



January 12, 2024

RENOVA, Inc.

## **Notice Concerning Investment in Pathway Power Holdings LLC (USA)**

RENOVA, Inc. (headquartered in Chuo-ku, Tokyo; Representative Director, President & CEO: Yosuke Kiminami; hereinafter, “RENOVA”) hereby announces that, in December 2023, it entered into an agreement to underwrite convertible notes in the total value of US\$25 million to be issued by Pathway Power Holdings LLC (headquartered in San Diego, California, USA; hereinafter, “Pathway Power”), which develops and operates solar power facilities, storage batteries used for power grids and renewable power facilities, among other things, in the United States. The convertible notes are convertible<sup>\*1</sup> to common shares after three years have elapsed since the signing of the agreement. The agreement also grants RENOVA the right to make an equity investment of up to 49% in individual projects up to 1 GW total capacity, subject to certain conditions.

Founded in 2022 by a management team with a wealth of experience in the development of renewable energy projects, Pathway Power is a fast-growing developer in the United States which is currently engaged in the development of renewable energy projects and storage battery projects totaling more than 4GW. Their strengths are driven from project development leveraging a vast dataset on grids, market pricing, site selection, PPA pricing, storage battery tolling<sup>\*2</sup>, market trading, and optimal off-take strategy. This is combined with a top-down portfolio strategy and management that achieves the right risk-return balance with the required diversification in geographical regions, power sources, and income structure.

RENOVA decided to form an alliance with Pathway Power as our partner in the United States given these strengths and Pathway Power’s project development track record, as well as many shared values and visions between the two companies. Going forward, RENOVA will collaborate with Pathway Power in business management, dispatch human resources, cooperate in areas such as engineering, procurement and finance, and participate in individual projects of Pathway Power. Furthermore, RENOVA will utilize the advanced project development and operating know-how developed in the United States, whose market has considerable scale, when developing business in Japan and Asia.

President & CEO Yosuke Kiminami of RENOVA states, “Given the expected further growth in the renewable energy market in the United States, taking the first step to develop business in the United States is highly significant for RENOVA. We aim to achieve substantial growth in the US market together with Pathway Power.”

Founding Partner Jam Attari of Pathway Power said, “We are excited about our partnership with RENOVA and the renewable energy project development expertise they bring, particularly in Asia. We look forward to working closely with RENOVA to further expand our business together across the United States.”

\*1 At present, RENOVA is expected to have an approximately 25% equity ratio when converting convertible notes to shares. This figure may, however, fluctuate depending on future capital policy of Pathway Power and other factors.

\*2 PPA agreement of the storage battery version. Generally, an agreement is reached with power utilities or large users at a fixed price for the available storage battery capacity (kW). Some agreements also add O&M cost or income sharing. This agreement will allow income from storage batteries to be fixed over a long term.

[For inquiries about this release]

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