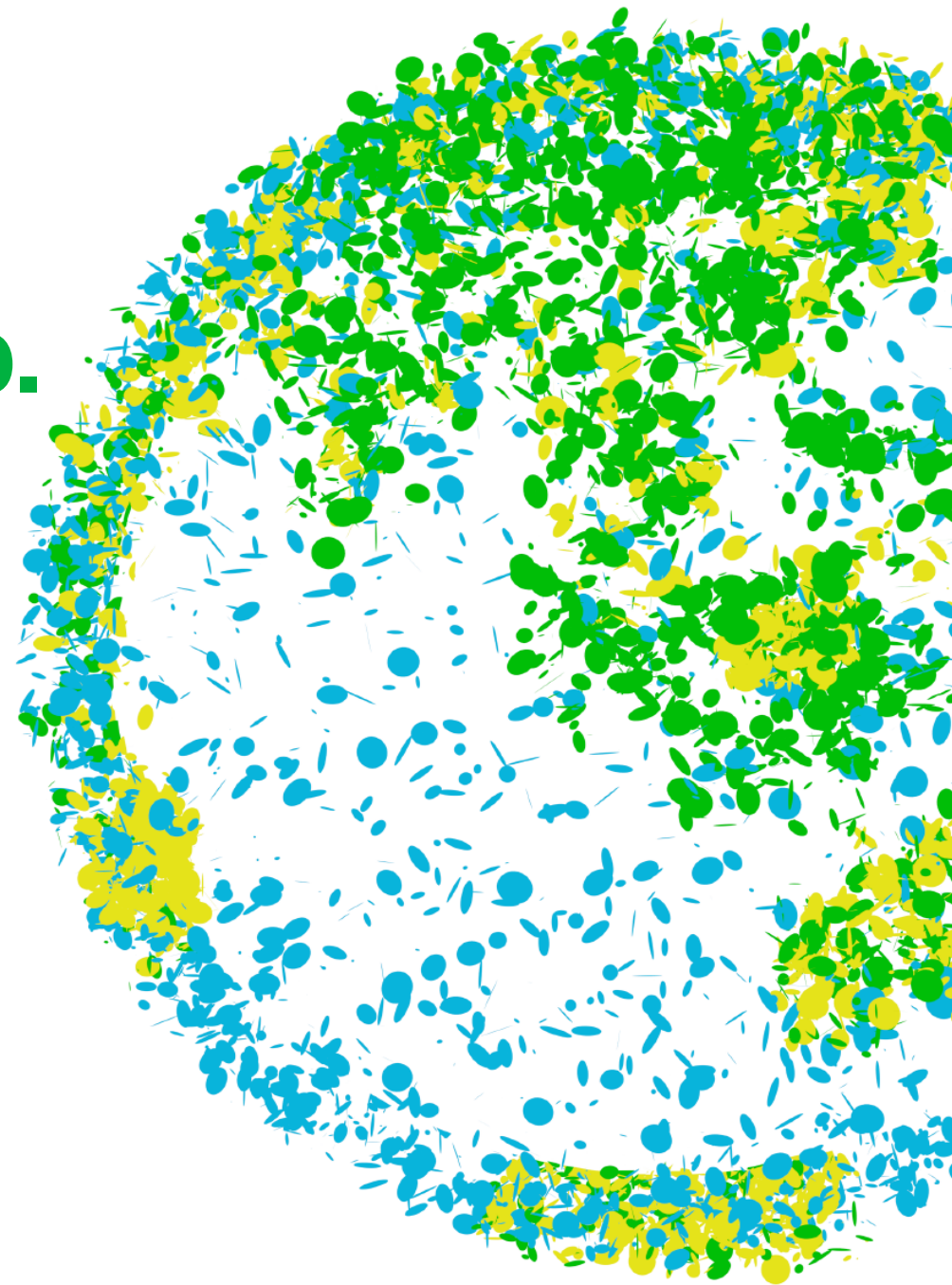


# ECOVE Environment Corp. 2021 3<sup>rd</sup> Institutional Investor Conference

2021.08.31



# 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
- Summary of Financial Report
- Future Outlook

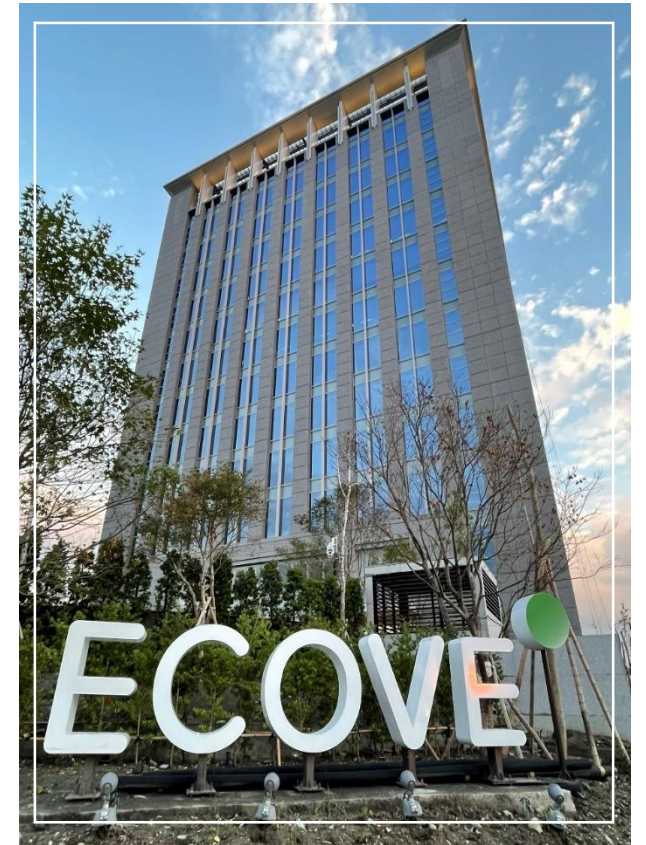
# Review



# New Office – CTCI 2<sup>nd</sup> HQ



- In response to the trend of globalization and intelligentization, and in consideration of subsidiaries' operation and the need to enhance the effect of double brands, CTCI Group, on the occasion of 40<sup>th</sup> anniversary, established the 2<sup>nd</sup> HQ.
- In addition to introducing green building engineering, the 2<sup>nd</sup> HQ, through Cloud system, IoT, big data, and artificial intelligence, is a building with energy saving, sustainability, and is environment-friendly.
- ECOVE, since Aug. 1<sup>st</sup>, 2020, has relocated into the 2<sup>nd</sup> HQ.





# Corporate Comprehensive Performance

## Corporate Governance



- Top 5 % in Corporate Governance Evaluation
- Top 10% among the listed non-financial electronics companies with a market value of more than 10 billion NTD, and the only one that has been awarded a ranking for 3 years in a row
- In 2020, Keelung Plant was evaluated as Outstanding, and Taoyuan and Miaoli Plant was evaluated as Advanced by EPA in the annual evaluation

## Environmental Sustainability



- ECOVE SRC, the 1<sup>st</sup> in Taiwan, obtained the certificates for both carbon neutralization and circular economy
- Miaoli Plant has obtained the Carbon Reduction Label

## Social Co-Prosperity



- Badge of Accredited Healthy Workplace
- Environmental Education Facility Certificates for 5 plants

# Energy-from-Waste and Mechatronic Maintenance

## Energy-from-Waste (EfW)

### Domestic

- Changhua Xizhou EfW Plant O&M & Revamping Project
- Taichung Houli EfW Plant O&M and Expansion 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



# Energy-from-Waste and Mechatronic Maintenance

## Mechatronic Maintenance



- Hi-Tech Enterprise Utility O&M Projects
- Taoyuan Metro Flood Control System O&M Prject
- Taichung Harbor Fumigation Equipment Maintenance Project





# Photovoltaics

## Investment

- 5 Projects has been connected to national grid and 38 Projects is undergoing application and construction
  - ✓ Rooftop: Including THSR stations, metro stations, aviation stations, harbor area building rooftops, etc.
  - ✓ Ground-Mounted: Including landfills, parking lots, etc.
  - ✓ Floating: Including detention ponds, reservoirs, etc.

## O&M

- Use thermal drones for inspection and AI monitoring equipment to enhance the efficiency and efficacy of O&M
- Including self-owned and external projects, 138 Projects in total



# Recycling and Reuse

## Waste Solvent

### Waste IPA 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

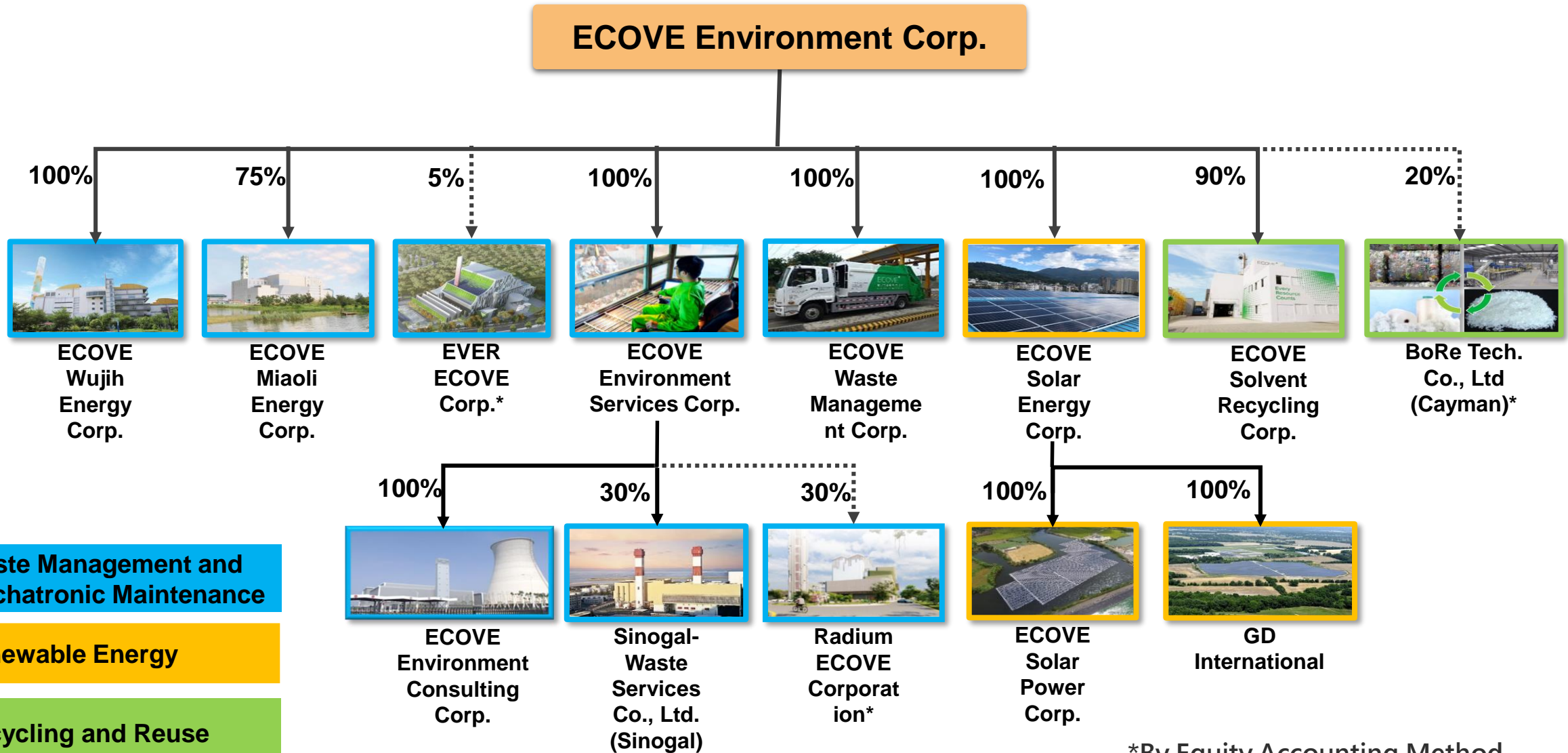
- New Taipei City Linkou Water Resource Recycling Center O&M Project
- Kaohsiung Central Region Wastewater Treatment Plant Equipment Upgrade Project
- Pintung Agriculture Bio-Science Park Water Resource Plant Equipment Upgrade Project



# Summary of Financial Report



# Investment Structure



Waste Management and Mechatronic Maintenance

Renewable Energy

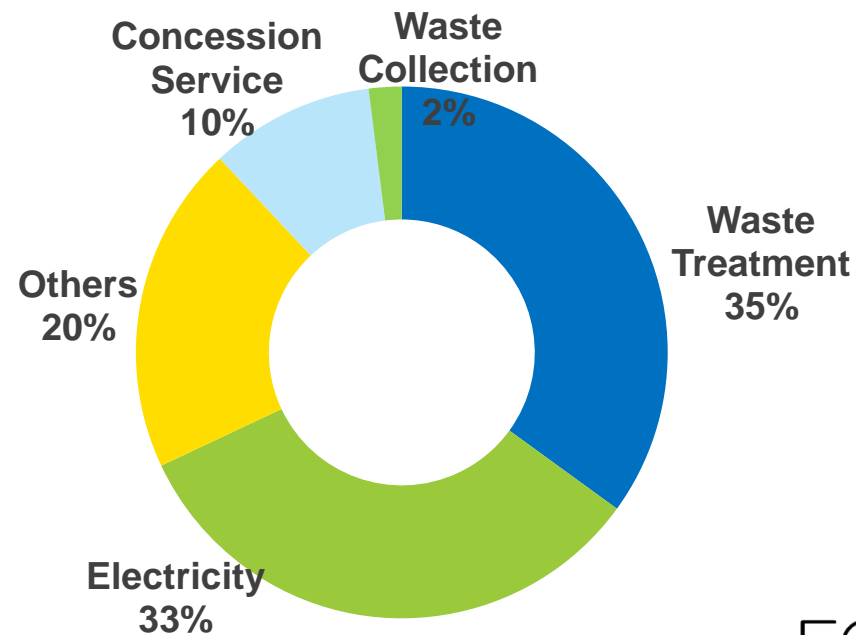
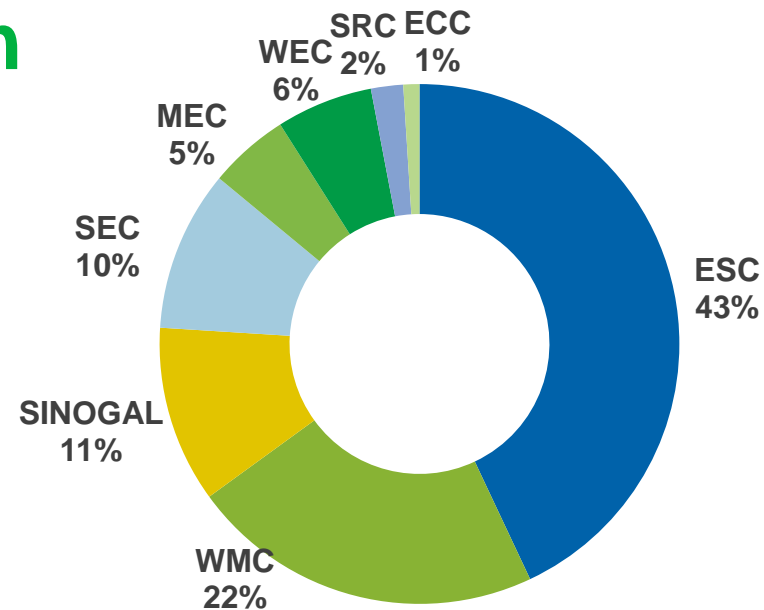
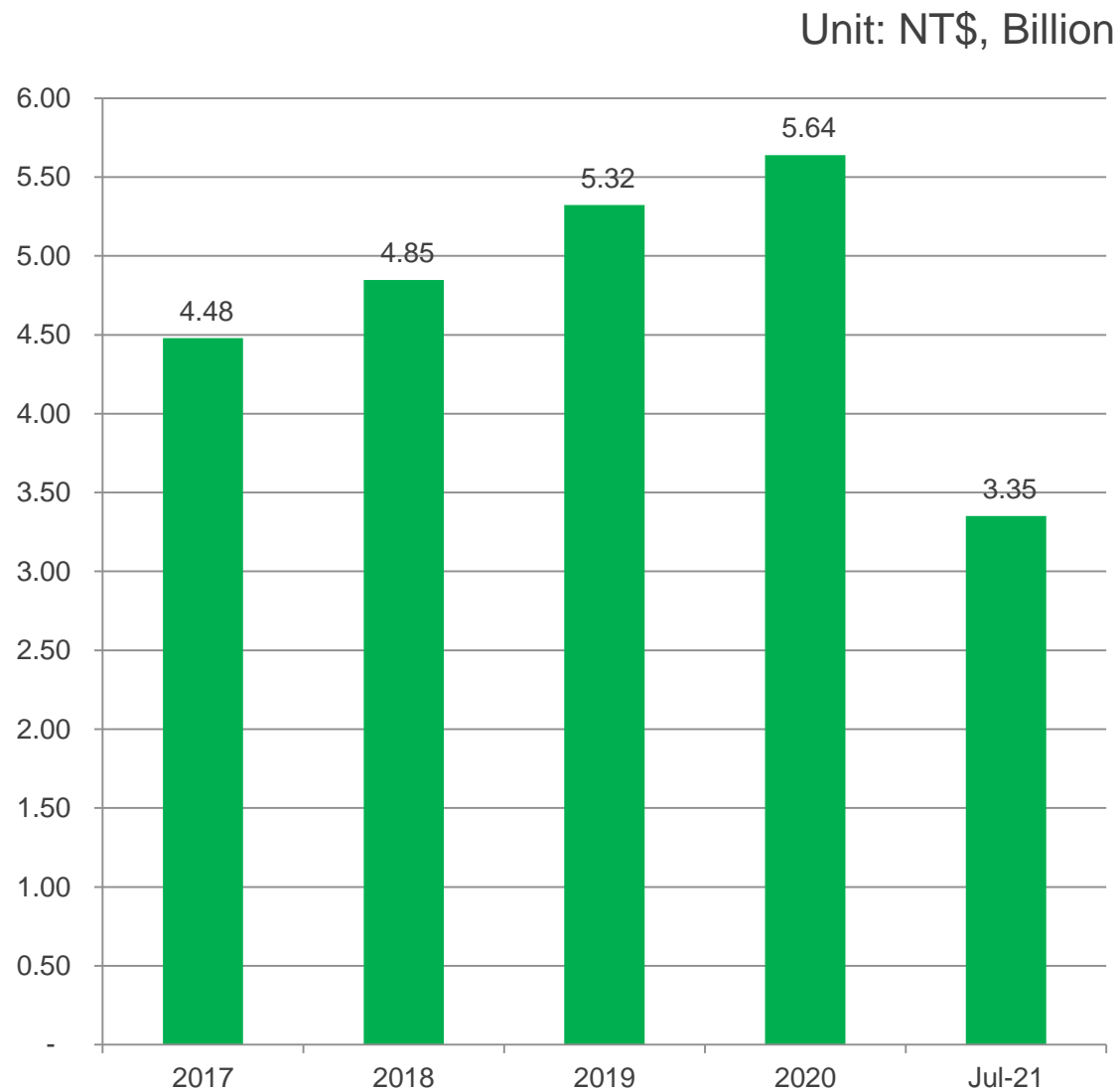
Recycling and Reuse

\*By Equity Accounting Method





# Consolidated Revenue Breakdown



# 2021Q2 Consolidated Income Statement

Unit: NT\$, Thousand

	<u>2021Q2</u>		<u>2020Q2</u>		<u>YOY</u>
Operating Revenue	2,819,897	100.0%	2,648,694	100.0%	6.5%
Operating Costs	(2,106,260)	-74.7%	(1,984,861)	-74.9%	6.1%
Gross Profit	713,637	25.3%	663,833	25.1%	7.5%
Operating Expenses	(90,344)	-3.2%	(88,931)	-3.4%	1.6%
Operating Profit	623,293	22.1%	574,902	21.7%	8.4%
Total Non-Operating Income and Expenses	32,723	1.2%	29,746	1.1%	10.0%
Profit before income tax	656,016	23.3%	604,648	22.8%	8.5%
Income Tax Expense	(140,027)	-5.0%	(113,898)	-4.4%	22.9%
Profit for the period	515,989	18.3%	490,750	18.4%	5.1%
Profit attributable to Owners of the parent	445,786	15.8%	407,609	15.4%	9.4%
Earnings Per Share	<b>6.45</b>		<b>6.07</b>		6.3%
Number of shares outstanding (thousand shares)	69,112		67,105		

# 2021Q2 Consolidated Balance Sheet

Unit: NT\$, Thousand

	<u>2021/06/30</u>		<u>2020/06/30</u>	
<b>Current assets*</b>	5,480,720	48%	3,882,995	40%
<b>Non-current assets</b>	6,034,798	52%	5,926,768	60%
<b>Total assets</b>	11,515,518	100%	9,809,763	100%
<b>Current liabilities</b>	3,197,610	28%	2,708,964	27%
<b>Non-current liabilities</b>	3,063,029	26%	2,030,797	21%
<b>Total Liabilities</b>	6,260,639	54%	4,739,761	48%
<b>Equity attributable to owners of the parent</b>	4,917,453	43%	4,657,454	48%
<b>Non-controlling interest</b>	337,426	3%	412,548	4%
<b>Total equity</b>	5,254,879	46%	5,070,002	52%
<b>Total liabilities and equity</b>	11,515,518	100%	9,809,763	100%

\* Cash and cash equivalents:NT\$1.63bn.

# Future Outlook





# Energy-from-Waste and Mechatronic Maintenance

## EfW

### Domestic

For the next 3 years, 10 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)
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	Procurement Law (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)

# Energy-from-Waste and Mechatronic Maintenance

## 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



# Energy-from-Waste and Mechatronic Maintenance

## Mechatronic Maintenance

- 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.
- Railways: For the next five years, there will be opportunities in dynamic testing and O&M services for future main lines and depots. Also, through our past experience in O&M services for Kaohsiung and Danhai LRTs, we will cooperate with Group to pursue the O&M services for newly-constructed LRTs.
- 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 international airports.





# Photovoltaic

The government has a goal of achieving 20 GW of PV establishment by 2025, and the need of green supply chain and renewable energy has been rising. Also, in major markets such as the US, the governments have also set up goals, such as carbon reduction and expansion of renewable energy usage.

- In Taiwan, we will focus on organic growth and make plans for green power trading
- 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

## Water Treatment

- So far, the government and hi-tech enterprises have planned to build new water reclamation plants with a total capacity of 500,000 CMD. Group has secured the projects at Fengshan and Linghai, 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
Hi-Tech Water Reclamation Plant (obtained)	2.00
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	1.00

Plant	CMD(10,000)
Fengyuan Water Resource Center	1.00
Futian Water Resource Center	5.80
Rende Water Resource Center	0.80
Nanzi Water Resource Center	2.00
Gangshan & Qiaotou Water Resource Center	2.00
Binjiang Water Resource Center	16.00

Plant	CMD(10,000)
Taoyuan Desalination Plant	10
Hsinchu Desalination Plant	10
Chiayi Desalination Plant	10
Tainan Desalination Plant	20
Kaohsiung Desalination Plant	10

# Recycling and Reuse

## Semi-Conductor Waste

Will pay attention to the waste recycling and reuse idea of Taiwan's hi-tech enterprises and pursue any business opportunities

ECOVE<sup>®</sup>

Every Resource Counts

