

Annual report for 2024

Honda PV ApS
Kristine Nielsens Gade 5, 8000 Aarhus C
CVR no. 41 42 56 87

Adopted at the annual general meeting on 20 June
2025

Signed by:

E078DC42FED44B0
26-Jun-2025 | 08:51 CEST

Ole Malling
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Honda PV ApS for the financial year 1 January - 31 December 2024.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 December 2024 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 January - 31 December 2024.

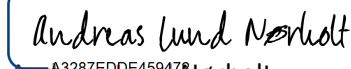
In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Aarhus, 20 June 2025

Executive board

Signed by:



Andreas Lund Nørholt

Director

25-Jun-2025 | 16:00 CEST

Supervisory board

Signed by:



Pia Raunkjær

chairman

25-Jun-2025 | 14:14 CEST

Signed by:



Andreas Lund Nørholt

25-Jun-2025 | 16:00 CEST

Independent auditor's report

To the shareholders of Honda PV ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Honda PV ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies, for both the group and the parent company as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2024 and of the results of the group and the parent company's operations and consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and parent company" section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 9, which describes the uncertainty associated with the valuation of the group's production plant and machinery for ('000 000 000) JPY 9.8. Our conclusion has not been modified regarding this matter.

We draw attention to note 9 "Disclosure of uncertainty related to recognition and measurement" in the financial statements, which describes the uncertainty related to the recognized deferred tax asset of ('000 000 000) JPY 1.0. Our conclusion is not modified in relation to this matter.

Management's responsibilities for the consolidated financial statements and the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements and the parent company financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements and parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.


Independent auditor's report

Based on the work we have performed, we conclude that management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.


Aarhus, 20 June 2025

BDO
Statsautoriseret Revisionsaktieselskab
CVR no. 20 22 26 70

DocuSigned by:


Morten Kristiansen Veng
State Authorised Public Accountant
mne34298
25-Jun-2025 | 18:47 CEST

Signed by:


Jonas Lund Jacobsen
State Authorised Public Accountant
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26-Jun-2025 | 08:49 CEST

Company details

The company

Honda PV ApS
Kristine Nielsens Gade 5
8000 Aarhus C

CVR no.: 41 42 56 87

Reporting period: 1 January - 31 December 2024

Incorporated: 12 June 2020

Financial year: 5th financial year

Domicile: Aarhus

Supervisory board

Pia Raunkjær, chairman
Andreas Lund Nørholt

Executive board

Andreas Lund Nørholt, director

Auditors

BDO
Statsautoriseret Revisionsaktieselskab
Vestre Ringgade 28
8000 Aarhus C

Management's review

Business review

The Group and Honda PV ApS principal activities consist in owning and running solar parks in Japan.

Recognition and measurement uncertainties

The valuation of the group's plant and machinery for ('000 000 000) JPY 9.8 is subject to significant uncertainty, considering that its value is based on the discounted cash flows expected over the facilities' anticipated lifespan of 30 years. Especially, developments in electricity prices and reassessment of the discount rates used could have a significant impact on the value.

The Group has a tax loss carryforward of ('000 000 000) JPY 7.7 in Japan. The deferred tax asset based on the carryforward of tax losses is recognized at a value of ('000 000 000) JPY 1.0, equivalent to 7 years of earnings of ('000 000 000) JPY 3.5. Based on the company's activity and investment case, budgets are prepared with a horizon of 25 years, corresponding to the expected life of the solar power plant. The value of the deferred tax asset depends on management's ability to realize the budget. Management assess that future earnings are sufficient to utilize the carryforward of tax losses. If the expected future earnings are not realized, the company's deferred tax asset will need to be impaired, which would result in a decrease in the asset's net book value.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the the group's financial position.

Management's review

Changes in accounting estimates

The company continuously reviews the estimates and assumptions applied in the valuation of the Group's production facilities to best reflect any impairments in the current market.

In the current financial year, a number of changes have been made to the underlying estimates used for assessing the need for impairment of the Group's production facilities. This includes a switch in the provider of price curve estimates to one that is considered more reputable in the market. Assumptions regarding expected curtailment have been increased due to the growth in the supply of renewable energy, which has led to a heightened risk in this area. Assumptions related to operational optimizations have been adjusted, as it has proven more difficult than anticipated to realize previous expectations. Assumptions concerning the expected useful life of the facilities have been changed to 30 years, whereas the previous impairment test assumptions extended beyond 30 years due to long-term land lease agreements. Additionally, updated discount rates have been applied, which better reflect market conditions than those previously used.

Group

The effect of this change has been recognized in the income statement under depreciation and impairment of tangible assets and financial costs and amounts to ('000 000 000) JPY -6,0 (after tax ('000 000 000) JPY -4,2). The change also affects the balance sheet total and equity by ('000 000 000) JPY -6,0 and ('000 000 000) JPY -4,2, respectively.

Parent Company

The effect of this change has been recognized in the income statement under income from investments in subsidiaries and amounts to ('000 000 000) JPY -4,2. The change also affects the balance sheet total and equity by ('000 000 000) JPY -4,2.

The company will continue to monitor developments in the underlying factors to ensure that the estimates reflect the most accurate projections.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		TJPY	TJPY	TJPY	TJPY
Gross profit		942.289	1.067.436	-25.275	-18.266
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-4.498.545	-570.353	0	0
Profit/loss before net financials		-3.556.256	497.083	-25.275	-18.266
Income from investments in subsidiaries		0	0	-4.052.697	570.966
Financial income	3	7	2	175.413	186.208
Financial costs	2,4	-2.673.374	-846.160	-534.914	-807.260
Profit/loss before tax		-6.229.623	-349.075	-4.437.473	-68.352
Tax on profit/loss for the year	5	1.754.665	288.896	0	0
Profit/loss for the year		-4.474.958	-60.179	-4.437.473	-68.352
Recommended appropriation of profit/loss					
Reserve for net re-valuation under the equity method		0	0	-4.052.697	570.966
Retained earnings		-4.437.473	-68.349	-384.776	-639.318
		-4.437.473	-68.349	-4.437.473	-68.352
Non-controlling interests		-37.485	8.170	0	0
		-4.474.958	-60.179	-4.437.473	-68.352

Balance sheet 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		TJPY	TJPY	TJPY	TJPY
Assets					
Plant and machinery	2,6	9.786.689	14.285.234	0	0
Tangible assets		9.786.689	14.285.234	0	0
Investments in subsidiaries	7	0	0	2.022.715	6.010.686
Receivables from subsidiaries		0	0	9.428.551	10.437.160
Other receivables	10	274.562	182.414	0	0
Deposits		600.000	600.000	0	0
Fixed asset investments		874.562	782.414	11.451.266	16.447.846
Total non-current assets		10.661.251	15.067.648	11.451.266	16.447.846
Trade receivables		97.482	92.343	0	0
Other receivables		2.769	856	0	298
Corporation tax		0	619	0	0
Prepayments	2	401.710	2.786.504	0	0
Receivables		501.961	2.880.322	0	298
Cash at bank and in hand		753.309	872.542	174.847	2.205
Total current assets		1.255.270	3.752.864	174.847	2.503
Total assets		11.916.521	18.820.512	11.626.113	16.450.349

Balance sheet 31 December

Note	Group		Parent company	
	2024	2023	2024	2023
	TJPY	TJPY	TJPY	TJPY
Equity and liabilities				
Share capital	681	681	681	681
Reserve for net re-valuation under the equity method	0	0	0	666.583
Reserve for current value of hedging	273.711	208.985	0	0
Retained earnings	-4.463.591	-26.117	-4.189.880	-483.718
Non-controlling interests	-57.002	-20.172	0	0
Equity	-4.246.201	163.377	-4.189.199	183.546
Provision for deferred tax	608.277	2.336.173	0	0
Total provisions	608.277	2.336.173	0	0
Banks	8.824.424	9.399.692	8.824.424	9.399.692
Total non-current liabilities	8.824.424	9.399.692	8.824.424	9.399.692
	8			

Balance sheet 31 December (continued)

	Note	Group		Parent company	
		2024	2023	2024	2023
		TJPY	TJPY	TJPY	TJPY
Equity and liabilities					
Banks	8	855.268	1.121.977	855.268	1.121.977
Trade payables		7.576	9.103	2.374	0
Payables to subsidiaries		5.845.401	5.745.133	6.133.233	5.745.133
VAT and duties payables		13	0	13	1
Other payables		21.763	45.057	0	0
Total current liabilities		6.730.021	6.921.270	6.990.888	6.867.111
Total liabilities		15.554.445	16.320.962	15.815.312	16.266.803
Total equity and liabilities		11.916.521	18.820.512	11.626.113	16.450.349
Uncertainty connected with recognition or measurement	9				
Other receivables	10				
Contingent liabilities	11				
Mortgages and collateral	12				
Related parties and ownership structure	13				
Special items	2				

Statement of changes in equity

Group

	Share capital	Reserve for current value of hedging	Retained earnings	Non- controlling interests	Total
Equity at 1 January 2024	681	208.986	-26.118	-20.171	163.378
Other equity movements	0	64.725	0	654	65.379
Net profit/loss for the year	0	0	-4.437.473	-37.485	-4.474.958
Equity at 31 December 2024	681	273.711	-4.463.591	-57.002	-4.246.201

Parent company

	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Total
Equity at 1 January 2024	681	666.584	-483.716	183.549
Other equity movements	0	64.725	0	64.725
Transfers, reserves	0	3.321.388	-3.321.388	0
Net profit/loss for the year	0	-4.052.697	-384.776	-4.437.473
Equity at 31 December 2024	681	0	-4.189.880	-4.189.199

Cash flow statement 1 January - 31 December

	Note	Group	
		2024	2023
		TJPY	TJPY
Net profit/loss for the year		-4.474.958	-60.179
Adjustments	14	5.417.247	1.127.616
Change in working capital	15	2.352.280	736.999
Cash flows from operating activities before financial income and expenses		3.294.569	1.804.436
Interest income and similar income		7	1
Interest expenses and similar charges		-2.314.785	-226.245
Cash flows from ordinary activities		979.791	1.578.192
Corporation tax paid		619	-30.479
Cash flows from operating activities		980.410	1.547.713
Repayment of loans from credit institutions		-841.977	-1.108.596
Repayment of debt to participating interests		33.224	-11.634
Cash flows from financing activities		-808.753	-1.120.230
Change in cash and cash equivalents		171.657	427.483
Cash and cash equivalents		872.542	885.424
Exchange adjustment of current asset investments		-290.890	-440.365
Cash and cash equivalents		753.309	872.542
Analysis of cash and cash equivalents:			
Cash at bank and in hand		753.309	872.542
Cash and cash equivalents		753.309	872.542

Notes

1 Accounting policies

The annual report of Honda PV ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2024 is presented in JPY.

Changes in accounting estimates

The company continuously reviews the estimates and assumptions applied in the valuation of the Group's production facilities to best reflect any impairments in the current market.

In the current financial year, a number of changes have been made to the underlying estimates used for assessing the need for impairment of the Group's production facilities. This includes a switch in the provider of price curve estimates to one that is considered more reputable in the market. Assumptions regarding expected curtailment have been increased due to the growth in the supply of renewable energy, which has led to a heightened risk in this area. Assumptions related to operational optimizations have been adjusted, as it has proven more difficult than anticipated to realize previous expectations. Assumptions concerning the expected useful life of the facilities have been changed to 30 years, whereas the previous impairment test assumptions extended beyond 30 years due to long-term land lease agreements. Additionally, updated discount rates have been applied, which better reflect market conditions than those previously used.

Group

The effect of this change has been recognized in the income statement under depreciation and impairment of tangible assets and financial costs and amounts to ('000 000 000) JPY -6,0 (after tax ('000 000 000) JPY -4,2). The change also affects the balance sheet total and equity by ('000 000 000) JPY -6,0 and ('000 000 000) JPY -4,2, respectively.

Parent Company

The effect of this change has been recognized in the income statement under income from investments in subsidiaries and amounts to ('000 000 000) JPY -4,2. The change also affects the balance sheet total and equity by ('000 000 000) JPY -4,2.

The company will continue to monitor developments in the underlying factors to ensure that the estimates reflect the most accurate projections.

The accounting estimates are otherwise consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Notes

1 Accounting policies

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group's and the parent company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the group's and the parent company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Consolidated financial statements

The consolidated financial statements comprise the parent company Honda ApS and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered participating interests or associates, cf. the group chart.

The consolidated financial statements are prepared as a consolidation of the parent company's and subsidiaries' financial statements by aggregating uniform accounting items. On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Notes

1 Accounting policies

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other external expenses

Other external expenses include expenses related to administration, premises, bad debts, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries, associates and participating interests

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the parent company's income statement after full elimination of intra-group profits/losses.

Tax on profit/loss for the year

The parent company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The parent company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Notes

1 Accounting policies

Balance sheet

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Plant and machinery	10-30 years	0 %

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale.

Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Investments in subsidiaries, associates and participating interests

Investments in subsidiaries, associates and participating interests are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries and associates are measured in the parent company financial statements using the equity method.

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Notes

1 Accounting policies

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Notes

1 Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' or 'Other payables', respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future cash flows are recognised in other receivables or other payables and in the fair value reserve under 'Equity'. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

As for derivative financial instruments that do not qualify for hedge accounting, fair value adjustments are recognised in the income statement on a current basis.

Cash flow statement

The cash flow statement shows the group's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the group's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Notes

1 Accounting policies

Cash flows from operating activities

Cash flows from operating activities are stated as the group's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes. Dividend income from investments is recognised under 'Interest income and dividend received'.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the group's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Notes

	Group		Parent company	
	2024	2023	2024	2023
	TJPY	TJPY	TJPY	TJPY
2 Special items				
Impairment loss tangible assets	3.865.439	0	0	0
Impairment loss grid connection fee	2.105.217	0	0	0
	5.970.656	0	0	0
3 Financial income				
Interest received from subsidiaries	0	0	175.413	186.208
Financial income	7	2	0	0
	7	2	175.413	186.208
4 Financial costs				
Financial expenses, group entities	67.044	60.697	67.044	60.697
Other financial costs	2.606.330	785.463	467.870	746.563
	2.673.374	846.160	534.914	807.260

Notes

	Group		Parent company	
	2024	2023	2024	2023
	TJPY	TJPY	TJPY	TJPY
5 Tax on profit/loss for the year				
Deferred tax for the year	-1.754.665	-123.580	0	0
Adjustment of deferred tax concerning previous years	0	-165.315	0	0
	-1.754.665	-288.895	0	0
	-1.754.665	-288.895	0	0

6 Tangible assets**Group**

	Plant and machinery
Cost at 1 January 2024	15.632.439
Cost at 31 December 2024	15.632.439
Revaluations at 1 January 2024	0
Revaluations at 31 December 2024	0
Impairment losses and depreciation at 1 January 2024	1.347.205
Impairment losses for the year	3.865.439
Depreciation for the year	633.106
Impairment losses and depreciation at 31 December 2024	5.845.750
Carrying amount at 31 December 2024	9.786.689

Notes

7 Investments in subsidiaries**Parent company**

Investments in subsidiaries are specified as follows:

Navn	Registered office	Ownership interest
ES NPV 1 GK	Japan	99%
Honda Renewables GK	Japan	100%

8 Long term debt

	Group		Parent company	
	2024	2023	2024	2023
	TJPY	TJPY	TJPY	TJPY
Banks				
After 5 years	5.287.484	6.099.683	5.287.484	6.099.683
Between 1 and 5 years	3.536.940	3.300.009	3.536.940	3.300.009
Non-current portion	8.824.424	9.399.692	8.824.424	9.399.692
Other short-term debt to credit institutions	855.268	1.121.977	855.268	1.121.977
Current portion	855.268	1.121.977	855.268	1.121.977
	9.679.692	10.521.669	9.679.692	10.521.669

Notes

9 Uncertainty connected with recognition or measurement

The valuation of the group's plant and machinery for ('000 000 000) JPY 9.8 is subject to significant uncertainty, considering that its value is based on the discounted cash flows expected over the facilities' anticipated lifespan of 30 years. Especially, developments in electricity prices and reassessment of the discount rates used could have a significant impact on the value.

The Group has a tax loss carryforward of ('000 000 000) JPY 7.7 in Japan. The deferred tax asset based on the carryforward of tax losses is recognized at a value of ('000 000 000) JPY 1.0, equivalent to 7 years of earnings of ('000 000 000) JPY 3.5. Based on the company's activity and investment case, budgets are prepared with a horizon of 25 years, corresponding to the expected life of the solar power plant. The value of the deferred tax asset depends on management's ability to realize the budget. Management assess that future earnings are sufficient to utilize the carryforward of tax losses. If the expected future earnings are not realized, the company's deferred tax asset will need to be impaired, which would result in a decrease in the asset's net book value.

10 Other receivables

In other long-term receivables included positive fair value of interest rate swaps of JPY 275 million (2023: JPY 182 million). Interest rate swaps have been entered into to hedge a fixed interest rate on the Group's floating rate bank loans. The interest rate swap included have a total residual debt of JPY 9.680 million (2023: JPY 10.521 million) and secure a fixed interest rate of 0,49%% for the residual term of 13 years. The interest is settled on an ongoing basis.

The bank loan and the interest rate swap are with the same counterparty. The fair value of interest rate swap contracts is calculated by discounting the estimated cashflow on the basis of an interest rate curve for the underlying variable interest rate in interest rate swap. The fair value includes an adjustment for own credit risk.

11 Contingent liabilities

Rent liabilities include a rent obligation totalling JPY 268,045 thousand in interminable rent agreement with remaining contract terms of 19 ½ years.

12 Mortgages and collateral

Plant and machinery with a carrying amount of JPY 9,786,689 thousand at 31 December 2024 have been provided as collateral for debt to mortgage credit institutions of JPY 9,679,692 thousand.

Notes

13 Related parties and ownership structure**Consolidated financial statements**

The company is included in the consolidated financial statements of Obton Solenergi Stabil P/S, Kristine Nielsens Gade 5, 8000 Aarhus C, CVR no. 38 78 42 34.

	Group	
	2024	2023
	TJPY	TJPY
14 Cash flow statement - adjustments		
Financial income	-7	-1
Financial costs	2.673.374	846.160
Depreciation, amortisation and impairment losses	4.498.545	570.353
Tax on profit/loss for the year	-1.754.665	-288.896
	5.417.247	1.127.616
15 Cash flow statement - change in working capital		
Change in receivables	2.377.089	771.204
Change in trade payables, etc.	-24.809	-34.205
	2.352.280	736.999