NOTICE: For the convenience of capital market participants, RENOVA, Inc. makes efforts to provide English translations of the information disclosed in Japanese. However, in the event that any discrepancy is found between the documents, the Japanese original shall prevail over its English translation.

Consolidated Financial Results For the Three Months Ended June 30, 2024 (International Financial Reporting Standards (IFRS)) (Non-audited)

August 8, 2024

Company name: RENOVA, Inc.
Securities code: 9519
Representative: Yosuke Kiminami, Founding CEO
Contact: Kazushi Yamaguchi, CFO
Stock exchange listing: Tokyo
URL: https://www.renovainc.com/
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Scheduled date of quarterly securities report filing: August 8, 2024
Scheduled date of commencement of dividend payment: –
Supplementary documents for quarterly financial results: Yes
Quarterly financial results briefing: None

(Amounts of less than one million yen are rounded)

1. Consolidated financial results for three months ended June 30, 2024 (April 1, 2024 – June 30, 2024)

(1) Consolidated results of operations

(Percentages show year-on-year changes)

	Revenue		EBITDA(*)		Operating profit		Profit before income taxes		Profit for the period attributable to owners of the Parent	
Three months	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
ended Jun. 30 2024	15,157	58.0	5,252	(1.1)	571	(80.9)	200	(92.4)	331	(75.5)
ended Jun. 30 2023	9,596	12.6	5,311	(37.0)	2,988	(51.1)	2,640	(53.4)	1,354	(70.8)

(Note)
Total Comprehensive income: Three months ended June 30, 2024: 25,145 million yen, 86.2% Three months ended June 30, 2023: 13,504 million yen, (12.6)%

	Basic earnings per share	Diluted earnings per share
Three months	Yen	Yen
ended Jun. 30 2024	3.73	3.73
ended Jun. 30 2023	17.21	17.14

(Note)
* EBITDA = Revenue - Fuel expenses - Outsourcing expenses - Payroll and related personnel expenses + Share of profit (loss) of investments accounted for using the equity method + Other income - Other expenses
EBITDA is a Non–GAAP financial measure
Fuel expenses in the calculation of EBITDA is adjusted from the amount represented in Consolidated financial statements to deduct the amount of the impact caused by elimination of accumulated other comprehensive income derived from forward exchange contracts in business combination of SPC for the biomass power generation business. The adjusted amount for three months ended June 30, 2024 is (615) million yen.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the Parent	Ratio of equity attributable to owners of the Parent to Total assets	Equity attributable to owners of the Parent per share
As of	Million yen	Million yen	Million yen	%	Yen
Jun. 30 2024	522,300	148,155	103,992	19.9	1,148.89
Mar. 31 2024	465,399	105,698	68,005	14.6	861.06

2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
Fiscal year	Yen	Yen	Yen	Yen	Yen
ended Mar. 2024	–	0.00	–	0.00	0.00
ending Mar. 2025	–				
ending Mar. 2025 (forecast)		0.00	–	0.00	0.00

(Note) Revisions to the dividends forecast since the latest announcement: None

3. Forecast of consolidated results of operation for the fiscal year ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentages show year-on-year changes)

	Revenue		EBITDA		Operating profit		Profit for the period attributable to owners of the Parent		Basic earnings per share
Fiscal year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
ending Mar. 2025	71,800	60.5	20,800	24.5	1,000	(80.1)	5,900	(33.4)	65.31

(Note) Revisions to the consolidated forecast since the latest announcement: None

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
Newly included: None
Excluded: None

(2) Changes in accounting policies and changes in accounting estimates
(i) Changes in accounting policies required by IFRS: None
(ii) Changes in accounting policies other than (i): None
(iii) Changes in accounting estimates: None

(3) Number of issued shares (common shares):
(i) Number of issued shares at end of period (including treasury shares)
As of June 30, 2024: 91,174,900 shares As of March 31, 2024: 79,275,400 shares
(ii) Number of treasury shares at end of period
As of June 30, 2024: 659,900 shares As of March 31, 2024: 297,300 shares
(iii) Average number of shares outstanding during the period
For the three months ended June 30, 2024: 88,762,907 shares
For the three months ended June 30, 2023: 78,707,445 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Explanations and other special notes concerning the appropriate use of forecasts
(Cautionary statement with respect to forward-looking statements and other information)
The forward-looking statements discussed in this material, including financial forecasts, are based on the information currently available to RENOVA, Inc. and certain assumptions that are judged to be rational at the current time. These statements do not constitute a promise by RENOVA, Inc. to achieve such results. Please note that the actual results may differ significantly from forecast figures.

Condensed quarterly consolidated financial statements and notes

(1) Condensed quarterly consolidated statements of financial position (Non-audited)

(Million yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	17,327	32,246
Restricted bank deposits	49,165	60,279
Trade and other receivables	17,169	16,381
Inventories	3,018	3,599
Other financial assets	1,655	1,669
Other current assets	2,781	3,699
Total current assets	91,114	117,872
Non-current assets		
Property, plant and equipment	220,332	218,267
Right-of-use assets	8,681	8,497
Goodwill	237	237
Intangible assets	34,547	34,079
Investments accounted for using the equity method	21,731	27,305
Deferred tax assets	1,453	2,256
Other financial assets	80,734	106,856
Other non-current assets	6,570	6,932
Total non-current assets	374,285	404,427
Total assets	465,399	522,300

(Million yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Trade and other payables	9,633	10,027
Borrowings	33,455	33,442
Lease liabilities	788	769
Other financial liabilities	72	153
Income tax payables	2,725	323
Other current liabilities	633	1,284
Total current liabilities	47,307	45,998
Non-current liabilities		
Bonds and borrowings	263,879	271,796
Lease liabilities	8,743	8,242
Other financial liabilities	1,031	715
Provisions	12,473	12,493
Deferred tax liabilities	25,697	34,317
Other non-current liabilities	571	584
Total non-current liabilities	312,395	328,146
Total liabilities	359,701	374,145
Equity		
Share capital	2,405	11,324
Share premium	1,447	10,369
Retained earnings	33,838	34,169
Treasury shares	(548)	(925)
Other components of equity	30,862	49,055
Equity attributable to owners of the Parent	68,005	103,992
Non-controlling interests	37,693	44,163
Total equity	105,698	148,155
Total liabilities and equity	465,399	522,300

(2) Condensed quarterly consolidated statements of income and comprehensive income

Condensed quarterly consolidated statements of income (Non-audited)

(Million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Revenue	9,596	15,157
Other income	1,288	142
Fuel expenses	(2,923)	(6,857)
Outsourcing expenses	(715)	(1,070)
Payroll and related personnel expenses	(849)	(1,029)
Share of profit (loss) of investments accounted for using the equity method	(221)	353
Other expenses	(864)	(2,060)
Depreciation and amortization	(2,323)	(4,066)
Operating profit	2,988	571
Gain on remeasurement to fair value of option	87	16
Finance income	269	961
Finance costs	(703)	(1,348)
Profit before income taxes	2,640	200
Income tax expense	(728)	142
Profit for the period	1,912	342
Profit for the period attributable to:		
Owners of the Parent	1,354	331
Non-controlling interests	558	11
Earnings per share		
Basic earnings per share (yen)	17.21	3.73
Diluted earnings per share (yen)	17.14	3.73

Condensed quarterly consolidated statements of comprehensive income (Non-audited)

(Million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit for the period	1,912	342
Other comprehensive income, net of tax:		
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges - effective portion of changes in fair value	4,026	19,572
Exchange differences on translating foreign operations	5	1
Share of other comprehensive income (loss) of investments accounted for using the equity method	7,560	5,230
Total	11,592	24,803
Total other comprehensive income, net of tax	11,592	24,803
Total comprehensive income for the period	13,504	25,145
Comprehensive income for the period attributable to:		
Owners of the Parent	11,693	18,523
Non-controlling interests	1,812	6,622

(3) Condensed quarterly consolidated statements of changes in equity (Non-audited)

Three months ended June 30, 2023

(Million yen)

	Share capital	Share premium	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
Balance as of April 1, 2023	2,356	1,644	24,981	(719)	14,692	42,954	21,778	64,731
Profit for the period	—	—	1,354	—	—	1,354	558	1,912
Other comprehensive income, net of tax	—	—	—	—	10,338	10,338	1,253	11,592
Total comprehensive income for the period	—	—	1,354	—	10,338	11,693	1,812	13,504
Issuance of new shares	19	(21)	—	—	—	(2)	—	(2)
Share-based payment	—	15	—	—	—	15	—	15
Changes in scope of consolidation	—	—	—	—	—	—	2	2
Dividends	—	—	—	—	—	—	(448)	(448)
Other increase (decrease)	—	(4)	—	—	—	(4)	—	(4)
Total transactions with owners and others	19	(10)	—	—	—	9	(446)	(436)
Balance as of June 30, 2023	2,375	1,634	26,335	(719)	25,030	54,655	23,144	77,799

Three months ended June 30, 2024

(Million yen)

	Share capital	Share premium	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
Balance as of April 1, 2024	2,405	1,447	33,838	(548)	30,862	68,005	37,693	105,698
Profit for the period	—	—	331	—	—	331	11	342
Other comprehensive income, net of tax	—	—	—	—	18,192	18,192	6,611	24,803
Total comprehensive income for the period	—	—	331	—	18,192	18,523	6,622	25,145
Issuance of new shares	8,919	8,898	—	—	—	17,817	—	17,817
Share-based payment	—	23	—	—	—	23	—	23
Purchase of treasury shares	—	—	—	(377)	—	(377)	—	(377)
Dividends	—	—	—	—	—	—	(151)	(151)
Total transactions with owners and others	8,919	8,921	—	(377)	—	17,463	(151)	17,312
Balance as of June 30, 2024	11,324	10,369	34,169	(925)	49,055	103,992	44,163	148,155

(4) Condensed quarterly consolidated statements of cash flows (Non-audited)

(Million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,640	200
Depreciation and amortization	2,323	4,066
Finance income	(263)	(296)
Finance costs	703	1,348
Other income	(1,283)	(126)
Share of (profit) loss of investments accounted for using the equity method	221	(353)
(Gain) loss on remeasurement to fair value of option	(87)	(16)
Decrease (increase) in trade and other receivables	1,839	789
Decrease (increase) in inventories	(283)	538
Increase (decrease) in trade and other payables	553	348
Other, net	80	(969)
Subtotal	6,444	5,528
Interest and dividend income received	192	377
Interest expenses paid	(512)	(705)
Income taxes paid	(762)	(2,312)
Compensation income received	1,274	―
Other, net	3	32
Net cash from operating activities	6,639	2,920
Cash flows from investing activities		
Payments for construction in advance	(215)	―
Proceeds from advanced payments for construction	539	―
Increase in loan receivables	(518)	―
Collection of loans receivable	547	―
Acquisition of property, plant and equipment	(1,213)	(1,206)
Acquisition of intangible assets	(87)	(26)
Purchase of investments accounted for using the equity method	(704)	(211)
Payments for acquisition of subsidiaries	(44)	―
Other, net	(182)	(307)
Net cash provided by (used in) investing activities	(1,878)	(1,750)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,314	10,861
Repayments of long-term borrowings	(2,144)	(3,024)
Repayments of lease liabilities	(430)	(445)
Proceeds from issuance of shares	2	17,817
Contribution from non-controlling interests	―	(377)
Net decrease (increase) in restricted bank deposits	(4,478)	(11,114)
Other, net	(553)	―
Net cash provided by (used in) financing activities	(6,290)	13,718
Effect of exchange rate change on cash and cash equivalents	220	31
Net increase (decrease) in cash and cash equivalents	(1,310)	14,919
Cash and cash equivalents at beginning of period	21,370	17,327
Cash and cash equivalents at end of period	20,061	32,246

(5) Notes to condensed quarterly consolidated financial statements

Notes relating to going concern assumptions

Not applicable.

Segment information

1. Overview of reportable segments

Renova's reportable segments are based on its operating segments for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker (the "CODM") to make decisions about resources to be allocated to the segment and assess its performance.

Renova's reportable segments are composed of the Renewable energy power generation business that Renova sells electricity generated from renewable energy power plants of solar, biomass and onshore wind energy which owned and operated by Renova and the Renewable energy development and operation business that is involved in the development of and assists in the operation of Renova's renewable energy power plants.

2. Revenue, profit and others in the reportable segments

Revenue, profit and others in the reportable segments are recognized, measured and presented in accordance with the accounting policy applied to prepare the condensed consolidated financial statements in Renova.

Segment profit in the reportable segments shows EBITDA (Non–GAAP financial measure) resulting from following calculation.

EBITDA = Revenue - Fuel expenses - Outsourcing expenses - Payroll and related personnel expenses +Share of profit (loss) of investments accounted for using the equity method + Other income - Other expenses

Fuel expenses in the calculation of EBITDA is adjusted from the amount represented in Condensed quarterly consolidated financial statements to deduct the amount of the impact caused by elimination of accumulated other comprehensive income derived from forward exchange contracts in business combination of SPC for the biomass power generation business. Additionally, Dividends income, which was classified as Financial income for the three months ended June 30, 2023, has been classified as Other income from the three months ended June 30, 2024.The segment information for the three months ended June 30, 2023 below reflects this change. As a result, the segment income of the Renewable energy development and operation business increased by 754 million yen for the three months ended June 30, 2023 and by 179 million yen for the three months ended June 30, 2024. Conversely, the segment income of Reconciling items decreased by the same amounts, respectively.

Three months ended June 30, 2023 (April 1, 2023– June 30, 2023)

(Million yen)

	Reportable segments			Reconciling items (Note 1)	Consolidated
	Renewable energy power generation business	Renewable energy development and operation business	Segment total		
Revenue					
External customers	9,492	104	9,596	—	9,596
Intersegment (Note 2)	—	1,261	1,261	(1,261)	—
Total	9,492	1,365	10,857	(1,261)	9,596
Segment profit	6,662	801	7,462	(2,151)	5,311
Depreciation and amortization					(2,323)
Gain on remeasurement to fair value of option					87
Finance income					269
Finance costs					(703)
Profit before income taxes					2,640

(Notes) 1. The reconciliation of (2,151) million yen to the segment profit includes elimination of intersegment transactions.

2. Intersegment revenues are generally made at values that approximate arm's-length prices.

Three months ended June 30, 2024 (April 1, 2024 – June 30, 2024)

(Million yen)

	Reportable segments			Reconciling items (Note 1)	Consolidated
	Renewable energy power generation business	Renewable energy development and operation business	Segment total		
Revenue					
External customers	15,078	79	15,157	—	15,157
Intersegment (Note 2)	—	1,341	1,341	(1,341)	—
Total	15,078	1,420	16,498	(1,341)	15,157
Segment profit	6,457	123	6,581	(1,328)	5,252
Fuel expenses					(615)
Depreciation and amortization					(4,066)
Gain on remeasurement to fair value of option					16
Finance income					961
Finance costs					(1,348)
Profit before income taxes					200

(Notes) 1. The reconciliation of (1,328) million yen to the segment profit includes elimination of intersegment transactions.

2. Intersegment revenue are generally made at values that approximate arm's-length prices.

Significant subsequent events

Not applicable.