



ZhongDe Waste Technology AG

Annual General Meeting 2015

June 26, 2015

Clean
Technology
for the
Future



Agenda



1

Introduction ZhongDe Group

2

Current projects



3

Financial results 2014

4

Q1 2015 results



5

Market environment & Outlook

Introduction – ZhongDe’s business model



Design and development of waste-to-energy process solutions



EPC* projects (“Turnkey projects”)

BOT** and BOO*** projects

- Analysing the environmental conditions (e.g. climate, humidity)
- Evaluating the kinds and characteristics of waste
- Customizing the waste-to-energy plant according to the customer’s needs (e.g. available capacity)

- General contractor
- Sourcing of parts
- Management of sub-contractors
- Inspection of purchased equipment and materials
- Construction and assembly
- Quality control
- Time and budget control
- Delivery
- Performance testing

- Training of customer staff
- Maintenance services
- Spare parts
- Repair services

- Provision of waste-to-energy services (generation of waste-disposal fees)
- Monitoring of harmful flue gas disposal (i.e. dioxins, acid gases and nitrogen oxides)
- Sale of energy (electricity, steam, hot water) and by-products (bricks)

1-2 months

2-24 months

ongoing

20-30 years

* Engineering-Procurement-Construction

**Build-Operate-Transfer

***Build-Operate-Own

Well-experienced management team



Zefeng Chen, CEO

- Founder and main shareholder of the company (50.8%)
- More than 17 years of experience in the environmental protection industry
- Deputy Director China National Association of Environmental Protection Industry (CAEPI)
- Member of the People's Congress of Fujian Province
- MBA at Tsinghua University



William Jiuhua Wang, CFO

- Deputy General Finance Manager for China's largest commercial real estate company, the Wanda Group
- CFO for Beijing Lining Sports Co. Ltd (listed at Hong Kong Stock Exchange)
- Senior Management positions in finance, accounting, controlling, investment and strategy in several "Fortune 500" multinational companies, e.g. AIG, Johnson & Johnson
- B.A. in International Economics at Fudan University, MBA at Steinbeis University Berlin
- Award of Outstanding CFO 2010 in China

Supervisory Board with strong dedication to Corporate Governance



Gerrit Kaufhold // Chairman of the Supervisory Board



- Auditor and tax consultant
- Since 2005 at Dr. Schmitz & Partner / HRG Hansische Revisions-Gesellschaft mbH, Hamburg
- Senior Management positions at Deutsche Bank, Arthur Andersen and Esche Schümann Commichau

Prof. Dr. Bernd Neukirchen // Deputy Chairman of the Supervisory Board



- Experienced process engineer & 35 years of professional experience in waste management
- Prior Senior Management positions at special waste treatment plants, e.g. at Gesellschaft zur Beseitigung von Sondermüll in Bayern mbH (GSB, Bavarian hazardous waste management company) and led several subsidiary companies of STEAG AG

Frank Feng-Chang-Chang // Member of the Supervisory Board



- Non-Executive Director of Yamada Green Resources Ltd., Singapore
- Senior Partner and Head of International Services at Grant Thornton Zhonghua CPAs and BDO Shanghai Zhonghua CPAs



Current projects

ZhongDe made remarkable progress in its current waste-to-energy projects



BOT projects	Percentage of completion as of December 31, 2014	Expected completion
Zhoukou (500T)	89.2%	2015
Kunming (700T)	82.1%	2016
Xianning (600T)	95.1%	2015
Lanzhou (2,000 T)	18.1%	2018

EPC projects	Percentage of completion as of December 31, 2014	Expected completion
Dingzhou (600T)	47.0%	2015
Zhucheng (500T)	70.1%	2015
Wuhai (1,000T)	Ready for construction	2017

Projects under construction (Zhoukou BOT)



Projects under construction (Xianning BOT)



Projects under construction (Dingzhou EPC)



Projects under construction (Zhucheng EPC)



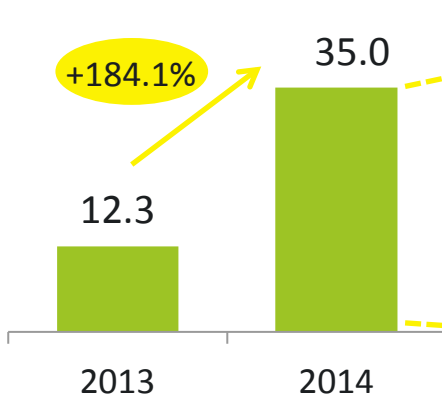


Financial results 2014

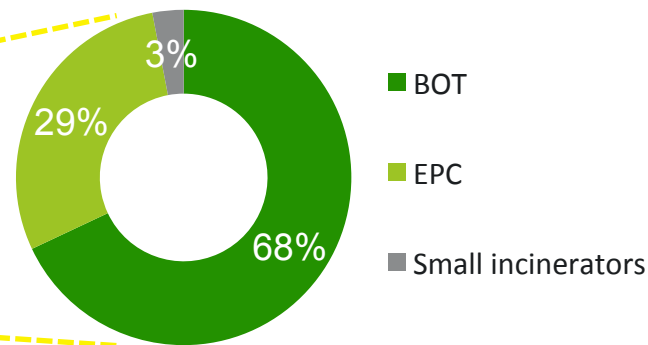
Strong revenue and gross profit increase due to project progress



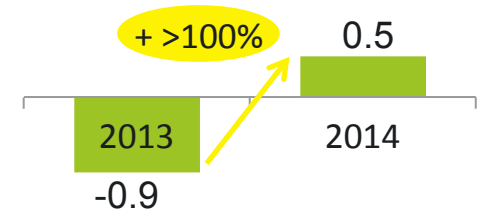
Revenues (€ million)



Revenue by segment (2014)



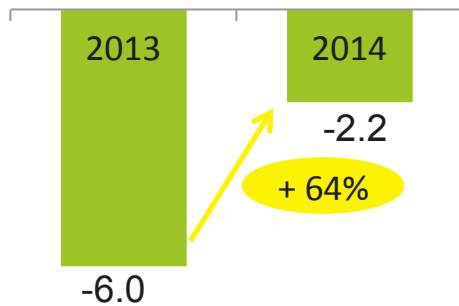
Gross profit (€ million)



- Significant revenue increase mainly due to progress of Lanzhou project (€ 19.0 million) and Dingzhou (€ 8.5 million)
- BOT projects accounted for zero-profit method since Q2 2013 and with a portion of 68% still main group revenue contributor
- Cost of sales increased by 162%
- Gross profit increase lower than revenue growth

Operating profit significantly improved, but influenced by extraordinary effects

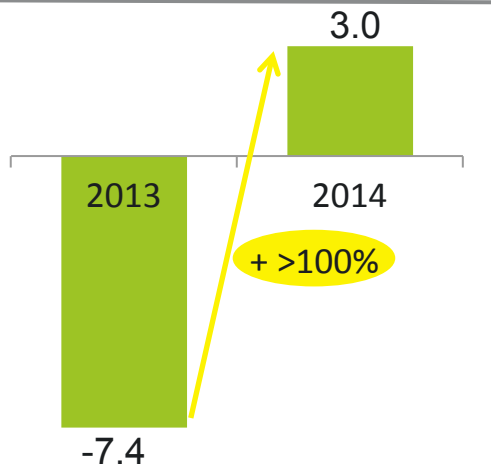
EBITDA adjusted (€ million)



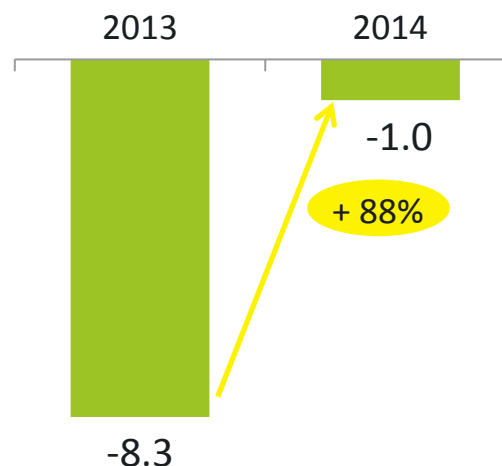
- Reconciliation from EBITDA adjusted → EBITDA → EBIT:

in k€	2014	2013	Change
EBITDA adjusted	-2,181	-6,026	64%
Profits from sales of subsidiary	0	10,302	-100%
EBITDA	-2,181	4,276	<-100%
Depreciation	147	317	-54%
Amortization	37	28	32%
Appreciation/Impairment	-5,360	11,368	<-100%
EBIT	2,995	-7,437	>100%

EBIT (€ million)



Net result (€ million)

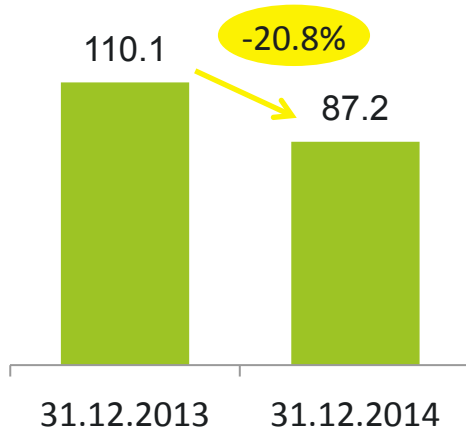


- Increased finance expenses due to bank loan usage for the project construction and increased tax expenses resulted in a net loss.

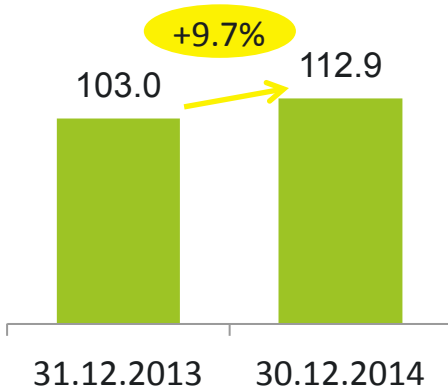
Good cash position and equity ratio ensures flexibility for future investments



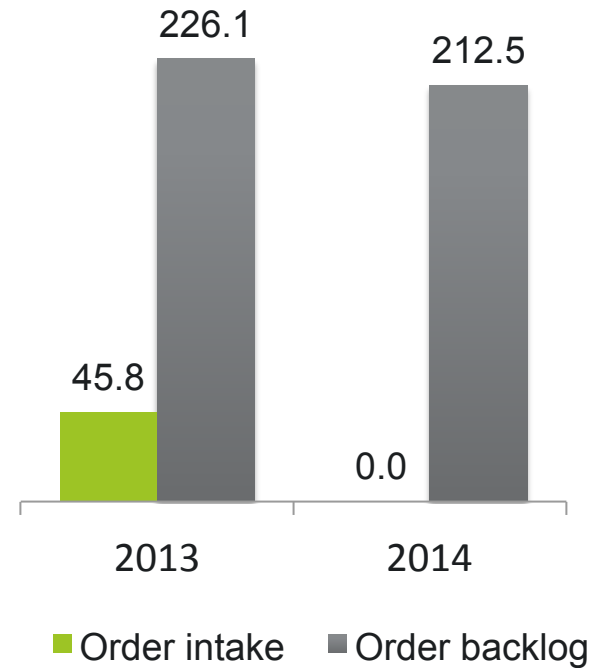
Cash and cash equivalents (€ million)



Equity (€ million)



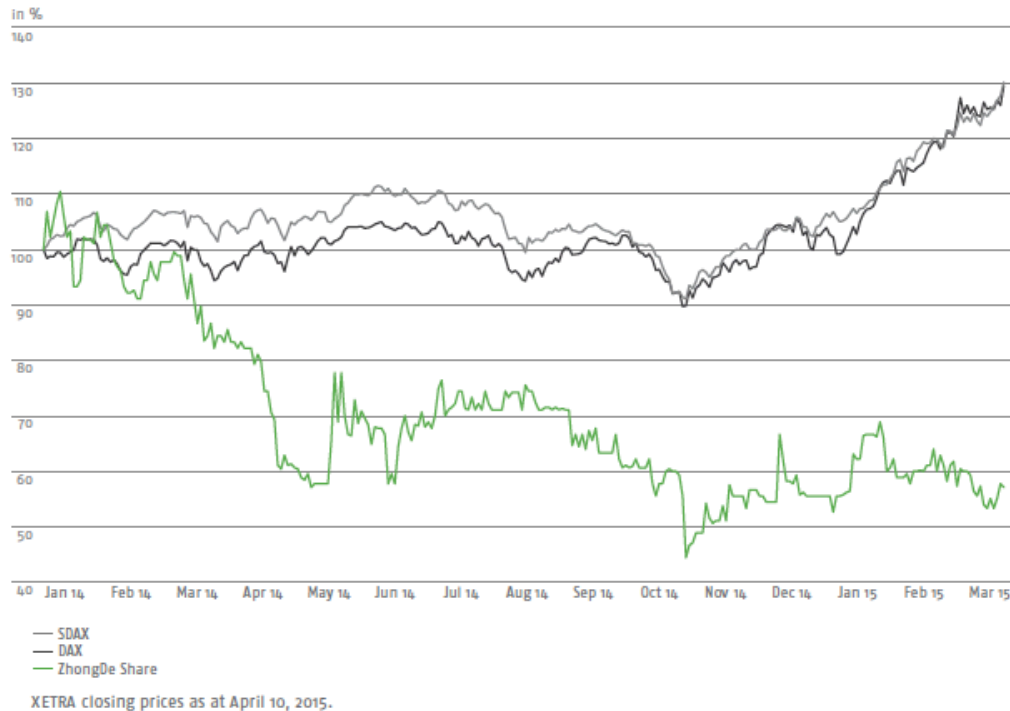
Order situation (€ million)



ZhongDe share could not resist negative peer group sentiment



Share price performance (Jan 2014 – Apr 2015)



Shareholder structure (as of Apr 29, 2015)



- Zefeng Chen (50.86 %)
- Free Float (40.81 %)
- Jun Ma (5.25 %)



Q1 2015 results

Solid start into the financial year 2015



- Revenues increased significantly from € 1.1 million to € 5.6 million year-on-year
 - Driven by revenue recognition according to percentage-of-completion of BOT projects (88%) and EPC projects (12%)
- EBIT improved by about 30% to € -1.0 million (Q1 2014: € -1.4 million)
 - Profits of BOT projects not reflected here, since zero-profit-method is applied
- Slightly better net result of € -2.2 million (Q1 2014: € -2.3 million)
 - Relatively higher tax burden due to taxable profits caused by foreign exchange gains
- No new orders in the first quarter
- Solid cash position of € 90.5 million (as of Dec 31, 2014: € 87.2 million)



Market environment & Outlook

Positive market environment and strong political support for the waste-to-energy industry



In July 2014, the Chinese National Development and Reform Commission released the National Key Promotion of Low-Carbon Technologies Directory:

- 34 kinds of low-carbon technologies included, inter alia WTE technology
- Total investment of RMB 26 billion in WTE technology (Rank 3 of all technologies)
- Targets:
 - 30% of municipal waste treatment with WTE technology in the next 5 years
 - Daily processing capacity of 100,000 tons or above
 - Carbon emission reduction equalling to be 7.65 million tons of carbon dioxide per year
- More than 300 waste-to-energy facilities expected with daily capacity of 300,000 tons as at the end of 2015
- Market volume prospect of waste-to-energy industry in China: about RMB 200 billion

Strategic milestones

- Focus on improving project management capacities for large-size waste-to-energy projects
- Expected project completion in 2015:
 - 2 BOT projects: Zhoukou, Xianning
 - 2 EPC projects: Dingzhou, Zhucheng
- Confident to sign new contracts in 2015 to counter stiffer competition
- Strengthen focus on EPC projects, since profits can be generated quicker

Financial guidance 2015

- FY 2015 remains a transition period
- Rapid growth in revenues and gross profit as well as improved operating results turning into a positive net result
- All forecasts contain the uncertainty relating to project delays caused by external and internal factors, that are difficult to predict

Thank you very much for
your attention!

Clean Technology for the Future



Financial calendar 2015 / Investor Relations contact



IR events 2015*

August 28

Publication of half-year report

November 23-25

German Equity Forum,
Frankfurt/ Main

November 27

Publication of 9M/Q3 report

* All dates are provisional and may be subject to change

IR contact

ZhongDe Waste Technology AG

William Wang (CFO)

Email: william.jw@zhongdetech.com

Kirchhoff Consult AG

Nicole Schüttforth, Senior Consultant

T.: +49 40 60 91 86 0

F.: +49 40 60 91 86 60

Email: nicole.schuettforth@kirchhoff.de

Disclaimer



This presentation was prepared by ZhongDe Waste Technology AG solely for use at the Management presentation. It is furnished to you solely for your information, should not be treated as giving investment advice and may not be copied, distributed or otherwise made available to any other person by any recipient.

The facts and information contained herein are as up to date as is reasonably possible and are subject to revision in the future. Neither ZhongDe Waste Technology AG nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this presentation. Neither ZhongDe Waste Technology AG nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for losses howsoever arising, directly or indirectly, from any use of this presentation. Whilst all reasonable care has been taken to ensure that the facts stated herein are accurate and that the opinions contained herein are fair and reasonable, this document is selective in nature and is intended to provide an introduction to, and overview of, the business of ZhongDe Waste Technology AG. Any opinions expressed in this document are subject to change without notice and neither ZhongDe Waste Technology AG nor any other person is under any obligation to update or keep current the information contained herein. In addition, institutions mentioned in this document, their affiliates, agents, directors, partners and employees may make purchases and/or sales as principal or agent or may act as market maker or provide investment banking or other services. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by ZhongDe Waste Technology AG as being accurate.

This presentation contains forward-looking statements, which involve risks uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These forward-looking statements reflect ZhongDe Waste Technology AG's current expectations and projections about future events and may be identified by words such as "expectation" or "target" or "forecast" and similar expressions, or by their context. These forward-looking statements are made on the basis of current knowledge and assumptions. Various factors could cause actual future results, performance or events to differ materially from those described in these forward-looking statements. No obligation is assumed to update any forward-looking statements. This presentation does not constitute an offer or invitation purchase shares of ZhongDe Waste Technology AG and neither this document nor anything contained herein shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.