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 Six Months Ended September 30, 2024 (International Financial Reporting Standards (IFRS)) (Non-audited)

November 7, 2024

Company name: RENOVA, Inc.
Stock exchange listing: Tokyo
Securities code: 9519
URL: https://www.renovainc.com/
Representative: Yosuke Kiminami, Founding CEO
Contact: Kazushi Yamaguchi, CFO
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Scheduled date of interim securities report filing: November 7, 2024
Scheduled date of commencement of dividend payment: –
Supplementary documents for quarterly financial results: Yes
Quarterly financial results briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded)

1. Consolidated financial results for six months ended September 30, 2024 (April 1, 2024 – September 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	
Six months	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
ended Sep. 30 2024	33,689	81.6	11,531	5.2	2,152	(65.5)	271	(94.9)	(128)	–
ended Sep. 30 2023	18,551	7.0	10,957	(9.3)	6,233	(16.1)	5,346	(17.7)	2,818	(41.5)

(Note)
Total Comprehensive income: Six months ended September 30, 2024: (2,523) million yen, (-)% Six months ended September 30, 2023: 21,452 million yen, (7.3%)

	Basic earnings per share	Diluted earnings per share
Six months	Yen	Yen
ended Sep. 30 2024	(1.43)	(1.43)
ended Sep. 30 2023	35.77	35.64

(Note)
For the diluted earnings per share for the six months ended Sep. 30 2024, the exercise of stock options has reduced the basic loss per share, resulting in an anti-dilutive. Therefore, it is the same amount as the basic loss per share

* 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 six months ended September 30, 2024 is (1,231) 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
Sep. 30 2024	464,874	120,398	83,795	18.0	926.80
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	–	0.00			
ending Mar. 2025 (forecast)			–	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 dividends 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 September 30, 2024: 91,187,700 shares As of March 31, 2024: 79,275,400 shares
(ii) Number of treasury shares at end of period
As of September 30, 2024: 775,100 shares As of March 31, 2024: 297,300 shares
(iii) Average number of shares outstanding during the period
For the six months ended September 30, 2024: 89,616,695 shares
For the six months ended September 30, 2023: 78,783,630 shares

* This report is not subject to the quarterly review by independent auditors.

* 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 interim consolidated financial statements and notes

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

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	17,327	30,246
Restricted bank deposits	49,165	55,210
Trade and other receivables	17,169	7,292
Inventories	3,018	3,052
Other financial assets	1,655	1,822
Other current assets	2,781	3,456
Total current assets	91,114	101,078
Non-current assets		
Property, plant and equipment	220,332	215,945
Right-of-use assets	8,681	8,310
Goodwill	237	237
Intangible assets	34,547	33,618
Investments accounted for using the equity method	21,731	21,995
Deferred tax assets	1,453	2,246
Other financial assets	80,734	74,166
Other non-current assets	6,570	7,279
Total non-current assets	374,285	363,796
Total assets	465,399	464,874

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Trade and other payables	9,633	9,086
Borrowings	33,455	23,188
Lease liabilities	788	800
Other financial liabilities	72	43
Income tax payables	2,725	860
Other current liabilities	633	932
Total current liabilities	47,307	34,909
Non-current liabilities		
Bonds and borrowings	263,879	261,462
Lease liabilities	8,743	8,176
Other financial liabilities	1,031	823
Provisions	12,473	12,512
Deferred tax liabilities	25,697	25,765
Other non-current liabilities	571	828
Total non-current liabilities	312,395	309,567
Total liabilities	359,701	344,476
Equity		
Share capital	2,405	11,325
Share premium	1,447	10,441
Retained earnings	33,838	33,710
Treasury shares	(548)	(1,024)
Other components of equity	30,862	29,343
Equity attributable to owners of the parent	68,005	83,795
Non-controlling interests	37,693	36,604
Total equity	105,698	120,398
Total liabilities and equity	465,399	464,874

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

Condensed interim consolidated statements of income (Non-audited)

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Revenue	18,551	33,689
Other income	2,600	186
Fuel expenses	(5,500)	(15,343)
Outsourcing expenses	(1,257)	(1,944)
Payroll and related personnel expenses	(1,705)	(2,175)
Share of profit (loss) of investments accounted for using the equity method	95	446
Other expenses	(1,827)	(4,559)
Depreciation and amortization	(4,724)	(8,148)
Operating profit	6,233	2,152
Gain on remeasurement to fair value of option	173	32
Finance income	360	1,050
Finance costs	(1,420)	(2,964)
Profit before income taxes	5,346	271
Income tax expense	(1,360)	(38)
Profit for the period	3,986	233
Profit for the period attributable to:		
Owners of the parent	2,818	(128)
Non-controlling interests	1,168	361
Earnings per share		
Basic earnings per share (yen)	35.77	(1.43)
Diluted earnings per share (yen)	35.64	(1.43)

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

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit for the period	3,986	233
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	6,811	(2,352)
Exchange differences on translating foreign operations	6	(4)
Share of other comprehensive income (loss) of investments accounted for using the equity method	10,649	(400)
Total	17,466	(2,756)
Total other comprehensive income, net of tax	17,466	(2,756)
Total comprehensive income for the period	21,452	(2,523)
Comprehensive income for the period attributable to:		
Owners of the Parent	18,512	(1,648)
Non-controlling interests	2,940	(875)

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

Six months ended September 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	—	—	2,818	—	—	2,818	1,168	3,986
Other comprehensive income, net of tax	—	—	—	—	15,694	15,694	1,772	17,466
Total comprehensive income for the period	—	—	2,818	—	15,694	18,512	2,940	21,452
Issuance of new shares	20	(17)	—	—	—	3	—	3
Share-based payment	—	(153)	—	—	—	(153)	—	(153)
Changes in scope of consolidation	—	—	—	—	—	—	2	2
Purchase of treasury shares	—	21	—	171	—	193	—	193
Dividends	—	—	—	—	—	—	(808)	(808)
Other increase (decrease)	—	(4)	—	—	—	(4)	—	(4)
Total transactions with owners and others	20	(153)	—	171	—	38	(806)	(767)
Balance as of September 30, 2023	2,376	1,492	27,798	(548)	30,386	61,504	23,912	85,416

Six months ended September 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	—	—	(128)	—	—	(128)	361	233
Other comprehensive income, net of tax	—	—	—	—	(1,520)	(1,520)	(1,236)	(2,756)
Total comprehensive income for the period	—	—	(128)	—	(1,520)	(1,648)	(875)	(2,523)
Issuance of new shares	8,920	8,900	—	—	—	17,819	—	17,819
Share-based payment	—	95	—	—	—	95	—	95
Purchase of treasury shares	—	—	—	(487)	—	(487)	—	(487)
Dividends	—	(1)	—	11	—	10	—	10
Other increase (decrease)	—	—	—	—	—	—	(214)	(214)
Total transactions with owners and others	8,920	8,994	—	(476)	—	17,437	(214)	17,223
Balance as of September 30, 2024	11,325	10,441	33,710	(1,024)	29,343	83,795	36,604	120,398

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

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	5,346	271
Depreciation and amortization	4,724	8,148
Finance income	(350)	(68)
Finance costs	1,420	2,964
Other income	(2,584)	(159)
Share of (profit) loss of investments accounted for using the equity method	(95)	(446)
(Gain) loss on remeasurement to fair value of option	(173)	(32)
Decrease (increase) in trade and other receivables	1,478	9,876
Decrease (increase) in inventories	(736)	2,511
Increase (decrease) in trade and other payables	26	1,134
Other, net	479	(150)
Subtotal	9,536	24,049
Interest and dividend income received	189	454
Interest expenses paid	(1,421)	(2,749)
Income taxes paid	(178)	(1,911)
Compensation income received	2,562	―
Other, net	8	59
Net cash from operating activities	10,696	19,902
Cash flows from investing activities		
Payments for construction in advance	(215)	―
Proceeds from advanced payments for construction	539	―
Increase in loan receivables	(523)	―
Collection of loans receivable	553	―
Acquisition of property, plant and equipment	(2,270)	(3,937)
Acquisition of intangible assets	(86)	(60)
Purchase of investments accounted for using the equity method	(1,068)	(211)
Purchase of investment securities	(652)	(39)
Payments for acquisition of subsidiaries	(44)	―
Proceeds from contribution refund	33	19
Other, net	(18)	(646)
Net cash provided by (used in) investing activities	(3,751)	(4,873)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,610	11,861
Repayments of long-term borrowings	(8,791)	(24,462)
Repayments of lease liabilities	(492)	(511)
Proceeds from issuance of shares	3	17,819
Dividends paid to non-controlling interests	(808)	(214)
Purchase of treasury shares	―	(487)
Net decrease (increase) in restricted bank deposits	280	(6,045)
Other, net	(360)	4
Net cash provided by (used in) financing activities	(8,557)	(2,034)
Effect of exchange rate change on cash and cash equivalents	(168)	(76)
Net increase (decrease) in cash and cash equivalents	(1,780)	12,919
Cash and cash equivalents at beginning of period	21,370	17,327
Cash and cash equivalents at end of period	19,590	30,246

(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 interim 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 six months ended September 30, 2023, has been classified as Other income from the six months ended September 30, 2024.The segment information for the six months ended September 30, 2023 below reflects this change. As a result, the segment income of the Renewable energy development and operation business increased by 1,100 million yen for the six months ended September 30, 2023 and by 179 million yen for the six months ended September 30, 2024. Conversely, the segment income of Reconciling items decreased by the same amounts, respectively.

Six months ended September 30, 2023 (April 1, 2023 – September 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	18,336	214	18,551	—	18,551
Intersegment (Note 2)	—	2,420	2,420	(2,420)	—
Total	18,336	2,634	20,970	(2,420)	18,551
Segment profit	12,978	1,257	14,234	(3,277)	10,957
Depreciation and amortization					(4,724)
Gain on remeasurement to fair value of option					173
Finance income					360
Finance costs					(1,420)
Profit before income taxes					5,346

(Notes) 1. The reconciliation of (3,277) 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.

Six months ended September 30, 2024 (April 1, 2024 – September 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	33,537	151	33,689	—	33,689
Intersegment (Note 2)	—	2,546	2,546	(2,546)	—
Total	33,537	2,698	36,235	(2,546)	33,689
Segment profit	13,908	(34)	13,874	(2,343)	11,531
Fuel expenses					(1,231)
Depreciation and amortization					(8,148)
Gain on remeasurement to fair value of option					32
Finance income					1,050
Finance costs					(2,964)
Profit before income taxes					271

(Notes) 1. The reconciliation of (2,343) 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.