



## INDEPENDENT AUDITOR'S REPORT (Free translation)

**To the shareholder of EU-SOLAR SE**

### **Report on the audit of the operational closing financial statements**

#### **Opinion**

We have audited the operational closing financial statements of EU-SOLAR SE (the "Company") for the financial year from 1 January 2024 to 30 September 2024 which comprise the balance sheet as at 30 September 2024 (in which the balance sheet total is THUF 11,493,928), the related income statement for the financial year then ended (in which the loss after tax is THUF 1,023,441), and the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the operational closing financial statements give a true and fair view of the financial position of the Company as at 30 September 2024, and of the results of its operations for the financial year then ended in accordance with the provisions of Act C of 2000 on Accounting ("Accounting Act"), in force in Hungary.

#### **Basis for opinion**

We conducted our audit in accordance with Hungarian National Standards on Auditing ("HNSA") and with applicable laws and regulations in force in Hungary. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the applicable laws of Hungary, with the Hungarian Chamber of Auditors' Rules on ethics and professional conduct of auditors and on disciplinary process and, for matters not regulated in the Rules, with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and we also comply with further ethical requirements set out in these.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

We draw attention to point 1. of the notes to the operation closing financial statements, which describes that the shareholder of the Company decided to transform the Company from a public limited company into a publicly traded European Company (Societas Europaea, SE). The transformation has been registered as of 01.10.2024 by the Court of Registry.

Our opinion is not modified in respect of this matter.



## Our audit approach

### Overview

<i>Overall materiality</i>	Overall materiality applied was THUF 81,000
Key Audit Matter	Project accounting and related accounting estimates

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the operational closing financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the operational closing financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the operational closing financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the operational closing financial statements as a whole.

<i>Materiality</i>	THUF 81,000
<i>Determination</i>	8% of the profit before tax with minor adjustments.
<i>Rationale for the materiality benchmark applied</i>	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users of the operational closing financial statements, and is a generally accepted benchmark. We chose 8%, which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.



## **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the operational closing financial statements of the current period. These matters were addressed in the context of our audit of the operational closing financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### *Key audit matter*

### *How our audit addressed the key audit matter*

#### **Project accounting and related accounting estimates**

The Company's revenue in 2024 originated from two significant sources: wholesale and residential solar panel installation activities. In connection with residential solar panel installations, the company calculates its sales revenue applying the degree of completion method, and records costs and expenditures in accordance with the matching principle.

Disclosures regarding project accounting are included in sections 2., 4.3 and 4.7 of the supplementary notes.

Residential sales revenue is a particularly important indicator in assessing the Company's performance. Project accounting directly impacts the Company's profitability, and accounting for revenue and related costs and expenditures is significant due to the nature of the Company's operations, therefore we consider this as a key area.

We examined the accounting policy for revenue recognition whether it is in accordance with the provisions of the Accounting Act. We held discussion with the Company's management to update our understanding of the revenue accounting and assess the controls built into the revenue recognition process.

In the case of the wholesale activity, we tested the existence and accuracy of the sales revenue in the case of open significant customer balances at the end of the year by balance confirmation process, in case of items that have already been financially settled, we used sampling procedures in which the selected items were matched to supporting documents (invoice, contract, certificate of completion).

In the case of revenue coming from residential solar panel installation, we also tested the existence and accuracy of revenue with sampling procedures and matched the selected items to supporting documents (invoice, contract, certificate of completion). In connection with open customer contracts at the end of the year, we verified with sampling procedures that the revenues, costs and expenses related to the accounting unit of the contract are accounted for in the profit and loss account in proportion to the degree of completion, regardless of the value of the issued customer invoices or the scheduling of the related costs and expenses, that is, to satisfy ourselves about whether the sales revenue and related costs were accounted for according to the degree of completion corresponding to the technical progress of the projects.

We tested the cancellation and correction invoices issued by the Company after the balance sheet date to make sure that they were accounted for in the correct business year. We performed analytical procedures on the trends in net sales revenue.



### **Other information: the business report**

Other information comprises the business report of the Company for the financial year ended on 30 September 2024. Management is responsible for the preparation of the business report in accordance with the provisions of the Accounting Act and other relevant regulations. Our opinion on the operational closing financial statements does not cover the business report.

In connection with our audit of the financial statements, our responsibility is to read the business report and, in doing so, consider whether the business report is materially inconsistent with the operational closing financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that the business report is materially misstated, we are required to report this fact, and based on the Accounting Act, also the nature of the misstatement.

Based on the Accounting Act, it is also our responsibility to consider whether the business report has been prepared in accordance with the provisions of the Accounting Act and other relevant regulations, if any, and to express an opinion on this and on whether the business report is consistent with the financial statements.

In our opinion, regarding the financial year ended on 30 September 2024, the business report of the Company is consistent, in all material respects, with the operational closing financial statements for the financial year ended on 30 September 2024, and the business report has been prepared in accordance with the provisions of the Accounting Act. As there is no other regulation prescribing further requirements for the business report, we do not express an opinion in this respect.

We are not aware of any other material inconsistency or material misstatement in the business report and therefore we have nothing to report in this respect.

### **Responsibilities of management and those charged with governance for the financial statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis in preparation of the financial statements. Management has to apply the going concern basis of accounting unless other relevant rules prevent its application or there are facts and circumstances contradicting the going concern principle.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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



As part of an audit in accordance with HNSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis in the preparation of the operational closing financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the operational closing financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the operational closing financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the operational closing financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## **Report on other legal and regulatory requirements**

The engagement partner on the audit resulting in this independent auditor's report is Biczó Péter.

Budapest, 30 April 2025

Biczó Péter  
Partner  
Statutory auditor  
Licence number: 004957  
PricewaterhouseCoopers Könyvvizsgáló Kft.  
1055 Budapest, Bajcsy-Zsilinszky út 78.  
Licence number: 001464

### *Translation note:*

*This English version of our report is a translation from the original version prepared in Hungarian on the operational closing financial statements prepared in Hungarian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this English translation.*