

Annual report <b>BALANCE SHEET</b> <b>EU-SOLAR Plc.</b> 2024.01.01.-2024.09.30.					
Number	Serial	Description	Previous year 2023.12.31	Modifications	Current year 2024.09.30.
001	A.	NON-CURRENT ASSETS	2 490 548	0	2 348 619
002	I.	INTANGIBLE ASSETS	44 382	0	59 943
003		Capitalised cost of foundation and restructuring	0	0	0
004		Capitalised research and development cost	13 657	0	8 566
005		Property rights	27 566	0	50 908
006		Intellectual property	3 159	0	469
007		Goodwill	0	0	0
008		Advances on intellectual property	0	0	0
009		Revaluation of intangible assets	0	0	0
010	II.	PROPERTY, PLANT AND EQUIPMENT	2 431 094	0	2 269 604
011		Land and buildings and related property rights	1 869 063	0	1 845 959
012		Plant and machinery, vehicles	209 982	0	176 380
013		Other equipment, fixtures and vehicles	294 344	0	221 264
014		Livestock	0	0	0
015		Assets under construction	6 534	0	26 001
016		Advances on assets under construction	51 171	0	0
017		Revaluation of property, plant and equipment	0	0	0
018	III.	NON-CURRENT FINANCIAL INVESTMENTS	15 072	0	19 072
019		Long-term investments in affiliated parties	15 072	0	19 072
020		Long-term loan to affiliated parties	0	0	0
021		Long-term investments to significant parties	0	0	0
022		Long-term loan to significant parties	0	0	0
023		Other long-term investments	0	0	0
024		Long-term loans to other investments	0	0	0
025		Other long-term loans	0	0	0
026		Long-term debt securities	0	0	0
027		Revaluation of financial investments	0	0	0
028		Fair valuation difference of financial investments	0	0	0
029	B.	CURRENT ASSETS	8 813 400	6 706	7 368 553
030	I.	Inventories	5 137 389	-7 075	3 565 978
031		Raw materials and consumables	4 320 198	-7 075	3 173 434
032		Unfinished production and semi-finished products	5 217	0	3 207
033		Grown, fattened and other livestock	0	0	0
034		Finished products	0	0	0
035		Merchandises	0	0	0
036		Advances on stocks	811 974	0	389 337
037	II.	RECEIVABLES	2 907 584	13 781	2 142 707
038		Receivables from the supply of goods and services (customers)	1 576 896	0	633 719
039		Receivables from affiliated parties	318 004	0	375 460
040		Receivables from significant parties	0	0	0
041		Receivables from other investments	0	0	0
042		Receivables from bills of exchange	0	0	0
043		Other receivables	1 012 684	13 781	1 133 528
044		Fair valuation difference of receivables	0	0	0
045		Positive valuation difference of derivative transactions	0	0	0
046	III.	SECURITIES	150 852	0	170 249
047		Investments in affiliated parties	0	0	0
048		Investments in significant ownership parties	0	0	0
049		Other investments	0	0	0
050		Treasury shares	0	0	0
051		Debt securities for trading purposes	150 852	0	170 249
052		Fair valuation difference of securities	0	0	0
053	IV.	CASH AND CASH EQUIVALENTS	617 575	0	1 489 619
054		Cash and cheques	997	0	1 190
055		Bank accounts	616 578	0	1 488 429
056	C.	PREPAYMENTS	2 003 194	136 613	1 776 756
057		Accrued income	1 946 728	136 613	1 724 404
058		Prepaid cost and expenses	56 466	0	52 352
059		Deferred expenses	0	0	0
060		TOTAL ASSETS	13 307 142	143 319	11 493 928

Pécs, 2025.04.30.

Petre András Balázs  
 Chairman of the board  
 EU-SOLAR SE

Annual report <b>BALANCE SHEET</b> <b>EU-SOLAR Plc.</b> <b>2024.01.01.-2024.09.30.</b>					
061	D.	SHAREHOLDERS' EQUITY	6 460 729	-629 573	3 007 715
062	I.	SHARE CAPITAL	250 000	0	250 000
063		Of which: treasury shares at nominal value	0	0	0
064	II.	REGISTERED BUT UNPAID CAPITAL (-)	0	0	0
065	III.	SHARE PREMIUM	0	0	0
066	IV.	RETAINED EARNINGS	1 436 391	464 878	-71 408
067	V.	TIED-UP RESERVE	4 317 441	-464 878	3 852 564
068	VI.	VALUATION RESERVE	0	0	0
069		Valuation reserve from Value Adjustments	0	0	0
070		Valuation reserve from Fair Value Measurement	0	0	0
071	VII.	NET INCOME FOR THE PERIOD	456 897	-629 573	-1 023 441
072	E.	PROVISIONS	58 098	0	28 938
073		Provisions for expected liabilities	38 584	0	28 938
074		Provisions for future expenses	19 514	0	0
075		Other provisions	0	0	0
076	F.	LIABILITIES	6 458 684	21 287	7 722 291
077	I.	SUBORDINATED LIABILITIES	0	0	0
078		Subordinated liabilities to affiliated parties	0	0	0
079		Subordinated liabilities to significant parties	0	0	0
080		Subordinated liabilities to other investment	0	0	0
081		Subordinated liabilities to third parties	0	0	0
082	II.	LONG-TERM LIABILITIES	490 803	0	289 365
083		Long-term loans	0	0	0
084		Convertible bonds	0	0	0
085		Liability from bond issue	0	0	0
086		Liabilities from capital investment and development loans	0	0	0
087		Liabilities from other long-term loans	490 803	0	289 365
088		Long-term liabilities to affiliated parties	0	0	0
089		Long-term liabilities to significant ownership parties	0	0	0
090		Long-term liabilities to other investments	0	0	0
091		Other long-term liabilities	0	0	0
092	III.	SHORT-TERM LIABILITIES	5 967 881	21 287	7 432 926
093		Short-term borrowings	0	0	0
094		Of which: convertible bonds	0	0	0
095		Short-term loans	2 652 618	0	2 058 308
096		Advances from customers	2 148 789	0	2 842 782
097		Liabilities from the supply of goods and services (supplier)	1 021 488	1 339	541 277
098		Bills of exchange	0	0	0
099		Short-term liabilities to affiliated parties	3 600	22 488	1 808 715
100		Short-term liabilities to significant ownership parties	0	0	0
101		Short-term liabilities to other investments	0	0	0
102		Other short-term liabilities	141 386	-2 540	181 844
103		Fair valuation difference of liabilities	0	0	0
104		Negative valuation difference of derivative transactions	0	0	0
105	G.	ACCRUALS	329 631	751 605	734 984
106		Deferred revenues	3 716	0	2 669
107		Accrued cost and expenses	325 665	751 605	732 065
108		Other deferred income	250	0	250
109		TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	13 307 142	143 319	11 493 928

Pécs, 2025.04.30.

Petre András Balázs  
Chairman of the board  
EU-SOLAR SE

Annual Report INCOME STATEMENT EU-SOLAR Plc. 2024.01.01.-2024.09.30.					
Number	Serial	Description	Previous year 2023.12.31.	Modifications	Current year 2024.09.30.
01	01.	Net domestic sales revenue	11 001 152	136 613	2 560 669
02	02.	Net export sales revenue	3 629 019		833 546
03	I.	NET SALES REVENUES	14 630 171	136 613	3 394 215
04	03.	Changes in own produced inventory	0		0
05	04.	Work performed by the enterprise and capitalised	0		0
06	II.	CAPITALISED OWN PERFORMANCE	0		0
07	III.	OTHER OPERATING INCOME	672 465		217 351
08		of which: reversed impairment	154 721		134 164
09	05.	Raw material costs	4 053 965	725 921	1 081 150
10	06.	Value of services used	2 251 504	17 694	1 053 279
11	07.	Other services	101 517		54 634
12	08.	Cost of goods sold	3 546 237		836 531
13	09.	Value of services sold (intermediated)	1 665 027	35 977	275 464
14	IV.	MATERIAL EXPENSES	11 618 250	779 592	3 301 058
15	10.	Wages and salaries	1 017 123	1 576	659 237
16	11.	Other personnel expenses	36 391		21 230
17	12.	Tax and contributions	125 686		108 554
18	V.	PERSONNEL EXPENSES	1 179 200	1 576	789 021
19	VI.	DEPRECIATION	253 939		156 259
20	VII.	OTHER OPERATING EXPENSES	832 158	-14 150	431 753
21		of which: impairment	158 695		211 642
22	A.	PROFIT OR LOSS FROM OPERATING ACTIVITIES	1 419 089	-630 405	-1 066 525
23	13.	Received (due) dividend	0		0
24		of which: received from related parties	0		0
25	14.	Gain from the sale of investments	0		0
26		of which: received from related parties	0		0
27	15.	Interest and exchange rate gains on financial investments	108 068		9 495
28		of which: received from related parties	0		0
29	16.	Other received (due) interest and interest-type revenues	30 394		14 576
30		of which: received from related parties	3 044		1 468
31	17.	Other revenues of financial transactions	560 880		149 920
32		of which: fair valuation difference	0		0
33	VIII.	TOTAL FINANCIAL INCOME	699 342	0	173 991
34	18.	Exchange rate loss on financial investments	0		0
35		of which: to related parties	0		0
36	19.	Losses on financial investments	40 821		0
37		of which: to related parties	0		0
38	20.	Interest and interest-type expenses	53 797		78 385
39		of which: to affiliated undertakings	0		0
40	21.	Impairment on investments, securities, bank deposits	0		0
41	22.	Other financial expenses	1 558 935	1 339	52 522
42		of which: fair valuation difference	0		0
43	IX.	TOTAL FINANCIAL EXPENSES	1 653 553	1 339	130 907
44	B.	FINANCIAL PROFIT OR LOSS	-954 211	-1 339	43 084
45	C.	PROFIT BEFORE TAXATION	464 878	-631 744	-1 023 441
46	X.	TAX PAYABLE	7 981	-2 171	0
47	D.	PROFIT AFTER TAXATION	456 897	-629 573	-1 023 441

Pécs, 2025.04.30.

Petre András Balázs  
Chairman of the board  
EU-SOLAR SE

# **Supplementary Annex to the 2024 Operational Closing Report of EU-SOLAR Plc**

## **1. General Information**

The predecessor of EU-SOLAR Trading and Service Company, EU-SOLAR Ltd., was founded on 28 September 2012 with 100% private ownership, which was transformed into a public limited company on 30 September 2016. Our company was registered on the BSE Xtend market on 22.04.2022, as a result of which it was transformed into a public limited company.

Full legal name of the Company:

EU-SOLAR Trading and Service Public Company Limited by Shares

Abbreviated name:

EU-SOLAR Plc

English company name and abbreviation:

EU-SOLAR Trading and Service Public Company Limited by Shares

EU-SOLAR Plc

Registered seat:

7630 Pécs, Kocsz utca 127.

Operational site:

7630 Pécs, Kocsz utca 110.

Branch locations:

7800 Siklós, parcel umber 06/49

7673 Cserkút, parcel number 099/4

The Company's registered share capital prior to its transformation into a public limited company amounted to HUF 20,000,000. This amount was subsequently increased to HUF 100,000,000 through the utilisation of retained earnings. A further capital increase to HUF 250,000,000, also funded from retained earnings, was executed on 21 June 2018.

Type of share: Ordinary share

Share class: Class 1

Serial number range: 1–1000

Shareholders of the company: Energy Investment Plc (32065699-2-02) 100% (from 01.10.2024  
Energy Investment SE)

Shareholder of the Company: Energy Investment Plc (Tax number: 32065699-2-02) – 100%  
ownership (as of 1 October 2024: Energy Investment SE)

Senior Officers with Signing Authority:

The following members of the Company's management are authorised to sign on behalf of the Company:

András Balázs Petre – Chairman of the Board of Directors  
Form of representation: individually (sole signatory)

Hortenzia Petréné Kárpáti – Member of the Board of Directors  
Form of representation: jointly

Dr. András Petre – Member of the Board of Directors  
Form of representation: jointly

The Company is registered with the Court of Registration.

Company registration number: Cg. 02-10-060424

Tax identification number: 25734643-2-02

EU VAT number: HU25734643

Statistical number: 25734643-4669-114-02

Legal predecessor: EU-SOLAR Ltd. (Company registration number: Cg. 02-09-079435, Tax number: 24132608-2-02)

The Company has a Supervisory Board consisting of three members.

Members of the Supervisory Board:

Mrs. Ibolya Gadóné Tünde Szőke  
Address: 7633 Pécs, Kőrösi Csoma Sándor utca 2.

Tamás József Véghely  
Address: 1174 Budapest, Csík utca 3.

Tamás Rózsás  
Address: 2030 Érd, Hanság utca 16.

The audit of the Company is a statutory requirement.

Auditor of the company: PricewaterhouseCoopers Könyvvizsgáló Ltd.  
Company registration number: 01-09-063022  
Tax number: 10256161-2-44  
Head office: 1055 Budapest, Bajcsy-Zsilinszky út 78.  
Chamber registration number: 001464

Statutory Auditor:  
Name: Péter Biczó  
Chamber Registration Number: 004957

**Auditor's Remuneration:**

The fee for statutory audit services in 2024 amounts to HUF 11,960,000 + VAT.

In addition, the audit firm provided other services totalling HUF 9,110 thousand during the financial year.

Person Responsible for Accounting Services: Patrícia Bosnyákné Molnár, Registration number: 186538

**Principal Activity of the Company:**

NACE code 4669'08 – Wholesale trade services of other machinery and equipment not elsewhere classified

**Main areas of activity of the company:**

- Electrical installation
- Engineering activities, technical consultancy
- Wholesale services of other machinery and equipment n.e.c.

The Company's primary activity is the installation of solar panel systems. In addition, it engages in the wholesale trade of other machinery and equipment not elsewhere classified (n.e.c.), which includes the sale of electric vehicle charging stations, solar panels, and related components. The Company also operates an installation training institute and a dedicated training centre.

With effect from 30 September 2024, the Company was officially registered by the Commercial Court of the General Court of Pécs as having been transformed from a public limited company (Plc) into a European public limited company (Societas Europaea, SE).

The current financial statements cover a nine-month period ending on 30 September 2024. Comparative data refer to the annual financial statements as at 31 December 2023, adjusted for changes in relevant items shown in the middle column. A detailed explanation of these adjustments is provided in Chapter 8, which outlines the background of the figures in the third column and their effects on the financial statements—ensuring consistency and the reliability of the financial information.

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## **2. Accounting Policies**

The Company applies a comprehensive accounting policy framework, within which the following internal regulations have been established:

- Valuation Policy
- Inventory Management Policy
- Cash and Treasury Management Policy
- Cost Accounting Regulations

The Company prepares its annual financial statements in accordance with Article 9 of Act C of 2000 on Accounting.

The Company prepares its balance sheet in Format A and applies the total cost method for the preparation of its profit and loss account.

In accordance with the applicable provisions and principles of the Accounting Act, the Company's accounting policies are defined as follows:

Investments are capitalised on the date they are brought into use. At the time of capitalisation, the Company's financial manager determines the expected useful life, residual value, and depreciation rate of the asset, which are then recorded in the individual asset register.

The cost of intangible assets and tangible fixed assets (either acquisition or production cost), reduced by the residual value at the end of their useful life, is expensed through depreciation over the period in which the asset is expected to be used.

#### Depreciation Rates Applied:

- Real estate: 2% per annum (useful life: up to 50 years)
- Vehicles: 20% per annum (useful life: up to 5 years)
- Machinery and equipment: 14.5% per annum (useful life: over 7 years)
- IT and computer equipment: 33% per annum (useful life: over 3 years)

The annual depreciation charge is determined based on the expected use of each individual asset, its estimated useful life, physical wear and tear, and technological obsolescence, as well as the specific circumstances of the Company's operations.

Depreciation is applied from the date the asset is brought into use for its intended purpose, i.e., from the date of commissioning. The commissioning process must be documented in a verifiable and credible manner.

The capitalised value of completed experimental development and completed start-up redesign is amortised over a period of five years. Goodwill is also amortised over five years

No depreciation is recognised on the cost (acquisition) value of land (except land used for mining or hazardous waste storage), forests, works of art, archaeological finds, and assets not yet commissioned.

Both planned and unplanned depreciation are recorded in the general ledger at the year-end closing. The amounts are determined based on the data recorded in the individual asset registers.

Fixed assets with an acquisition or production value of less than HUF 200,000 are fully depreciated at the time they are brought into use.

In accordance with Article 53 (1) of Act C of 2000 on Accounting, impairment (extraordinary depreciation) must be recognised on intangible and tangible assets if any of the following conditions are met:

- the carrying amount of an intangible or tangible asset (including investments) is consistently and significantly higher than its market value;

- the value of the intangible or tangible asset (including investments) has suffered permanent impairment due to a change in the Company's business activities, or the asset has become redundant, damaged, destroyed, or lost;
- the enforceability of the related property right is restricted or no longer exists due to contractual modification;
- the activity resulting from completed experimental development is restricted, terminated, or rendered ineffective;
- the carrying amount of goodwill or the capitalised value of a business combination consistently and significantly exceeds its market value (determined based on expected returns), due to changes in circumstances that affect future economic benefits.

According to the Accounting Act, an error is considered material if the aggregate amount of the errors and the impact of those errors—identified during the year of detection through various audits—exceeds the threshold defined in the Company's accounting policy for a given financial year, assessed separately for each affected year, regardless of the year in which the error originated.

An error is always considered material if the aggregate amount of the errors and their effects—whether increasing or decreasing profit, loss, or equity—identified in the year of detection, regardless of the year of origin, exceeds 2% of the total balance sheet amount of the audited financial year. If 2% of the total balance sheet amount is less than HUF 1 million, then HUF 1 million is applied as the materiality threshold.

An error is not considered material if its amount remains below this threshold.

Items of exceptional size or nature include the above-mentioned errors and any expenses that are not directly related to the Company's core activities.

Information is considered material to the financial statements if its omission or misstatement could, within reasonable limits, influence the economic decisions of users taken on the basis of those financial statements (materiality principle).

Throughout the year, the Company maintains detailed records of the quantity and value of purchased materials and goods. At the end of the year, unused materials and goods are subject to physical inventory in the final month. Inventory is accounted for using the FIFO method.

Impairment is recognised on inventories with an expected realisation period of more than one year, based on the assumption that only 8% of products impaired in 2023 were sold in 2024. The value of such long-term inventories has increased significantly, resulting in a higher impairment charge compared to the previous year.

This increase is primarily attributable to the general market slowdown, slower sales caused by the tendering environment, and a shift in technology following the discontinuation of net metering. As the market moves toward battery-based systems, the turnover of inventories related to legacy technologies has declined substantially. A reduction in inventory levels is expected in the coming months.

The Company assessed impairment for heat pump inventories on an item-by-item basis, in line with the principle of prudence. The assessment considered changes in market prices, product marketability, and expected realisable value. Additionally, the turnover rate of inventory was analysed, and justified impairment was recognised for slower-moving heat pumps affected by potential obsolescence.

This specific valuation approach ensures that inventories reported in the balance sheet reflect their fair and reliable value in accordance with the Accounting Act and the Company's accounting policy.

The Company maintains detailed analytical records of its fixed assets. Advances received from customers and advances paid to suppliers are tracked in the general ledger on a current account basis, with a breakdown by individual customer and supplier accounts.

Impairment has been recognised on trade receivables based on their ageing and actual recovery rates observed in 2024. A provision of 22% has been applied to receivables outstanding between 91 and 180 days, while a 50% impairment rate has been applied to receivables overdue by more than 180 days.

Assets and liabilities denominated in foreign currencies are translated into Hungarian forints (HUF) using the official exchange rate published by the Central Bank of Hungary (Magyar Nemzeti Bank).

In accordance with the Accounting Act, grant income received to offset specific costs or expenses may be recognised as deferred income if the entity can demonstrate that it will meet the conditions attached to the grant and it is probable that the grant will be received. Accordingly, recognition of such grant income is no longer dependent on actual financial settlement or reconciliation with the granting authority. Once the conditions for the grant are fulfilled, the related amount is recognised as other income in the profit and loss statement.

In addition to grants received to offset costs and expenses, the other main category of government assistance is development aid. Unlike cost-related grants, under the current Accounting Act, the recognition of development grants remains subject to actual financial settlement, i.e. much stricter conditions apply. Development grants are recognised as deferred income and are released to the profit and loss account on a pro rata temporis basis, in line with the depreciation of the related assets.

The amendment to Act C of 2000 on Accounting (hereinafter: the Act) introduced new accounting rules for project-based activities. As of 2020, project-based accounting became permissible, and the Company intended to apply this method; however, the accounting treatment was not yet adjusted accordingly. In contrast to the planned project-based approach, revenue in previous years was recognised upon delivery of the solar PV system.

Due to the significant increase in the volume of orders during the reporting period, project-based accounting has become necessary, as it provides a more accurate and realistic presentation of the Company's operations.

The Company has identified the following project milestones for the installation of solar PV systems:

Implementation stages:

Status	Percentage of the related contract value accounted for	Description
Licensing	1%	<p>The first stage of the overall deployment process is divided into two administrative work phases:</p> <ul style="list-style-type: none"> <li>• Grant Claim Submission Process</li> <li>• Grid Connection Documentation Process</li> </ul> <p>During these phases, the Company verifies the existence, completeness, and clarity of the documents and photographs submitted by the applicant. Based on this data, the appropriate work phase form required by the territorially competent Distribution License Provider is selected and completed in accordance with their specifications. Once finalised, the documentation is uploaded to the provider's system and simultaneously recorded in both the Company's internal system and the client's portal.</p>
Available from	50%	<p>Following the previous phase, the technical verification of the proposed system and its components is initiated. This verification includes the type, quantity, and placement of the selected components. The process also involves assessing the electrical connection capacity of the property, the technical condition of the metering point, and the protection devices.</p> <p>In the case of technically uncertain or complex systems, an on-site inspection may be conducted to support the assessment. In addition to the above, the review also evaluates conditions for material handling, installation feasibility, and the estimated time required for installation. If the audit reveals any issues or obstacles, further technical investigations and corrective actions must be identified. The results of these assessments may influence the final system configuration and the overall installation cost. In such cases, a delta cost calculation is performed, and the initial quotation is revised if necessary.</p> <p>Once these steps are completed, material availability is checked. If all required components are confirmed to be available, the investigation phase is closed and the system is cleared for delivery and installation.</p>

<b>Retrieved from</b>	<b>60%</b>	<p>The authorised system is assigned to a transport schedule by the logistics service provider in coordination with the customer. As a result, a transport task with a specified date is created, and the warehouse prepares the materials previously allocated to the corresponding freight code.</p> <p>On the scheduled transport date, the carrier collects the goods, delivers them, and hands them over to the customer in a documented and verifiable manner. From this point onward, the inventory is recorded as stock delivered and stored at an external location, inseparably linked to the underlying transaction.</p>
<b>Installed at</b>	<b>99%</b>	<p>After delivery, the contractor assumes control of the work area at the agreed time and proceeds with the on-site installation of the system. The installation is carried out in accordance with all applicable legal, professional, and internal company standards. This phase includes the complete assembly of the solar PV system, its integration into the property's electrical network, and the setup of system monitoring.</p> <p>Upon completion of the installation, the system is formally handed over.</p> <p>The initial technical inspection of the electrical installation is conducted in line with the relevant regulatory requirements. The inspection must be performed by an authorised contractor and documented in an official inspection report. The project manager is responsible for overseeing the installation and the electrical inspection. They review and approve the submitted documentation or request corrections if necessary. Once the documentation is validated and the system is deemed compliant, it is considered ready for commissioning and eligible for reporting to the utility provider.</p>
<b>Ready to report</b>	<b>100%</b>	<p>The readiness of the installed and inspected system is reported to the competent Distribution License Provider by completing and submitting the designated form. Once the submission is accepted, the customer is authorised to begin electricity production and feed energy into the grid.</p>

In connection with the corporate transformation, an accounting closing was carried out as of 30 September. The Company prepares general ledger statements as of 30 June, as well as for the annual accounts dated 30 September and 31 December.

Balance sheet date: 15.03.2025.

The reporting currency is HUF, Hungarian Forint.

The company's annual accounts are also published on the EU-SOLAR website.

[www.eu-solar.hu/](http://www.eu-solar.hu/)

### **3. Development of the company's assets and financial situation**

Name of indicator	Indicator value	
	Previous year after revision (%)	Current year (%)
Ratio of Invested Assets (Fixed assets/total assets)	18,52	20,43
Current Assets atio (Current assets/total assets)	65,52	64,11
Capital Adequacy Ratio (Equity/total liabilities)	43,35	26,17
Proportion of External Funding (Commitment/total resources)	48,18	67,19
Liquidity Ratio (Liabilities/Fixed assets)	73,52	104,80
Profitability Relative to Revenue (Profit before tax/revenue)	-1,01	-30,15
Return on Assets (ROA) (Profit before tax/total assets)	-1,11	-8,90
Return on Equity (ROE) (Profit before tax/equity)	-2,56	-34,03
Debt-to-Equity Ratio (Liabilities/equity)	100,30	256,75

Profitability indicators have been calculated using profit before tax as the basis of comparison. The deterioration in profitability is attributable to a significant decline in profit before tax, combined with increases in both turnover and equity.

As of the reporting date, current assets represent **64.11%** of total assets, consisting of the following components:

- **Cash and cash equivalents:** 20.22%
- **Inventories:** 48.39%
- **Securities:** 2.31%
- **Receivables:** 29.08%

Equity accounts for **26.17%** of total resources.

No extraordinary economic events occurred at the Company during the reporting period. The financial position of the Company remains stable.

The following affiliated companies of the owner of EU-SOLAR Plc maintained business relations with the Company during the reporting period:

- **Solar-Finance Ltd.** – Financial advisory services.
- **Energiaválasztó Ltd.** – Energy certification and marketing services.  
In 2024, the Company performed marketing activities in the amount of HUF 158,826,087 + VAT. These activities included the placement, management, and optimisation of advertisements on Google Ireland Limited and Meta Platforms Ireland Limited, aimed at increasing website traffic and converting visitors into qualified leads and contracted customers.
- **Gluon Ltd.** – Business management consultancy.  
Additionally provided car rental services amounting to HUF 65,056,113 + VAT.
- **Sbcape Ltd.** – Business management consultancy.
- **Energy Investment Plc.** – Asset management company.

EU-SOLAR Plc holds a 100% ownership stake in the following companies:

1. **Cro Energija d.o.o.**  
Registered address: Šetalište Petra Preradovića 7, 31000 Osijek, Croatia  
Share capital: HRK 20,000
2. **EU-SOLAR SYSTEM Romania S.R.L.**  
Registered address: Strada Vasile Alecsandri 3, Oradea, Romania  
Share capital: RON 25,000
3. **EU-Solar Ukraine LLC**  
Registered address: 119 Lobanovskyi Valeriya Avenue, Office 3, 03039 Kyiv, Ukraine  
Share capital: UAH 195,953
4. **Quantum Power Insurance Agency Ltd.**  
Registered address: 7630 Pécs, Kocsz utca 127, Hungary  
Share capital: HUF 5,000,000

## 4. Additions to the balance sheet

### 4.1 Invested assets

#### 4.1.1 Intangible assets

Changes in the Value of Assets in Accordance with the Accounting Act  
Figures presented in thousand HUF (eFt)

Asset Category	Opening Depreciation	Depreciation Increase	Reclassification ±	Depreciation Decrease	Closing Depreciation
<b>Intangible Assets (total)</b>	<b>138,363</b>	<b>18,258</b>	<b>0</b>	<b>0</b>	<b>156,621</b>
– Pilot Development (pre-2019)	26,018	5,091	0	0	31,109
– Rights in Rem	23,842	10,071	0	0	33,913
– Intellectual Property Products	88,503	3,096	0	0	91,599
Asset Category	Gross Opening	Gross Increase	Reclassification ±	Gross Decrease	Gross Closing
Intangible Assets (total)	182,745	33,818	0	0	216,563
– Pilot Development (pre-2019)	39,675	0	0	0	39,675
– Rights in Rem	51,408	33,413	0	0	84,821
– Intellectual Property Products	91,662	406	0	0	92,068
Asset Category	Opening Net Value	Net Increase / Decrease	Reclassification ±	Net Decrease	Closing Net Value
<b>Intangible Assets (total)</b>	<b>44,382</b>	<b>15,560</b>	<b>0</b>	<b>0</b>	<b>59,943</b>
– Pilot Development (pre-2019)	13,657	–5,091	0	0	8,566
– Rights in Rem	27,566	23,342	0	0	50,908
– Intellectual Property Products	3,159	–2,690	0	0	469

#### 4.1.2 Fixed assets

Changes in the Value of Assets in Accordance with the Accounting Act Amounts in EUR million

Asset Category	Gross Opening	Increase	Reclassification ±	Decrease	Gross Closing
<b>Properties</b>	<b>1,980,702</b>	<b>14,409</b>	<b>0</b>	<b>0</b>	<b>1,995,111</b>
– Tents	173,317	0	0	0	173,317
– Buildings	1,635,007	14,409	0	0	1,649,416
– Other Buildings	172,378	0	0	0	172,378
Technical Equipment, Installations, Vehicles	275,575	0	0	6,289	<b>269,286</b>
<b>Other Equipment, Installations, Vehicles</b>	<b>596,812</b>	<b>2,858</b>	<b>0</b>	<b>11,749</b>	587,921
<b>Investments</b>	<b>6,534</b>	<b>36,733</b>	<b>0</b>	<b>17,267</b>	<b>26,001</b>
<b>Advance Payments for Investments</b>	<b>51,171</b>	<b>79</b>	<b>0</b>	<b>51,250</b>	<b>0</b>
<b>Total</b>	<b>2,910,794</b>	<b>54,079</b>	<b>0</b>	<b>86,555</b>	<b>2,878,318</b>

Asset Category	Opening Depreciation	Depreciation Increase	Reclassification ±	Depreciation Decrease	Closing Depreciation
<b>Properties</b>	<b>111,639</b>	<b>37,513</b>	<b>0</b>	<b>0</b>	<b>149,152</b>
– Buildings	59,246	24,608	0	0	83,854
– Other Buildings	52,393	12,905	0	0	65,298
<b>Technical Equipment, Installations, Vehicles</b>	<b>65,593</b>	<b>32,148</b>	<b>0</b>	<b>4,835</b>	<b>92,906</b>
<b>Other Equipment, Installations, Vehicles</b>	<b>302,468</b>	<b>68,340</b>	<b>0</b>	<b>4,151</b>	<b>366,657</b>
<b>Total / Summary</b>	<b>479,700</b>	<b>138,001</b>	<b>0</b>	<b>8,986</b>	<b>608,715</b>

Asset Category	Opening Net Value	Net Increase / Decrease	Reclassification ±	Net Decrease	Closing Net Value
<b>Properties</b>	<b>1,869,063</b>	<b>-23,104</b>	<b>0</b>	<b>0</b>	<b>1,845,959</b>
– Tents	173,317	0	0	0	173,317
– Buildings	1,575,761	-10,199	0	0	1,565,562
– Other Buildings	119,985	-12,905	0	0	107,080
<b>Technical Equipment, Installations, Vehicles</b>	<b>209,982</b>	<b>-32,148</b>	<b>0</b>	<b>1,454</b>	<b>176,380</b>
<b>Other Equipment, Installations, Vehicles</b>	<b>294,344</b>	<b>-65,482</b>	<b>0</b>	<b>7,598</b>	<b>221,264</b>
Investments	6,534	36,733	0	17,266	26,001
Advance Payments for Investments	51,171	79	0	51,250	0
<b>Total / Summary</b>	<b>2,431,094</b>	<b>-83,922</b>	<b>0</b>	<b>77,568</b>	<b>2,269,604</b>

The Company did not recognise any impairment losses during the financial year. No depreciation exceeding the planned depreciation was accounted for. The Company does not possess any tangible fixed assets directly related to environmental protection.

### 4.1.3 Financial Investments

Change in the Value of Financial Investments  
Amounts in EUR million

Title	Previous Year (31.12.2023)	Increase	Decrease	Current Year (30.09.2024)
<b>Permanent Holding in an Affiliated Enterprise</b>	<b>15,072</b>	<b>5,000</b>	<b>1,000</b>	<b>19,072</b>
– Quantum Power Insurance Agency Ltd.	12,292	0	0	12,292
– Cro Energija d.o.o.	855	0	0	855
– EU-Solar Ukraine	1,925	0	0	1,925
– HydroGenius Innovation Zrt.	0	5,000	1,000	4,000
Long-term Significant Ownership Interest	0	0	0	0
Other Long-term Investments	0	0	0	0
<b>Total</b>	<b>15,072</b>	<b>5,000</b>	<b>1,000</b>	<b>19,072</b>

### Foreign Subsidiaries 100% Owned by EU-SOLAR Plc

The following foreign companies are wholly owned (100%) by EU-SOLAR Plc:

#### 1. Cro Energija d.o.o.

Registered address: Šetalište Petra Preradovića 7, 31000 Osijek, Croatia  
Date of incorporation: 06.06.2016  
Share capital: HRK 20,000  
Shareholders' equity as of 31.12.2023: EUR 198,372  
Profit after tax (2023): EUR 6,022.54

#### 2. EU-Solar System Romania S.R.L.

Registered address: Str. Vasile Alecsandri 3, Oradea, Romania  
Date of incorporation: 15.12.2021  
Share capital: RON 25,000  
Shareholders' equity as of 31.12.2023: RON 55,740  
Profit after tax (2023): RON 47,204

### 3. EU-Solar Ukraine LLC

Registered address: 119 Lobanovskyi Valeriya Avenue, Office 3, 03039 Kyiv, Ukraine

Date of incorporation: 13.09.2023

Registered capital: UAH 195,953

Shareholders' equity as of 31.12.2023: UAH 21,500

Profit after tax (2023): UAH –172,900

All three subsidiaries commenced operations in 2023, supporting EU-SOLAR Plc's strategic expansion into international markets.

## 4.2 Current assets

### 4.2.1 Presentation of Inventories

Title	Previous Year (31.12.2023)	Adjustments to Previous Years	Current Year (30.09.2024)
Work in Progress	5,217	0	3,207
Goods at Purchase Price	0	0	0
Raw Materials	3,701,453	0	2,892,711
Stocks Held by Customers	801,527	–7,075	512,760
Impairment of Inventories	–182,781	0	–232,037
Advances on Inventories	811,973	0	389,337
<b>Total</b>	<b>5,137,389</b>	<b>–7,075</b>	<b>3,565,978</b>

Our inventory primarily consists of inverters, heat pumps, and solar panels purchased from China.

Inventory impairment movement table  
(Amounts in thousand HUF)

Title	Opening Balance	Impairment Recorded	Impairment Reversed	Closing Balance
Impairment of Inventories	182,781	162,211	112,955	232,037

The increase in inventory impairment is attributable to changes in the market environment and sales dynamics. Actual sales in the affected product category fell short of previous expectations due to a combination of factors, including shifts in demand, market corrections, and broader industry trends. The divergence between the initial assumptions used in the procurement process and the actual market performance warranted a revaluation of inventory.

The recognised impairment reflects a prudent approach aimed at aligning the book value of inventories with their current realisable value under evolving market conditions.

#### 4.2.2 Presentation of Receivables

Amounts in thousand HUF

Receivables	Previous Year (31.12.2023)	Adjustments to Previous Years	Current Year (30.09.2024)
Customer Receivables	1,576,896	0	633,719
Receivables from Related Parties	318,004	0	375,460
Other Receivables	1,012,684	13,781	1,133,528
<b>Total</b>	<b>2,907,584</b>	<b>13,781</b>	<b>2,142,707</b>

The original recorded value of trade receivables amounts to HUF 741,952 thousand, against which an impairment loss of HUF 108,234 thousand has been recognised. The Company applied an impairment rate of 50% for receivables overdue by more than 181 days, and 22% for those overdue between 90 and 180 days.

In 2024, an impairment loss of HUF 49,430 thousand was recognised, while impairment reversals totalled HUF 21,097 thousand.

Receivables from affiliated companies in 2024 include the following items:

- Loan receivable from Quantum Power Insurance Agency Ltd.: HUF 1,975 thousand
- Loan receivable from Cro Energija d.o.o.: HUF 81,897 thousand
- Loan receivable from EU-Solar System Romania S.R.L.: HUF 153,220 thousand
- Loan receivable from Energy Investment Plc.: HUF 7,608 thousand
- Trade receivable from EU-Solar Ukraine LLC: HUF 130,759 thousand

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Adjustments to Previous Years	Current Year (30.09.2024)
VAT on Advances Received from Customers	453,977	0	586,612

Other Receivables from Service Inventory	153,438	0	144,980
Advances Granted	147,457	0	144,129
Supplier Overpayments	668	0	98,446
Other Receivables	257,144	13,781	159,361
<b>Total</b>	<b>1,012,684</b>	<b>13,781</b>	<b>1,133,528</b>

#### 4.2.3 Presentation of financial assets

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Current Year (30.09.2024)
Cash and Cheques	997	1,190
Bank Deposits	616,578	1,488,429
<b>Total</b>	<b>617,575</b>	<b>1,489,619</b>

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Current Year (30.09.2024)
Cash in Bank Account	349,715	1,476,442
Securities Account	266,863	11,987
<b>Total</b>	<b>616,578</b>	<b>1,488,429</b>

Since 2021, the Company has held a deferred VAT payment authorisation, backed by a customs guarantee of HUF 17,000 thousand provided by OTP Bank.

### 4.3 Presentation of accruals and deferrals

An accrual has been recognised for costs invoiced in the fourth quarter of 2024 that relate to the first three quarters of the year, in connection with grants received in 2023. In line with the Company's accounting policy and the application of project-based accounting, revenue and costs have been accrued on a percentage-of-completion basis.

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Adjustments to Previous Years	Current Year (30.09.2024)
Project-Based Adjustment – Accrued Income	1,933,197	136,613	1,719,537
Interest on Loans to Affiliated Enterprises / Funds	13,178	0	4,514
Grant Received – GINOP-414-19-2020-01787	353	0	353
<b>Total</b>	<b>1,946,728</b>	<b>136,613</b>	<b>1,724,404</b>

The Company recognises accrued revenue for goods and services delivered to customers by the balance sheet date that have been partially settled but not yet invoiced in full. As of 30 September 2024, this amounted to HUF 1,719,537 thousand.

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Current Year (30.09.2024)
Motorway Toll	0	76
Bank Charges	29	18
Rental Fee	42,905	41,793
Insurance	10,040	8,838
Domain and Server Hosting	2,359	874
Advertising and Trade Journals	966	717
Training Fee	161	36
Water Charges	6	0
<b>Total</b>	<b>56,466</b>	<b>52,352</b>

## 4.4 Equity valuation

Amounts in thousand HUF

Title	Share Capital	Capital Reserve	Retained Earnings	Tied Reserve	Profit After Tax	Total Equity
31.12.2023	250,000	0	1,436,391	4,317,441	456,897	6,460,729
Transfer of Profit After Tax to Retained Earnings	0	0	456,897	0	-456,897	0
Dividend from Profit and Loss Reserve	0	0	-1,800,000	0	0	-1,800,000
Amendments to Previous Years	0	0	-629,573	0	0	-629,573
Adjustment of Previous Years (Corporate Tax Self-Audit)	0	0	464,878	-464,878	0	0
Profit or Loss as of 30.09.2024	0	0	0	0	-1,023,441	-1,023,441
<b>30.09.2024</b>	<b>250,000</b>	<b>0</b>	<b>-71,408</b>	<b>3,852,564</b>	<b>-1,023,441</b>	<b>3,007,715</b>

As the sole shareholder of EU-SOLAR Plc, Energy Investment Plc. adopted Resolution No. 31.V./2024, under which EU-SOLAR Plc. was instructed to pay HUF 1,800,000,000 from its free retained earnings, along with the profit after tax of the previous financial year, to Energy Investment Plc. in the form of dividends. However, the full dividend amount was not available for distribution, as a prior-period error reduced the underlying retained earnings. After the balance sheet date but before the dividend was paid, a portion of the dividend, amounting to HUF 1,000,000,000, was waived. This change has been appropriately reflected in the financial statements.

Under the heading of development reserves, HUF 1,783,618 thousand was allocated in 2021, HUF 2,406,659 thousand in 2022, and HUF 464,878 thousand in 2023. Of these, HUF 337,713 thousand was released for investments to be made in 2023. In the current financial year, a material accounting error affecting the 2023 pre-tax result was identified. Consequently, the development reserve of HUF 464,878 thousand created in 2023 had to be released.

#### 4.5. Presentation of Provisions

The Company has undertaken to provide all customers (including those with ongoing projects not yet completed), who were awarded solar PV systems under the tender procedure and who originally appointed EU-SOLAR as their contractor at the time of application, with a free three-year “Remote Monitoring” service and maintenance package.

To cover the expected future costs related to this obligation, the Company recognised a provision of HUF 38,584 thousand as of 31 December 2023. By 30 September 2024, a pro rata portion of the provision amounting to HUF 9,646 thousand was reversed.

As of 31 December 2023, the Company also recognised a provision of HUF 19,514 thousand for other obligations. The corresponding self-audits have been completed, and the related payments have been made. Accordingly, the full amount of this provision was released by 30 September 2024.

#### 4.6. Statement of liabilities

##### 4.6.1 Presentation of liabilities from previous periods

The Company did not recognise any accrued liabilities in its accounts for the 2024 financial year.

##### 4.6.2 Long-term liabilities

Long-term liabilities consist entirely of other long-term borrowings.

Title	Year of Origination	Credit line	Interest rate %	Outstanding Debt	Due <1 Year	Due 1–5 Years	Due >5 Years
MBH Bank Plc. H-EKKV1/045755/2017/337285/001	2017	149,168	0	85,435	11,459	73,976	0
Fuse	Mortgage and guarantee						
MBH Bank Plc. H-EKTG2/075503/2020/337285/001	2020	299,999	0	74,971	74,971	0	0
Fuse	Bail, surety						
Fuse	Mortgage and guarantee						
OTP overdraft facility	2024	250,000	5	239,957	239,957	0	0

Fuse	Mortgage and guarantee						
OTP investment loan	2020	269,000	1,5	169,880	28,320	141,560	0
Fuse	Mortgage and guarantee						
CIB Investment loan SK.	2021	1,000,000	0,5	235,991	162,162	73,829	0
Fuse	Mortgage						
OTP NHP Go for it	2024	1,500,000	Bubor+ 1,5%	1,500,000	1,500,000	0	0
Fuse	Mortgage and security account						
OTP Current assets loan	2023	1,321,000	Bubor+ 1,5%	41,439	41,439	0	0
Fuse	Mortgage						
<b>Total</b>				<b>2,347,673</b>	<b>2,058,308</b>	<b>289,365</b>	<b>0</b>

The Company's long-term liabilities include the non-current portion of the investment loan from Magyar Bankholding (HUF 73,976 thousand), the OTP Bank investment loan (HUF 141,560 thousand), and the CIB NHP working capital loan (HUF 73,829 thousand).

In 2018, the Company obtained a loan from MFB Bank through Budapest Bank under the programme aimed at enhancing the competitiveness of micro, small, and medium-sized enterprises, for the construction of the Siklós small-scale power plant. The loan matures on 15 May 2032. The credit line amounts to HUF 149,168 thousand, and the facility bears no interest. The loan is secured by a mortgage on the property located at parcel number 06/49 in Siklós and a personal guarantee provided by Mr. András Balázs Petre. The portion due within one year amounts to HUF 11,459 thousand.

In 2020, the Company obtained a working capital loan from MFB Bank, through MKB Bank, under the programme supporting the technological modernisation of micro, small, and medium-sized enterprises. The loan matures on 15 July 2025, with a credit line of HUF 299,999 thousand. The facility bears no interest. The loan is secured by a pledge on receivables from a payroll account and a personal guarantee provided by Mr. András Petre. The amount due within one year is HUF 74,971 thousand.

Also in 2020, the Company took out an investment loan of HUF 269,000 thousand from OTP Bank Plc. to finance the purchase of a second property on Kokszt Street in Pécs, of which HUF 227,003 thousand was utilised. The interest rate applied is 1.0% until 31 December 2021, and 1.5% from 1 January 2022, with no management fees. The loan is guaranteed by Garantiqa and Mr. András Balázs Petre, and the bank has registered a mortgage on the acquired property. The portion of the loan due within one year amounts to HUF 28,320 thousand.

In addition, the Company has taken out a Széchenyi overdraft facility from OTP Bank Plc. in the amount of HUF 250,000 thousand, maturing on 15 April 2025. The amount due within one year is HUF 239,957 thousand. The facility is backed by a payment guarantee from Garantiqa Hitelgarancia Zrt. and a personal guarantee from Mr. András Balázs Petre. The interest rate is 0.1% per annum.

In 2024, the Company obtained an NHP Hajrá loan from OTP Bank Plc. in the amount of HUF 1,500,000 thousand. The interest rate is BUBOR + 1.5%. The loan is secured by inventory and customer stock. The entire amount is due within one year.

The working capital loan taken from OTP Bank Plc. in 2023 amounts to HUF 536,000 thousand, with an interest rate of BUBOR + 1.5%. The portion of the loan due within one year is HUF 41,439 thousand.

The Company has also secured a real estate investment credit line of HUF 1,000,000 thousand from CIB Bank Zrt. under the Széchenyi Restart Investment Loan Programme. The loan matures on 16 December 2027 and bears an interest rate of 0.5% per annum. The loan is secured by a mortgage on real estate and guarantees provided by Garantiqa Hitelgarancia Zrt. and Mr. András Balázs Petre. The amount disbursed from the credit line is HUF 370,156 thousand, with HUF 162,162 thousand due within one year.

#### 4.6.3 Presentation of current liabilities

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Adjustments to Previous Years	Current Year (30.09.2024)
Short-Term Loans	2,652,618	0	2,058,308
Advances Received from Customers	2,148,789	0	2,842,782
Trade Payables (Suppliers)	1,021,488	1,339	541,277
Short-Term Liabilities to Related Parties	3,600	22,488	1,808,715
Other Current Liabilities	141,386	-2,540	181,844
<b>Total</b>	<b>5,967,881</b>	<b>21,287</b>	<b>7,432,926</b>

As of 30 September 2024, the balance of advance payments received from customers continued to increase, driven by a significant rise in the number of solar PV system customers under the Solar Plus Programme.

The Company consistently settles its trade payables in a timely manner.

In 2024, current liabilities to affiliated companies included the following: a dividend payable to Energy Investment Plc. amounting to HUF 1,800,000 thousand; a trade payable to Cro Energija d.o.o. in the amount of HUF 1,925 thousand; and another trade payable to Cro Energija d.o.o. in the amount of HUF 6,790 thousand.

#### Other current liabilities

Amounts in thousand HUF

Other current liabilities	Previous Year (31.12.2023)	Amendments to previous years	Current Year (30.09.2024)
General sales tax	0	0	98,834
Income clearing account	61,535	0	51,294
Other liabilities	79,850	-4,701	31,716
<b>Total</b>	<b>141,385</b>	<b>-4,701</b>	<b>181,844</b>

#### 4.7 Accruals and deferred income

Amounts in thousand HUF

Title	2023 Original	Amendment 1	Amendment 2	Amendment 3	Amendment 4	2023 Adjusted
Value Added Tax Payable	0	0	98,834			
Income Clearing Account	61,535	0	51,294			
Other Liabilities	79,850	-4,701	31,716			
<b>Total</b>	<b>141,385</b>	<b>-4,701</b>	<b>181,844</b>			

Due to the project-based accounting, accruals have been created on the basis of the degree of completion accounting according to the accounting policy.

Amounts in thousand HUF

Accrued expenses and charges	Previous Year (31.12.2023)	Amendments to previous years	Current Year (30.09.2024)
Subcontractor	0	0	4,628
Fine	15	0	0
Insurance	179	0	0
Building tax	981	0	0
Operating costs of foreign subsidiaries	144,361	0	245,294
Project-based accounting	128,470	0	482,143
Accrual of interest payable	51,659	0	0
<b>All in all</b>	<b>325,665</b>	<b>0</b>	<b>732,065</b>

## 5. Evaluation of the Profit and Loss Account

The Company has prepared its profit and loss account using the total cost method. Revenues show a significant decline compared to the previous year, while costs have increased proportionally. The transformation carried out in 2023 limits year-on-year comparability; however, the revenue shortfall is primarily attributable to delays in the ramp-up of the Solar Plus Programme, which postponed the fulfilment of the expected order volume. At the same time, the rise in operational and project execution costs associated with the programme contributed to the overall increase in expenditures.

### 5.1 Distribution of revenues

#### 5.1.1 Net turnover from sales

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Amendments to previous years	Current Year (30.09.2024)
Net turnover from sales	11,001,152	136,613	2,560,669
Net turnover from export sales	3,629,019	0	833,546
<b>All in all</b>	<b>14,630,171</b>	<b>136,613</b>	<b>3,394,215</b>

In 2024, all sales to affiliated companies were made to EU-SOLAR UKRAINE LLC, amounting to a total of HUF 129,283 thousand.

In 2024, the Company's wholesale activity generated revenue of HUF 902,014 thousand, while turnover from retail operations amounted to HUF 2,492,201 thousand.

Breakdown of export sales:

Amounts in thousand HUF

Country by export sales revenue	Previous Year (31.12.2023)		Current year (30.09.2024)	
	Product	Service	Product	Service
<b>Sales within the European Union</b>	<b>3,536,088</b>	<b>5,831</b>	<b>698,335</b>	<b>7,451</b>
Croatia	251,436	0	173,434	0
Romania	853,154	375	255,489	0
Netherlands	2,392,336	5,077	0	7,451
Slovakia	4,100	379	233,854	0
Germany	1,928	0	0	0
Cyprus	15,056	0	0	0
Lithuania	3,910	0	510	0
Slovenia	7,329	0	35,048	0
Sweden	5,837	0	0	0
Czech Republic	1,002	0	0	0
<b>Sales outside the European Union</b>	<b>82,500</b>	<b>4,600</b>	<b>127,760</b>	<b>0</b>
Macedonia	5,789	0	0	0
Serbia	1,538	0	0	0
Kosovo	32,395	0	790	0
Ukraine	39,662	0	126,970	0
Moldova	2,565	0	0	0
Bosnia and Herzegovina	552	0	0	0
China	0	4,600	0	0
<b>Total</b>	<b>3,618,588</b>	<b>10,431</b>	<b>826,095</b>	<b>7,451</b>

The breakdown of our import purchases:

Amounts in thousand HUF

Import purchases	Previous Year (31.12.2023)		Current year (09.30.2024)	
	Product	Service	Product	Service
Sourcing within the European Union	5,338,210	229,459	243,989	24,488
Sourcing outside the European Union	13,955	30,229	138,306	20,963
<b>Total</b>	<b>5,352,165</b>	<b>259,688</b>	<b>382,295</b>	<b>45,451</b>

### 5.1.2 Breakdown of other revenue

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Current year (30.09.2024)
Gain on disposal of intangible and tangible assets	30,874	1,162
Compensation received	6,019	255
Ex gratia payments	19,967	816
Use of provisions	100,879	29,160
Reversal of inventory impairment	107,666	113,066
Reversal of impairment on receivables	47,055	21,097
Government grants and subsidies	26,602	509
Cost of goods sold (carrying amount of inventories)	301,392	46,583
Inventory adjustments	27,526	0
Other income	4,485	4,703
<b>All in all</b>	<b>672,465</b>	<b>217,351</b>

The Company had no other income from a captive in 2024.

## 5.2 Breakdown of costs

### 5.2.1 Development of material costs

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Amendments to previous years	Current year (30.09.2024)
<b>Material costs</b>	<b>4,053,965</b>	<b>725,921</b>	<b>1,081,150</b>
Services requested	2,251,504	17,694	1,053,279
<b>Other services</b>	<b>101,517</b>	<b>0</b>	<b>54,634</b>
Acquisition value of goods sold	3,546,237	0	836,531
<b>Value of services sold (intermediated)</b>	<b>1,665,027</b>	<b>35,977</b>	<b>275,464</b>
<b>Material expenditure</b>	<b>11,618,250</b>	<b>725,921</b>	<b>3,301,058</b>

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Amendments to previous years	Current year (30.09.2024)
<b>Material costs</b>	<b>4,053,965</b>	<b>725,921</b>	<b>1,081,150</b>
Raw material	4,008,841	725,921	1,054,048
Utility charges	12,839	0	7,270
Fuel	9,965	0	13,441
Stationery, office supplies, journals	4,112	0	1,023
Costs of assets expiring within one year	15,983	0	4,347
Cleaning agents, other substances	2,225	0	1,021
<b>Cost of services used</b>	<b>2,251,504</b>	<b>17,694</b>	<b>1,053,279</b>
Transport, haulage	207,718	0	53,448
Parking, car services	3,823	0	2,067
Garbage collection	695	0	237

Other services used	37,420	0	29,617
Rental, hire, leasing charges	46,955	0	86,686
Maintenance costs	46,028	0	20,208
Postage	3,366	0	631
Telephone costs, internet	10,215	0	7,486
Education, training costs	5,786	0	5,858
Accounting, lawyer, other office services	253,760	0	138,369
Subcontracting fee	1,152,535	-4,793	367,925
Occupation health service	1061	0	733
Translation	496	0	554
Online, Internet services	185,348	0	97,359
Professional advice	26,602	0	9,244
Operating costs of foreign subsidiaries	144,360	22,487	180,147
Other services	125,336	0	52,711
<b>Cost of other services</b>	<b>101,517</b>	<b>0</b>	<b>54,634</b>
Administrative fees, service charges, duties and taxes	29,039	0	1,916
Financial, investment service fees	56,317	0	30,722
Insurance premium	16,161	0	21,995
<b>Acquisition value of goods sold</b>	<b>3,546,237</b>	<b>0</b>	<b>836,531</b>
<b>Services sold (supplied)</b>	<b>1,665,027</b>	<b>35,977</b>	<b>275,464</b>

The cost of materials decreased as a proportion of revenue, while the cost of services used and other external services increased due to the inflationary environment and rising service prices. In contrast, the cost of intermediated services declined proportionally.

## 5.2.2 Evolution of personnel costs

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Amendments to previous years	Current year (30.09.2024)
Rental costs	1,017,123	1,576	659,237
Other payments of a personal nature	36,391	0	21,230
Contributions	125,686	0	108,554
<b>All in all</b>	<b>1,179,200</b>	<b>1,576</b>	<b>789,021</b>

Development of staff-related expenditure						
	Rental costs		Personal nature other payments		Rent tax	
	2023.12.31	2024.09.30	2023.12.31	2024.09.30	2023.12.31	2024.09.30
<b>Intellectual</b>	922,328	634,645	34,627	19,608	111,270	94,985
<b>Physical</b>	46,969	21,785	1,764	1,622	3,407	2,256
<b>Other</b>	47,826	2,807	0	0	11,009	11,313
<b>Total</b>	<b>1,017,123</b>	<b>659,237</b>	<b>36,391</b>	<b>21,230</b>	<b>125,686</b>	<b>108,554</b>

Statistical evolution of the number of staff		
Designation (persons)	Previous year (persons) (31.12.2023)	Current year (persons) (30.09.2024.)
Intellectual	99	90
Physical	9	4
<b>Total</b>	<b>108</b>	<b>94</b>

In 2024, wage costs paid to employees amounted to HUF 659,237 thousand. Other personnel-related payments totalled HUF 21,230 thousand. Employer contributions paid on behalf of employees amounted to HUF 108,554 thousand.

An income payment of HUF 27,000 thousand was made to the owner and Chairman of the Board of Directors. Employer contributions related to the Chairman's remuneration amounted to HUF 3,510 thousand.

### 5.2.3 Evolution of other expenses

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Current year (30.09.2024)
Interest on late payments	67,547	1,687
Non-business costs	8,605	13,926
Self-inspection supplement	5,249	9,927
Grants awarded	14,383	5,206
Kötbér	47,100	12,383
Compensation	20,477	715
Impairment of stocks	109,179	162,211
Impairment of receivables	49,516	49,430
Other taxes	92,271	24,561
Local taxes	115,020	23,714
Stocks withdrawn from stock	223,149	127,986
Other expenses	21,564	7
Provisions	58,098	0
<b>Total</b>	<b>832,158</b>	<b>431,753</b>

The result from operating (business) activities amounted to a loss of HUF 1,066,525 thousand.

### 5.3 Result of financial operations

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Current year (30.09.2024)
Income from financial assets invested	108,068	9,495
Other interest received	30,394	14,576
Other revenue from financial operations	560,880	149,920
<b>Total</b>	<b>699,342</b>	<b>173,991</b>

Other income from financial operations includes exchange gains on forward foreign exchange contracts.

Amounts in thousand HUF

Title	Previous Year (31.12.2023)	Amendments to previous years	Current year (30.09.2024)
Interest payable	53,797	0	78,385
Expenditure on financial fixed assets	40,821	0	0
Other charges for financial operations	1,558,935	1,339	52,522
<b>Total</b>	<b>1,653,553</b>	<b>1,339</b>	<b>130,907</b>

As most suppliers issue their invoices in foreign currency, the impact of exchange rate differences on settlements was determined by prevailing market conditions. During the financial year, exchange rates remained relatively stable, and the resulting exchange rate differences were less significant than in the previous year.

As of the reporting date, the Company had no open hedge positions.

The result of financial operations had a positive impact of HUF 43,084 thousand on the Company's profit, primarily due to recognised exchange rate gains and interest income.

**The Company's profit before tax amounted to a loss of HUF 1,023,441 thousand.**

**No corporate income tax liability arose for the financial year.**

#### Corporate tax calculation:

The rules governing the transformation, merger, and division of companies are set out in Act V of 2013 on the Civil Code (hereinafter: the "Civil Code"). Pursuant to Section 3:39 (1) of the Civil

Code, in the event of a transformation of a legal person into another form of legal entity, the transforming legal entity ceases to exist, and its rights and obligations are transferred to the legal successor entity as part of a general legal succession.

According to Section 6 (3e), paragraph 3 of Act LXXXI of 1996 on Corporate Tax and Dividend Tax, the legal successor of a member of a corporate tax group will continue to be part of the group tax entity, provided that it meets all conditions for group membership at the time of transformation. In other words, in the case of succession, the successor automatically becomes a member of the tax group, assuming it fulfils the necessary requirements.

Based on the above, the group member has no outstanding corporate tax return obligations arising from the transformation.

**EU-Solar Plc's profit after tax for the period ending 30 September 2024 amounted to a loss of HUF 1,023,441 thousand.**

## **6. Events after the balance sheet date**

In view of the fact that EU-SOLAR was loss-making as of 30 September 2024 and that an adjustment to the 2023 annual accounts is required, EU-SOLAR SE and Energy Investment SE, both European Public Limited Liability Companies, agreed on 17 December 2024 that Energy Investment SE shall irrevocably waive HUF 1,000,000 thousand of its HUF 1,800,000 thousand dividend claim, as set forth in Resolution 7/2024 (31 May 2023). As a result, EU-SOLAR's dividend payment obligation has been reduced to HUF 800,000 thousand. The waived amount will be used to offset the Company's negative retained earnings.

In the last quarter of 2024, the Company successfully resolved the earlier challenges associated with the Solar Plus Programme, placing particular emphasis on strengthening installation capacity. As a result, the number of project-related installations increased nearly sixfold compared to the first three quarters of the year, representing approximately 25% of the contracted backlog.

The Company is continuously striving to expand its operations and diversify its portfolio. In this context, it is actively monitoring the opportunities presented by the RRF Home Renovation Programme (RRF-REP-10.13.1-24), which has a total budget of HUF 108 billion. Several preparatory steps have already been taken to support future sales efforts.

The introduction of new, simplified tender conditions is expected to have a significant impact on the market, and the Company intends to adapt its sales network accordingly. In all development and strategic business decisions, particular emphasis is placed on monitoring and responding to changes in the market environment to ensure sustainable and efficient operations.

According to a regulation published in the Hungarian Gazette on 11 March 2025, the Rural Home Renovation Programme was extended to include the pensioner population, making retired homeowners eligible to apply for solar panel installations. As a result, retired property owners have become a priority target group for the Company. We provide full support throughout the

application process, including advisory services, site assessments, system design, and implementation. Our focus is on delivering simple, transparent, and financially sustainable solutions tailored to the specific needs of pensioner applicants.

Further progress was achieved in the corporate segment during the last quarter of 2024, with new contracts signed with several domestic corporate partners, many of which are linked to investments supported by tender funding. However, in the case of contracts related to the CAP tender, construction activities may only commence following the issuance of the official grant documents. As a result, the execution of these contracts is expected to begin in the first two quarters of 2025.

As of 1 October 2024, the Company was transformed from a public limited company (Plc.) into a European public limited company (Societas Europaea, SE). During the transformation process, the administrative procedure conducted by the International Development and Resource Coordination Agency (IDRC) took longer than anticipated, which impacted the timing of certain financial deliverables.

As a result, the disbursement of funds approved under the Solar Plus Programme (NPP) only commenced in the second half of November 2024. The Company has accordingly adjusted its financing and project scheduling processes to ensure the uninterrupted continuation of the related investments.

## 7. Cash flow statement

Amounts in thousand HUF

Title	Previous year 2023.12.31	Amendments to previous years	Current year 30.09.2024
<b>Change in cash from operating activities (Operating Cash Flow)</b>	<b>-6,479,787</b>	<b>0</b>	<b>1,699,019</b>
Profit before tax	464,878	-631,744	-1,023,441
– of which: revaluation of cash	319,171	0	-10,487
Adjustments to profit before tax	319,171	0	-10,487
Adjusted profit before tax	784,049	-631,744	-1,033,928
Depreciation and amortisation	253,939	0	156,259
Impairment / Reversal of impairment	3,973	0	77,478
Provisioning and utilisation difference	-42,781	0	-29,160
Gain on disposal of fixed assets	-30,661	0	-2,616

Change in trade payables	-829,600	1,339	-481,550
Change in other current liabilities	-7,183,386	19,948	2,519,618
Change in accrued liabilities	-593,083	751,605	-346,252
Change in trade receivables	-1,324,389	0	914,844
Change in current assets (excluding trade receivables and cash)	2,301,735	-6,706	1,331,275
Change in accrued income and prepaid expenses	188,398	-136,613	363,051
Taxes paid / payable	-7,981	2,171	
Dividends paid / payable	0	0	-1,800,000
<b>Net cash flow from investing activities</b>	<b>-673,542</b>	<b>0</b>	<b>-11,714</b>
Purchase of fixed assets	-711,463	0	-21,928
Sale of fixed assets	37,921	0	10,214
Repayment / cancellation / redemption of long-term loans and deposits	0	0	0
Disbursement of long-term loans and deposits	0	0	0
Dividends received, proceeds from equity holdings	0	0	0
<b>Net cash flow from financing activities</b>	<b>730,333</b>	<b>0</b>	<b>-795,748</b>
Proceeds from share issuance / capital increases	0	0	0
Proceeds from issuance of bonds or debt securities	0	0	0
Proceeds from loans and borrowings	1,075,991	0	1,517,965
Grants received	0	0	0
Capital injections (equity raising)	0	0	0
Repayment of bonds and debt securities	0	0	0
Loan and credit repayments	-345,658	0	-2,313,713
Disbursement of funds	0	0	0

Change in liabilities to founders and other long-term liabilities	0	0	0
<b>Net change in cash and cash equivalents</b>	<b>-6,422,996</b>	<b>0</b>	<b>861,557</b>
Revaluation of foreign currency cash balances	-319,171	0	10,487
<b>Change in cash and cash equivalents per balance sheet</b>	<b>-6,742,167</b>	<b>0</b>	<b>872,044</b>

## 8. Adjustments to Prior Years

During the year under review, an audit and self-audit of prior (closed) financial years identified a material error, the impact of which is reflected in the middle column of the balance sheet. The error arose from several factors:

At the end of the 2023 financial year, the completion date for projects was changed from the date of physical installation to the date of the post-installation technical inspection. While this change was correctly recorded in the inventory register, it was not reflected in the project-based accounting records. As a result, the material costs associated with installed projects that had not yet been invoiced were not recognised in the appropriate reporting period.

Additionally, a CMR data filtering error in the project invoicing process led to items billed after the cut-off date being incorrectly excluded from the “delivered” and “installed” project statuses. Consequently, figures for net sales revenue, material costs, subcontracted services, wage costs, and services rendered required adjustment (Modification 1).

The 2023 corporate income tax return and local business tax return were subject to self-audit, which resulted in a reduction of the corporate income tax liability, the innovation contribution liability, and the local business tax liability. As a result of the downward adjustment in these tax liabilities, no self-audit surcharge was incurred by the Company (Amendment 2).

In 2023, an already settled invoice was mistakenly revalued under foreign trade payables, resulting in the recognition of an unjustified foreign exchange gain. The error has been corrected, and the previously recognised gain has been offset by the appropriate foreign exchange loss (Amendment 3).

The operating expenses of the subsidiary EU-Solar Ukraine LLC. for the 2023 financial year were not recorded. As a result, the cost of services used has been retrospectively adjusted to reflect the omitted expenses (Amendment 4).

As a result of the cumulative impact of the identified errors, the pre-tax result for 2023 turned negative. Consequently, the committed reserve of HUF 464,878 thousand previously allocated to the development reserve had to be released (Amendment 5).

## Impact of prior years' restatement on the aggregated profit and loss account:

Amounts in thousand HUF

Line Item	2023 Original	Amendm ent 1	Amendm ent 2	Amendm ent 3	Amend ment 4	2023 Adjusted
Net Revenue from Domestic Sales	11,001,152	136,613	0	0	0	11,137,765
Net Revenue from Export Sales	3,629,019	0	0	0	0	3,629,019
<b>Total Net Revenue from Sales</b>	<b>14,630,171</b>	<b>136,613</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,766,784</b>
<b>Other Operating Income</b>	<b>672,465</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>672,465</b>
Cost of Raw Materials and Supplies	4,053,965	725,921	0	0	0	4,779,886
Cost of Services Used	2,251,504	-4,793	0	0	22,487	2,269,198
Cost of Other Services	101,517	0	0	0	0	101,517
Cost of Goods Sold	3,546,237	0	0	0	0	3,546,237
Cost of Intermediated Services	1,665,027	35,977	0	0	0	1,701,004
<b>Total Material Expenditures</b>	<b>11,618,250</b>	<b>757,105</b>	<b>0</b>	<b>0</b>	<b>22,487</b>	<b>12,397,842</b>
Rental and Leasing Costs	1,017,123	1,576	0	0	0	1,018,698
Other Personnel-related Payments	36,391	0	0	0	0	36,391
Employer Contributions	125,686	0	0	0	0	125,686
<b>Total Personnel Expenses</b>	<b>1,179,200</b>	<b>1,576</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,180,775</b>
<b>Depreciation and Amortisation</b>	<b>253,939</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>253,939</b>
<b>Other Operating Expenses</b>	<b>832,158</b>	<b>0</b>	<b>-14,150</b>	<b>0</b>	<b>0</b>	<b>818,008</b>
<b>Operating Profit (EBIT)</b>	<b>1,419,089</b>	<b>-622,068</b>	<b>14,150</b>	<b>0</b>	<b>-22,487</b>	<b>788,684</b>
Other Charges Related to Financial Operations	1,558,935	0	0	1,339	0	1,560,274

<b>Result from Financial Operations</b>	<b>-954,211</b>	<b>0</b>	<b>0</b>	<b>-1,339</b>	<b>0</b>	<b>-955,550</b>
<b>Profit Before Tax</b>	<b>464,878</b>	<b>-622,068</b>	<b>14,150</b>	<b>-1,339</b>	<b>-22,487</b>	<b>-166,866</b>
Corporate Income Tax Liability	7,981	0	-2,171	0	0	5,810
<b>Net Profit / (Loss) After Tax</b>	<b>456,897</b>	<b>-622,068</b>	<b>16,321</b>	<b>-1,339</b>	<b>-22,487</b>	<b>-172,676</b>

Impact of prior years' restatement on the aggregated balance sheet:

Amounts in thousand HUF

<b>Balance</b>	<b>2023 Original</b>	<b>Amendment 1</b>	<b>Amendment 2</b>	<b>Amendment 3</b>	<b>Amendment 4</b>	<b>Amendment 5</b>	<b>2023 Adjusted</b>
<b>Property, Plant and Equipment (Rotating Equipment)</b>	<b>8,813,400</b>	<b>-7,075</b>	<b>13,781</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,820,106</b>
<b>Asset Sets (Project Assets / Asset Groups)</b>	<b>5,137,389</b>	<b>-7,075</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,130,314</b>
Inventories (Materials and Supplies)	4,320,198	-7,075	0	0	0	0	4,313,123
<b>Trade Receivables</b>	<b>2,907,584</b>	<b>0</b>	<b>13,781</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,921,365</b>
Other Receivables	1,012,684	0	13,781	0	0	0	1,026,465
<b>Accrued Income and Prepaid Expenses</b>	<b>2,003,194</b>	<b>136,613</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,139,807</b>
Deferred Income (Liabilities Side Accruals)	1,946,728	136,613	0	0	0	0	2,083,341
<b>Total Assets</b>	<b>13,307,142</b>	<b>129,538</b>	<b>13,781</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,450,461</b>
<b>Shareholders' Equity</b>	<b>6,460,729</b>	<b>-622,067</b>	<b>16,321</b>	<b>-1,339</b>	<b>-22,488</b>	<b>0</b>	<b>5,831,156</b>
<b>Retained Earnings</b>	<b>1,436,391</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>464,878</b>	<b>1,901,269</b>
<b>Tied Reserve (Restricted Reserves)</b>	<b>4,317,441</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-464,878</b>	<b>3,852,563</b>
<b>Profit / (Loss) After Tax</b>	<b>456,897</b>	<b>-622,067</b>	<b>16,321</b>	<b>-1,339</b>	<b>-22,488</b>	<b>0</b>	<b>-172,676</b>

<b>Long-term Liabilities (Commitments)</b>	<b>6,458,684</b>	<b>0</b>	<b>-2,540</b>	<b>1,339</b>	<b>22,488</b>	<b>0</b>	<b>6,479,971</b>
<b>Current Liabilities</b>	<b>5,967,881</b>	<b>0</b>	<b>-2,540</b>	<b>1,339</b>	<b>22,488</b>	<b>0</b>	<b>5,989,168</b>
Trade Payables (Suppliers)	1,021,488	0	0	1,339	0	0	1,022,827
Short-term Liabilities to Related Parties	2,652,618	0	0	0	22,488	0	2,675,106
Other Current Liabilities	141,386	0	-2,540	0	0	0	138,846
<b>Deferred Income</b>	<b>329,631</b>	<b>751,605</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,081,236</b>
Accrued Expenses and Charges	325,665	751,605	0	0	0	0	1,077,270
<b>Total Equity and Liabilities (Total Resources)</b>	<b>13,307,142</b>	<b>129,538</b>	<b>13,781</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,450,461</b>

## 9. Other information

No hazardous waste is generated in the course of the Company's activities.

In 2023, the National Tax and Customs Administration conducted a comprehensive audit of the Company covering the 2021 fiscal year. As a result of the audit, a tax deficit in the amount of HUF 17,088 thousand was identified.

Under applicable tax regulations, the tax authority may examine the Company's books and records and impose additional taxes or penalties within six years following the end of the relevant tax year. As of the date of this report, the Company's management is not aware of any circumstances that would give rise to a material tax liability in this regard.

**The management of EU-SOLAR Plc. is of the opinion that the Company's liquidity position and overall financial stability are secure and its operations remain sustainable for the foreseeable future.**

Pécs, 2025.04.30.

András Balázs Petre  
President of the Board  
EU-SOLAR SE

## **EU-SOLAR Plc. Annual Report**

### **2024.09.30**

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## 1. Executive summary

### 1.1. Business Performance for Q1–Q3 2024

Under the "HET" scheme, thousands of residential customers applied for the installation of small-scale household power plants (SSHP) in 2024. The vast majority of installations were completed by the end of April 2024.

Due to continued uncertainty surrounding the disbursement schedule of government subsidies, many customers experienced significant delays in the commissioning of their solar PV systems. In response, our company provided extensive pre-financing support, undertaking the installation of these systems at its own financial risk, prior to the commencement of state subsidy payments. As subsidy disbursements remain delayed, the company continues to bear the burden of de facto interest-free financing for the outstanding balances related to the completed installations.

In accordance with the programme requirements, all transactions related to the HET scheme were to be closed by the end of April 2024, with the option of a three-month extension. This necessitated the advance financing of VAT. The timeline for the disbursement of the grant remained uncertain, with actual payments not commencing until August 2024.

On 15 January 2024, the Solar Energy Plus Programme was launched, offering non-repayable subsidies for owner-occupied homes and residential properties under lease or leasehold contracts. The programme enables households to install renewable energy systems, reducing their dependence on grid electricity and contributing to environmental protection by lowering greenhouse gas emissions. As a result, Hungarian families benefit from more modern and sustainable living conditions.

A key objective of the programme was to maintain the momentum of small household-scale solar power plant (SHPP) installations following the introduction of gross metering in January 2024. The scheme supports households in generating and consuming their own electricity and promotes a shift towards energy self-sufficiency.

In a pioneering move, the programme also introduced support for battery storage solutions alongside solar PV systems—marking a step toward long-term sustainability and energy resilience.

In February 2024, our company signed over 2,000 contracts under the Solar Energy Plus Programme, with this number continuing to rise in the following months.

Reflecting our customer-centric approach, we opted for the bank guarantee scheme offered under the programme. This not only simplified the application process for customers but also provided them with more favourable conditions. As a result, we were able to install and commission systems for our customers before their co-payment was made—significantly enhancing customer satisfaction and supporting the successful execution of the programme.

Following prolonged negotiations with the Bank and the International Development and Funding Coordination Agency (NFFKÜ), the first advance payments were only disbursed in mid-August, after the conclusion of the final tripartite agreements. This enabled the commencement of installation activities.

However, several challenges slowed project progress. Despite the official start of installations, suppliers faced severe fulfilment issues. Pre-ordered quantities could not be delivered at the required pace, and in some cases, tender-specified products had to be replaced with alternatives. These changes necessitated modifications to the supporting documentation, further delaying disbursements.

Installation capacity also fell short of expectations. Some former subcontractors shifted their business focus, reducing available manpower. Additionally, the high geographical concentration of projects in Budapest and surrounding areas—accounting for around 40% of the total—caused logistical bottlenecks. Rural installation teams were unable to contribute to urban projects, making optimal resource allocation and scheduling more difficult.

Overall, these factors adversely impacted project implementation, delayed expected financial performance, and slowed the launch and execution of installation works.

Compared to the same period in 2023 (4,122), the number of installations fell sharply, with only 641 completed in the first three quarters of 2024.

In parallel, both revenue and operating profit also declined significantly. This was primarily due to the delayed uptake of the Solar Energy Plus Programme, which we expect to gain momentum in the fourth quarter of 2024 and the first half of 2025.

Many customers opted to postpone their investment decisions while awaiting the terms and conditions of the OFP and VOFP tenders, resulting in a shift of potential direct-paying customers towards participation in the public subsidy schemes.

## 1.2 Outlook for Q4 2024 and FY 2025

In the fourth quarter of 2024, our company successfully resolved the earlier challenges related to the Solar Energy Plus Programme, placing a strong emphasis on rebuilding installation capacity. As a result, the number of project-related installations increased nearly sixfold compared to the combined total of the first three quarters. This accounted for approximately 25% of the contracted project backlog.

Our company is placing strong emphasis on business growth and portfolio diversification, with both horizontal and vertical expansion planned for FY 2025.

As part of this strategy, we are participating in the RRF Home Renovation Programme (RRF-REP-10.13.1-24), which has a total budget of HUF 108 billion. Our company is a registered contractor under the scheme, offering services in window replacement, insulation, and heat pump-based heating and domestic hot water modernisation.

Several preparatory steps have already been taken, including the setup of our sales network, which is scheduled for launch in Q1 2025 following the introduction of simplified tender conditions. This will be followed by intensified marketing efforts and targeted customer acquisition.

Under the programme, our goal is to secure between 2,000 and 3,000 contracts by 31 December 2025, in line with our current market share. Based on expected award notifications, we plan to

implement 700–1,000 projects during 2025, taking into account the bid evaluation timeline and the advance payments from funding partners.

We anticipate that revenues generated from the programme will significantly contribute to the company's overall growth and support the ongoing diversification of our revenue streams.

Pursuant to a regulation published in the Hungarian Gazette on 11 March 2025, the Rural Home Renovation Programme was extended to include the pensioner population, making them eligible to apply for solar panel support.

As a result, retired homeowners have become a key target group for our company. We offer comprehensive assistance throughout the entire application process, including advisory services, site assessments, system design, and implementation.

Our approach prioritises simple, transparent, and financially sustainable solutions tailored to the needs of pensioner applicants.

Another key strategic direction for our company is to strengthen its presence in the corporate segment and secure a significant market position.

In pursuit of this goal, we have already signed a substantial number of contracts with domestic corporate clients, a large proportion of which are linked to investment projects supported by public tender schemes.

In the case of contracts awarded under the CAP tenders, construction activities may only commence following the receipt of official grant documentation. As such, the execution of currently available contracts is expected to begin during the first two quarters of 2025.

Revenues from corporate projects—similar to the OFP programme—are expected to make a meaningful contribution to the company's overall turnover growth.

## 2. About the Company

EU-SOLAR, a company listed on the Budapest Stock Exchange, is a leading player in the regional renewable energy market.

Its core activities—both current and planned—include the installation, operation, and maintenance of residential solar systems, heat pumps, hybrid energy systems, battery storage units, electric vehicle chargers, and small-scale power plants.

However, the company plays a significantly more complex role.

Its activities extend far beyond system installation and include the full administrative management of photovoltaic and heat pump systems, comprehensive project management, construction, training, as well as continuous system monitoring and maintenance.

The Company was established in 2012, became a private limited company in 2016, and was listed on the Budapest Stock Exchange in 2022.

PwC has served as the Company's auditor since 2015, marking ten consecutive years of cooperation.

The Company's accounting and financial operations are managed using the SAP system.

The Company ensures continuous customer acquisition through a regional sales network of several hundred representatives, extensive marketing activities, and a proprietary, internally developed customer relationship management (CRM) system integrated into its ERP platform.

The nationwide sales and service partner network is continuously expanding and evolving, enabling direct and efficient interaction between the Company and its customers.

The Company has a robust in-house IT development and support team, as well as a comprehensive IT infrastructure that supports sales, installation, and customer service operations.

Customer data and business processes are managed through the Company's ERP system, which provides real-time visibility into operational status.

Contactless contracting and invoicing solutions are also available to both existing and prospective business partners.

The Company sources its installed and distributed solar systems, as well as its proprietary heat pump solutions, from foreign partners with whom it maintains strategic supplier relationships.

The Company's primary supplier is Shenzhen Growatt New Energy Co. Ltd., along with Fantastic Co. Ltd., which acts as the exclusive domestic representative of these manufacturers.

Since 2017, the Company has held an accredited adult education licence. The primary purpose of this programme is to provide training for the Company's own employees and subcontractors, thereby ensuring the consistent quality of services delivered. These training courses are also available to external participants on a commercial basis, provided they meet the relevant entry requirements.

The Company is headquartered in Pécs, Hungary, where key functions such as customer service, sales, support, application processing, and funding management are centralised—providing a competitive operational advantage.

Pécs is one of Hungary's largest university cities, with approximately 40,000 students, offering strong access to emerging talent. In addition, the city's proximity to Hungary's southern border supports the Company's regional growth ambitions.

While the Company's operations were initially focused exclusively on the Hungarian market, international expansion began in 2016 with the establishment of its first foreign subsidiary in Croatia (Cro Energija D.O.O.).

This was followed by the founding of EU-Solar System Romania S.R.L. in 2021 and EU-Solar Ukraine LLC in 2023. The Company holds 100% ownership in all three subsidiaries.

The Company is a manufacturing partner for inverters, offering a full product range from 0.75 kW to 1.25 MW.

Growatt products represent top-tier quality and have demonstrated consistent operational reliability over recent decades. They are market leaders not only in terms of efficiency but also in warranty terms, and come equipped with advanced built-in surge and overcurrent protection. Growatt is recognised as the global leader in the residential inverter segment.

In addition, the Company operates its own small-scale power plant and holds both an aggregator and an energy trading licence.

Beyond its customer-facing services, the Company places strong emphasis on environmentally conscious and energy-efficient operations. To support this commitment, it has implemented several quality assurance systems and holds ISO 14001 Environmental Management System (EMS) and ISO 50001 Energy Management System (EnMS) certifications.

The Company received an 'AA' credit rating in 2017, followed by an 'AAA' rating in 2020, based on the Bisnode rating system.

It has also been the recipient of several industry recognitions, including the Business Ethics Award, held continuously since 2020, and the Business Superbrands Award, received in 2021, 2022, 2023 and 2024.

### 3. Company Overview

Type of shares:	Ordinary shares
Face value of shares:	HUF 250,000
Number of shares:	1 to 1,000

The following senior officers of the Company are authorised to sign on its behalf:

András Balázs Petre	Chairman of the Board of Directors Signing representation: Independent representation
Hortenzia Petréné Kárpáti	Member of the Board of Directors Signing representation: Joint representation
Dr. András Petre	Member of the Board of Directors Signing representation: Joint representation

Registered office: 7630 Pécs, Kocsz utca 127.

Operational premises: 7630 Pécs, Kocsz utca 110.

Branches of the company: 7800 Siklós, cadastral parcel 06/49. (Small power plant)  
3530 Miskolc, Rákóczi Ferenc street 13.  
7636 Cserkút cadastral parcell 099/4 (Logistics centre)

Subsidiaries of the Company:

1. Cro Energija D.O.O.

Registered office: Pobjede 155, 31214 Laslovo, Croatia

Company registration number: HR92691248934

Ownership share: 100%

## 2. EU-Solar System Romania S.R.L.

Headquarters: Municipiul Oradea, Strada Vasile Alecsandri No. 3, Ap. 12, Judet Bihor, Romania

Unique identifier: 45357454

Ownership share: 100%

## 3. EU-Solar Ukraine LLC

Registered office: 119 Valeriya Lobanovskyi Street, Office 3, 03039 Kyiv, Ukraine

Ownership share: 100%

## 4. Public listing

The Company was converted into a public limited company on 22 April 2022 and was subsequently listed on the BSE Xtend market on 9 May 2022.

The planned listing of EU-SOLAR in 2022 was preceded by extensive preparation throughout 2021.

As part of this process, the Company participated in several initiatives offered through the BSE's support programmes for medium-sized enterprises preparing for listing.

In 2021, EU-SOLAR joined the ELITE Programme—an international corporate development initiative launched by the BSE in Hungary—designed to equip companies with the management and strategic capabilities required for operating as a public company.

The one-year capital market readiness programme was delivered in partnership with PwC.

In parallel with the ELITE Programme, the Company was also featured in the publication BSE50 – Fifty Hungarian Companies' Success Stories, which highlights dynamically growing medium-sized enterprises in Hungary.

Following its listing, the Company is governed by a Board of Directors, which serves as its representative and executive body.

The Chairman of the Board of Directors is elected by the General Assembly from among the Board members. The first Chairman appointed was András Balázs Petre.

András Balázs Petre, along with Hortenzia Petréné Kárpáti—also a member of the Board of Directors—are shareholders of the Company.

The mandate of the members of the Board of Directors is of indefinite duration

Following the listing, the Company established a Supervisory Board.

The Supervisory Board is composed of three members, who are elected by the General Meeting.

The Chairman of the Supervisory Board is elected by the members from among themselves.

Members of the Supervisory Board (name, address):	Tünde Ibolya Gadóné Szőke	7633 Pécs, Kőrösi Csoma Sándor utca 2. A building, 1st floor door 1/a
	Tamás Rózsás	2030 Érd, Hanság utca 16.
	Tamás József Véghely	1174 Budapest, Csík utca. 3.

The Chairman of the Supervisory Board is Tamás Rózsás. The term of office of the Supervisory Board members is indefinite.

As of 1 October 2024, EU-SOLAR Plc was transformed from a public limited company (Plc) into a European public limited company (Societas Europaea – SE). This change allows the Company to operate under a single European legal framework, facilitating international expansion and cross-border operations.

The transformation aims to improve the efficiency of financing international operations, strengthen the Company's presence in foreign markets, and enhance its appeal to international investors. The SE structure provides significant long-term competitive advantages, including harmonised legal status across EU Member States, reduced administrative complexity, and simplified compliance with cross-border regulations.

By expanding its presence in European capital markets and seeking listings on EU stock exchanges, the Company aims to improve access to global capital and secure the liquidity necessary for continued growth.

In addition, the high prestige associated with the SE legal form increases the Company's attractiveness to international business partners and institutional investors. It also provides the flexibility to adopt a one-tier or two-tier corporate governance structure, supporting efficient and adaptive organisational development.

## 5. Vision and Mission

### Vision

The Company envisions itself as a leading force in the transition from fossil fuels to renewable energy, striving to become a market leader in the Central and Eastern European renewable energy sector.

### Mission

The Company's mission is to support households and businesses in reducing their energy costs, dependence on external energy sources, and ecological footprint by providing innovative, environmentally friendly, and expertly guided solutions.

## Purpose and Values

As a comprehensive solution provider, the Company empowers its customers to become more self-aware and engaged in building a sustainable and healthy future—for themselves, for society, and for future generations—while also achieving a lasting competitive advantage.

## 6. The role of state support

In recent years, several grant schemes and preferential loan programmes have been made available to both residential customers and small and medium-sized enterprises (SMEs) to support the installation of solar energy systems.

Since 2021, the government has introduced the Home Renovation Grant (OFT), providing a 50% non-repayable subsidy to families for home improvement projects, including the installation of solar panels.

In the second half of 2021, a new residential support scheme was launched: the HET Programme (Support for Residential Solar Systems and the Electrification of Heating Systems Combined with Solar Panels), offering 100% non-repayable state support specifically targeted at low-income households investing in solar energy.

The Solar Energy Plus Programme, launched on 15 January 2024, offers non-repayable subsidies for private individuals who own residential property, as well as for those with usufruct rights or leasing agreements, to equip their homes with renewable energy systems. Under this programme, the Company has successfully secured more than 2,000 customer contracts.

The RRF Home Renovation Programme (RRF-REP-10.13.1-24)—with a total budget of HUF 108 billion—is scheduled to launch on 1 January 2025. The programme targets the energy modernisation of single-family homes built before 1990.

Under the scheme, the Company is a registered contractor for window and door replacement, insulation, and the modernisation of heat pump-based heating and hot water systems. Based on our current market share, we aim to secure between 2,000 and 3,000 contracts by 31 December 2025.

## 7. Employment Policy

The Company's workforce has slightly decreased, with a smaller proportion of manual workers and a larger share of white-collar professionals.

EU-SOLAR's employment policy is centred on retaining committed and value-driven employees. In cases where specific positions are phased out, the Company strives to offer internal re-employment opportunities.

EU-SOLAR takes a forward-looking approach to human resources, promoting equal treatment, employee diversity, and inclusion. The Company firmly rejects all forms of discrimination.

Open-minded and motivated employees are supported through continuous professional development opportunities.

## 8. Research and development (R&D)

The Company holds a registered industrial innovation in the field of e-mobility and invests significantly each year in the development of its back-end IT systems.

## 9. Environmental Responsibility

The Company places great emphasis on ensuring that its operations reflect an environmentally conscious and energy-efficient approach, in addition to the services provided to customers.

Key environmental commitments and initiatives include:

- Maintaining a fleet with a significant number of electric vehicles
- Operating an electric vehicle charging station since 2017
- Achieving and maintaining carbon neutrality since 2020
- Operating a solar power plant in Siklós
- Selecting office equipment based on environmentally friendly energy use and sustainable manufacturing technologies
- Obtaining ESG certification in 2023

## 10. Principal Risks and Uncertainties

### Regulatory Changes in State Aid for Residential Solar Installations

Households remained the Company's primary customer segment in 2024. The installation of residential solar systems continues to be highly dependent on the availability and timely disbursement of public subsidies.

Any suspension or delay in government support payments could have a material adverse impact on the Company's sales volume, revenue, and overall financial performance.

In response to the risks associated with the changing regulatory landscape, the Company has taken strategic steps to significantly expand and diversify its portfolio.

### Grid Connectivity of Residential Solar Systems

The ability to connect the solar PV systems marketed by the Company to the public electricity grid depends on the regulatory requirements set by grid operators—primarily the Hungarian Electricity Transmission System Operator Ltd. (MAVIR Zrt.).

The tightening of grid connection standards or the introduction of new, costlier technical requirements may reduce market demand for solar PV systems, including those offered by the Company.

Furthermore, if the permitted system size or other technical parameters are significantly altered, the solar panels and related components already procured by the Company may no longer comply with the updated standards, potentially rendering them unsellable.

To address this risk, the Company is engaged in several pilot initiatives aimed at mitigating grid congestion by regulating and actively managing the energy generated by solar PV systems.

### **Customer Default and Insolvency Risk**

The residential segment accounts for the vast majority of the Company's customer base. These households typically finance their purchases through EU and Hungarian state subsidies that support the adoption of renewable energy technologies and the installation of solar panels.

However, the disbursement of these subsidies depends on the availability of EU and national budgetary funds and may not align with the contractual payment schedule agreed upon with the customer. As a result, subsidy payments are often delayed and may affect a large number of contracts simultaneously, rather than individual cases.

In line with its customer-focused approach, the Company has, in practice, continued to implement residential projects even in situations where the timing or certainty of grant refinancing was in question. This policy aims to ensure customer satisfaction and operational continuity, albeit with increased financial exposure.

### **Supply Chain and Raw Material Procurement Risks**

In many cases, the Company sources materials through multi-tier supply chains, which exposes it to risks not only from the non-performance or underperformance of its direct suppliers, but also from disruptions affecting upstream suppliers further along the chain.

The Company's procurement of key raw materials is heavily reliant on imports, with a significant portion sourced from the People's Republic of China.

In light of current geopolitical developments, the potential introduction or extension of sanctions or trade restrictions may significantly increase the risk exposure related to raw material availability and cost.

### **Foreign Exchange Rate Risk**

The Company's revenues are predominantly denominated in Hungarian forint (HUF), while a significant portion of its material costs—approximately 50%—is incurred in foreign currencies.

As a result, the Company is highly exposed to exchange rate fluctuations, particularly those involving the EUR/HUF and USD/HUF currency pairs.

Appreciation of these foreign currencies relative to the forint typically has a negative impact on profitability, as increased input costs may not always be offset by corresponding price adjustments in the domestic market.

## Risks Related to Guaranteed Obligations

The products sold by the Company are covered by warranty obligations—primarily by the manufacturers, secondarily by the distributors, and thirdly by the installers. In all cases, warranty claims are fully supported by EU-SOLAR in Hungarian.

In some instances, the Company transfers the warranty and guarantee obligations undertaken by subcontractors directly to its own customers.

However, the Company's exercise of warranty rights on behalf of customers entails a risk if subcontractors become insolvent or terminate operations before the expiration of the warranty or guarantee period.

As the Company imports solar panels into Hungary—and therefore into the European Economic Area—it is considered the legal manufacturer of these products under applicable product liability regulations.

As a result, the Company is exposed to potential product liability claims that would otherwise be directed at the original manufacturer.

Although the Company may retain a right of recourse against the actual manufacturer in the event of a claim, there is no guarantee that such rights can be successfully enforced in all cases.

Furthermore, due to the international nature of the supply chain, exercising these rights may involve substantial legal and administrative costs.

## Risk of Competition and Market Regulatory Investigations

In 2022, the Competition and Energy Authority launched an investigation following complaints submitted by external parties.

The investigation concerns the Company's communication activities related to the HET Programme (Support for Residential Solar Systems and the Electrification of Heating Systems Combined with Solar Systems), specifically the accuracy and completeness of information provided to customers.

The scope of the investigation includes issues related to the communication of fees for on-site technical surveys, the Application Support Package, and the difference between the actual system cost and the amount covered by the grant, as stipulated in the contractor agreement.

On 8 March 2024, the Competition Council of the Hungarian Competition Authority issued a decision in connection with the ongoing investigation.

Without establishing the existence or absence of an infringement, the Council ordered EU-SOLAR Plc. to implement an internal compliance procedure aimed at preventing potential future infringements.

In addition, the Company was instructed to provide all affected customers—i.e. those who submitted their tender applications with EU-SOLAR as the contractor under the HET Programme

and whose projects are pending or in progress—with a complimentary Remote Monitoring service package for a period of three years.

Alternatively, the Company may offer a service and maintenance package, which includes remote monitoring of the operational status of the small household power plant, remote diagnostics and repairs for Growatt systems, and a 5% labour discount on non-warranty-related repair work.

Although the competition proceedings were closed without a finding of infringement against the Company, future notifications—whether legitimate or unfounded—may give rise to additional investigations by competition authorities.

The outcome of such investigations may involve significant uncertainty, including subjective assessments, and could require substantial time and resources from the Company.

Under applicable regulations, any competition fine imposed may not exceed 10% of the Company's net turnover in the preceding business year.

To date, no fine has ever been imposed on the Company, and the likelihood of such a penalty remains considered extremely low.

## 11. Risk management mechanisms

The Company operates certified quality and environmental management systems in accordance with ISO 9001, ISO 14001, and ISO 50001 standards. These systems incorporate in-process environmental and operational risk management elements.

In addition, a dedicated enterprise-wide risk management framework is currently under development to further strengthen risk governance and standardisation.

Risk mitigation activities are embedded in day-to-day operations through documented control procedures, which are reflected in the Company's core process descriptions.

The Company operates a dedicated compliance function, whose primary responsibility is to ensure adherence to legal and regulatory requirements across the organisation, and to systematically detect, manage, and prevent potential misconduct.

As part of its ethical governance framework, the Company has established and communicates a Code of Ethics, which is accessible to all employees and sets out the principles of integrity, responsibility, and professional conduct expected throughout the organisation.

Risk assessment and mitigation activities are carried out by the Company's senior management, based on inputs from internal and external stakeholders. Where appropriate, the Board of Directors is involved in strategic decision-making related to risk management.

This top-level oversight ensures that emerging risks are promptly addressed and integrated into the Company's operational and governance framework.

The Company intends to replace its current, partially formalised risk management practices with a comprehensive, enterprise-wide risk management framework.

This framework will enable risks to be identified, assessed, and managed in a structured, cyclical, and well-documented manner through the implementation of a formal risk register.

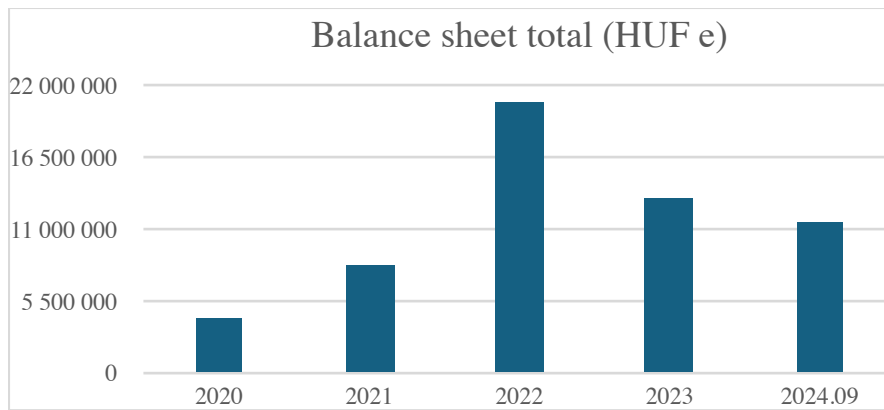
In parallel, the Company is in the process of developing and implementing a policy and methodological framework for strengthening its internal control processes. These developments are aimed at enhancing the Company's risk governance and long-term organisational resilience.

In 2023, the Company voluntarily conducted an ESG review of its internal processes, underscoring its commitment to long-term, transparent, and sustainable operations.

## 12. Financial results

### 12.1. The Company's assets and liabilities

Title	2020	2021	2022	2023	Amendments to previous years	2024.09
Fixed assets (HUF thousand)	813.397	1.182.181	1.979.327	2.431.094	0	2.269.604
Inventories (HUF thousand)	853.535	2.652.822	6.055.124	5.137.389	-7.075	3.565.978
Receivables (HUF thousand)	734.061	768.441	2.445.450	2.907.584	13.781	2.142.707
<b>Cash and cash equivalents (HUF thousand)</b>	<b>1.760.839</b>	<b>3.214.537</b>	<b>7.359.742</b>	<b>617.575</b>	<b>0</b>	<b>1.489.619</b>
Equity (HUF thousand)	1.873.531	3.470.447	6.003.832	6.460.729	-629.573	3.007.715
Loans (Long- and Short-term) (HUF thousand)	1.264.263	2.895.767	2.413.088	3.143.421	0	2.347.673
Short-Term Loans (HUF thousand)	732.881	580.407	341.622	2.652.618	0	2.058.308
Trade Payables and Customer Advances (HUF thousands)	805.968	1.212.803	11.081.026	3.170.277	1.339	3.384.059
<b>Balance Sheet Total (HUF thousands)</b>	<b>4.230.913</b>	<b>8.237.277</b>	<b>20.768.761</b>	<b>13.307.142</b>	<b>143.319</b>	<b>11.493.928</b>



As a result of the continuous expansion of its operations, the Company's total assets increased from HUF 4.2 billion in 2020 to HUF 11.5 billion as of 30 September 2024.

On the assets side, the value of tangible fixed assets increased significantly—from HUF 813 million in 2020 to HUF 2.2 billion by 2024—reflecting the Company's continuous infrastructure development.

In 2020, the Company completed the renovation of its 690 m<sup>2</sup> central office building located at 127 Kocsz utca, and acquired a nearby 3,200 m<sup>2</sup> property at 110 Kocsz utca to support logistics and office expansion. Renovation works at the latter site commenced in 2021 and are currently ongoing.

In 2022, the Company's property portfolio was further expanded through the acquisition of a warehouse facility in Cserkút. This was followed in March 2023 by the purchase of a commercial property at 55 Rákóczi út Pécs.

Inventory volumes increased significantly in recent years in line with the Company's business expansion. However, as of 30 September 2024, inventory levels had declined sharply, reflecting a shift in materials management strategy.

In 2024, the Company placed a strong emphasis on inventory optimisation, focusing on efficient stock management practices aimed at streamlining inventory structure and minimising capital tied up in inventory.

The purchase of real estate assets and the increase in inventories were financed primarily through subsidised bank loans. The Company's loan portfolio grew from HUF 1.3 billion in 2020 to HUF 3.1 billion in 2023, before decreasing to HUF 2.3 billion as of 30 September 2024, reflecting partial repayments and improved working capital management.

Since its establishment in 2012, the Company has consistently operated profitably. The accounts for 30 September 2024 show the first temporary loss in its history, which was primarily the result of short-term operational challenges and volatility in the market environment.

Despite this temporary setback, the Company's robust project pipeline, existing contracts, and favourable market outlook provide a solid foundation for a return to profitability. Its long-term strategic positioning and ongoing growth initiatives are expected to support sustainable and profitable operations in the years ahead.

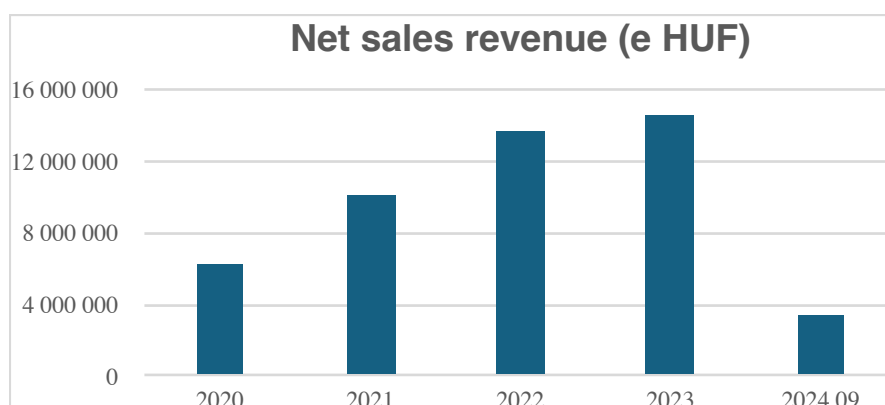
The Company's equity grew significantly over the years, increasing from HUF 1.9 billion in 2020 to HUF 6.5 billion by 2023, supported by consistently profitable operations.

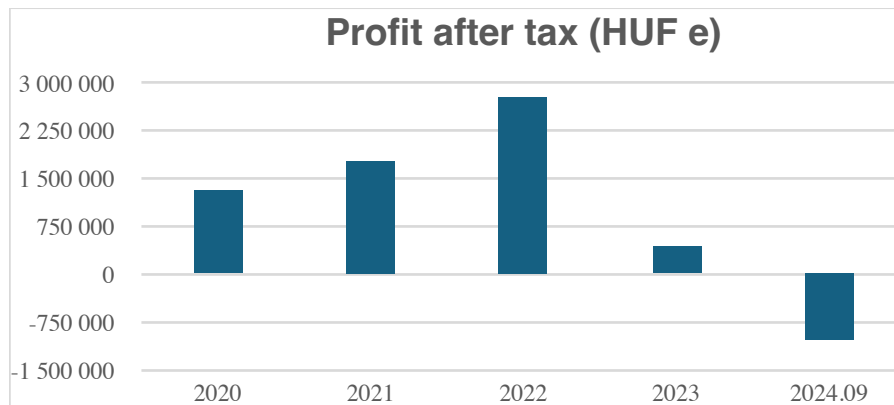
As of 30 September 2024, equity had decreased to HUF 3.0 billion. The decline is attributable to two key factors: the negative financial result recorded in the first half of 2024 and the decision of the Board of Directors to distribute a dividend of HUF 1.8 billion.

In line with the Board's resolution, the dividend was recognised as a liability to the parent company and deducted from the retained earnings (profit and loss reserve).

## 12.2. Performance of the Company

Title	2020	2021	2022	2023	Amendments to previous years	2024.09
<b>Net sales revenue (HUF thousand)</b>	<b>6.176.248</b>	<b>10.087.787</b>	<b>13.624.717</b>	<b>14.630.171</b>	<b>136.613</b>	<b>3.394.215</b>
Material expenses (HUF thousand)	4.237.700	6.901.449	10.992.609	11.618.250	779.592	3.301.058
Personal expenses (HUF thousand)	398.559	570.416	729.987	1.179.200	1.576	789.021
Operating Profit/Loss (HUF thousand)	1.330.011	1.800.460	1.564.667	1.419.089	-630.405	-1.066.525
<b>Profit/Loss after tax (HUF thousand)</b>	<b>1.319.053</b>	<b>1.773.915</b>	<b>2.794.042</b>	<b>456.897</b>	<b>-629.573</b>	<b>-1.023.441</b>





The Company's net sales revenue has increased significantly in recent years, recording annual growth rates of +115% in 2020, +63% in 2021, +35% in 2022, and +7% in 2023, reaching HUF 14.6 billion by year-end 2023.

In the first nine months of 2024, revenue declined sharply, primarily due to the implementation structure of the Solar Plus Programme and operational bottlenecks related to supplier and installer capacity.

As the sales data cover only three quarters, they may not fully reflect the Company's full-year performance and may distort the long-term growth trajectory.

Nevertheless, based on the volume of already signed contracts and a strong project pipeline, the Company sees a solid foundation for stable operations in the coming years. Given its long-term strategic positioning and the market opportunities ahead, a return to the previous growth path is expected.

As the Company is primarily engaged in the domestic installation of solar panels and inverters manufactured abroad, and the execution is carried out through subcontractors, its cost structure is predominantly composed of material-type expenses. These include the cost of raw materials, external services, ELAPEX, and sold indirect services.

Commissions paid to sales agents are accounted for under "services used," while subcontractor fees are recorded under "indirect services sold." This structure reflects the Company's asset-light, implementation-focused business model.

Overall, the Company demonstrates a strong growth trajectory, robust profitability and cash flow generation, high liquidity, and solid equity coverage. The financial outlook remains positive, supported by the Company's stable operations, strong solvency, and proactive management approach.

Pécs, 30 April 2025.

András Balázs Petre  
Chairman of the Board  
EU-SOLAR SE