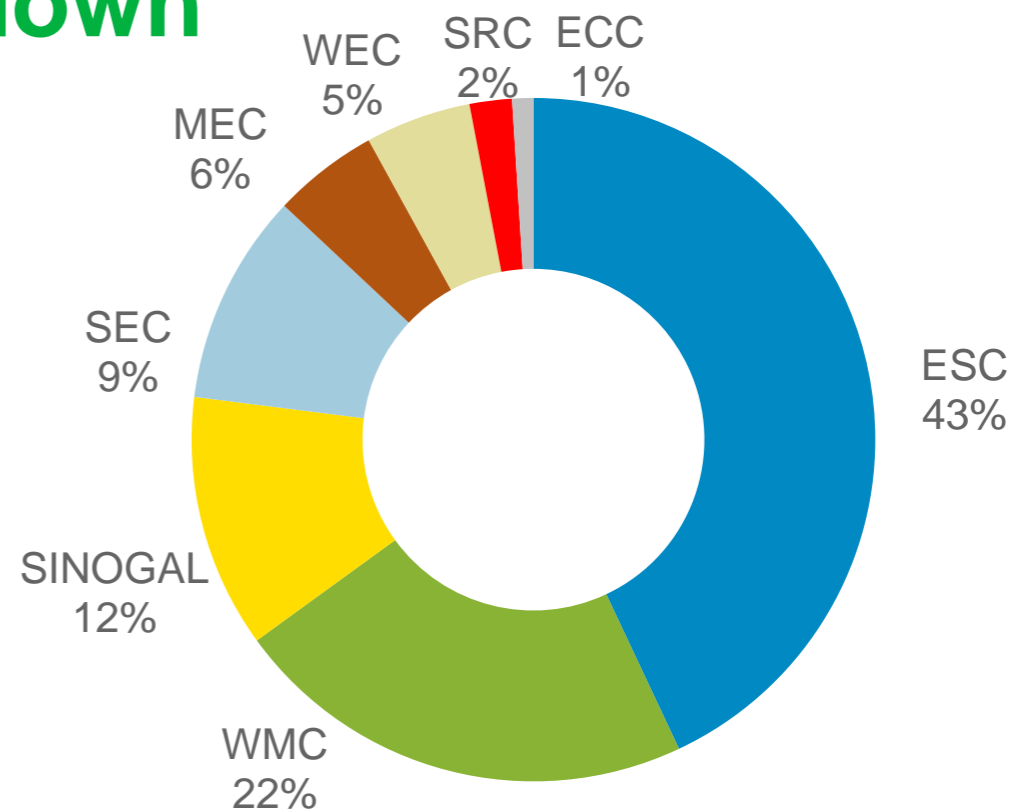
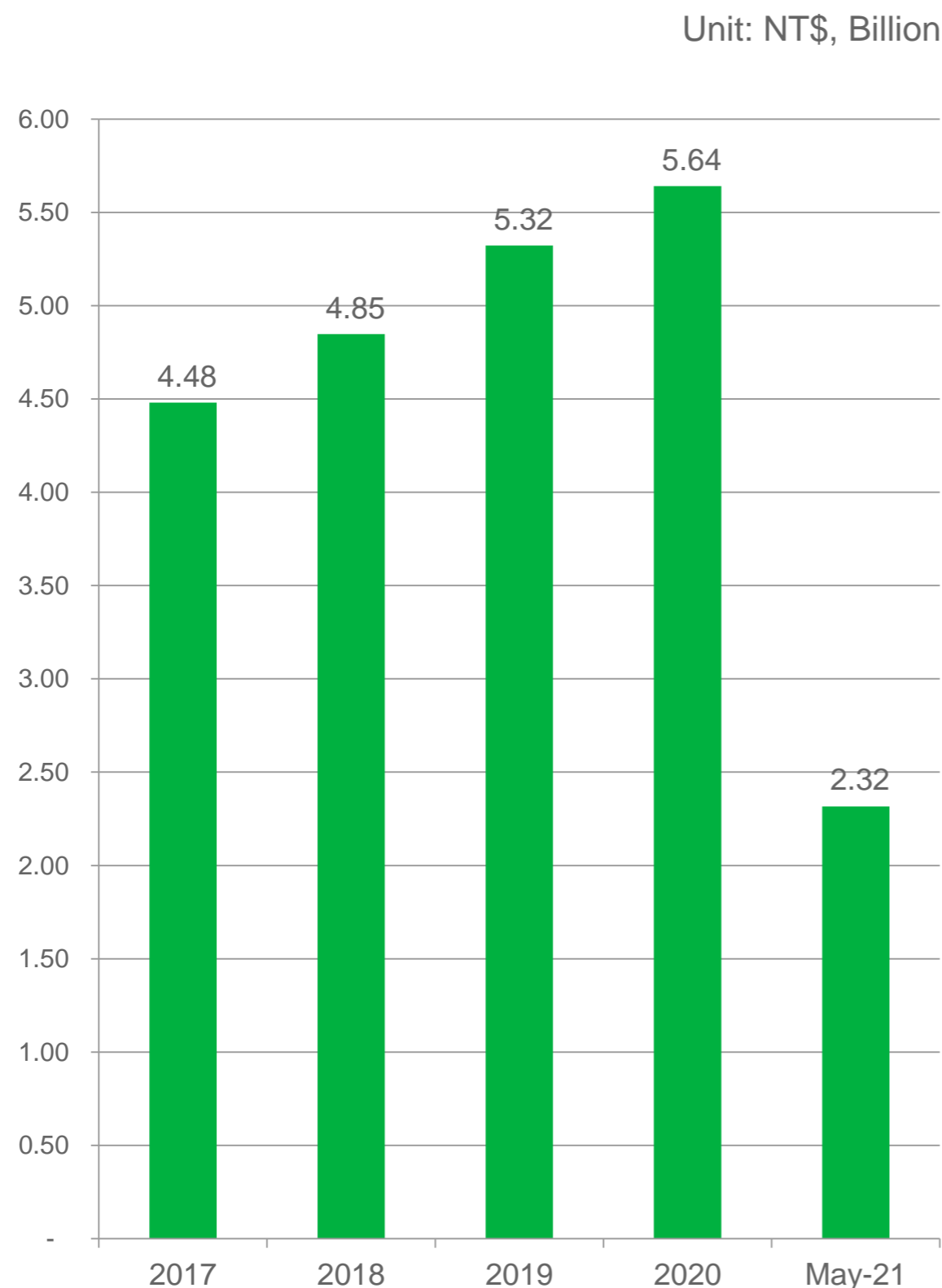
# Investment Structure



\*By Equity Accounting Method



# Consolidated Revenue Breakdown



# 2021Q1 Consolidated Income Statement

Unit: NT\$, Thousand

	<u>2021Q1</u>		<u>2020Q1</u>		<u>YOY</u>
Operating Revenue	1,416,150	100.0%	1,300,056	100.0%	8.9%
Operating Costs	(1,065,774)	-75.3%	(969,698)	-74.6%	9.9%
Gross Profit	350,376	24.7%	330,358	25.4%	6.1%
Operating Expenses	(46,875)	-3.3%	(45,327)	-3.5%	3.4%
Operating Profit	303,501	21.4%	285,031	21.9%	6.5%
Total Non-Operating Income and Expenses	13,519	1.0%	12,792	1.0%	5.7%
Profit before income tax	317,020	22.4%	297,823	22.9%	6.4%
Income Tax Expense	(63,864)	-4.5%	(56,161)	-4.4%	13.7%
Profit for the period	253,156	17.9%	241,662	18.5%	4.8%
Profit attributable to Owners of the parent	211,484	14.9%	204,586	15.7%	3.4%
Earnings Per Share	3.06		3.05		0.3%
Number of shares outstanding (thousand shares)	69,084		67,105		

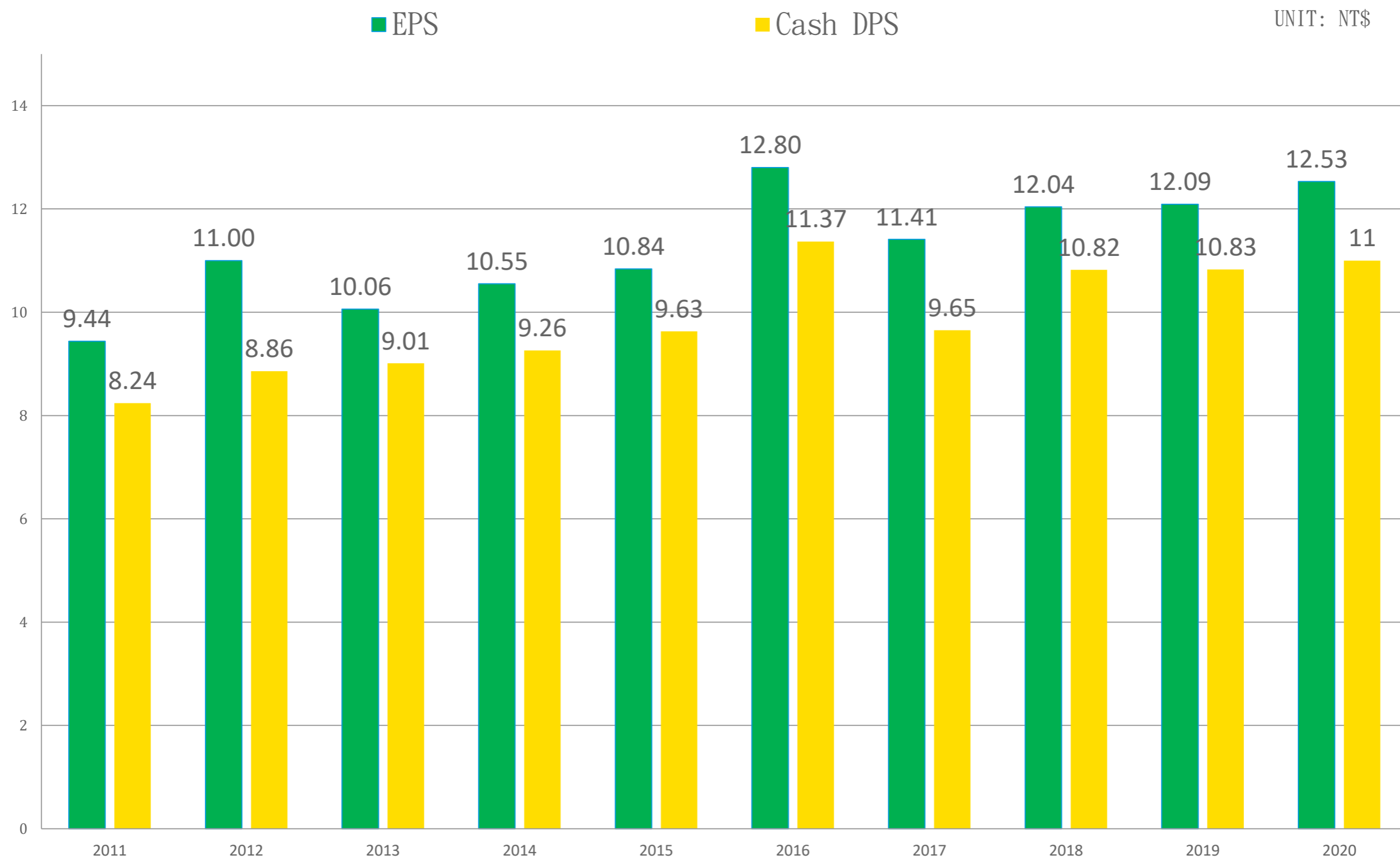
# 2021Q1 Consolidated Balance Sheet

Unit: NT\$, Thousand

	<u>2021/03/31</u>		<u>2020/03/31</u>	
<b>Current assets*</b>	4,231,908	41%	3,684,334	38%
<b>Non-current assets</b>	6,081,264	59%	5,920,027	62%
<b>Total assets</b>	10,313,172	100%	9,604,361	100%
<b>Current liabilities</b>	2,458,748	24%	1,543,711	16%
<b>Non-current liabilities</b>	1,909,183	18%	2,230,706	23%
<b>Total Liabilities</b>	4,367,931	42%	3,774,417	39%
<b>Equity attributable to owners of the parent</b>	5,431,443	53%	5,184,667	54%
<b>Non-controlling interest</b>	513,798	5%	645,277	7%
<b>Total equity</b>	5,945,241	58%	5,829,944	61%
<b>Total liabilities and equity</b>	10,313,172	100%	9,604,361	100%

\* Cash and cash equivalents:NT\$0.43bn.

# Dividend Payout



ECOVE<sup>®</sup>