

ZhongDe Waste Technology AG



German Equity Forum

November 11-13, 2013

William J. Wang, CFO

→ Modern Waste Disposal Solutions...for Generations to Come

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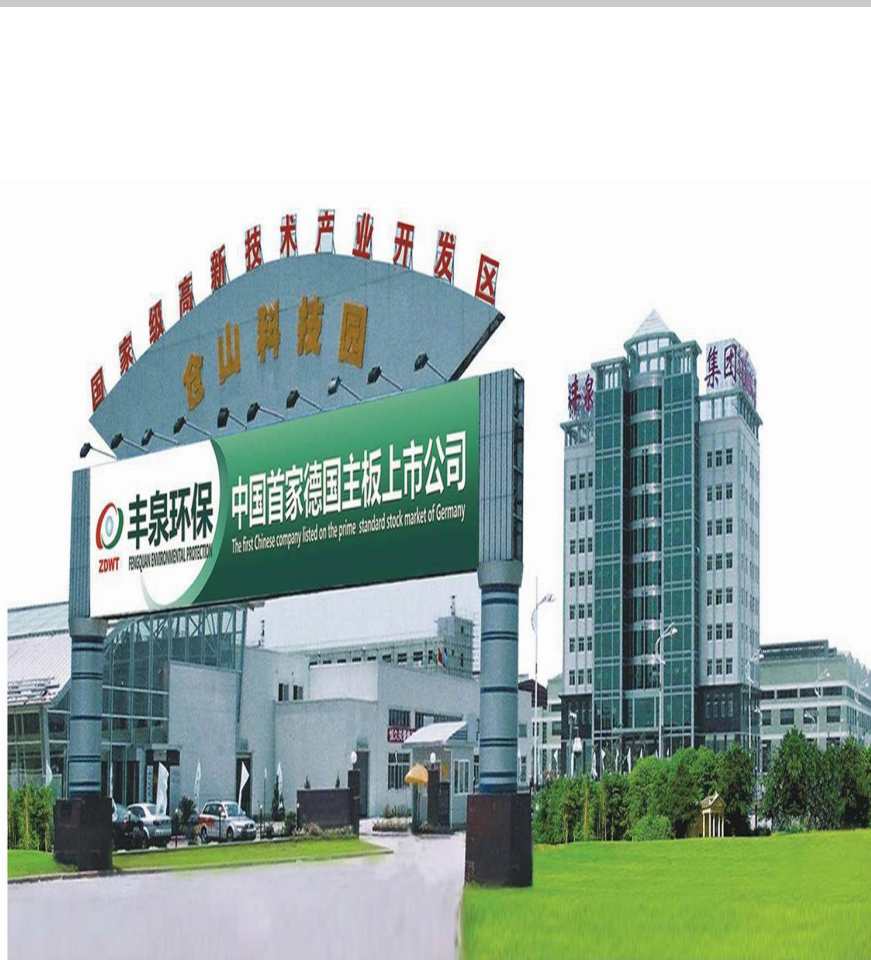
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ZhongDe at a glance

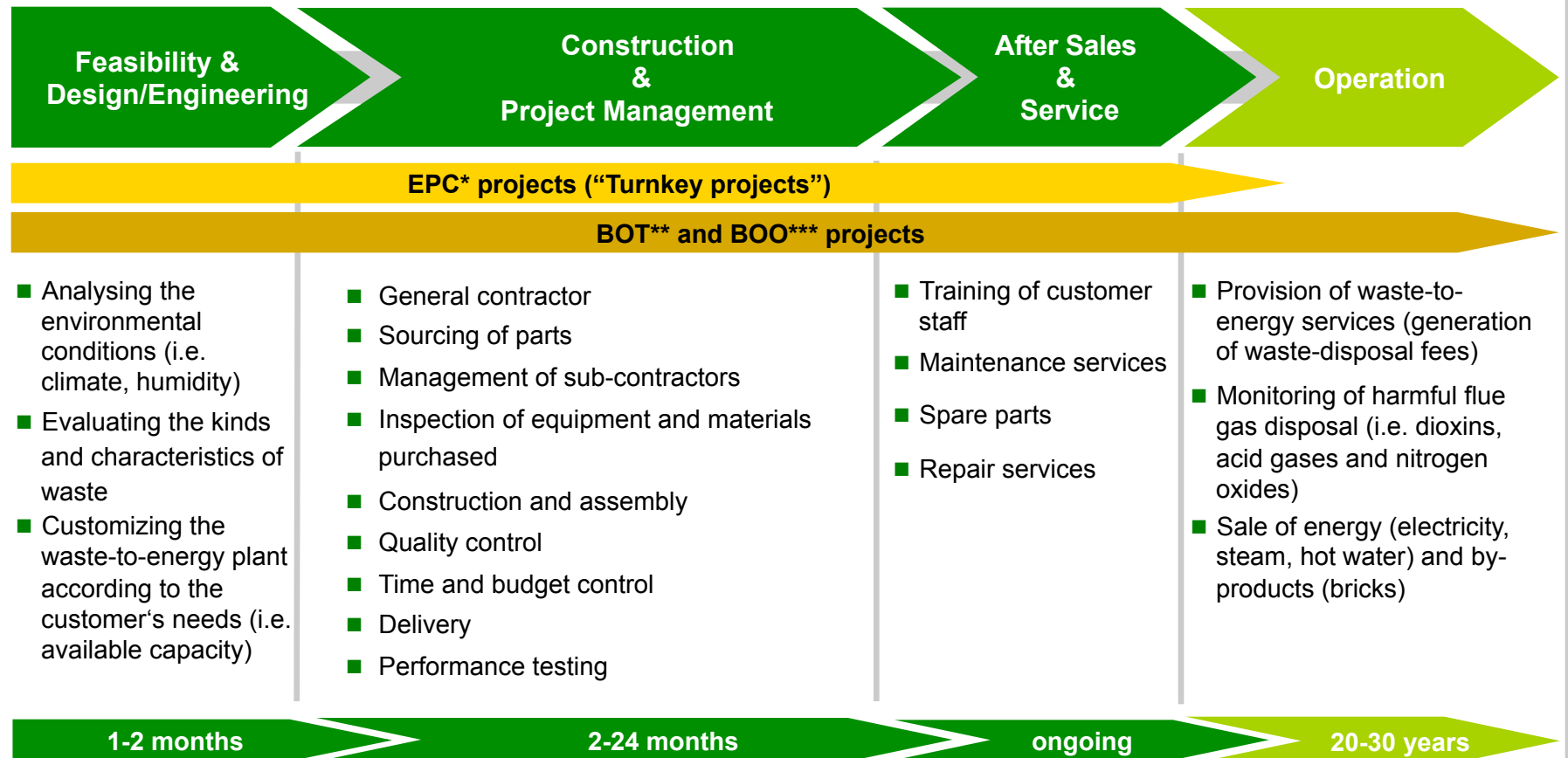


- Founded in 1996, IPO in 2007 (Prime Standard)
- ZhongDe Waste Technology AG designs, constructs, invests and operates energy-from-waste plants, which generate electricity from the disposal of solid municipal and industrial (including hazardous) waste with focus on Chinese efw-market
- Key business: EPC (Engineering, Procurement and Construction) and BOT (Built, Operate and Transfer) projects
- Locations: Frankfurt am Main (Registered office German AG), Beijing (Chinese headquarter), Fuzhou (Production)

ZhongDe's business model



Design and development of waste-to-energy process solutions



* Engineering-Procurement-Construction

**Build-Operate-Transfer

***Build-Operate-Own

Datong project serves as “Green Plant Model”



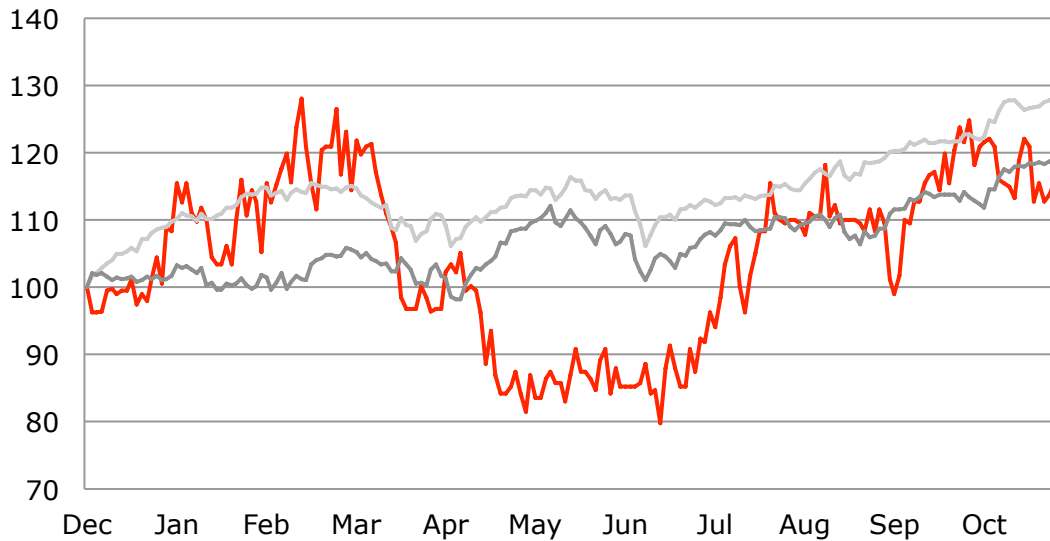
Key data:

- EPC project, reference example
- Start of operation: November 2009
- Annual waste disposal capacity: 360,000 tons
- Annual generation of electricity: 220 million KWh

ZhongDe share price could recover during Q3 / Q4



Performance (Jan 1 – Nov 6, 2013)

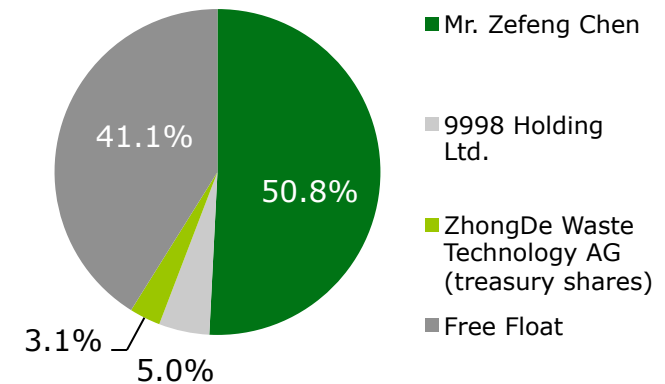


ZDWT

SDAX

DAX

Shareholder structure*



* as of November 6, 2013

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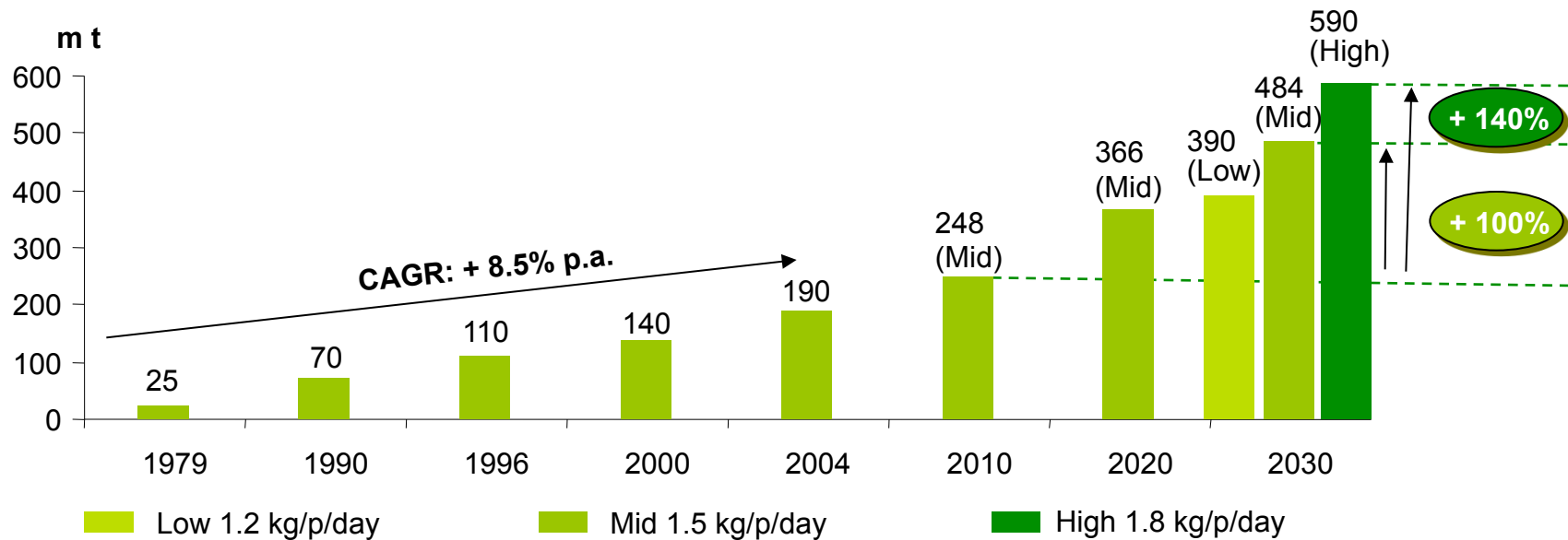
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Chinese energy-from-waste market is growing at a high pace



Growth of Municipal Solid Waste (MSW) generation in China



CAGR scenarios:

- High: +4.5%
- Mid: +3.6%
- Low: +2.8%

→ China surpassed the US as the world's largest municipal solid waste generator at an unprecedented growth rate

Energy-from-waste market drivers in China

- Huge population and limited land resources
- Urbanisation
 - In 2012, urban population in China reached 52.6% or 711.8 million people
 - Urban residents produce 2-3 times more waste than rural residents
- Increasing affluence and higher average incomes
- Increase in waste collection rates are expected to raise from 30% today to 60-70% in the future (Korea 66%, Taiwan 55%)

12th Five-Year Plan with strong focus on environmental issues



The State Council for municipal waste disposal supports the waste-to-energy industry:

On 19 April 2012, the State Council issued the National Municipal Waste Hazard-free Treatment for the period of the 12th Five-Year Plan. The conference identified the following policies and measures:

- The hazard-free treatment ratio for municipal waste on the city-level shall reach no less than 90% by 2015.
- Total investment for the construction of municipal waste hazard-free treatment facilities of RMB 263.6 billion.
- The capital city of each county shall be equipped with waste hazard-free treatment facility

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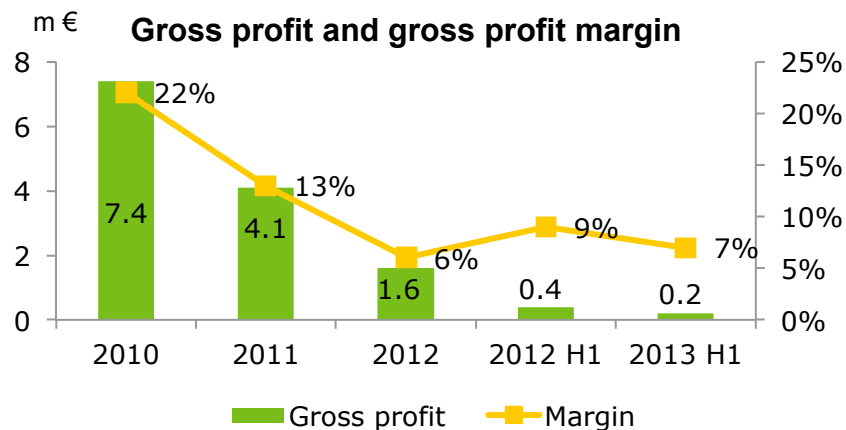
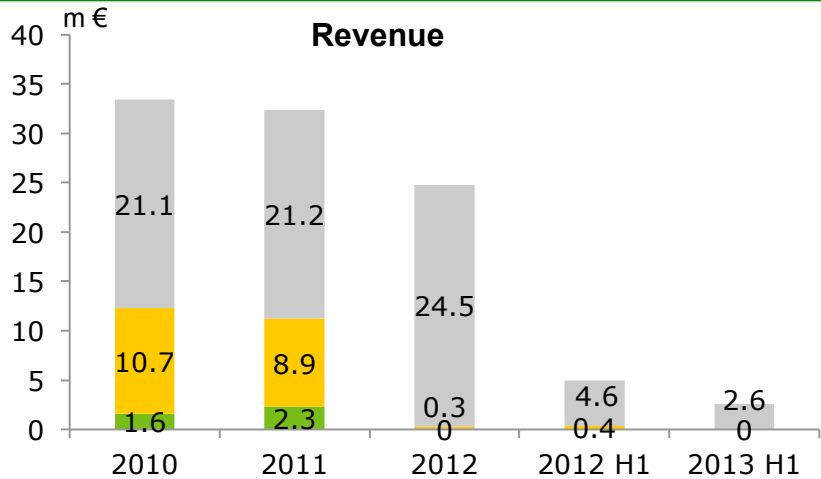
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H1 results still affected by delay of BOT projects



Revenue and Gross Profit



■ Incinerators
 ■ EPC
 ■ BOT

Comments

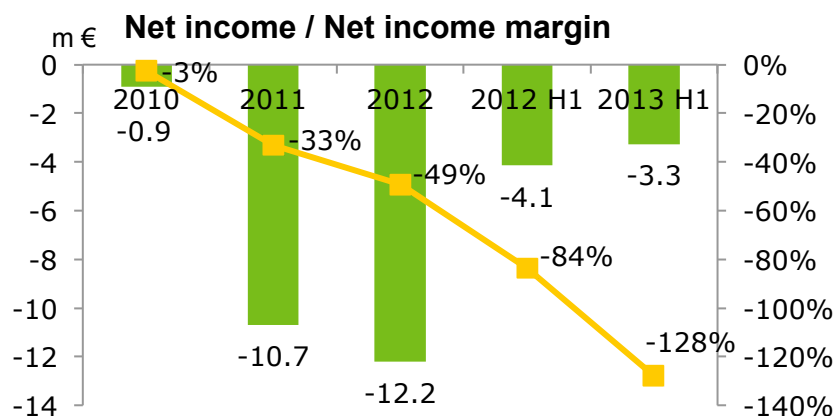
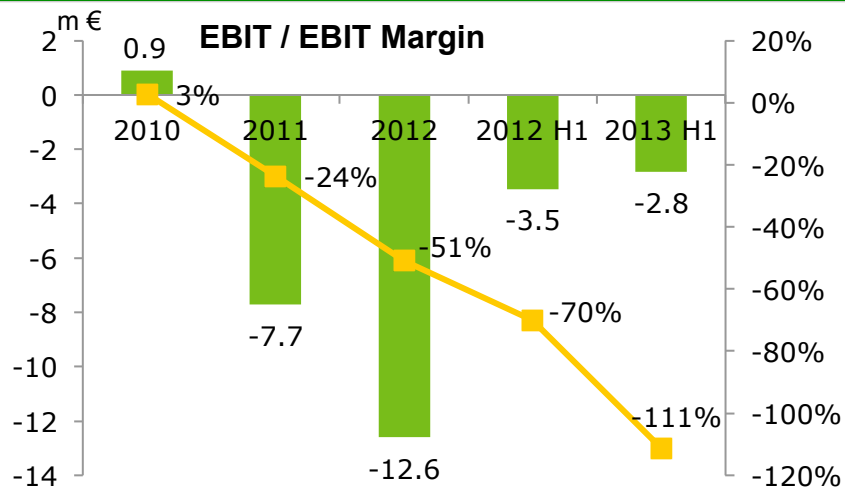
- In H1 2013, revenues decreased by 48.4% to € 2.6 million generated from BOT projects
- EPC projects accounted for 0% of total revenues in H1 2013, BOT for 100%

- Gross profit amounted to € 0.2 million, a 59.9% decrease year-on-year
- Gross profit margin of 6.9%

Slightly improved earnings situation



EBIT / Net income



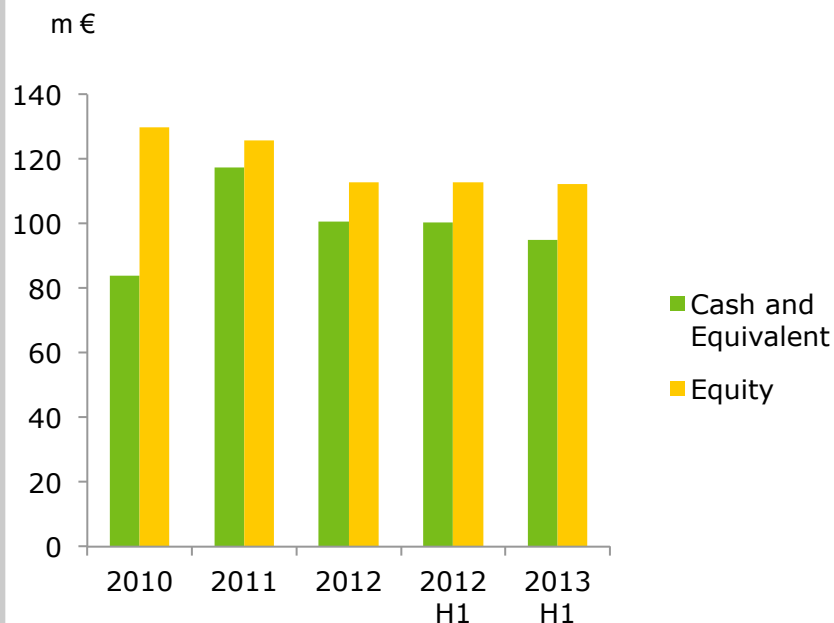
Comments

- EBIT increased by € 0.6 million to € -2.8 million in H1 2013
- EBIT margin of -111% (H1 2012: -70%)
- Net income of € -3.3 million in H1 2013 (H1 2012: € -4.2 million)
- Net income margin of -128% (H1 2012: -84%)
- The improved operative financial performance mainly results from the construction progress of the BOT projects in Kunming and Xianning

Strong cash position ensures flexibility



Cash and Equity



Comments

- As of 30 June 2013, cash and cash equivalents amounted to € 95.0 million (-5.3%)
- Net cash amounted to € 40.3 million (after deducting € 54.7 million of loan volume)
- Strong cash position ensures flexibility for BOT investments and bank loan negotiations
- Shareholders' equity stable at € 112.2 million (-0.5%)
- € 7.5 cash per share (€ 3.2 net cash per share)

Strong order position for future growth



Order intake & Order backlog



Comments

- Order intake of € 42.1 million in H1 2013
- Order backlog increased by 75.2% to € 248.69 million since 30 June 2012, mainly due to the new contracts for the Wuhai EPC-project and the Lanzhou BOT-project
- The proportion of small-size incinerators accounted for 1.7%, EPC projects accounted for 31.9%, and BOT projects 66.3% of total order backlog in H1 2013

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Expected completion of energy-from-waste projects

BOT	As of 30 June 2013 Percentage of Completion	Expected completion time
Feicheng	Trial Operation	-
Zhoukou (500T)	87.7%	2013
Kunming (700T)	67.8%	2014
Xianning (600T)	74.8%	2013

EPC	As of 30 June 2013 Percentage of Completion	Expected completion time
Dingzhou (600T)	16.7%	2014
Zhucheng (500T)	59.2%	2014
Zhaodong	Preliminary preparation stage	Might be cancelled
Shouguang	Preliminary preparation stage	Might be cancelled

Projects under construction (Zhoukou BOT)



Projects under construction (Kunming BOT)



Projects under construction (Xianning BOT)



Projects under construction (Zhucheng EPC)



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- Favorable economic environment for eco-friendly waste-disposal solutions in China
- Growing demand for energy-from-waste plants in China and throughout Asia due to increasing industrialization and urbanization
- The second half of 2013 will still be a transition phase characterized by organizational measures for the BOT and EPC projects
- Completion of two BOT projects (Zhoukou, Xianning) in 2013 and further construction progress of Dingzhou and Zhucheng EPC projects until the end of 2014
- Finish the preparation stage for both Lanzhou BOT and Wuhai EPC in Q4 2013 and start their construction phase in 2014
- Sale of Feicheng project in the mid-term
- ZhongDe's financial group results 2013 expected to be above 2012 results



**Thank you very much for your attention,
we look forward to your questions!**

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Experienced Management Team



Zefeng Chen, CEO

- Founder and main shareholder of the company (50.8%) of the company
- More than 16 years of experience in 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



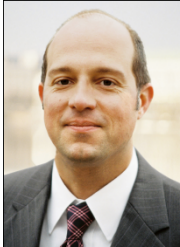
William Jiu Hua Wang, CFO

- Deputy General Finance Manager for China's largest commercial real estate company (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



Mr. Gerrit Kaufhold // Chairman of the Supervisory Board



- Auditor and tax consultant
- Since 2005 at Dr. Schmitz & Partner / HRG Hansische Revisions-Gesellschaft mbH, Hamburg; prior Senior Management positions at Deutsche Bank, Arthur Andersen and Esche Schümann Commichau
- Since 2011 Chairman of the Supervisory Board of Kinghero AG

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.

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

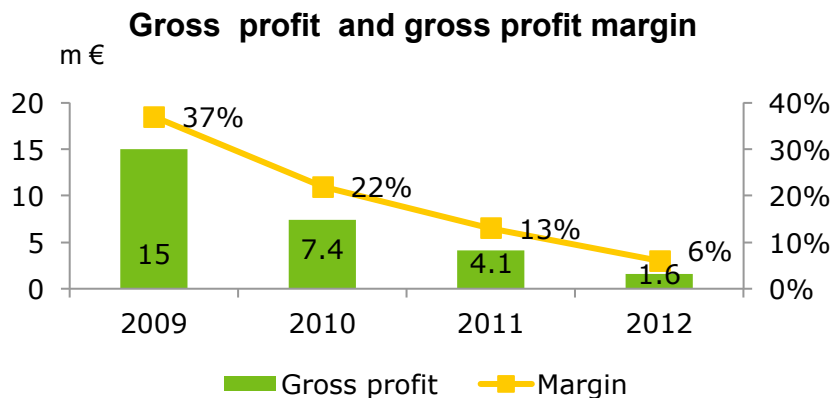
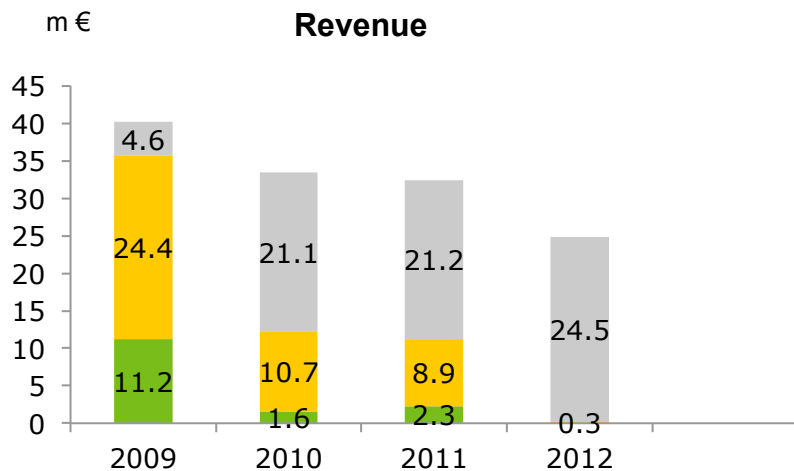


- Non-Executive Director of Yamada Green Resources Ltd., Singapore
- Previously Senior Partner and Head of International Services at Grant Thornton Zhonghua CPAs and BDO Shanghai Zhonghua CPAs.

2012 results burdened by BOT project delays and EPC project suspension



Revenue and Gross Profit



■ Incinerator ■ EPC ■ BOT

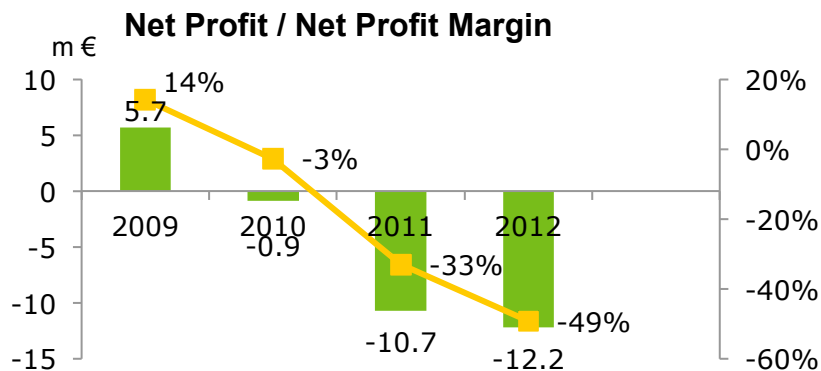
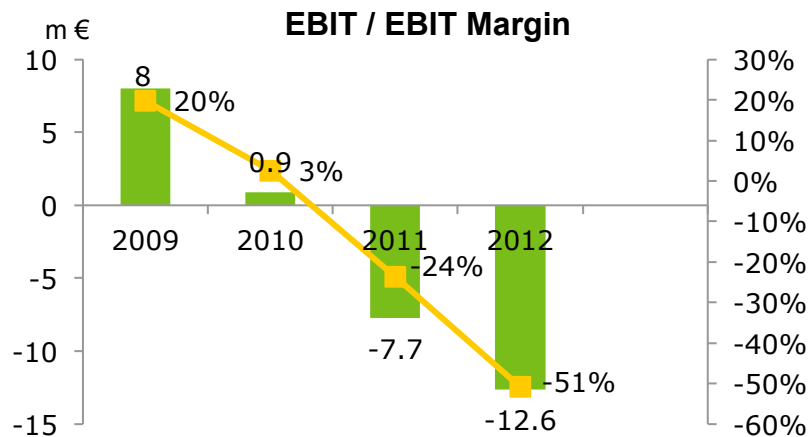
Comments

- In 2012, revenues decreased by 24% to € 24.8 million
- EPC projects accounted for 1% of total revenues in 2012, BOT for 99%
- The construction progress of the two EPC projects (Dingzhou, Zhucheng) was suspended according to the requirements from the EPC projects' owners
- The progress of the three BOT projects (Zhoukou, Kunming, Xianning) was slower than planned, mainly due to delays in obtaining required government approvals.
- Gross profit amounted to € 1.6 million, a 61% decrease year-on-year, gross profit margin went down to 6%

Additional negative one-off due to impairment



EBIT / Net profit

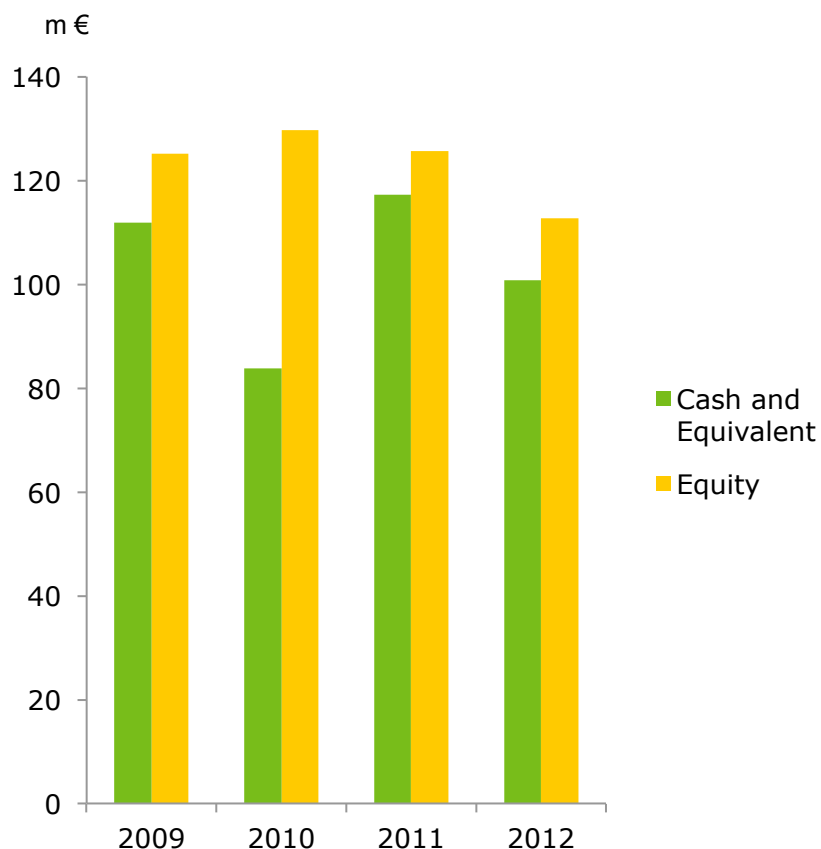


Comments

- EBIT decreased by 64 % to € -12.6 million
- Mainly due to € -7 million impairment charge of Zhoukou project's assets
- Adjust EBIT would be € -5.2 million, better than € -7.7 million in 2011, due to the decrease of selling and distribution and administration expenses
- Net profit decreased to € -12.2 million in 2012 (2011: € -10.7 million)

Solid cash position ensures flexibility

Cash and Equity



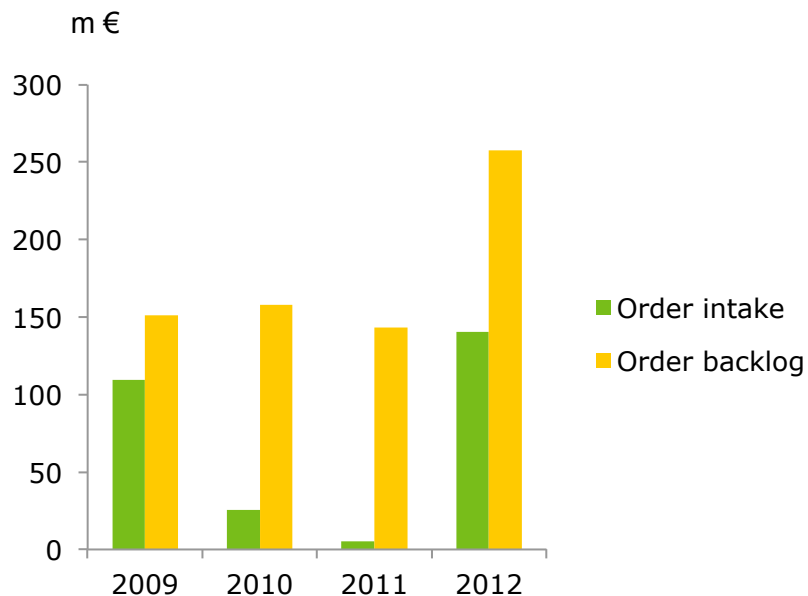
Comments

- As of 31 December 2012, cash and cash equivalents amounted to € 100.3 million (€ 117.3 million in 2011)
- Net cash amounted to € 47.8 million (after deducting € 52.9 million of loan volume)
- Strong cash position ensures flexibility for BOT investments and bank loan negotiations
- Shareholders' equity decreased by 10% to € 112.8 million
- € 8 cash per share (€ 3.8 net cash per share)

Strong increase of order position for future growth



Order intake & Order backlog



Comments

- New order intake increased greatly to € 140.6 million in 2012 relating to
 1. € 139.0 million new order intake from the new Lanzhou BOT project contract
 2. One 1.5 million small-size incinerator sale with Hai Zheng in Zhejiang province
- As a result, order backlog increased greatly to € 257.4 million in 2012 (€ 144.2 million in 2011)
- The proportion of small-size incinerators accounted for 2%, EPC projects accounted for 35%, and BOT projects 63% of total order backlog in 2012

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