

ENECHANGE

Regarding Acquisition of EVsmart from Ayudante, Inc.

ENECHANGE Ltd.
September 30, 2022
Tokyo Stock Exchange Growth
Securities Code: 4169



Let's Change Energy, ENECHANGE

Handling of these materials

These materials contain statements regarding future prospects. These statements have been prepared based on information available at the time they were prepared. These statements are not guarantees of future results, and contain risks and uncertainties. Please note that actual results may differ greatly from the outlook due to changes in the environment, etc.

Factors affecting actual results include, but are not limited to, domestic and international economic conditions and trends in industries connected to the Company.

In addition, information contained in these materials from outside our company has been quoted from publicly-available information, etc. We have not verified the accuracy, appropriateness, etc. of such information in any way, and make no guarantees regarding it.

Summary

Transaction Overview

Acquisition of EVsmart from Ayudante, Inc.

- Date of execution of business transfer agreement: September 30, 2022
- Effective date of business transfer: October 31, 2022 (scheduled)
- Transfer price: 300 million JPY (excluding tax), Advisory fees (estimated) 7 million JPY
- Funding method for acquisition: Planned to be financed by bank loans
- Main assets to be transferred: EV/PHEV specialized media platform “EVsmart” and EV charging station application
- Impact on current fiscal year performance: Under examination (impact on current fiscal year performance is expected to be limited)

Purpose

Establishing moat by acquiring proprietary assets with competitive advantages

- Acquiring media platform with 1 million monthly page views and a cumulative total of 200,000 applications installed*¹ will enable ENECHANGE to build the largest-scale seamless service (52% online search share, 90% usage rate among EV users) in the Japanese EV industry
- Alliance with major automakers enables ENECHANGE to become the only EV charging operator with strategic partnerships with these automakers

Impact on Business Performance

Increase the number of charging stations installed and ARPU - both key KPIs for the EV Charging business - and build a foundation for providing new services

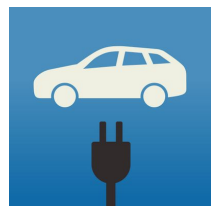
1. Increase in installations due to growing share of online searches
2. Increase ARPU by increasing the number of app installations
3. Building a foundation for providing new services through an alliance with automakers

*1 As of September 22, 2022. Number of apps installed is the sum of iOS and Android.

Outline of EVsmart

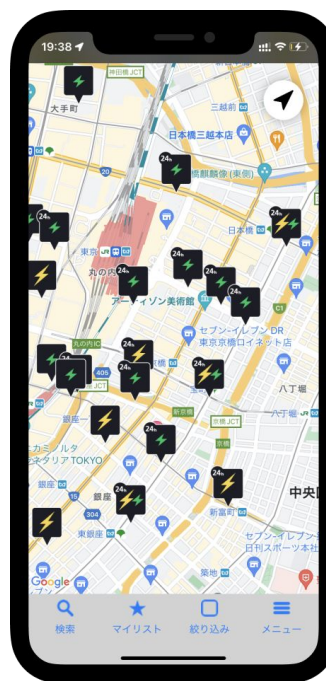
EVsmart has been providing EV-related services since 2014, the dawn of the EV industry. It has grown to be the largest in the industry, recording over 1 million monthly page views (PVs) for its online media platform and over 200,000 cumulative installations for its apps. The high-quality information service provided from a neutral standpoint is highly regarded within the industry.

EVsmart



■ General Information

- Operated by: Ayudante, Inc.
- Service started in 2014
- EVsmart's service is the largest in the industry with 1 million monthly PVs and 200,000 total app installs
- Information on more than 18,000 EV charging stations nationwide, with approximately 83,000 reviews*1



★★★★★ "An essential app for EV users." "Very easy to read and understand."
 - Apple Store Review (2020-2021)

*1 As of September 30, 2022, from the EVsmart website.

Purpose

By acquiring EVsmart media platform and apps, ENECHANGE will be able to provide a seamless service through high-quality online information, a rich charging location database, and EV charging billing. Combined with the takeover of EVsmart's alliance with major automobile manufacturers, we are aiming to establish a moat in EV Charging business.

Improve KPIs of EV Charging business by gradual integration into seamless service

Media platform

Information provided by EVsmart

App

Charger search and billing function

EV Charger

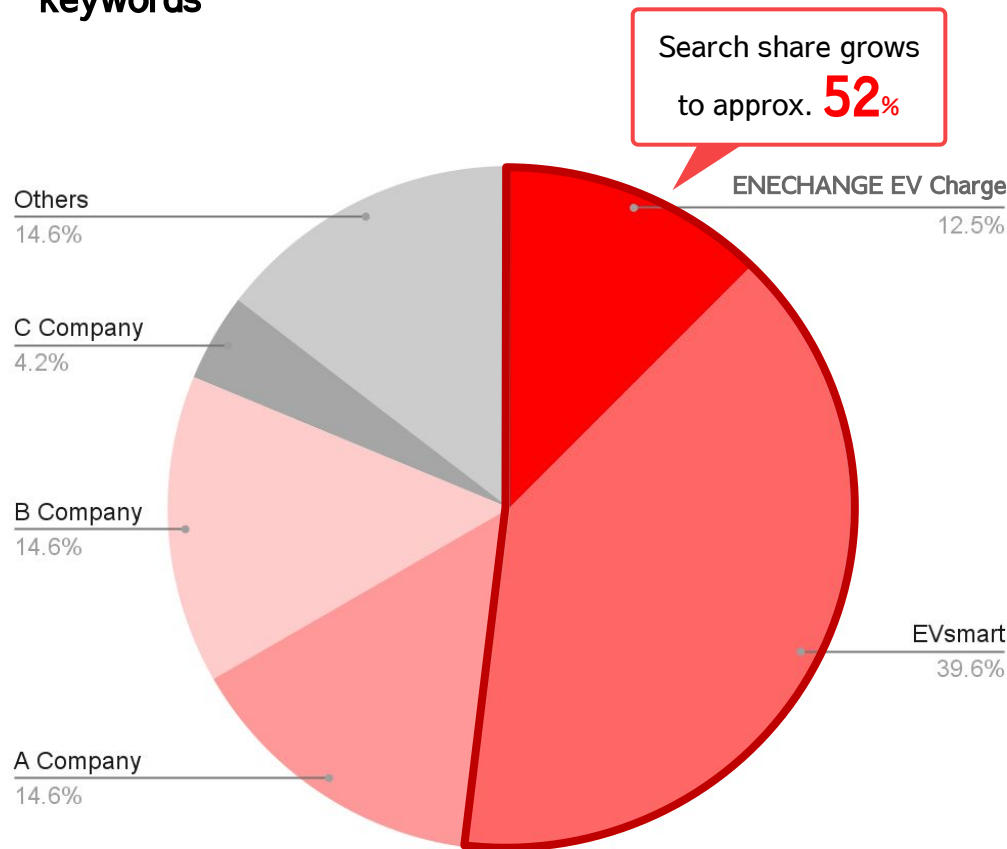
Highly functional charging stations

$$\boxed{\text{Number of units installed}} \times \boxed{\text{ARPU}} = \boxed{\text{Sales}}$$

Impact on Business Performance 1: Increase in installations due to growing share of online searches

With the acquisition of the media platform with the highest number of page views in Japan, ENECHANGE's 1st position for major EV-related keywords will increase to approximately 52%*1. With the expansion of this online search share, we expect an increase in the number of EV charger installations due to increased inquiries through organic inflow.

■ Estimated share of 1st position display rate for major keywords*1



■ Strengthening lead from media platform to EV charging services



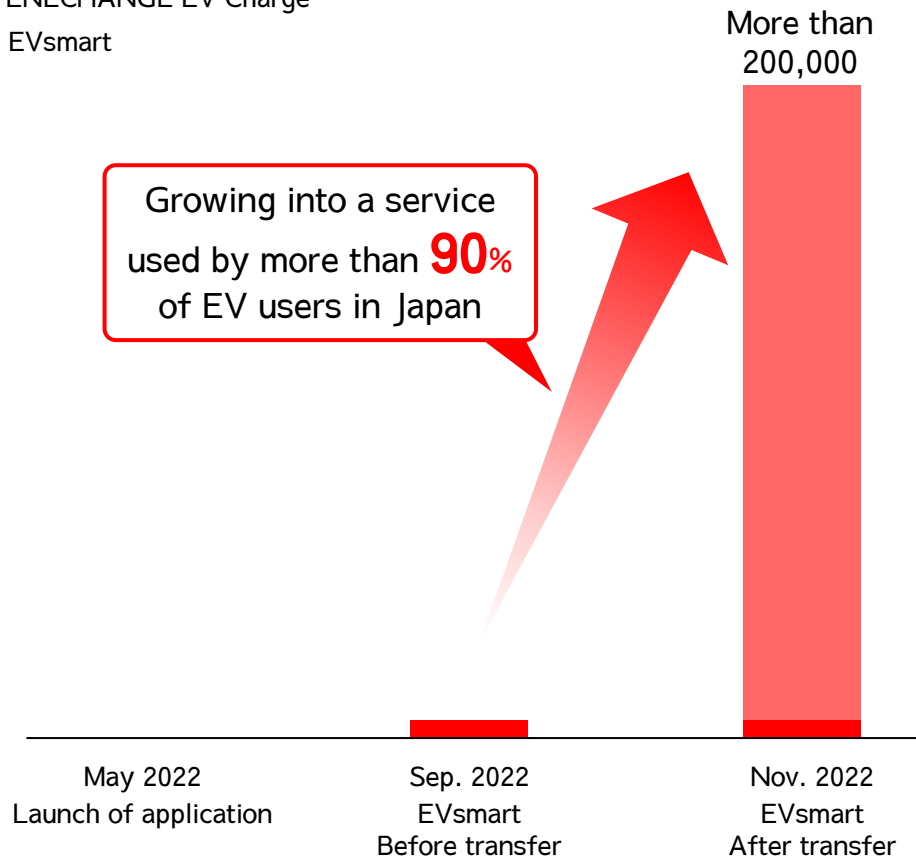
*1 Displaying survey results by ENECHANGE based on Google searches. Calculated by adding up the number of first-place results for 48 keywords in Japanese. (As of September 16, 2022)

Impact on Business Performance 2: Increase in ARPU due to higher number of app installations

With the acquisition of one of the most installed EV related apps in Japan, the cumulative number of installations will reach more than 200,000 and our service will grow to a user base of over 90%^{*1} of EV users in Japan. By introducing a billing function within the EVsmart application, we expect to increase ARPU by increasing billing opportunities for EV users.

■ Projected cumulative number of app installed

- ENECHANGE EV Charge
- EVsmart



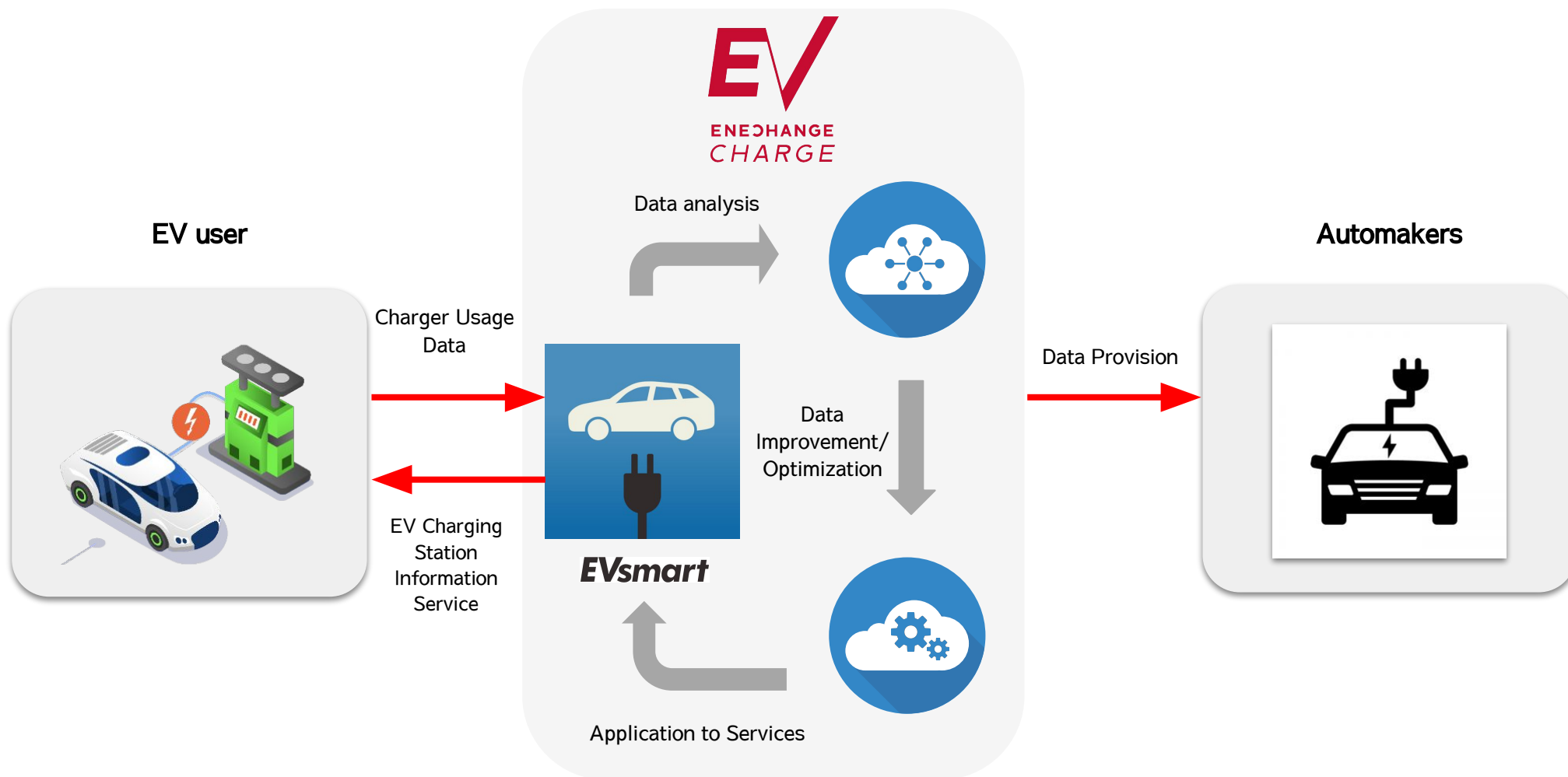
■ Increased utilization through smooth in-app billing



*1 The cumulative sales of EVs and PHVs (including Kei-car) in Japan from January 2018 to August 2022 is used as the denominator, and the total cumulative installations of ENECHANGE EV Charging and EVsmart is used as the numerator.

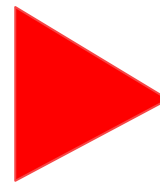
Impact on Business Performance 3: Building a foundation for new services through alliance

EVsmart's charging station data is also licensed to major automakers, and is considered superior in terms of the accuracy and volume of information within the Japanese EV industry. In the future, the data obtained through EVsmart will be analyzed and utilized to provide marketing data to automakers and to build the foundation for further new services.



Major overseas CPO firms have also conducted similar M&A

In July 2021, EVgo, a leading EV charging point operation (CPO) company*¹, acquired Recargo for approximately 3.5 billion JPY*². Recargo runs PlugShare, the world's leading EV charging application. CPO companies are increasingly pursuing a strategy of M&A of companies that offer EV charging information, and this takeover is positioned as following a similar strategy in Japan.



Deal Summary

- Cash acquisition for US\$ 25 million (3.5 billion JPY)
- EVgo, with its broad customer base and infrastructure, acquires PlugShare (Recargo), an app known for its sophisticated technology and user reach
- With this acquisition, EVgo significantly strengthens its app development capabilities as well as its data licensing and advertising capabilities

Outline of PlugShare*³

- Operated by: Recargo Inc.
- Service started in 2009
- Over 2 million registered users worldwide
- Global coverage of more than 500,000 charging stations, with approximately 4,200,000 reviews*³ (The above services are not yet available in Japan)

*1 Abbreviation for Charging Point Operator, which refers to a company primarily engaged in the business of managing and operating EV charging.

*2 Converted at \$1=140 JPY

*3 From EVgo's FY2022 Q2 financial results presentation and PlugShare official website