



CDT Environmental Technology Co., Ltd.

CDT ENVIRONMENTAL TECHNOLOGY INVESTMENT HOLDINGS LIMITED

Nasdaq: **CDTG**

Investor Presentation May 2024



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WHO WE ARE

CDT ENVIRONMENTAL

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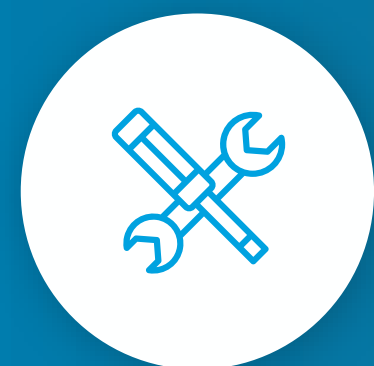


- ✓ Fast-growing wastewater treatment services and technology provider in China, founded 2012
- ✓ Purpose led organization focused on helping our customers solve the toughest wastewater challenges across industrial, commercial and residential markets
- ✓ IPO April 2024; trading on the Nasdaq as CDTG
- ✓ Service area primarily in high growth/high need areas of rural China
- ✓ Extensive operation and marketing network with 11 subsidiaries in 9 provinces in China
- ✓ Distinguished reputation as a provider of high quality and reliable service to our customers and communities
- ✓ Investing in new technology to create resilience and sustainable future



LONG TRACK RECORD OF SUCCESSFUL PROJECTS

- 1 Lianhua Town, Xiamen City, Fujian Province
- 2 Shentu Town, Zhangpu County, Fujian Province
- 3 Dongsheng Township, Shenyang City, Liaoning Province



Completed more than 60 rural sewage treatment plants in Fujian, Jiangxi, and Liaoning provinces





WHY INVEST IN CDT

CDT Environmental Technology Co., Ltd.



CDT Environmental Technology Co., Ltd. Is traded on the Nasdaq under the ticker symbol CDTG.

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Customer First Approach

Delivering industry leading compliance and improvements in reliability and efficiency while ensuring customer affordability

Strategically Positioned in Attractive Growth Areas

Large rural sewage treatment market in China, estimated to reach approximately U.S.\$29.9 billion in 2030 (*Source: Forward the Economist, January 2018*)

Building a Leading Wastewater Treatment Solution Portfolio

Competitive advantages with service offerings that include advanced rural sewage treatment technology, including our quick separation technology for cost-effective and decentralized treatment; and our advanced septic tank treatment systems, including our automated mobile system and integrated fixed system

Multi-lever Value Creation Model

Generating consistent value through our robust investment plan, government and regulatory credibility, operational excellence, and economies of scale

Experienced Management Team

Deep experiences in completed projects, multiple projects in the pipeline, disciplined capital allocation with M&A a potential strategic accelerator

High Growth Rate and Strong Financial Outlook

Executing on clear strategy to drive above market growth and enhance margins as our portfolio continues to evolve



FINANCIAL SUMMARY⁽¹⁾

FISCAL YEARS ENDED DECEMBER 31

	2023 (\$US MM)	2022 (\$US MM)	2021 (\$US MM)
Revenues	\$34.2	\$28.8	\$23.6
Gross Profit	\$11.4	\$10.3	\$8.5
Net Income	\$7.0	\$5.2	\$6.6

Estimated Use of Proceeds from April 2024 IPO⁽¹⁾

- ✓ Approximately 45% for working capital purposes for rural sewage treatment, including building sewage treatment equipment;
- ✓ Approximately 35% for implementation of new systems and services and potential mergers and acquisitions of subsidiaries, although no definitive merger or acquisition targets have been identified;
- ✓ Approximately 15% for research and development; with the remainder for Sales and marketing, additional working capital and general corporate purposes, including increasing the company's liquidity

(1) Reflects approximations

2024 FINANCIAL GUIDANCE ⁽¹⁾

REVENUES

**\$42.5 – \$47.0
Million**

**Midpoint of these
ranges would
represent growth
of 30% for
revenue and 35%
for net income**

NET INCOME

**\$8.7 – \$10.2
Million**

(1) Based on management expectations and reflects approximations.



PROJECTS IN BACKLOG AND PIPELINE

Two projects in backlog

Approximately 45% for working capital purposes for rural sewage treatment, including

- ✓ Approximately U.S. \$19.1 million for the Lianjiang Project
- ✓ Approximately U.S. \$4.1 million for the Wuyishan Project – Phase 2

Pipeline

In negotiations on four sewage treatment system projects, three of which are expected to be signed and commenced in the first quarter of 2024 and one expected to be signed and commenced in the second quarter of 2024



LEADERSHIP TEAM COMPRISED OF LONG-TIME INDUSTRY EXPERTS

Yunwu Li

Chairman and Chief Executive Officer

- Chairman of the board of directors and general manager of Shenzhen CDT Environmental Technology Co., Ltd.
- General manager of Fujian Optical Instrument Co., Ltd. (1987 to 1996)
- Chairman of the board of directors of Fujian Furi Electronics Co., Ltd. (Ticker: 600203), listed on the Shanghai Stock Exchange (July 1999 to November 2003)
- Chairman of the board of directors and general manager of Beijing Xinyuan Shidai Real Estate Development Co., Ltd. (March 2007 to May 2015)
- MBA degree from The Open University of Hong Kong

Tiefeng Wang

Chief Financial Officer

- Investment manager, Zhejiang Feida Environmental Science & Technology Co., Ltd. (Ticker: 600526) (January 2010 to July 2012)
- Financial controller, Xingyuan Environment Technology Co., Ltd. (Ticker: 300266), listed on the Growth Enterprise Market of the Shenzhen Stock Exchange (May 2015 to November 2019)
- Certified public accountant in China
- Bachelor's Degree in Industry and Business Administration from Hebei University of Geosciences

Zijiang Liu

CTO and VP

- Chief technology officer and vice president of septic tank treatment of Shenzhen CDT Environmental Technology Co., Ltd.
- Engineer of Volvo (China) Investment Co., Ltd. (April 2006 to November 2015)
- Bachelor's Degree in Automotive Design from Xi'an Highway Communication University



LEADERSHIP TEAM COMPRISED OF LONG-TIME INDUSTRY EXPERTS (CONTINUED)

Jianfei Yu

VP

- Vice president of rural sewage treatment of Shenzhen CDT Environmental Technology Co., Ltd.
- Over 10 years of experience serving in various roles at environmental protection companies
- General manager and chief engineer, Jinhua Shunhong Environmental Protection Technology Co., Ltd. (January 2016 to June 2017)
- General manager and chief engineer, Jinhua Juchuan Environmental Protection Technology Co., Ltd., engineering manager of Zhejiang Liuyuan Environmental Technology Co., Ltd., project manager of Lvdi Environmental Technology Co., Ltd., and technological director of Tongkun Group Co., Ltd. (June 2007 to April 2015)
- Bachelor's Degree in Environmental Engineering from Sanxia University

Yuntao Guan

Chief Scientist

- Consultant to Shenzhen CDT Environmental Technology Co., Ltd.
- Professor, doctoral supervisor and director of the Institute of Environment of Shenzhen Graduate School of Tsinghua University
- Vice director of the National Environmental Protection Environmental Microorganisms Usage and Safety Control Key Lab and the director of Municipal Water Circulation and Water Environment Safety Assurance Engineering and Technology Research Center of Guangdong Province
- Part-time professor at The Queensland University of Technology in Australia and was a guest professor at Kyoto University in Japan
- Ph.D. in Environmental Science and Engineering from the Department of Environment, Tsinghua University



INDUSTRY BACKGROUND

CDT Environmental Technology Co., Ltd.



RURAL SEWAGE TREATMENT INDUSTRY

Large rural sewage treatment market

- Large market size of rural sewage treatment in China: expected to reach approximately U.S.\$29.9 billion in 2030 (*Source: Forward the Economist, January 2018*)
- Large and growing annual volume of rural sewage discharge: total revenue generated from decentralized rural sewage treatment services and equipment in China reached approximately U.S. \$13.8 billion in 2019 and increased at a compound annual growth rate of approximately 40.3% from 2015 to 2019 (*Source: the Prospective Industry Research Institute, October 2020*)
- Low percentage of sewage treatment before discharge: only approximately 22% of the incorporated villages in China treated rural sewage water in 2016 (*Source: the Ministry of Environmental Protection of China and the Ministry of Finance of China, December 2016*)
- Spokesperson for Ministry of Ecology and Environment of China stated in April 2022 stated that government data showed that as of 2021, only 28% of rural sewage in China was treated before discharge, up by only 6% during the five years between 2016 and 2022

GOVERNMENT POLICY SUPPORT

Year	Government Agency/Policy	Content
2016	The Ministry of Housing and Urban-Rural Development of China	Goal of establishing sewers and sewage treatment facilities and service systems in 90% of the villages and towns in China within thirty years
2016	The 13th Five Year Plan for National Economic and Social Development of the PRC	Clean water initiatives regarding the construction of urban sewage treatment and supporting facilities, urban reclaimed water recycling, and continued reduction of waste emissions
2019	Three-Year Action Plan for Improving the Quality and Efficiency of Urban Sewage Treatment	The Chinese government should increase capital investment and raise funds through multiple channels to support sewage treatment
2021	The 14th Five Year Plan for National Economic and Social Development of the PRC	China needs to carry out the improvement of rural living environment and steadily solve the outstanding environmental problems

PRESENT SITUATION



1. Highly segmented industry with small and regional companies or contracted individuals.
2. Traditional treatments pump a mixture of solid waste and sewage into a tank truck and transport it to a treatment center for processing.
3. Sewage may be discharged directly onto the ground or into nearby rivers and lakes, which raises environmental concerns.
4. Lack of capacity of existing treatment centers and the distance of transportation.

SEPTIC TANK TREATMENT INDUSTRY

Septic tank treatment industry subject to increased regulations and environmental protection policies in recent years

INDUSTRY TREND



1. Environmental protection departments are increasing oversight and scrutiny.
2. The government implemented the new Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015) in 2016 to enhance the treatment of septic tank sewage.
3. We believe that in most regions, the sewage discharged from septic tanks to municipal sewers does not meet the standards promulgated by the government.
4. We believe that the market for our systems to effectively treat the sewage from septic tanks in compliance with such government standards is large and growing.



OUR SERVICES AND PRODUCTS

CDT Environmental Technology Co., Ltd.

RURAL SEWAGE TREATMENT

- ✓ **Turn-key solutions:** construction of rural sewage treatment plants, system installation, and provision of on-going operation and maintenance services
- ✓ Decentralized treatment system based on quick separation technology
 - Newly emerged biochemical process in the last 5-10 years
 - Cost-effective solution for treating 5 to 500 tons of sewage daily
 - Sewage is decomposed biochemically by quick separation balls (containing numerous microorganisms)



CDT Integrated equipment



Buried equipment

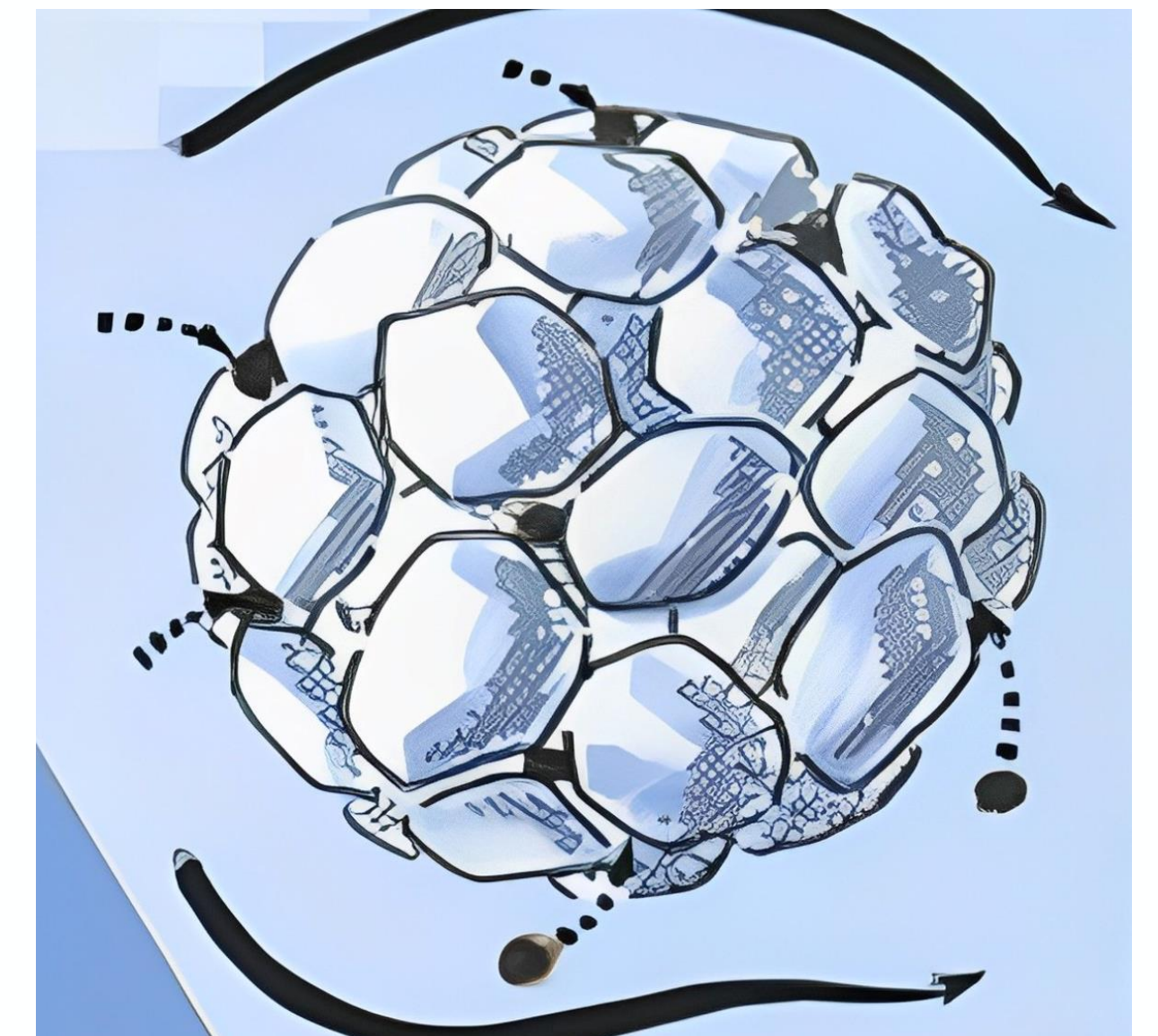
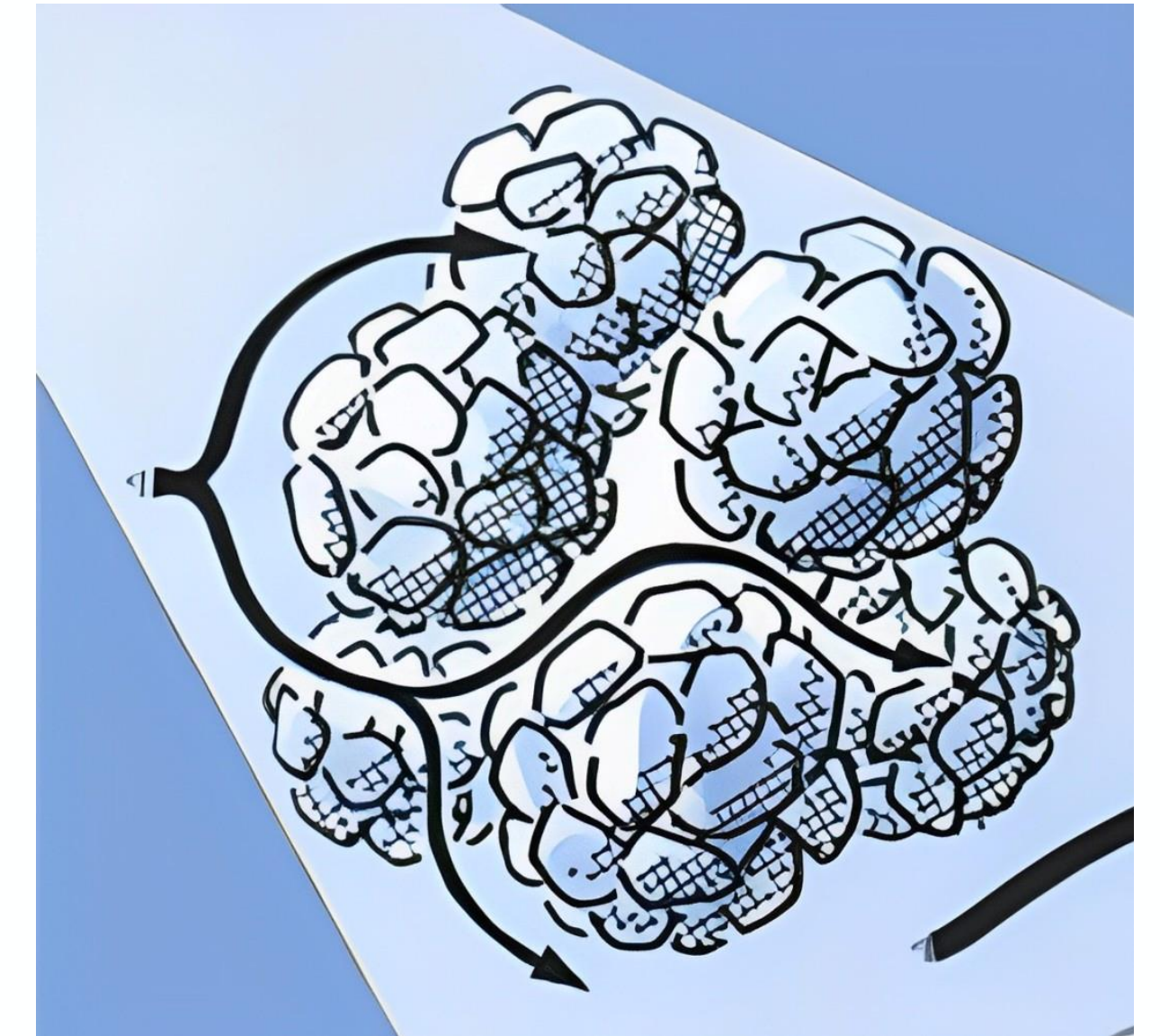


Equipment embedment

QUICK SEPARATION TECHNOLOGY

Newly emerged biochemical process for sewage treatment in the last 5 to 10 years and effective in treating sewage at small scales

- Primary filtration and treatment process occurs inside quick separation balls, which are numerous porous ceramic balls hosting microorganisms collected in a spherical plastic frame
- Requires no additional pressure and suspended solids in the fluid accumulate inside the balls with low flow rate
- Decomposition of organic matters occurs near the surface of the balls and decrease of phosphorus and nitrogen occurs near the core
- Quick separation technology innovatively creates a varied, aerobic and anaerobic environment in one tank while traditional biochemical methodologies, such as A/O methodology, maintain only one environment in one tank





MOBILE SEPTIC TANK TREATMENT SYSTEM

Mobile system is an integrated waste treatment system assembled on a vehicle:

- Modular design for flexibility
- Continuous operation
- Reduced odor and noise
- Highly automated – requires only 2 to 3 workers per system
- Capacity of a typical mobile system is 400-cubic-meter of septic tank sewage daily





FIXED SEPTIC TANK TREATMENT SYSTEM

Fixed system is an integrated and stand-alone waste treatment system designed for public toilets in cities:

- Compact structure – only requires twelve square meters for a system capable of treating twenty tons of sewage daily
- Adopts quick separation technology
- Decomposes solid waste
- Treats the sewage to meet the Sewage Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)



RESEARCH AND DEVELOPMENT

- ✓ **High-quality research and development team**
 - Constantly collect feedback from completed projects
 - Modify integrated equipment and technologies based on previous experiences
- ✓ **Awarded 2 invention patents, 31 utility model patents, and 3 trademarks**
- ✓ **Cooperation with third-party institutions**
- ✓ **High-Tech Enterprise status**





SALES AND MARKETING

CDT Environmental Technology Co., Ltd.



SALES AND MARKETING

Rural Sewage Treatment

- Our customers are city or provincial level state-owned construction companies that provide turn-key solutions of rural sewage infrastructure construction including drainage, pipeline and sewage treatment for local governments.
- When obtaining a new customer, we:
 1. identify the demand of local governments in rural sewage treatment;
 2. approach such state-owned companies that are capable of and experienced in undertaking sewage treatment related projects. We assist the state-owned companies in their bidding process with local governments, especially on the technology and process of rural sewage treatment; and
 3. the state-owned companies will use our rural sewage equipment and services after winning the bid
- Mutually beneficial partnerships with state-owned companies. CDT provides the technological support in rural sewage treatment and the state-owned companies have good relationships with local governments, well-known brands, and sufficient working capital.

Septic Tank Treatment

Established sales and marketing networks in many cities across nine provinces in China, with twelve majority-owned subsidiaries and two branch offices





GROWTH STRATEGY

CDT Environmental Technology Co., Ltd.



INCREASE MARKET SHARE IN RURAL SEWAGE TREATMENT INDUSTRY

Leverage our proprietary technology and successful installation of our sewage treatment systems and plants

- Increase market share in locations where we have established a presence
- Expand sales and marketing efforts to new geographic markets
- Expand sales and marketing team targeting state-owned and other companies to further pursue opportunities of rural sewage treatment
- Currently in negotiation for several projects in the Fujian province in China

Establish long-term partnerships with state-owned companies at the central government level for rural sewage treatment

- Create long-term partnerships with state-owned companies at the central government level
- State-owned companies have established good relationships with government agencies and have sufficient working capital
- Particularly at the central government level, state-owned companies have established networks throughout China which would help us to expand to other provinces in China



EXPAND SEPTIC TANK TREATMENT TO SEWAGE COLLECTION STATIONS

We plan to provide septic tank treatment services to septic tank sewage collection stations.

- Provide system, along with installation, operation and maintenance services for the system, to septic tank sewage collection stations
- Promote system in the Shunyi, Dongcheng, and Chaoyang Districts of Beijing
- In Beijing, there is an estimated 20,000 public toilets. On average, each public toilet generates 2 to 3 tons of sewage daily. For every 50 public toilets, the government would need to build a septic tank sewage collection station capable of holding approximately 100 tons for temporary storage.





PROMOTE FIXED SEPTIC TANK TREATMENT SYSTEM FOR PUBLIC TOILETS IN SERVICE STATIONS

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Plan to promote the fixed septic tank treatment system for public toilets in service stations

- Currently, the sewage from public toilets at service stations is traditionally discharged directly onto the ground or into nearby rivers and lakes, which raises serious environmental concerns
- Our upgraded fixed septic tank treatment system meets the strictest water quality standards, Grade I Standard A, specified in the Discharge Standard for Pollutants of Urban Wastewater Treatment Plants (GB18918-2002)
- Our system would be installed in service stations along controlled-access highways, particularly those highways in remote areas where sewer systems or wastewater treatment plants are not available
- Government is seeking cost-effective solutions to manage sewage from public toilets
- Our demonstration site in Inner Mongolia began operation in May 2019 and treats approximately 4,238 cubic feet of wastewater per day



PARTNER FOR ORGANIC FERTILIZER PRODUCTION

Partner with third parties to begin organic fertilizer production

- Strategic cooperation with organic fertilizer manufacturing company
- Provide dehydrated solid waste and the partnered companies would be responsible for manufacturing and sales





A COMPELLING INVESTMENT THESIS

- ✓ **Customer First Approach**
Delivering industry leading compliance and improvements in reliability and efficiency while ensuring customer affordability
- ✓ **Strategically Positioned in Attractive Growth Areas**
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- ✓ **Building a Leading Wastewater Treatment Solution Portfolio**
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- ✓ **Experienced Management Team**
Deep experiences in completed projects, multiple projects in the pipeline, disciplined capital allocation with M&A a potential strategic accelerator
- ✓ **High Growth Rate and Strong Financial Outlook**
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THANK YOU.

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