



EU-SOLAR

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BÉT
XTEND

EU-SOLAR COMMERCIAL AND SERVICE SE

SEMI-ANNUAL REPORT
2025 FIRST HALF



TABLE OF CONTENTS

Emission Statement	3
1. Our Business Strategy	4
1.1 Brief Presentation of Strategic and/or Advocacy Alliances Where the Issuer Holds Membership.....	8
2. Analysis by the Issuer's Management of the Company's Financial Position and Operating Results for the First Half of 2025	10
2.1. Presentation of significant factors significantly affecting the results from business activities	10
3. Company Details	13
4. Company Management and Organization	14
4.1 Board of Directors	14
4.2 Supervisory Board, Audit Committee.....	16
5. Impact of Macro Processes on the Industry, the Company's Target Group, and Business Operations.....	16
6. Organizational Staffing.....	16
7. Risk Factors and Risk Management	17
7.1. Risk Factors Affecting the Issuer.....	19
8. EU-SOLAR SE 2025 H1 Income statement.....	30
9. 9. EU-SOLAR SE 2025 H1 Balance sheet.....	31
10. ESG, Responsible Corporate Governance.....	33

EMISSION STATEMENT

The undersigned, EU-SOLAR Commercial and Service SE Public Limited European Company (registered office: 7630 Pécs, Kokszt Street 127.; registering authority: Pécs Court of Registration; company registration number: 02-20-000002; represented by Petre András Balázs with independent signing authority, Chairman of the Board of Directors) as the Issuer (hereinafter: the Issuer) – in accordance with the provisions of point 15.2 of the second book titled „Registration, Circulation, and Deletion Rules” of the „BÉT Xtend General Business Rules” – hereby determines the content of the half-year report approved by the Issuer’s Board of Directors for the first half of the 2025 business year.

The Issuer declares that, based on the applicable accounting standards, the half-year financial report prepared to the best knowledge of the Issuer provides an accurate and reliable picture of the Issuer’s assets, liabilities, financial position, as well as its profit and loss. Furthermore, the contents of the half-year business report provide a reliable picture of the Issuer’s situation, development, and performance, outlining the main risks and uncertainties affecting the remaining 6 (six) months of the business year.

The following half-year report includes the half-year financial statement and half-year business report, which have not been audited by an independent auditor.

Pécs, September 29, 2025.

EU-SOLAR SE

Rep.

András Balázs Petre

Chairman of the
Board of Directors

This report was prepared in accordance with Annex 6 of the Xtend General Business Rules prescribed by the Budapest Stock Exchange. The purpose of the document is to inform about the events, changes, and trends that occurred during the given half-year period. The report was prepared in accordance with the accounting principles defined in the 2000 Act C. on Accounting.

REPORTING PERIOD	January 1, 2025, to June 30, 2025.
REPORTING CYCLE	Since 2022, the Company publishes its half-yearly informational reports in accordance with the Xtend business rules prescribed by the Budapest Stock Exchange on a semi-annual reporting cycle.
NATURE OF THE REPORT	The report covers all functional areas and business sectors of EU-SOLAR SE

1. Our Business Strategy

The strategic objective of the Issuer's management—considering the number of installed systems—is to achieve a 15% market share in the short to medium term. This represents a growth of over 50% in the Issuer's market share, taking into account the continuous expansion of the market. The ultimate strategic goal of the Issuer is to reach a 30% market share in the Hungarian residential solar panel market, as well as to achieve similar results in neighbouring countries such as Romania, Croatia, and Ukraine, where it began selling solar panel systems in 2023.

In addition to the comprehensive implementation of solar panel systems, EU-SOLAR SE expanded its product range in 2023 with the introduction of a new product. The monoblock heat pump system offers an electrification solution for heating systems, providing an economical and environmentally friendly option.

A key strategic pillar is the establishment and maintenance of professional engineering, electrical engineering, building services engineering, and service engineering specialties alongside internal IT development. Moreover, significant emphasis is also placed on the continuous development of support departments, the marketing team, and infrastructure.

Our services include a service network that provides comprehensive servicing, maintenance, and repair services across the entire country for both existing and prospective customers. During our service network operations, the country is divided

into 25 regions, and the activities are carried out with the involvement of contracted partners. An electric vehicle fleet ensures the transport of specialists to locations. The activities include troubleshooting, repair, and planned preventive maintenance concerning solar panel systems, batteries, electric vehicle chargers, and heat pump systems.



Until the spring of 2023, the customer service activities of EU-SOLAR SE were handled by an external partner company. However, today, the department operates entirely in-house with its own employees.

Back office activities are currently taking place in the company's Pécs office.

The growth of the Issuer is driven by several factors that support the achievement of its goals. The primary factor stimulating growth is the increasing market demand. This growth in demand is facilitated by the yearly increase in awareness and acceptance of residential solar panel systems in Hungary, as well as consumers' growing interest in sustainability. Additionally, the availability of government subsidies for solar panel systems, sourced from European Union and Hungarian funds, has also spurred growth. In 2020 and 2021, the most significant support came from the Hungarian Development Bank's 0% interest loan program titled "Credit for Increasing Energy Efficiency and Renewable Energy Use in Residential Buildings" and a non-repayable state subsidy for home renovations available from the central budget. The aforementioned loan program by the Hungarian Development Bank is currently suspended, and no new subsidized loan applications can be submitted. The Issuer played a significant role in meeting the demand that arose from the "HET - Support for Residential Solar Systems and Electrification of Heating Systems Combined with Solar Systems" program in 2022-2023. In 2024-2025, under the newly launched "NPP" – Solar Energy Plus Program (Support for the Instal-

lation of Residential-Scale Power Plants with Storage), our Company contracted with more than 2,300 households holding support documents for the installation of residential-scale power plants.

The Issuer has also expanded its market presence by entering new countries: it began active operations in Romania and Croatia in the spring of 2023, and in Ukraine in the last months of 2023.

The Issuer's management believes that providing solar power installation services to small and medium-sized enterprises (SMEs) will offer numerous opportunities in the coming years. The rise in energy prices is generating a stronger demand for solar panels among non-regulatory price consumers (market participants). Furthermore, striving for compliance with ESG (Environmental, Social, and Governance) compliance is becoming increasingly important for companies. Both factors have a positive impact on the growth of demand. Additionally, the Issuer sees significant opportunities in the development of communication, data transmission, and data analysis systems that monitor the production of solar systems.

As a part of a series of steps towards significant diversification of corporate activities aimed at reducing overall corporate risks, our corporate business division was organized as a separate business unit in May 2024. This division, a completely separate organizational unit, was specifically established to meet corporate needs.

Based on its expansion strategy, from June to October 2024, in addition to serving clients involved in the KAP (Competitiveness and Excellence Program) tender, the division began targeting other potential clients not involved in the tender. In reaching these clients, the division employs both direct and indirect marketing tools as well as a system of experiential recommendations based on personal relationships. For clients not involved in the tender and those experiencing funding shortages but operating successfully, the division, together with its strategic partner, also provides the option of installment-based implementations. With this unique product – which, to our knowledge, is currently unique in the Hungarian market – the division aims to dynamically expand its client base.

The division pays special attention to understanding unique customer needs, and for this reason, it exclusively employs senior Key Account Managers with significant industrial experience in its sales network. The division focuses on medium to large energy-demanding clients, consuming at least 70 MWh, where—as part of the strategy—it always prepares a customized, client-specific offer.

During the implementation of projects, the division operates with a dedicated, high-profile execution organization trained for large corporate environments to ensure the highest quality in the execution phase for its clients.

The Issuer also sees potential in certain regulatory license-required activities (energy storage and service business, electric vehicle charging station network development). In some cases, the necessary licenses have already been obtained, while in others, the process is still ongoing. The Issuer holds the following licenses:

- Operation of electric vehicle charging equipment
- Electric vehicle charging
- Electricity trading

Our other main product is the sale, design, and implementation of heat pumps, which began in the spring of 2023 at our company. The introduction of this new product involved thorough preparation by the sales teams, installers, and support groups. To facilitate this, our engineers provided several days of in-house training to impart the necessary professional knowledge for operating in these areas.

In addition to the activities listed, the Issuer received the regulatory license for aggregator activities in August 2022, but it is currently not active in these operations.

In the second half of 2021, the Issuer launched its solar power plant located on the outskirts of Siklós, within the framework of a balance circle contract signed with MAVIR. The solar power plant occupies 8,000 m² and is capable of producing 453 MWh of electricity annually. The creation of this small power plant aimed to reduce the Issuer's corporate-level carbon emissions, and it will also serve as a venue for educational activities in the future.

1.1 Brief Presentation of Strategic and/or Advocacy Alliances Where the Issuer Holds Membership

EU-SOLAR is a member of the following professional, industry-specific, or other strategic and advocacy alliances:

- **DUIHK (Deutsch-Ungarische Industrie- und Handelskammer, German-Hungarian Chamber of Industry and Commerce):** The Chamber has around 900 member companies, including many internationally known large corporations, though the majority are small or typically medium-sized enterprises. The Chamber's members represent nearly all sectors of the economy. Membership is voluntary and is not limited to companies with German backgrounds.
- **Hungarian Association of Logistics, Purchasing and Inventory Management:** The Hungarian Association of Logistics, Purchasing and Inventory Management ("MLBKT") is a community of supply chain management professionals who create and operate efficient, sustainable, and ethical supply chains. Through its international connections, MLBKT provides its members access to up-to-date professional solutions and principles. MLBKT is also a member of three additional international organizations:
 - ELA / European Logistics Association
 - IFPSM / International Federation of Purchasing and Supply Management
 - ISIR / International Society for Inventory Research
- **Engineering Chambers (Hungarian Chamber of Engineers, Budapest Chamber of Engineers, Baranya County Chamber of Engineers):** The various engineering Chambers act as advocacy bodies with the goal of creating the necessary professional, legal, regulatory, and intellectual background for the engineering work in their specific fields (sectors), and playing a coordination role in this creation. Additionally, as public bodies established by law, each Chamber also performs public duties: it evaluates, authorizes, and maintains a national registry of professional qualifications for its members and those registered with the Chamber, and participates in the development of technical regulations, standardization, and quality assurance systems.
- **Chambers of Commerce and Industry (Hungarian Chamber of Commerce and Industry, Baranya County Chamber of Commerce and Industry):** The Chamber's goal, beyond the public body duties defined by the Chamber law, is to facilitate and ensure direct economic and social relations among civil organizations, entrepreneurs, and business entities through interest harmonization. The Chambers do not engage in direct political activities; their organization is independent of political parties and does not provide them with financial support.



In the recent period, EU-SOLAR SE has obtained the following awards and certifications



**BÉT ESG Certificate
2023**



**Business Superbrands
Award 2025**



**Highly Trustworthy
Company Certificate
2025**



**DYNAMICALLY
DEVELOPING
ENTERPRISE | 2025**



**Family Friendly Place
Workplace Award
2023**



**Magyar Brands
Excellent Business Brand
Award 2024**



**Magyar Brands
Innovative Brand
Award 2024**

2. Analysis by the Issuer's Management of the Company's Financial Position and Operating Results for the First Half of 2025

2.1. Presentation of significant factors significantly affecting the results from business activities

Significant factors affecting the results of business activities include the development of net sales revenue and cost structure, as well as increases in personnel-related expenditures, etc.

Table 1: Income statement

Amounts in thousand HUF	30.06.2024	2025 H1*
Net sales revenues	1 656 468	2 871 337
Own performances	-	-
Other revenues	53 182	5 358
Material costs	479 070	1 066 329
Services used	672 312	509 619
Other services	36 413	51 357
Cost of goods sold	593 785	415 538
Remediated services	210 574	388 056
Material-type expenditures	1 992 154	2 430 899
Wages and salaries	420 558	381 522
Other personnel type expenditures	15 966	11 305
Contributions	78 630	54 187
Personel type expenditures	515 154	447 014
Other expenditures	706 361	46 284
EBITDA	(1 504 019)	(47 502)
Depreciation	104 008	93 288
EBIT	(1 608 027)	(140 790)
Financial incomes	84 494	314 891
Financial expenditures	96 048	133 603
Financial result	(11 554)	181 288
Profit before taxes	(1 619 581)	40 498
Corporate tax payable	-	-
Profit after taxes	(1 619 581)	40 498

*Source: General ledger data of the Issuer, not audited

The Issuer's net sales revenue significantly increased between 2019 and 2023. However, in the first half of 2025, the Issuer's revenue fell considerably compared to the same period of the previous years. The main reason for this decline was the shortage of inventory related to the installations under the NPP (National Public Policy) tender, which in many cases resulted in couple of weeks of delay in receiving the necessary products.

The Issuer primarily sells and installs solar panels for private individuals. Nevertheless, starting in 2024, it has placed increased emphasis on installing solar systems for the corporate segment. For this purpose, a corporate development directorate was established in 2023, followed by the organization of the corporate business division in May 2024. Revenue from the corporate segment is expected to contribute significantly to the Company's revenues from the last quarter of 2025 onward.

Among the Issuer's business divisions, the smallest portion of revenue is generated by education. At the same time, we place strong emphasis on internal educational activities, which are crucial for the professional preparedness of our employees. Our goal is for our educational activities to become a key pillar of strategic development in the region.

From a financial perspective, the Issuer's EBITDA amounted to **-1.504 million HUF in the first half of 2024**, while in the first half of 2025 it was **-48 million HUF**. Although still negative, this represents a relatively improving tendency. EBIT reached **-1.608 million HUF in the first half of 2024**, but only **-141 million HUF** in the first half of 2025, thus the level of loss decreased. As a consequence, the Issuer recorded a **net loss of -1.620 million HUF after taxes in the first half of 2024**, while in the first half of 2025 it achieved a net profit of **40 million HUF**, which clearly indicates an improvement.

Table 2: Balance sheet

Amounts in thousand HUF	31.12.2024.	30.06.2025.*
Intangible assets	57 165	88 667
Tangible fixed assets	2 239 704	2 167 949
Long term financial assets	19 072	19 072
Invested assets	2 315 941	2 275 688
Inventories	4 774 899	4 944 798
Account receivables	1 548 907	1 258 256
Receivables from related-parties	236 789	301 813
Other receivables	1 052 407	1 210 192
Short-term receivables	2 838 103	2 770 261
Securities	169 249	169 249
Cash and cash equivalents	1 029 493	1 332 929
Short-term assets	8 811 744	9 217 237
Prepayments	2 396 900	1 919 176
Total assets	13 524 585	13 412 101
Share capital	250 000	250 000
Retained earnings	(94 849)	1 504 931
Restricted reserves	3 852 564	3 852 564
Profit after taxes	799 780	40 498
Own equity	4 807 495	5 647 993
Provisions	25 723	25 723
Long-term liabilities	375 330	948 330
Short-term liabilities	6 450 574	5 220 673
Liabilities	6 825 904	6 169 003
Accruals	1 865 463	1 569 382
Total liabilities	13 524 585	13 412 101

*Source: General ledger data of the Issuer, not audited

3. Company Details

General Information

Company Registration Number:	02-20-000002
Company Form:	Public Limited Company
Statistical Code of the Company:	32635436 4664 141 02
Tax Number:	32635436-2-02
Community Tax Number:	HU32635436
Official Name	EU-SOLAR Kereskedelmi és Szolgáltató SE Nyilvánosan Működő Részvénytársaság
Abbreviated Name of the Company	EU-SOLAR SE
Foreign Language Name of the Company:	EU-SOLAR Commercial and Service SE Public Limited European Company
Registered Office:	7630 Pécs, Kocsz Street 127.
Main Activity:	4664'25 Wholesale of other machinery and equipment, n.e.c.
Electronic Contact Information:	Company website: http://www.eu-solar.hu Mailing address: 7630 Pécs, Kocsz utca 127. E-mail address: iroda@eu-solar.hu
Contact:	Telephone number: 06-70/90-70-820
Investor Relations Contact:	András Balázs Petre

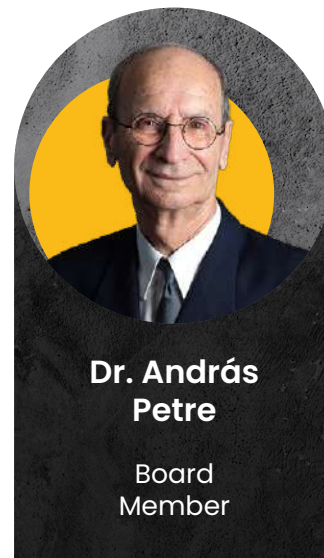
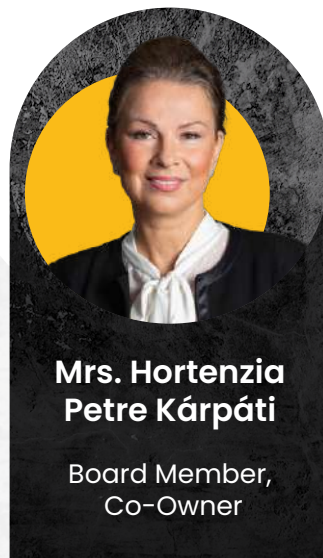
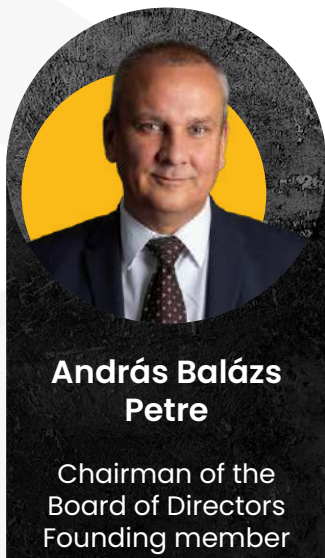
The Company is listed in the NAV (National Tax and Customs Administration) database of companies without public debt and is qualified as a reliable taxpayer.

4. Company Management and Organization

4.1 Board of Directors

The primary responsibilities of the EU-SOLAR Board of Directors include ensuring the long-term interests of the shareholders, overseeing the development and execution of the Company's strategy, and making significant financial and organizational decisions that affect the life of the Company.

The current Board was established on 30.04.2024.



András Balázs Petre – Chairman of the Board of Directors

Petre András has been involved with solar panel systems for nearly a decade and a half. He acquired the theoretical foundations and practical skills of solar panel installation in California, USA, and expanded his knowledge through the EUREM (European Energy Manager) training in Germany. He has participated in several international conferences and has also obtained his domestic certification for installing and maintaining solar panel systems. András has led market research and managed multi-billion construction projects. In 2012, he co-founded EU-Solar Ltd. and quickly became its leader. In 2015, he completed the Public Procurement Consultant training at the University of Pécs and obtained his qualification as a Responsible Technical Manager in the solar panel speciality area.

Mrs. Hortenzia Petre Kárpáti – Board Member, Adult Education Director

Hortenzia Kárpáti earned her degree in humanities from the University of Pécs in 1995 and began her career as a high school teacher in Hungarian and German.

In 2017, she earned her second degree from the JPTE (University of Pécs), became a certified mentor and lead teacher, and then left public education to join EU-Solar Plc. As the leader of adult education, her first task was to establish the Company's adult education division.

From 2019 to 2023, she also served as the Vice President of Education for the Hungarian Solar Panel and Collector Association (MNNSZ).

Dr. András Petre – Board Member

Dr. András Petre graduated from the Budapest University of Technology as a qualified electrical engineer (1966) and economic engineer (1977). He earned his Doctorate in Economics from the Janus Pannonius University of Pécs in 1983. He is a Euro Engineer and a member of FEANI (1991). He also holds an EURO-MANAGER (1966) credential and an MBA from the EUROPEAN BUSINESS SCHOOL (1993). In 1989, he led the corporate transformation, asset valuation, and privatization process as the economic leader of the Southern Transdanubian Electricity Supply Company, later part of E-on. He played a significant role in establishing the production of the "o" series of silicon materials in Hungary, translating the necessary software, hardware, and organizational resources into Hungarian for the deployment of the first high-performance computer outside of the capital, and developing the first technical applications.

Since 2015, he has been responsible for the design of photovoltaic (solar) systems (HMKE, Micro Power Plants) at EU-SOLAR SE, and participates in the Company's educational activities. His professional work spans numerous and varied areas; in recent years, he has designed lighting for public spaces, road junctions and roundabouts, as well as the energy needs for group residential buildings or the electrical networks for residential buildings/family homes. He has also designed photovoltaic systems and solar micro power plants.

4.2 Supervisory Board, Audit Committee

Members of the Supervisory Board:

Mrs. Ibolya Gadóné Tünde Szőke
Tamás Rózsás
Tamás József Véghely

Members of the Audit Committee:

Mrs. Ibolya Gadóné Tünde Szőke
Tamás Rózsás
Tamás József Véghely

5. Impact of Macro Processes on the Industry, the Company's Target Group, and Business Operations

The macro processes that occurred in the first half of this year have clearly identifiable effects on the economic environment surrounding us, thereby influencing the operations of EU-SOLAR SE as well.

The Russian-Ukrainian war that broke out at the beginning of 2022 has had a fundamental impact on the macroeconomy and the global economic environment. The operations and management of EU-SOLAR SE are affected by the war, with increased prices leading to higher costs for suppliers, transporters, and installers. However, our liquidity remains strong.

The rising inflationary environment throughout 2022-2023 and the weakening of the Hungarian Forint have led EU-SOLAR SE to include a HUF/EUR threshold in contracts with clients, above which the client must pay the difference. This measure was deemed important to ensure that clients receive clear, advance notification of any potential price increases.

The changes to the balance settlement system in the last quarter of 2023 and the decline in Hungary's economic growth have led to a decrease in the residential solar panel market demand in 2025.

6. Organizational Staffing

EU-SOLAR SE is structured according to its organizational size and staffing levels. Numerous business units and departments work together, each requiring different expertise and operational structures. We strive to serve our clients with the highest level of professional knowledge, making it crucial that colleagues from various areas can work together effectively and at a high standard. To this end, our Company places great emphasis on developing the professional knowledge of our staff, strengthening team spirit, and fostering a solution-focused mindset.

Among the strategic elements of our development, HR-focused management plays an important role, associated with several new initiatives:

- The larger and more structured organization allows our colleagues opportunities for development and advancement within our Company.
- Company-level recruitment aims to bring experienced, highly motivated professionals into our organization.

EU-SOLAR SE consciously focuses on employee satisfaction and the development of organizational culture, thereby supporting the implementation of business plans from a human resources perspective.

The success of our efforts in this direction is evidenced by winning the “Loveable Workplace” award in 2020, 2022, and 2023, as well as the “Family-Friendly Workplace” award in 2023.

We ask for anonymous feedback from our colleagues once a year and strive to meet their expressed requests and needs. We aim to incorporate positively evaluated aspects into our daily routines looking forward.

One of our main goals is the long-term retention of our current employees, as well as the continuous training and development of our colleagues, to ensure that the Company employs highly experienced and skilled individuals.

7. Risk Factors and Risk Management

Investing in or owning shares involves numerous risks, some of which can be significant.

Before making any investment decisions regarding shares, it is crucial to carefully consider all the information contained in the semi-annual report, along with factors and risks related to investing in these shares. It is important to evaluate the Issuer’s business activities, the industry in which the Issuer operates, and the markets where the Issuer or its products are present, paying special attention to the following risk factors. Prior to making any investment-related decisions, such as purchasing or divesting shares, every investor should consult their own financial and legal advisors and ensure that investing in the shares aligns with their personal circumstances, risk tolerance, and willingness to take risks.

The following summary includes the most fundamental risk factors that, according to the Issuer’s management, must be considered when deliberating an investment in shares. However, since the risks associated with the Issuer and the shares are tied to future events and circumstances that may not necessarily occur, this summary should always be considered in conjunction with the full text of the current semi-annual report. Therefore, a thorough review of the entire text of this semi-annual report is necessary before making any investment decisions related to the shares.

The following does not include all possible risks associated with investing in or owning shares. These points summarize the significant risks related to the Issuer and the shares, as known or identified by the Issuer at the time of compiling this semi-annual report. However, the Issuer’s business activities, operational effectiveness, financial condition, and investments

in or ownership of the shares could also be adversely affected by other risk and uncertainty factors not listed here, which are currently unknown to the Issuer or not identified or recognized as significant by the Issuer's management based on their current knowledge. Therefore, no investor should base any decision regarding investment in shares solely on the consideration of the summary below. Instead, in light of their personal circumstances, investors should also consider all other potential risks, including those identified after studying the semi-annual report and other information obtained in connection with the Issuer, its business activities, its markets, or the industry.

The occurrence of any of these risks could adversely affect the Issuer's financial and economic position, competitiveness, business operations, and prospects, as well as potentially cause a significant decrease in the share price, or result in the loss of the entire investment in the shares, or a significant part of it.

Some investors can only conduct their investment activities in accordance with specific laws and regulations dictated by Hungarian law or their own legal systems. Additionally, their activities may be subject to regulatory oversight and control. It is essential for every investor to consult with their own legal advisors and ensure that investing in the shares complies with applicable laws and regulations relevant to them or their activities.

The order in which the following risk factors are discussed does not imply a ranking of importance or significance.

7.1. Risk Factors Affecting the Issuer

Risks Arising from Unfavorable Changes in the Economic or Market Environment

The Hungarian economy is an open economy, susceptible to European and global economic processes. The Issuer's operations are significantly impacted by macroeconomic factors such as inflation, fluctuations in the exchange rate of the Forint, the interest rate environment, energy prices, and the level of investments. These factors can be crucial for the Issuer's financial position, cost of capital, and operational effectiveness. Additionally, unfavourable developments in these processes could lead to a decrease in demand for the Issuer's products.

Adverse developments in macroeconomic factors could significantly negatively affect the Issuer's profitability. Governmental, fiscal, economic policy, or political measures that unfavourably impact the Issuer's products or markets could also adversely affect the Issuer's revenues, operations, and overall effectiveness.

Potential Withdrawal or Reduction of State Subsidies for Residential Solar Panel Purchases

The Issuer's primary customers are households. The installation of residential solar panel systems heavily depends on the availability of state subsidies for their purchase. Currently, numerous significant non-repayable and subsidized loans—sourced from both EU and domestic funds—are available for the purchase of residential solar systems. These subsidies have recently expanded significantly, leading to substantial growth in demand for the Issuer's products.

Connectivity of Residential Solar Systems to the Public Power Grid

The network connectivity of the solar panel systems sold by the Issuer depends on the requirements set by network operators, primarily by the Hungarian Electric Power Transmission System Operator (MAVIR). Tightening network connection requirements or the introduction of new regulations that necessitate more costly installations could lead to a decrease in demand for solar panel systems, including those sold by the Issuer. Additionally, significant changes in the size and other technical parameters of the systems to be installed might result in the solar panels and other components already purchased by the Issuer no longer meeting the new requirements, thus becoming unsellable.

Risks Arising from Overproduction

Potential overproduction in the Issuer's markets could lead to a decrease in the prices of the products distributed by the Issuer. Since the entry barrier is low in the solar panel market handled by the Issuer, and new players can easily emerge due to low costs, the surplus supply created by the entry of new players can more easily generate periodic overproduction. If the Issuer cannot reduce its prices to match or go below those of its competitors, this could unfavourably affect its market position and, in extreme cases, might completely push it out of certain markets.

Seasonality and Dependency on Weather Conditions

Since the Issuer also sells the solar panel systems it distributes along with on-site installation, its activity volume shows mid-year seasonality depending on the weather, considering that construction and installation work typically occurs from spring to fall. In

winter, the short days and cold, rainy weather limit installations (especially outdoor work). However, during the sunny summer period, consumer willingness to purchase typically increases, as the direct experience of high numbers of sunny hours significantly enhances consumer perception of the value and effectiveness of purchasing solar panels.

Risks Arising from Customer Non-Performance or Insolvency

The Issuer has numerous customer contracts, thus exposing it to the risk that customers may fail to meet their payment obligations in accordance with the customer contracts (for example, not fully or with significant delays).

Moreover, unfavourable economic and market conditions can adversely affect the financial situation of the Issuer's customers, as can a tightening in the availability of capital or credit market financing, which in turn could lead to customer insolvency. This significantly increases the risk of customers defaulting on their payment obligations to the Issuer. Such processes can also lead to a decrease in demand for the Issuer's products.

The majority of the Issuer's customers are households. The purchasing decisions of these households from the Issuer are heavily influenced by the availability of state subsidies aimed at supporting the use of renewable energy sourced from both EU and Hungarian funds. However, the disbursement of these subsidies is fundamentally determined by the availability of EU and budgetary resources. Therefore, disbursements may not occur according to the schedule set in the customer contracts with the Issuer but may happen later, upon the arrival of the EU and budgetary resources to the supporter. Delays in the disbursement of subsidies, typically due to the same source, usually affect not just one customer contract but a significant number simultaneously. This can lead to liquidity problems for the Issuer and may necessitate liquidity management steps that incur financing costs.

Simultaneous insolvency of a large group of the Issuer's customers, or their failure to fulfill their customer contracts as stipulated, could have a significant adverse effect on the Issuer's revenues, operations, and financial effectiveness.

Risks Related to Raw Material Procurement and Supplier Partners

The Issuer's operations typically rely on contracts with a key supplier for each product. Thus, there is a risk to the Issuer if these partners terminate their contracts with the Issuer, fail to perform according to the contract, commit fraud, or reduce their future available capacities. This is primarily critical due to the difficulty in replacing certain components. This risk is particularly acute in the case of inverters that the Issuer distributes and installs. Currently, the Issuer is the exclusive distributor of Growatt inverters in Hungary. If this strategic partnership were to end, the Issuer would be forced to source a new inverter product from another manufacturer. While many manufacturers offer such

products, they typically operate on different technologies, and their installation processes are different. Thus, they are not easily replaceable, as switching products would require learning and training for a new installation process. This could cause significant disruptions in the short term if the Issuer were forced to change its inverter supplier.

The Issuer's procurements often occur through a supply chain, exposing it to the risk of non-performance or improper performance not only by its direct partners but also by its suppliers.

The Issuer's raw material procurement is largely based on imports, a significant portion of which comes from the People's Republic of China. The Chinese authorities may respond with programmed factory shutdowns affecting the entire supply chain, which could lead to delays in the Issuer's import procurements and supply disruptions. Significant delays or disruptions could also cause delays or disruptions in the Issuer's obligations to its own customers. These occurrences could lead to a loss of confidence in the Issuer, as well as significant financial and reputational losses for it.

Significant disruptions, interruptions, or delays in the Issuer's procurement could have a substantial adverse effect on the Issuer's revenues, operations, and financial effectiveness.

Risks Associated with the Issuer's Sales Network

The Issuer has established a sales network consisting of independent entrepreneurs to sell its residential solar panel systems. The organizational structure of this network is continuously adjusted to match the market environment for more efficient operation. The members of the sales network conduct their sales activities based on distribution agreements with the Issuer, which means the Issuer does not have the means for daily and close monitoring. Additionally, high turnover may occur periodically. This situation carries the risk of substandard service quality provided to customers by the sales network, potentially leading to customer dissatisfaction and poor user experience. Moreover, incorrect or misleading information provided to customers by the network could lead to consumer protection or competition authority actions against the Issuer. Improper data handling by members of the sales network could also result in data protection fines or other legal consequences for the Issuer.

Demand Growth for Alternative Renewable Energy Sources Compared to Solar Energy

The reduction in costs and installation expenses, along with improvements in efficiency and usability for households of alternative renewable energy systems such as small wind turbines, hydroelectric power plants, or geothermal systems, could lead to an increase

in demand for these systems. These systems may become substitutes for the residential solar panel systems distributed by the Issuer. This could intensify competition and expand the supply side, and if the prices or installation costs of these alternative systems become significantly lower than those of the Issuer's residential solar panel systems, it could lead to a decrease in interest in the Issuer's products. This could adversely affect the revenues, operations, and effectiveness of the Issuer's solar business.

Demand for Electric Vehicles and the Availability of Related Government Subsidies

In addition to solar panel systems, the Issuer also distributes electric vehicle charging stations. The demand for electric vehicles fundamentally influences the demand for charging stations used to charge them. Thus, the profit-generating capability of the Issuer's electric vehicle charging station business depends on several external factors that indirectly affect the demand for electric vehicles (such as the price level, competitiveness, and production volume of electric vehicles) as well as factors directly affecting the demand for charging stations (such as their procurement and sales price levels). The demand for charging stations, and thus electric vehicles, is particularly dependent on the availability of government subsidies provided for purchasing electric vehicles. The elimination of these related subsidies could lead to a decrease in the demand for electric vehicles and thus charging stations, thereby reducing the profit-generating capability of the Issuer's electric vehicle business.

Financing Risks

Several factors, including the general economic environment, credit market conditions, bank interest rates, and currency exchange rate fluctuations, can increase financing costs and complicate, delay, or even prevent acquisition and repayment. Currently in a growth phase, the Issuer relies significantly on external financing, making it susceptible to changes in the financing and interest rate environment. Should the financing or interest rate environment become unfavorable, it could increase the Issuer's financing costs and potentially lead to temporary or prolonged financing and liquidity difficulties. Anticipating a rise in bank interest rates, the Issuer has preferred to offer fixed-rate loans to small and medium enterprises. If these loans become unavailable in the future, it could lead to an increase in the Issuer's financing and operational costs, potentially forcing the Issuer to raise prices or reduce profit margins.

Although the Issuer has significant equity as of the date of this semi-annual report, it plans to continue incorporating external financing to realize its growth plans. While the Issuer does not anticipate a general cessation of credit resources affecting the entire solar industry, it may exhaust the financing willingness of banks up to the limits available to the Issuer. This could adversely affect the Issuer's growth and pace and

could also lead to temporary or prolonged financing and liquidity difficulties.

Furthermore, the Issuer's loan portfolio is significantly concentrated among creditor banks, with a majority of its loans coming from one banking group. Consequently, any termination of the Issuer's banking and financing relationship with this group could lead to significant liquidity issues, as refinancing a large portion of the loan portfolio through another bank would be time-consuming and costly.

There is also a risk associated with taking bank loans that the Issuer may not be able to continuously meet the obligations agreed upon in the bank loan agreements, which could lead to adverse legal consequences, such as the enforcement of secured collaterals by the bank or termination of the agreement resulting in the immediate due payment of the total debt.

Raw Material and Fuel Prices

The profitability of the Issuer is significantly affected by the rising cost of raw materials required for production and the purchase price of goods for resale (which is indirectly influenced by raw material prices). The Issuer anticipates particularly high price increases for the procurement of solar panels it distributes. There is no guarantee that the Issuer can always acquire raw materials or goods for resale at acceptable prices or fully pass these cost increases onto the prices of its manufactured and resold products.

If the Issuer is unable to fully pass on these price increases to customers or cannot procure the necessary quantities of raw materials or goods for resale at elevated prices, it could lead to a reduction in sales volume and adversely affect the revenues, operations, and financial performance of the affected business units.

Since the Issuer sells its products with on-site assembly and installation across all of Hungary, its operations involve significant fuel consumption. Therefore, a substantial increase in fuel prices—even in the short term—could have an adverse impact on the Issuer's revenues, operations, and financial performance.

Changes in Exchange Rates

The Issuer's revenues are almost entirely denominated in Hungarian Forints, accounting for 99% of its total income. However, since the Issuer's operations heavily rely on imports, approximately 50% of its costs are incurred in foreign currencies. Consequently, cost

increases passed through from suppliers or the supply chain also occur in foreign currency.

As a result, the Issuer is significantly exposed to risks arising from fluctuations in the exchange rate between the Forint and various foreign currencies. The Issuer's operations are particularly sensitive to changes in the EUR/HUF exchange rate, where an increase typically has an adverse effect on its profitability.

To mitigate the risks associated with currency fluctuations, the Issuer exclusively uses Forint-based debt financing, considering that the majority of its revenues are generated in Forints. Additionally, it attempts to mitigate these risks by engaging in hedging transactions. However, since the Issuer is relatively new and in its initial growth phase, experience with hedging transactions is still developing. Therefore, there is no guarantee that the Issuer will always be able to manage these risks through hedging transactions or that it will consistently select or engage in appropriate transactions.

Risks Arising from Inventory Management

The Issuer's demand for solar panel systems and their installability show seasonality and are weather-dependent (see also the subsection "Seasonality and Dependency on Weather Conditions"). Demand and installations typically spike during the summer, while in winter, demand drops and installations are limited due to weather conditions. Due to limited transportation capacities, the Issuer cannot schedule its solar panel and component procurement to align with fluctuations in demand or installation volumes, thus requiring continuous, evenly distributed procurement throughout the year. The ordered goods must also be fully accepted during periods of lower sales or installation volumes, forcing the Issuer to maintain continuous inventory of solar panels and components. This is further exacerbated by the necessity to order increased quantities due to current interruptions in component supply compared to usual periods. This may lead to prolonged storage of inventories, which can cause warehouse capacity issues and significantly increase operational costs due to the costs of financing the storage and pre-ordered but yet-to-be-delivered inventories.

Changes in the subsidies provided for solar panel procurement, the production of electrical energy using household solar panel systems, and the technical requirements set by system operators for the integration of such produced energy into the public electricity grid can significantly alter the size and other technical parameters of the systems to be installed (see also the subsection "Connectivity of Residential Solar Systems to the Public Power Grid"). In case of significant changes, the solar panels and other components held in inventory by the Issuer may no longer meet the new requirements, rendering them unsellable—at least within the Issuer's markets—for their original purpose. In case these unsellable inventories are sold off, it might only be possible at a significant loss. Furthermore, the risk of inventory degradation also poses a threat.

Potential overstocking or if the Issuer is unable to sell or install the inventories can significantly harm the Issuer's operational effectiveness.

Competitive Conditions and the Emergence of New Competitors

The market for solar panels distributed by the Issuer has a low entry barrier and new players can easily emerge with low costs. As a result, the Issuer faces significant and strong competition, and consequently price pressure, in one of its main markets—the solar panel market. If the Issuer is unable to maintain or increase its sales volume profitably at the prices offered by competitors, it could significantly negatively impact the profitability of its solar business, and the Issuer might even be forced to exit the market.

Loss of Expertise

In the future, the Issuer may lose key leaders, engineers, experts, or other employees for various reasons. Replacing these employees can be time-consuming, and it may happen that suitable replacements are may not be found. Such scenarios can significantly set back the Issuer's operations and financial performance, impacting its ability to maintain competitive standards and innovate within its industry.

Labor Market Changes

The availability of skilled labour in Hungary is crucial for the Issuer's regular business operations.

Currently, the Issuer is in a growth phase, requiring a continuous influx of employees with specialized expertise. If the Issuer is unable to recruit a sufficient number of skilled workers, this could slow its growth and adversely affect its operational effectiveness.

Moreover, in recent years, the labour market has experienced wage pressures for both skilled and unskilled labour, exacerbated by an employer's demand exceeding the supply of available workforce. This wage pressure can negatively impact the Issuer's operations and financial performance, potentially increasing operational costs and affecting profitability.

Warranty Obligations

The Issuer undertakes warranty obligations for the products it sells. In some cases, this involves transferring subcontractors' warranties and guarantees to its own customers. The exercise of these transferred warranty and guarantee rights, and the fulfilment of

the resulting obligations, presents present a risk associated with the potential cessation of subcontractors before the expiration of the warranty or guarantee period. Although regulations stipulate the appointment of a third party to fulfil these obligations and the allocation of certain financial resources for this purpose, it is not always feasible to ensure this adequately, especially in cases of liquidation. Consequently, the Issuer's customers may demand the fulfilment of these obligations directly from the Issuer, who may not be able to pass these costs back to the subcontractor due to their cessation, potentially leading to increased operational costs for the Issuer.

Since the Issuer imports the solar panels it distributes into Hungary and thus the European Economic Area, it is considered the manufacturer of these panels under product liability rules. This exposes the Issuer to the risk of claims arising from the manufacturer's product liability. Although the Issuer has a right of recourse against the actual manufacturer in the event of a claim, there is no guarantee that it will always be able to enforce this right. Additionally, enforcing this right of recourse, especially considering its international nature, could involve significant costs.

Tax Risks

Potential deficiencies or irregularities uncovered during a tax authority inspection could result in tax liabilities for the Issuer. While the Issuer makes every effort to comply with tax laws, it cannot be ruled out that a future tax audit may lead to significant tax payment obligations.

A specific risk for the Issuer arises because the tax authority has not yet conducted a comprehensive tax audit that would cover previous tax years, ensuring their closure and non-reviewability. Therefore, the tax authority can review the books and records within six years following the relevant tax year and may impose additional taxes or penalties. The last comprehensive tax audit concluded with the year 2021.

Changes in Customer Preferences

Changes in consumer habits induced by socio-economic and demographic trends, as well as increasing awareness of sustainability and shifts in user demands, can impact the demand for the Issuer's products. The emergence of new products developed in response to these trends might lead to the Issuer's customers substituting the offered products with others that the Issuer does not provide, potentially featuring different performances. Since the Issuer typically sources components of its solar panel systems from China, a potential loss of trust in Far-Eastern products could encourage this substitution.

The Issuer's ability to respond to changes in customer demand depends on its capacity

to foresee these changes and bring to market new, more sustainable, and cost-effective products accordingly. The Issuer's response capability might be limited or the response time extended due to the need to relearn or retrain the installation processes because of technological differences and installation instructions from different manufacturers of the substitute products.

There is no guarantee that the Issuer will always be able to appropriately respond to changes in customer preferences and demand. Failure to do so could significantly negatively affect the Issuer's sales volume and the effectiveness of its operations.

IT Risks

The Issuer's operations heavily rely on its own information technology (IT) systems and their continuous proper functionality. The threat of cyber-attacks, along with their increasing frequency, sophistication, complexity, and capability, poses significant challenges for IT system operators. Cyber-attacks can cause not only damages within the IT system but also significant data loss, misuse of data, data theft, and consequently lead to regulatory consequences (such as from the tax authorities due to compromised accounting data or data protection authorities in cases involving personal data) or claims by affected individuals.

These risks may arise not only from cyber-attacks but also from other causes of IT system failures, external factors such as issues with internet service providers, or lapses in their provided services despite regular implementation of IT security protocols, procedures, and backup functions. Additionally, operational risks due to IT system malfunctions, such as erroneous transfers, also present significant risks.

The IT environment, particularly the operation and marketing accessibility of social media networks, can significantly impact the Issuer's marketing and sales activities.

Inadequate management of IT risks can have significant adverse effects on the Issuer's operations and also pose a reputational risk. These impacts can further extend to legal liabilities and financial losses if sensitive or regulatory-required information is compromised or lost.

Force majeure

The financial position, effectiveness, and operations of the Issuer could be significantly and adversely affected by certain unforeseeable and unavoidable events (such as natural disasters, extraordinary political events, etc.), the extent and impact of which are unpre-

dictable. Such events can disrupt operations, damage infrastructure, or create economic instability, impacting the Issuer's ability to maintain regular business activities.

Geographical Concentration of Activities

Currently, the Issuer's activities are primarily concentrated in Hungary, indicating a high level of geographical concentration. However, the Issuer is also focusing on expanding abroad, already present through subsidiaries in Croatia, Romania, and Ukraine, and plans to enter additional target countries. Nonetheless, there is no guarantee that the Issuer will successfully execute the expansion and thereby the geographical diversification of its activities. If unable to do so, its business activities and operational effectiveness will continue to be highly dependent on the Hungarian market processes.

Regulatory Risks

The Issuer and its subsidiaries are subject to numerous and complex legal regulations in Hungary, Croatia, and Romania. These laws encompass a wide and varied range of areas from energy and environmental protection to product liability, quality standards, data protection, labour laws, occupational safety and health, and taxation. The Issuer and its subsidiaries often need to meet increasingly stringent requirements, which can result in rising operational costs. While the Issuer strives to ensure compliance with legal and regulatory directives, it cannot be excluded that future regulatory inspections may result in fines or impose significant costs on the Issuer.

Lack of OBA and BEVA Protection

The protection provided by the National Deposit Insurance Fund (Országos Betétbiztosítási Alap, OBA) and the Investor Protection Fund (Befektető-védelmi Alap, BEVA) does not extend to losses incurred due to a decrease in share prices. Therefore, in the event of share price or other investment losses, shareholders cannot rely on compensation from these third parties. In the event of the Issuer's insolvency, shareholders may lose all or part of their investment value entirely.

GDPR

The Issuer handles various types of personal data. The Regulation (EU) 2016/679 of the European Parliament and of the Council (commonly known as GDPR) contains complex regulations for the handling and protection of personal data and mandates significant

finances for violations of its provisions. Fines can be imposed even if the violation occurs inadvertently, such as through an IT incident. Thus, in case of non-compliance with GDPR rules, the Issuer could be subjected to substantial fines depending on the circumstances. Given that there is not yet a fully established practice in Hungary for the application of GDPR, the likelihood of risk and potential consequences are not quantifiable. However, considering the possible fines, a data protection incident could lead to significant financial damages and reputational loss. While the Issuer has a data management policy, it is not guaranteed that the data protection authority will always find it fully compliant with GDPR, nor that it will always be adhered to by all employees responsible for data handling and processing, including those at the Issuer and its Croatian subsidiary.

Changes in Tax Regulations

Changes in Hungarian and foreign tax regulations can significantly affect the financial situation and effectiveness of the Issuer and its subsidiaries. Furthermore, alterations in tax laws may impact not only the Issuer's tax position but also the situation of the shareholders.

New Risk Management System Implementation

The Issuer plans to continue operating its risk management processes according to a corporate-level framework based on formal risk management standards, however, the framework has not yet been implemented. There is no guarantee that the implementation of the new framework will be successful according to the Issuer's plans or that it will result in the most suitable risk management processes for the Issuer. If the new framework or its implementation does not result in the most suitable risk management mechanism for the Issuer, the assessment or management of certain risks—potentially significant—may not occur properly, potentially making the consequences of those risks more detrimental.

8. EU-SOLAR SE 2025 H1 Income statement

Amounts in thousand HUF	30.06.2024	30.06.2025*
Domestic net sales revenues	1 110 901	2 538 916
Export net sales revenues	545 567	332 421
Net sales revenues	1 656 468	2 871 337
Own performances	-	-
Other revenues	53 182	5 358
Material costs	479 070	1 066 329
Services used	672 312	509 619
Other services	36 413	51 357
Cost of goods sold	593 785	415 538
Remediated services	210 574	388 056
Material-type expenditures	1 992 154	2 430 899
Wages and salaries	420 558	381 522
Other personel type expenditures	15 966	11 305
Contributions	78 630	54 187
Personel type expenditures	515 154	447 014
Depreciation	104 008	93 288
Other expenditures	70 6361	46 284
OPERATING PROFIT (LOSS)	(1 608 027)	(140 790)
Financial incomes	84 494	314 891
Financial expenditures	96 048	133 603
Financial result	(11 554)	181 288
Profit before taxes	(1 619 581)	40 498
Corporate tax payable	-	-
Profit after taxes	(1 619 581)	40 498

*Source: General ledger data of the Issuer, not audited

9. EU-SOLAR SE 2025 H1 Balance sheet

Amounts in thousand HUF	31.12.2024	30.06.2025.
Invested assets	2 315 941	2 272 688
Intangible assets	57 165	88 667
Capitalized research and development expenses	6 857	3 484
Property rights	49 850	84 746
Softwares	458	437
Tangible assets	2 239 704	2 167 949
Real estates and related property rights	1 857 272	1 832 128
Equipments	165 620	145 012
Other equipments and fittings, vehicles	201 202	163 483
Capital projects in progress	13 110	24 826
Advances on capital projects in progress	2 500	2 500
Long-term financial assets	19 072	19 072
Investments in subsidiaries	19 072	19 072
Other long-term financial assets	-	-
Short-term assets	8 811 744	9 217 237
Inventories	4 774 899	4 944 798
Materials	4 180 180	4 370 156
Work in progress	3 207	3 207
Goods	-	-
Advances on inventories	591 512	571 435
Receivables	2 838 103	2 770 261
Account receivables	1 548 907	1 258 256
Receivables from related parties	236 789	301 813
Other receivables	1 052 407	1 210 192
Securities	169 249	169 249
Other short-term investments	-	-
Short-term interest bearing investments	169 249	169 249
Cash and equivalents	1 029 493	1 332 929
Petty cash, cheques	1 350	1 359
Bank accounts	1 028 143	1 331 570
Prepayments	2 396 900	1 919 176
Accrued revenues	2 346 020	1 864 601
Prepaid expenses	50 880	54 575
TOTAL ASSETS	13 524 585	13 412 101

9. EU-SOLAR SE 2025 H1 Balance sheet

Amounts in thousand HUF	31.12.2024.	30.06.2025.*
Own equity	4 807 495	5 647 993
Share capital	250 000	250 000
Not paid in share capital	-	-
Capital reserves	-	-
Retained earnings	(94 849)	1 504 931
Restricted reserve	3 852 564	3 852 564
Valuation reserve	-	-
Profit after taxes	799 780	40 498
Provisions	25 723	25 723
Provisions for expected liabilities	25 723	25 723
Liabilities	6 825 904	6 169 003
Long-term liabilities	375 330	948 330
Long-term loans	-	-
Other long-term liabilities	375 330	948 330
Short-term liabilities	6 450 574	5 220 673
Short term loans	2 055 103	1 672 186
Advances received from customers	1 468 564	1 549 645
Account payables	1 752 468	1 368 562
Short-term liabilities towards related parties	896 750	78 780
Other short-term liabilities	277 689	551 500
Accruals	1 865 463	1 569 382
Accrued incomes	2 919	2 980
Accrued expenses	1 862 294	1 566 152
Deferred revenues	250	250
Total liabilities	13 524 585	13 412 101

*Source: General ledger data of the Issuer, not audited

10. ESG, Responsible Corporate Governance

EU-SOLAR Plc. successfully completed the ESG Pilot – Advisory Program with code GINOP-1.1.7-17-BÉT-6-021, achieving an Intermediate level rating in June 2023. We aim to reach the Advanced level in the future through the higher certification of our subcontractors, whom we fully support.

In line with the vision of EU-SOLAR SE, reducing our environmental impact is a priority.

Our Company is committed to reducing environmental risks, minimizing our carbon footprint, and conserving environmental resources to keep our environmental impact as low as possible.

Our operations are conducted in our central office building and on our premises, which are designed sustainably and energy-efficiently using modern, environmentally friendly materials and equipment, prioritizing the comfort of our employees.

The mission of EU-SOLAR SE is to leave the world in a better state than we found it. Accordingly, our primary effort is to lead the transition from fossil fuels to renewable energy, aiming to achieve a market-leading position in the Central and Eastern European renewable energy market. With our innovative, eco-friendly, pioneering solutions, households and companies can reduce their energy costs, energy dependence, and ecological footprint.

As a solution provider, we help our customers gain a competitive edge while becoming self-reliant and contributing to a sustainable future.

The continuous development of the Company is founded on conscientious planning, compliance with regulatory requirements and standards, and reliability in our relationships with customers and subcontractors.



EU-SOLAR

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