

Translation of the Hungarian original

INDEPENDENT AUDITOR'S REPORT

To the Quotaholders of Flextronics International Kft.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Flextronics International Kft. (the „Company”) for the year 2024 which comprise the balance sheet as at March 31, 2024 – which shows total assets of EUR 1,404,920,661 and profit after tax for the year of EUR 11,728,836 –, as well as the related profit and loss account for the year then ended and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2024 and its financial performance for the year then ended in accordance with Act C of 2000 on Accounting (the „Accounting Act”) effective in Hungary.

Basis for Opinion

We conducted our audit in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits. Our responsibilities under these standards are further described in the "*The Auditor's Responsibilities for the Audit of the Financial Statements*" section of our report.

We are independent of the Company in compliance with the relevant effective Hungarian regulations and the “Rules of conduct (ethical rules) of the auditor profession and the disciplinary process” of the Chamber of Hungarian Auditors and, in respect of matters not regulated therein, the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the same ethical requirements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 matter
Customer accruals	
<p>(See notes 18. to the financial statements for the details)</p> <p>As described in the financial statements, the Company reported a total of EUR 12,640,263 as accrued income for amounts derived from individual contractual conditions previously invoiced to customers which form a part of revenues for the period following the balance sheet date.</p> <p>The recognition of customer accruals is considered a key audit matter, as it requires use of subjective assumptions by the Management.</p>	<p>The relevant audit procedures performed by us included the following:</p> <ul style="list-style-type: none">- evaluating the design and implementation and testing of the operating effectiveness of internal controls over estimation of customer related accrued income,- performing sample-based detailed testing over the balance accrued at year-end and the amount released to revenue during the year,- assessing the adequacy of the relevant accounting standards and the recognition in the financial statements.

Other Information: The Business Report

Other information includes the business report of the Company for 2024. Management is responsible for the preparation of the business report in accordance with the relevant provisions of the Accounting Act and other regulations. Our opinion on the financial statements provided in the section of our independent auditor's report entitled „Opinion” does not apply to the business report.

Our responsibility in connection with our audit of the financial statements is to read the business report and, in doing so, consider whether the business report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Furthermore, in accordance with the Accounting Act, our responsibilities also include assessing whether the business report was prepared in accordance with the relevant provisions of the Accounting Act and other regulations, and to express an opinion on the above and on whether the business report is consistent with the financial statements.

In our opinion, the business report of the Company for 2024 corresponds to the financial statements of the Company for 2024 and the relevant provisions of the Accounting Act in all material respects. As the Company is not subject to additional requirements under any other regulation in connection with the business report, we have not formulated an opinion on this matter.

In addition to the above, based on the information obtained about the Company and its environment, we must report on whether we became aware of any material misstatements in the business report and, if so, on the nature of such material misstatements. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of 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 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 the going concern principle, and preparing the financial statements using the going concern basis of accounting. Management must apply the going concern principle, unless the use of this principle is precluded by any provision, or if any fact or circumstance prevails, which precludes the Company to continue as a going concern.

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

The Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives during the audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue, on the basis of the above, 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 the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and they 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 the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits, we exercise professional judgment 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 preparation of the financial statements in accordance with the going concern principle 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 the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the Company's internal control that we identify during the 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

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

Budapest, July 24, 2024

The original Hungarian version has been signed.

Péter Pádár
on behalf of Deloitte Auditing and Consulting Ltd.
and as a statutory registered auditor

Deloitte Auditing and Consulting Ltd.
1068 Budapest, Dózsa György út 84/C.
Registration number: 000083

Registration number of statutory registered auditor: 007251

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

1. THE COMPANY

Flextronics International Termelő és Szolgáltató Vámszabadterületi Korlátolt Felelősségű Társaság
(hereinafter: the "Company") is domiciled at 8660 **Tab, Munkás u. 28.** Permanent establishments:

8900 Zalaegerszeg, Zrínyi Miklós u. 38.
8900 Zalaegerszeg, Posta u. 63.
9600 Sárvár, Ikervári u. 42.
9600 Sárvár, Ikervári u. 25.
4400 Nyíregyháza, Debreceni út 342.
1183 Budapest, Hangár u. 5-37.
2360 Gyál, Bem József u. 32.
1117 Budapest, Irinyi József u. 4-20.
9600 Sárvár, Ungvár u. 22
4400 Nyíregyháza, Debreceni út 370.
9600 Sárvár, plot no.: HRSZ 1359-1360/1-1390
2360 Gyál, Gorcsev Iván utca 7. B. ép.
2225 Üllő, K-Sped körút 28.

Scope of activities:

2640 Manufacture of consumer electronics (core activity)
2229 Manufacture of other plastic products
2751 Manufacture of electrical household appliances
2790 Manufacture of other electrical equipment
6820 Renting and operating of own or leased real estate
9511 Manufacture of computers and peripheral
9512 Repair of communication devices

At the Zalaegerszeg and Tab sites the Company is primarily engaged in the production of consumer electronics, household appliances and other electrical equipment. At the Sárvár site the Company is engaged in plastic injection molding and the production of electrical consumption products. In Sárvár, the Company also operates a central administrative and financial services unit while in Budapest it offers repair and logistics services. The Company performs R&D activities in Zalaegerszeg and Budapest.

Of one Nyíregyháza site, the lease on the property has expired, so the site is cancelled from the books, and the remaining Nyíregyháza site is used for logistical purposes.

Since 1 April 2011, the Company has been the single successor of Flextronics Budapest Kft. The merger added manufacturing and repair activities of the acquired company's sites to the portfolio. The Company currently performs these activities at the Budapest, Üllő and Gyál sites.

Shareholders: Flextronics International GmbH (Austria, 1300 Vienna Airport, Office Park 4, Top A.54/55) holding a 99.986% quota, and Flextronics Sárvár Logistics Kft. (9600 Sárvár, Ikervári u. 25.) with participation of 0.014% (see Section 11). The ratio of ownership has been modified by the merger with Flextronics Budapest Kft. The registered capital of the acquired company had been held by Flextronics International GmbH as majority owner. The owner did not reduce the amount of share capital for the merger.

In 2013, the Company acquired 100% of the shares in RIWISA AG, Kunststoffwerke Hagglingen seated in Sonnhalde, 5607 Hagglingen, Switzerland. The Company's current name: Flex Precision Plastic Solution AG.

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

<u>Flex Precision Plastic Solution AG.</u>	<u>Balance sheet position on 31.03.2024 *</u>
Registered capital	3,000,000
General reserve	1,085,000
Other reserves	10,320,000
After-tax profit	-6,733,507
Equity	7,671,493

* Data in the financial statements of Flex Precision Plastic Solution AG (Switzerland) are disclosed in Swiss Franc (CHF).

The Company recognised EUR 35,615,140 as long-term participation in affiliated parties.

Statistical code: 11222149-2640-113-14

Company registration number: 14-09-300339

Website: www.flex.com

The consolidated financial statements of the group are consolidated into the financial statements of the parent company, Flextronics International GmbH (Austria, 1300 Vienna Airport, Office Park 4, Top A.54/55), which is consolidated into the financial statements of Flextronics International Limited (Singapore, 486123, 2 Changi South Lane, FIL). These financial statements are available at the above addresses.

Person authorised to represent Flextronics International Kft. and sign off the financial statements: Nagy László managing director (8983 Nagylengyel, Arany János utca 55.) and Péter Ágota Erika managing director (8900 Zalaegerszeg, Mosoly utca 13.).

Person responsible for the management and supervision of the accounting function: Tóth-Kovács Krisztina. Registration number: 194202.

Pursuant to Section 155 of Act C of 2000, the Company is subject to mandatory audit. Independent auditor: Deloitte Könyvvizsgáló és Tanácsadó Kft. (Deloitte Auditing and Consulting Ltd.)

1068 Budapest, Dózsa György út 84/C.

Chamber registration number: 000083

Registered auditor:

Pádár Péter

Chamber registration number: 007251

Auditor's fee without VAT (27 %): EUR 449,000

2. ACCOUNTING POLICY

The Company keeps its books and records in accordance with Act C of 2000 on Accounting, as amended (hereinafter: "Act"), and the accounting principles generally accepted in Hungary. The Company's accounting policy, measurement methods and procedures – together with the changes introduced in the accounting policy during the year – are as follows:

2.1. Accounting laws and principles

The Act entered into force on 1 January 2001. Both the attached balance sheets reflecting the financial position of the Company as of 31 March 2023 and 2024 and the income statements for the years ended on 31 March 2023 and 2024 were prepared in accordance with the provisions of the Act.

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

2.2. Balance sheet preparation date

The Company set the balance sheet preparation date to be 1 April 2024.

2.3. Bookkeeping currency

Pursuant to the Accounting Act, Flextronics International Kft. as a duty-free zone company established by a foreign entity was required to switch to keeping its books and records in foreign currency.

On 1 January 1999, Flextronics International Kft. designated in its Articles of Association the Euro – the common currency of the European Union, introduced on 1 January 1999 – as the official currency for its bookkeeping and reporting activities.

2.4. Intangible assets

Valuable rights are amortised on a straight-line basis over 3 years (general IT products) or over 7 years (special integrated business management software). Goodwill is recognised under intangible assets. Historical cost is defined on the basis of the actual amount paid. Extraordinary depreciation shall be recognised if the book value of goodwill remains permanently and substantially higher than its market value (expected recoverable amount) as a result of the changing of circumstances affecting expectations concerning future economic benefits).

2.5. Tangible assets

Tangible assets contributed by the shareholders are recognised at the contribution value determined upon asset valuation less accumulated depreciation. The Company records purchased or manufactured tangible assets at purchase or direct production cost. Tangible assets are depreciated over their expected useful life using the straight-line method.

Tangible assets with an individual value below thHUF 200 are recorded by the Company in one lump sum as ordinary depreciation upon commissioning (capitalisation).

Expected useful life of assets:

<u>Megnevezés</u>	<u>Év</u>	<u>%</u>
Épületek	50	2
Építmények	50 / 16,6	2 / 6
Gépek, berendezések, járművek	7 / 3 / 5	14,5 / 33 / 20
Egyéb	7	14.5

The Company, using its best estimates based on reasonable and justifiable assumptions and projections, reviewed its tangible and intangible assets in cases where certain events or changes in circumstances indicated that the further use or operation of these assets could not be ensured. As a result, the Company concluded that despite the losses it was not necessary to restate its financial statements as these assets would be used in other projects or sold to related parties at the net book value.

No residual value is recognised for tangible assets; instead, depreciation is recognized for the entire historical cost.

The reason for this is that devices used during the process of manufacturing and repair are put into operation based on the singularity of the given product. This measure is also explained by the fact that the estimated residual value would be such a small amount that would be insignificant compared to the total value of the Company's tangible assets.

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

2.6. Inventories

The Company records the value of purchased inventories using the FIFO method.

Self-manufactured inventories are recorded during the year at transfer prices. Year-end measurement of self-manufactured inventories is based on post-calculations.

Inventories deemed by the Company's management to be slow-moving or obsolete were written off to their net realisable value in the respective period.

2.7. Prepayments

Under prepayments, the Company recognises expenses arising before balance sheet date but recognisable only in the next financial year, as well as income falling due in the next financial year but applying to the current one.

2.8. Provisions

The Company recognises provisions (up to the necessary amount) from the pre-tax profit for liabilities due to third parties arising from former and pending transactions that are certain or likely to exist as of the balance sheet date but whose amount and due date are still uncertain and that have not been covered by the Company in any other way.

The Company recognises provisions (up to the amount necessary in order to determine its actual profit) from the pre-tax profit for expected, significant and recurrent future costs (in particular maintenance, reorganisation and environmental costs) that are assumed or certain to be incurred in the future but whose amount and due date is uncertain and that can not be classified as accrued expenses.

2.9. Accruals

Under accruals, the Company recognises income collected before balance sheet date but recognisable only in the next financial year, as well as for costs recognised before balance sheet date that will be payable from the profit of the next financial year.

2.10. Revenue

The consideration for the sale of purchased and self-manufactured inventories, as well as for the services provided during the business year – plus surcharges and markups, less discounts and VAT – is recognised by the Company in the period of contractual performance as net sales revenue. All items related to revenue are recognised in the appropriate period, in accordance with the principle of matching. No revenue item is recognised if its realisation is uncertain.

2.11. Format of the balance sheet and the income statement

The balance sheet was prepared according to version "A"; the income statement was prepared according to version "A" using the total cost method. The Company recognises income and expenditure in gross amounts in the income statement. The effect of business transactions concerning two or more financial years are recognised under the revenues and costs of the period in question in the proportion in which they are divided between the base period and the current period.

2.12. Material misstatements

An error is considered material if in the year when discovered during various reviews the combined amount of all misstatements (whether negative or positive) identified with respect to a given business year (separately for each year) and their effects – whether increasing or reducing the profit/loss or equity – exceed 2 (two) per cent of the balance sheet total.

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

Where a material misstatement is identified, the Company's financial statements are prepared using three columns.

3. FINANCIAL POSITION AND LIQUIDITY

The Company's financial position and liquidity as of 31 March 2023 and 2024 are illustrated by the following indicators, cash flow statement and profitability indicators.

Financial indicators:

	<u>31 March 2023</u>	<u>31 March 2024</u>
Liquidity ratio = ((current assets+prepayments)/(current liabilities+accruals)) =	1.16	1.21
Quick ratio = ((current assets - inventories+prepayments)/(current liabilities+accrued expenses)) =	0.88	0.97
Debtor days on sales (accounts receivable / sales revenue x 365 days) =	32	37

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

Cash Flow Statement

	2023	2024
I. Cash flows from ordinary activities (1-13)	49,630,713	11,627,108
1.a Pre-tax profit	24,246,155	11,844,987
1.b Adjustments to pre-tax profit		
Unrealised exchange rate difference from loans and borrowings		
Revaluation of participations		
Capitalised interest		
Dividend received		
Non-repayable funds transferred/received for development purposes		
Non-repayable assets transferred/received		
Year-end revaluation difference of forex cash and bank balances		
2. Amortisation and depreciation recognised	23,772,533	26,794,500
3. Impairment recognised and reversed (-)	2,192,299	2,236,399
4. Difference between provisions made and used	352,750	3,907,402
5. Profit on disposals of fixed assets	197,533	1,695,126
6. Change in trade payables	98,913,400	-99,915,329
7. Change in other short-term liabilities	14,675,650	4,039,673
8. Change in accruals	-11,205,776	41,621,436
9. Change in trade receivables	-80,216,623	-32,415,900
10. Change in current assets (w/o accounts receivable and cash and bank balances)	-3,490,828	39,941,643
11. Change in prepayments	-20,056,839	11,993,322
12. Taxes paid, payable on profit	250459	-116151
13. Dividend and profit sharing paid and payable		
2 Cash flows from investing activities (14-18)	-43,676,692	-11,228,791
14. Purchase of fixed assets	-50,982,179	-23,832,123
15. Sale of fixed assets	117,721	1,982,375
16. Repayment, termination and conversion of long-term loans given and bank deposits	8,074,049	10,620,957
17. Long-term loans granted and long-term bank deposits	-886,283	0
18. Dividend and profit sharing received	0	0
III. Cash flows from financing activities (lines 19-29)	-9,708,052	-693,868
21. Proceeds from the issue of shares and capital increase	0	0
22. Proceeds from the issue of bonds and debentures	0	0
23. Loans and borrowings received	0	9,146,507
24. Repayment, termination and conversion of long-term loans given and bank deposits	0	0
25. Non-repayable funds received	0	0
26. Withdrawal of shares, divestment (capital decrease)	0	0
27. Repayment of bonds and debentures	-8075746	-9840375
28. Repayment of loans and borrowings	-1,632,306	0
29. Long-term loans granted and long-term bank deposits	0	0
30. Non-repayable funds transferred	0	0
31. Change in liabilities to founders and other long-term liabilities	0	0
Changes in cash and bank accounts (I.+II.+III.)	-3,754,031	-295,551
Change in cash from balance sheet	0	-295,551
Opening balance	1,636,986	1,636,986
Closing balance	1,636,986	1,341,435

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

Profitability indicators:

	<u>31 March 2023</u>	<u>31 March 2024</u>
Turnover of assets (Revenue / Assets)	1.30	1.36
Operating margin (Operating profit / Revenue)	0.01	0.01

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

4. INTANGIBLE AND TANGIBLE ASSETS

Change in intangible and tangible assets in the fiscal year ended on 31 March 2024:

	Valuable rights	Land and buildings	Production machinery	Other equipment	Capital expenditure	Total
Gross value						
Opening balance as of 31.03.2023	2,808,911	60,901,109	206,149,561	36,479,501	26,554,933	332,894,015
Capitalisation	139,739	8,874,708	29,334,920	2,143,849	-40,493,216	0
Increase	0	0	813,298	0	20,751,995	21,565,293
Disposals and other decrease	-19,095	0	-8,977,577	-2,694,644	0	-11,691,316
Reclassification	0	0	-123,441	5,000	0	-118,441
Other	0	0	0	0	0	0
Closing balance at 31.03.2024	2,929,555	69,775,817	227,196,761	35,933,706	6,813,712	342,649,551
Accumulated depreciation						
Opening balance as of 31.03.2023	2,647,702	26,393,670	130,892,763	31,007,632	0	190,941,767
Disposals and other decrease	-19,095	0	-5,473,257	-2,521,463	0	-8,013,815
Depreciation recognised	209,996	3,108,694	20,852,561	2,233,957	0	26,405,208
Reclassification	0	0	-49,954	-3,058	0	-53,012
Closing balance at 31.03.2024	2,838,603	29,502,364	146,222,113	30,717,068	0	209,280,148
Net value	90,952	40,273,453	80,974,648	5,216,638	6,813,712	133,369,403

The movement table of tangible assets does not contain assets of small value, the total value of which was EUR 388,995 for the business year 2024.

Most of the growth in assets comes from the acquisition of assembly lines in the car manufacturing business line.

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

5. INVESTMENTS

	31 March 2023	31 March 2024
Long-term shares in affiliated parties	41,900,232	35,615,140

In 2013, the Company acquired 100% of the shares in RIWISA AG, Kunststoffwerke Hagglingen seated in Sonnhalde, 5607 Hagglingen, Switzerland.

With respect to the shares, the Company recognised EUR 35,615,140 as long-term shares in associated parties. The decrease is due to the recognition of an impairment of EUR 8,228,059 and a revaluation due to exchange rate changes, which in turn caused an increase.

The Company provided the proceeds of the bond issue in the form of a long-term loan to its parent company, Flex Ltd, in December 2021 with a ten-year term. The outstanding loan amount is EUR 252,633,706. In addition, investments include a loan of EUR 1,318,259 to a major business partner.

6. IMPAIRMENT OF INVENTORIES

	31 March 2023	31 March 2024
Opening impairment	6,734,082	5,014,183
Impairment recognised	5,014,183	8,794,664
Reversed impairment	-6,734,082	-7,737,124
Closing impairment	5,014,183	6,071,723

7. MATERIALS

The break-down of materials is the following:

	31 March 2023	31 March 2024
Raw materials	190,416,390	135,362,333
Inventories in transit	21,710,761	22,595,019
Non-serial material	85	85
Total	212,127,236	157,957,437

The average turnover of inventories was 47 days in 2023 and 41 days in 2024.

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

8. CHANGE IN SELF-MANUFACTURED INVENTORIES

Opening balance 31 March 2023	24,073,071
Closing balance 31 March 2024	22,572,812
Change in self-manufactured inventories	-1,500,259

9. RECEIVABLES

Receivables were as follows:

	31 March 2023	31 March 2024
Trade receivables	165,323,497	192,847,094
Gross value	177,119,334	193,749,664
Impairment	11,795,837	902,570
Receivables from other Flextronics affiliates	504,584,277	520,369,847
Flextronics International Singapore PTE Ltd., Singapore	315,264,436	329,666,642
Flextronics International SPA, Italy	81,878,196	83,004,653
Flextronics International Mexico	48,491,974	32,451,153
Flextronics International Netherlands	16,722,338	23,323,067
Other Flextronics companies	25,220,829	17,494,511
Flextronics International Israel Ltd., Israel	9,285,976	13,362,916
Flextronics International Great Britain	7,219,560	5,080,455
Flextronics International Ltd., Ireland	5,696,488	4,308,068
Flextronics International GmbH., Austria	-99,470,216	2,748,485
Flextronics International Malaysia SDN.BHD.	3,111,933	2,608,124
Flextronics International Ltd., USA	69,439,541	1,866,721
Flextronics International Switzerland	1,197,326	1,371,549
Flextronics International India	54,232	945,017
Flextronics Industrial Technology Ltd., China	185,757	667,728
Flextronics International Denmark, Denmark	195,771	391,998
Flextronics Design S.R.O., Czech Republic	490,694	386,267
Flextronics International Poland, Poland	261,757	252,281
Flextronics Magyarország	8,723,680	244,525
Flextronics International Germany, Germany	14,840	134,944
Flextronics International Sweden AB, Sweden	10,194,821	40,908
Flextronics International France	15,839	11,920
Flextronics International Technology Ltd., Brazil	8,756	7,915
Flextronics International Finland	379,749	0

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

CHANGES IN IMPAIRMENT

Opening impairment as at 31 March 2023	11,795,836
Addition	902,570
Write-back	<u>-11,795,836</u>
Closing balance as at 31 March 2024	<u><u>902,570</u></u>

	<u>31 March 2023</u>	<u>31 March 2024</u>
Other receivables	2,696,882	9,008,970
Value added tax	1,038,295	4,358,186
Corporate income tax	735,929	377,739
Foreign VAT	430,678	403,684
Receivables due from employees	426,454	836,942
Other	65,526	3,032,419
Other NAV receivables	0	0
Self-revision fees	0	0
Environmental product charge	0	0
Total	<u><u>672,604,656</u></u>	<u><u>722,225,911</u></u>

10. BANK DEPOSITS

The Company's bank deposits in EUR were as follows:

	<u>31 March 2023</u>	<u>31 March 2024</u>
HUF bank deposits	557,908	1,057,359
CHF bank deposits	1,064,438	280,795
EUR bank deposits	12,435	1,894
USD bank deposits	0	0
Total	<u><u>1,634,781</u></u>	<u><u>1,340,048</u></u>

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

11. PREPAYMENTS

Prepayments were as follows:

	31 March 2023	31 March 2024
Accrued income	50,731,471	43,047,453
Revenue from the sale of goods	20,618,315	16,351,692
Accrued loan	0	11,803,224
Recharge of project costs	6,194,848	8,240,070
Cost recharge to affiliated party	3,332,088	2,310,822
Exchange rate gain on futures transactions	1,887,704	1,764,089
Rechargeable freight costs	872,869	992,616
Rechargeable tools expenses	574,500	693,311
Price difference (to charge to customers)	10,172,609	664,002
Other	99,463	152,819
Rechargeable material costs	184,582	74,808
Transfer price (APA)	6,794,493	0
Rechargeable public utility fee	0	0
Prepaid expenses	28,891,108	24,581,804
Project costs	22,704,709	22,017,637
Lease	1,364,193	1,151,987
Material costs	1,177,900	632,288
Public utility charges	564,383	486,399
Other	12,526	193,696
Price difference	3,067,397	99,797
Insurance premium	0	0
Loan interest	0	0
Deferred expenses*	0	0
Subsidy	0	0
Gas and electricity development contribution	0	0
Total	79,622,579	67,629,257

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

12. EQUITY

The summary of the registered capital is as follows:

Shareholder	Initial contribution		Business share	
	31 March 2023	31 March 2024	31 March 2023	31 March 2024
Flextronics International GmbH, Vienna	5,590,032	5,590,032	99.99%	99.99%
Flextronics Sárvár Logistics Kft.	783	783	0.01%	0.01%
Total	5,590,815	5,590,815	100%	100%

	Registered capital	Capital reserve*	Profit reserve	Tied-up reserve	After-tax profit	Equity
Balance as at 31 March 2023	5,590,815	61,635,219	117,516,817	108,779,860	24,496,614	318,019,325
Reclassification of the 2023 profit			24,496,614		-24,496,614	0
Adjusting items						0
Profit (loss) for 2024					11,728,836	11,728,836
Balance as at 31 March 2024	5,590,815	61,635,219	142,013,431	108,779,860	11,728,836	329,748,161

* The Company's capital reserve of EUR 61,635,219 comprises the following elements:

- EUR 490,339 amount above the registered capital generated in the conversion to HUF of foreign exchange paid as capital increase in 1994
- EUR 448,874 gain generated in the transition from HUF to EUR as of 1 January 1999
- as of 1 October 2002 under the amending resolution of the memorandum and articles of association No. 15/2002 an amount of EUR 59,889,689 was reclassified to the capital reserve from the profit reserve.
- as of 1 April 2011, Flextronics Budapest Kft merged into the Company; as a result of this in the balance sheet after the merger part of the negative accumulated profit reserve was offset with the capital reserve; the remaining capital reserve was recognized as an addition in the amount of EUR 806,317.

Based on our proposal, no dividends are paid from the 2024 profit.

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

13. PROVISIONS

The provisions as of 31 March 2023 and 2024 were the following:

	<u>31 March 2023</u>	<u>31 March 2024</u>
Provisions for expected liabilities		
For warranty obligations	2,973,807	3,267,113
For severance pay, unused leave	3,069,303	5,624,724
Other	239,511	1,298,186
Total	<u>6,282,621</u>	<u>10,190,023</u>

PROVISIONS MOVEMENT TABLE

Legal grounds	<u>31 March 2023</u>	<u>Charge</u>	<u>Release</u>	<u>31 March 2024</u>
For warranty obligations	2,973,808	3,267,113	2,973,808	3,267,113
For severance pay, unused leave	3,069,303	5,624,724	3,069,303	5,624,724
For deductions	178,750	115,738	178,750	115,738
Waste management	60,761	61,408	60,761	61,408
Other	0	458,906	0	458,906
Provisions for future liabilities	0	662,134	0	662,134
Total	<u>6,282,622</u>	<u>10,190,023</u>	<u>6,282,622</u>	<u>10,190,023</u>

The amount of guarantee obligations was determined by the Company based on the warranty period on products manufactured by the Company.

14. LONG-TERM LIABILITIES

In December 2021, the Company issued 2,000 bonds with a nominal value of HUF 50,000,000 each, for a total nominal value of HUF 100,000,000,000, with a ten-year maturity, with a total value of EUR 252,633,706 as shown in the balance sheet.

15. SHORT-TERM BORROWINGS

The Company had a short-term overdraft bank facility of EUR 29,678,051 as of 31 March 2024 as part of the group level “notional cash pool” programme.

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

16. SHORT-TERM LIABILITIES DUE TO AFFILIATED PARTIES

Breakdown of short-term liabilities to affiliated parties:

	<u>31 March 2023</u>	<u>31 March 2024</u>
Flextronics International GmbH., Austria	2,014,864	182,165,959
Flextronics International Europe B.V., The Netherlands	117,101,931	94,306,715
Flextronics International Italy	206,228,744	87,596,224
Flextronics Magyarország	12,103,371	9,103,470
Flextronics International Ltd., Ireland	31,280,563	5,869,444
Other concerns	12,638,174	5,048,895
Flextronics Industrial Technology Ltd., China	2,866,279	2,026,663
Flextronics International Germany, Germany	2,926,224	1,597,253
Flextronics Int. Latin America (Ltd.), Mexico	795,953	982,119
Flextronics International Ltd., USA	1,210,794	924,901
Flextronics International Singapore PTE Ltd., Singapore	2,498,595	880,147
Flextronics International Technologia Ltda., Brazil	1,414,229	850,569
Flextronics International Poland, Poland	668,737	738,040
Flextronics International Israel	772,231	350,149
Flextronics International Scotland, Great Britain	80,165	118,489
Flextronics Ind. Malaysia SDN.BHD., Malaysia	7,453	77,994
Flextronics International Switzerland	3,616	6,082
Flextronics International India	4,714	4,842
Flextronics International Sweden AB, Sweden	1,524	1,484
Flextronics Romania SRL	101,381	112
Flextronics International France SA, France	302,355	0
Flextronics International Norway	6,151	-461
Total	<u>395,028,048</u>	<u>392,649,090</u>

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

17. OTHER SHORT-TERM LIABILITIES

Other short-term liabilities are as follows:

	<u>31 March 2023</u>	<u>31 March 2024</u>
Liabilities to employees	6,953,281	6,913,754
Health insurance liability	1,557,343	1,527,010
Personal income tax	1,387,874	1,538,547
National Health Care Fund	1,098,881	1,199,836
Liabilities to the local tax authority	1,617,596	848,966
Rehabilitation contribution	392,046	404,406
Pension insurance liability (private and voluntary)	169,095	166,324
Other settlements with the central budget	545,905	515,783
Vocational training contribution	53,606	108
Liabilities related to the financing of base materials	25,435,304	23,305,005
Other	<u>2,826,951</u>	<u>2,857,695</u>
Total	<u><u>42,037,882</u></u>	<u><u>39,277,434</u></u>

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

18. ACCRUALS

Accruals in the current year:

	31 March 2023	31 March 2024
	<hr/>	<hr/>
Prepaid income	25,006,957	18,498,002
Deferred income of product sales	15,848,360	12,370,744
Project in progress	8,173,502	5,857,739
Price difference (Customer discounts)	985,095	269,519
Accrued expenses	30,731,123	81,193,199
APA (transfer-price adjustmen)	0	52,270,161
Accrued wages and contributions	8,580,764	9,123,334
Exchange rate losses on forward transactions	4,318,648	4,845,363
Accrued interest	3,002,991	2,915,324
Transport charges	2,569,288	2,088,279
Operating costs	4,929,669	1,623,061
Project costs	2,143,217	1,483,457
Royalty fee	1,301,594	1,212,105
Storage	130,175	833,477
Price difference charges	15,000	787,873
Environmental product charge	43,749	657,533
Other	231,217	596,897
Passenger transport	842,991	524,057
Material costs	409,480	472,364
Audit, advisory	572,197	423,907
Cost recharge to affiliated party	89,958	389,130
Education, training	14,220	306,123
Operating leases	389,446	292,095
Maintenance fee	338,512	121,866
Health care services	57,730	114,603
IT and telephone charges	85,559	57,886
Customs expenses	162,271	40,422
HR and business entertainment	296,037	8,856
Vehicle lease	25,509	5,026
Rechargeable costs to customers	180,901	0
Deferred income	10,102,591	7,770,906
Deferral of subsidies*	10,102,591	7,770,906
Assets received without consideration	0	0
Total	<hr/> 65,840,671	<hr/> 107,462,107

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

19. SALES RECORDED IN FOREIGN CURRENCY

Sales recorded in foreign currency were as follows:

	31 March 2023	31 March 2024
Domestic sales	33,966,550	51,999,018
Export sales	1,837,500,894	1,865,163,276
Total	1,871,467,444	1,917,162,294

Revenue from affiliated parties:

	31 March 2023	31 March 2024
Revenue from related parties	262,290,500	326,150,921
Of which parent and subsidiary:		
Flextronics International GmbH	6,855,805	5,567,071
Flex Precision Plastic Solution AG	2,311,666	2,526,481

20. EXPORT SALES IN GEOGRAPHICAL BREAKDOWN

Export sales in geographical breakdown:

	31 March 2023	31 March 2024
EU	1,006,442,922	1,084,429,793
Asia	413,971,747	519,404,908
Europe, non-EU	287,399,250	154,037,925
North-America	123,724,732	75,417,115
South America	430,711	28,128,277
Australia and Oceania	5,037,243	3,057,398
Africa	494,289	687,860
Total	1,837,500,894	1,865,163,276

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

The following is a breakdown of export sales by products and services:

	<u>31 March 2023</u>	<u>31 March 2024</u>
Intra-community product supply	1,175,788,226	1,204,496,963
Product exports	310,978,123	318,571,148
Intra-community services	174,629,419	178,893,274
Service exports	210,071,676	215,200,909
Total	<u>1,871,467,444</u>	<u>1,917,162,294</u>

21. OTHER INCOME

Other income:

	<u>31 March 2023</u>	<u>31 March 2024</u>
Reversal of impairment of inventories	8,746,838	7,737,124
Provisions released	5,929,871	6,282,622
Release of the deferral of grants received	2,981,258	2,409,238
Sales of tangible assets	117,721	1,990,155
Penalties, fines, damage events	259,725	1,227,183
Subsequent contractual discount	6,284,075	1,072,251
Other	6,782,794	547,167
Scrap paid for by customers	784,371	275,051
Income associated with damage events	798,467	49,928
Cost compensation	24,420	2,089
Amount collected from receivables written off	0	0
Reversal of impairment of receivables	0	0
Total	<u>32,709,540</u>	<u>21,592,808</u>

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

22. IMPORT PURCHASES

The following is a breakdown by geographies of the import of products and services:

Product imports	<u>31 March 2023</u>	<u>31 March 2024</u>
EU	505,599,112	482,911,495
Asia	404,685,047	471,674,752
Europe (non-EU)	97,974,806	78,436,814
North-America	83,521,655	44,077,554
Africa	11,436,756	12,748,945
South America	60,439	148,899
Australia and Oceania	0	13,051
Total	<u>1,103,277,815</u>	<u>1,090,011,510</u>

Service imports	<u>31 March 2023</u>	<u>31 March 2024</u>
EU	247,277,700	214,887,179
NON-EU	5,526,594	3,564,615
Total	<u>252,804,294</u>	<u>218,451,794</u>

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

23. SERVICES USED

Services used were the following:

	<u>31 March 2023</u>	<u>31 March 2024</u>
Staff costs	65,209,069	57,579,757
Services related to production	82,275,071	52,919,438
APA (transfer-price adjustment)	0	52,270,161
Management services	33,423,183	31,740,575
Operating lease fees	11,505,349	12,508,609
Operation and maintenance cost	11,680,474	12,463,811
Passenger transport	7,043,107	5,601,821
Royalty fee	3,947,920	2,719,131
Other	81,690	2,165,058
Rental fees	420,094	2,329,607
Transportation, loading, warehousing	1,465,017	1,837,491
Costs of book-keeping and audit services	1,836,731	1,690,426
EDP/IT services	643,857	633,494
Administrative services	4,566,270	342,024
Advertising costs (P&A)	180,985	114,860
Total	<u><u>224,278,817</u></u>	<u><u>236,916,263</u></u>

24. OTHER SERVICES

Breakdown of other services:

	<u>31 March 2023</u>	<u>31 March 2024</u>
Financial and investment service fees	339,222	323,088
Bank charges	59,416	14,236
Insurance premium	-96,182	11,409
Administrative fees and duties	61,637	10,405
Total	<u><u>364,093</u></u>	<u><u>359,138</u></u>

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

25. OTHER EXPENDITURES

Other expenses were the following:

	31 March 2023	31 March 2024
Provisioning	6,282,621	10,190,023
Impairment of inventory	5,722,768	8,794,664
Inventory scrapping	5,207,453	3,844,067
Book value of tangible assets sold	27,125	2,907,665
Impairment of trade receivables	1,681	1,482,081
Expenses related to warranty	59,822	602,409
Various other expenditures	-127,307	963,052
Scrapping of tangible assets	176,713	605,070
Fine, penalty	213,261	217,305
Credit loss	1,336	112,903
Donations given	1,980	3,079
Payments relating to damage events	749,050	1,878
Discounts given and settled	-20,686	-16,498
Taxes	9,294,133	8,547,272
Total	<u>27,589,950</u>	<u>38,254,970</u>

26. INCOME FROM FINANCIAL TRANSACTIONS

Income from financial transactions:

	31 March 2023	31 March 2024
Other received interest, interest-type income	27,934,747	40,533,188
Interest received from Flextronics companies	12,129,436	14,608,833
Interest income ETC	15,771,281	25,761,669
Interest income from financial institutions	34,030	162,686
Other income from financial transactions	100,020,777	38,486,858
Exchange rate gain on receivables and liabilities	67,684,817	30,716,149
Realised capital gain on futures	31,132,807	5,035,044
Unrealised capital gain on receivables and liabilities	1,184,765	2,709,426
Income from cash discounts	18,388	26,239
Total	<u>127,955,524</u>	<u>79,020,046</u>

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

27. EXPENDITURE OF FINANCIAL TRANSACTIONS

Breakdown of expenditures of financial transactions:

	31 March 2023	31 March 2024
	<u> </u>	<u> </u>
Interest payable and similar expenditure	26,639,229	38,709,055
Interest payable to financial institutions	17,738,894	14,642,551
Interest paid to Flextronics member firms	8,172,978	22,097,464
Expenditures of factored trade receivables*	727,357	1,969,040
Lease interest	0	0
Impairment of shares, securities, long-term loans given and bank deposits	0	8,228,059
Other expenditures of financial transactions	102,039,144	32,215,113
Exchange rate loss on receivables and liabilities	81,224,231	30,686,730
Realised FX loss on futures	13,727,110	1,443,032
Unrealised exchange rate losses on receivables and liabilities	7,016,040	0
Expenditures of cash discounts	71,763	85,351
Total	<u>128,678,373</u>	<u>79,152,227</u>

* The Company recognises the net difference between the proceeds of trade receivables factored under the securitisation arrangement and their book value here (see Note 9). The ABS programme was terminated as of 31.03.2024.

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

28. BOARD OF DIRECTORS, MANAGEMENT, SUPERVISORY BOARD

No payments were made to the members of the Company's Board of Directors and Supervisory Board during the business years ended 31 March 2023 and 31 March 2024.

29. STAFF

The average headcount by employee group was as follows:

	<u>2023</u>	<u>2024</u>
Direct	3,468	3,253
Indirect	3,162	3,138
Total	<u>6,630</u>	<u>6,391</u>

Wage costs and other staff benefits paid by category:

	<u>Payroll costs</u>		<u>Other payments to staff</u>		<u>Total</u>	
	2023	2024	2023	2024	2023	2024
Direct	59,398,551	66,513,852	7,819,235	8,681,498	67,217,786	75,195,350
Indirect	48,225,049	55,638,814	3,952,495	4,773,912	52,177,544	60,412,726
Total	<u>107,623,600</u>	<u>122,152,666</u>	<u>11,771,730</u>	<u>13,455,410</u>	<u>119,395,330</u>	<u>135,608,076</u>

The amount of wage contributions related to the salaries, wages and other payroll related costs:

	<u>2023</u>	<u>2024</u>
Direct	9,925,721	11,638,417
Indirect	5,256,324	5,896,605
Total	<u>15,182,045</u>	<u>17,535,022</u>

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

30. CORPORATE INCOME TAX

The items modifying the Company's corporate income tax base in 2024 were the following:

	2023	2024
Pre-tax profit	24,246,155	11,844,987
Deductibles	58,447,798	64,537,086
Amount recorded as income in the tax year due to the use of provisions	5,929,871	6,282,621
Amount deducted from the previous years' deferred losses in the tax year	0	0
Depreciation recognised as per the tax law	23,924,108	30,208,939
Allowance received on students who take part in vocational training	12,221	9,523
Exchange rate gain on the revaluation of shares	997,528	1,942,968
Reversal of impairment recorded on receivables	0	0
Direct costs of research and development	27,584,070	26,093,035
Other deductibles	0	0
Additions	30,708,464	51,253,818
Provisions for expected liabilities and future expenses	6,282,621	10,190,023
Depreciation as per the Accounting Act -	23,976,371	30,261,202
Costs not incurred in the interest of the Company	431,186	1,079,035
Fine imposed by a final ruling	16,605	13,418
Impairment of trade receivables	1,681	1,482,081
Amount of uncollectible receivables written off and forgiven receivables	0	0
Exchange rate loss on the revaluation of shares	0	0
Impairment on shares	0	8,228,059
Subsidies given without the obligation of repayment	0	0
Other additions	0	0
Tax base	-3,493,179	-1,438,281
Tax 9%	0	0
Amount of sports subsidy	0	0
Amount of cultural subsidy	0	0
Tax payable	0	0

In FY 2024 the Company incurred no corporate income tax liability.

The tax liability in line X of the income statement is the liability arising from the self-revision for the year 2022, which was accepted by the tax authority.

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

31. HAZARDOUS WASTE

In the current year the Company made provisions for environmental liabilities in the value of EUR 61,408.

The Company's typical environmental costs are the following:

Treatment and disposal of hazardous waste, collection and transportation of communal and industrial waste.

The Company engages external service providers holding the necessary licences to perform the aforementioned activities.

The following is a summary of the movements in the Company's hazardous waste for the fiscal year ended 31 March 2024:

(The table contains unaudited data)

<i>Data in Kg</i>	2023	2024
Opening stock	5,152	5,293
Amount generated	700,228	586,435
Amount recognised	700,087	586,857
Closing inventories	5,293	4,871

32. OFF-BALANCE SHEET LIABILITIES

The Company's open F/X futures positions as of 31 March 2024 were as follows:

Currency	Amount	Direction	Expected result
EUR	-31,366,000	Sell	151,183
EUR	60,343,000	Buy	-330,342
HUF	-18,652,835,000	Sell	301,073
HUF	88,908,288,000	Buy	-2,364,164
CHF	-5,287,000	Sell	9,781
CHF	11,692,000	Buy	-119,150
USD	-158,003,000	Sell	-796,304
USD	246,483,000	Buy	1,221,051
JPY	-67,370,000	Sell	-1,276
JPY	134,740,000	Buy	483

The negative valuation difference of open FX futures is disclosed in Accruals and Other expenditures of financial transactions.

FLEXTRONICS INTERNATIONAL KFT.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE BUSINESS YEAR ENDED 31 MARCH 2024

(all amounts are in EUR unless otherwise indicated)

The closing balance of the Company's bank guarantees as of 31 March 2024 is as follows:

<u>Transaction ID</u>	<u>Maturity</u>	<u>Currency</u>	<u>Balance</u>
BUDAGO0013905	2025. 12. 31.	EUR	439,952.88
BUDAGO0007347	2025. 12. 31.	HUF	45,200,000.00
BUDAGO0019330	2025. 12. 31.	EUR	172,623.96
BUDAGO0014765	2024. 06. 29.	EUR	142,767.01
BUDAGO0008230	2025. 12. 31.	HUF	250,000,000.00
Overdraft facility	2049. 12. 31.	EUR	5,000,000.00

The Company's bank guarantees serve as coverage for customs procedures and the LBT allowance received.

33. THE GOING CONCERN PRINCIPLE

The Company also managed to improve its liquidity compared to last year due to more efficient inventory management and a slight improvement in the contribution of customers to working capital financing. Also, due to seasonality in sales and the expiry of an agreement for the previous financial year, trade payables decreased in 2024.

Based on increased revenues and restricted costs compared to last year, the company's management is positive about the outlook for 2025. We expect growth in key business areas with high added value in the next years. such as orders from the automotive industry related to electric and hybrid cars. We are establishing a new site in Zalaegerszeg, and the real estate investment has commenced. The new site will be dedicated to the production of components for the electric and hybrid cars mentioned earlier. We also expect growth in the services and industry businesses.

The Russian-Ukrainian conflict

The direct impact of the Ukrainian crisis on our activities in Hungary is minimal. There is no Ukrainian partner in the supply chain for critical components.

Our only exposure is to the Sárvár plant, where the Munkácsi Flex plant supplies electronics. The plant's stable operation on the western border has so far not experienced any production downtime, and customer orders are fulfilled without any significant disruption.

Tab, 18 July 2024

.....
Nagy László
Managing director

.....
Christian Pfister
Managing director

Statistical code:
11222149-2640-113-14
Company registration number:
14-09-300339

FLEXTRONICS INTERNATIONAL KFT.

BALANCE SHEET VERSION "A" as of 31 March 2024

(All balances are given in EUR)

ASSETS

	31 March 2023	31 March 2024
A. FIXED ASSETS	448 425 402	422 936 508
I. Intangible assets	161 209	90 952
1. Capitalised value of foundation/reorganisation	0	0
2. Capitalised value of research & development	0	0
3. Valuable rights	130 290	45 517
4. Intellectual property	30 919	45 435
5. Goodwill	0	0
6. Advances on intangible assets	0	0
7. Value adjustment of intangible assets	0	0
II. Tangible assets	141 791 039	133 278 451
1. Land and buildings and related valuable rights	34 507 439	40 273 453
2. Technical equipment, machines, vehicles	75 256 798	80 974 648
3. Other equipment, facilities, vehicles	5 471 869	5 216 638
4. Livestock	0	0
5. Construction projects, renovations	26 554 933	6 813 712
6. Advances on construction projects	0	0
7. Value adjustment of tangible assets	0	0
III. Investments	306 473 154	289 567 105
1. Long-term shares in affiliated parties	41 900 232	35 615 140
2. Long-term loans given to affiliated parties	264 572 922	253 951 965
3. Significant long-term shareholdings	0	0
4. Long-term loans given to parties associated with major participating interest	0	0
5. Other long-term participations	0	0
6. Long-term loans given to other related parties	0	0
7. Other long-term loans given	0	0
8. Long-term debt securities	0	0
9. Value adjustment of investments	0	0
B. CURRENT ASSETS	916 184 530	914 354 896
I. Inventories	241 942 888	190 787 550
1. Materials	212 127 236	157 957 437
2. Work in progress and semi-finished goods	12 135 368	13 203 356
3. Young, store and other livestock	0	0
4. Finished goods	11 937 703	9 369 456
5. Goods	1 627 135	1 625 479
6. Advances on inventories	4 115 446	8 631 822
II. Receivables	672 604 656	722 225 911
1. Trade receivables (debtors)	165 323 497	192 847 094
2. Receivables from affiliated parties	504 584 277	520 369 847
3. Receivables from parties associated with major participating interest	0	0
4. Receivables from other related parties	0	0
5. Bills receivable	0	0
6. Other receivables	2 696 882	9 008 970
III. Securities	0	0
1. Shares in affiliated parties	0	0
2. Significant shareholdings	0	0
3. Shares in other enterprises	0	0
4. Treasury shares and quotas	0	0
5. Debt securities for trading	0	0
IV. Cash and bank balances	1 636 986	1 341 435
1. Cash on hand, cheques	2 205	1 387
2. Bank deposits	1 634 781	1 340 048
C. PREPAYMENTS	79 622 579	67 629 257
1. Accrued income	50 731 471	43 047 453
2. Prepaid expenses	28 891 108	24 581 804
3. Deferred expenses	0	0
TOTAL ASSETS	1 444 232 511	1 404 920 661

Tab, 18 July 2024

Nagy László	Christian Pfister
Managing director	Managing director

Statistical code:

11222149-2640-113-14

Company registration number:

14-09-300339

FLEXTRONICS INTERNATIONAL KFT.

BALANCE SHEET VERSION "A" as of 31 March 2024

(All balances are given in EUR)

LIABILITIES

	31 March 2023	31 March 2024
D. EQUITY	318 019 325	329 748 161
I. Registered capital	5 590 815	5 590 815
of this:	0	0
repurchased ownership share at nominal value	0	0
II. Called unpaid capital (-)	0	0
III. Capital reserve	61 635 219	61 635 219
IV. Profit reserve	117 516 817	142 013 431
V. Tied-up reserve	108 779 860	108 779 860
VI. Valuation reserve	0	0
VII. After-tax profit	24 496 614	11 728 836
E. PROVISIONS	6 282 621	10 190 023
1. Provisions for expected liabilities	6 282 621	10 190 023
2. Provisions for future expenses	0	0
3. Other provisions	0	0
F. LIABILITIES	1 054 089 894	957 520 370
I. Subordinated liabilities	0	0
1. Subordinated liabilities due to affiliated parties	0	0
2. Subordinated liabilities owed to parties associated with major participating interest	0	0
3. Subordinated liabilities due to other related parties	0	0
4. Subordinated liabilities due to other enterprises	0	0
II. Long-term liabilities	262 474 081	252 633 706
1. Long-term loans received	0	0
2. Convertible bonds	0	0
3. Bonds payable	262 474 081	252 633 706
4. Investment and development loans	0	0
5. Other long-term loans	0	0
6. Long-term liabilities to affiliated parties	0	0
7. Long-term liabilities to parties associated with major participating interest	0	0
8. Long-term liabilities to other related parties	0	0
9. Other long-term liabilities	0	0
III. Short-term liabilities	791 615 813	704 886 664
1. Short-term loans	0	0
- of this: convertible bonds	0	0
2. Short-term borrowings	20 531 544	29 678 051
3. Advances received from customers	2 252 813	9 052 934
4. Trade payables (creditors)	331 765 526	234 229 155
5. Bills payable	0	0
6. Short-term liabilities to affiliated parties	395 028 048	392 649 090
7. Short-term liabilities to parties associated with major participating interest	0	0
8. Short-term liabilities to other related parties	0	0
9. Other short-term liabilities	42 037 882	39 277 434
G. ACCRUALS	65 840 671	107 462 107
1. Prepaid income	25 006 957	18 498 002
2. Accrued expenses	30 731 123	81 193 199
3. Deferred income	10 102 591	7 770 906
TOTAL EQUITY AND LIABILITIES	1 444 232 511	1 404 920 661

Tab, 18 July 2024

Nagy László	Christian Pfister
Managing director	Managing director

Statistical code:
11222149-2640-113-14
Company registration number:
14-09-300339

FLEXTRONICS INTERNATIONAL KFT.

INCOME STATEMENT (TOTAL COST METHOD) VERSION "A" FOR THE FINANCIAL YEAR BETWEEN 1 APRIL 2023 AND 31 MARCH 2024

(All balances are given in EUR)

	1 April 2022 - 31 March 2023	1 April 2023 - 31 March 2024
1. Net domestic sales	33 966 550	51 999 018
2. Net export sales	1 837 500 894	1 865 163 276
I. Net sales revenue	<u>1 871 467 444</u>	<u>1 917 162 294</u>
3. Change in self-manufactured inventories	-110 854	-1 500 259
4. Own work capitalised	<u>0</u>	<u>0</u>
II. Value of own performance capitalised	-110 854	-1 500 259
III. Other income	32 709 540	21 592 808
of this: reversed impairment	8 746 838	7 737 124
5. Material costs	1 246 569 433	1 235 037 531
6. Services used	224 278 817	236 916 263
7. Value of other services	364 093	359 138
8. Cost of goods sold	25 262 801	52 816 526
9. Performance of subcontractors	<u>196 682 124</u>	<u>181 955 649</u>
IV. Material type expenditure	1 693 157 268	1 707 085 107
10. Payroll costs	107 623 600	122 152 666
11. Other payments to staff	11 771 730	13 455 410
12. Payroll taxes	<u>15 182 045</u>	<u>17 535 022</u>
V. Staff costs	134 577 375	153 143 098
VI. Depreciation	23 772 533	26 794 500
VII. Other expenditure	27 589 950	38 254 970
of this: impairment	5 724 449	10 276 745
A. OPERATING PROFIT	<u>24 969 004</u>	<u>11 977 168</u>
13. Dividend, profit share received (due)	0	0
of this: from affiliates	0	0
14. Income and capital gain on participations	0	0
Of this: received from associated parties	0	0
15. Income and capital gain on investments (securities and loans)	0	0
Of this: received from affiliated parties	0	0
16. Other interest and similar income received (due)	27 934 747	40 533 188
of this: received from associated parties	27 900 717	40 370 502
17. Other income from financial transactions	<u>100 020 777</u>	<u>38 486 858</u>
VIII. Income from financial transactions	127 955 524	79 020 046
18. Expenditures and capital loss on participations	0	0
Of which: granted to associated parties	0	0
19. Expenditures and capital loss on investments (securities and loans)	0	0
Of which: granted to associated parties	0	0
20. Payable interest and similar expenditure	26 639 229	38 709 055
Of which: granted to associated parties	8 172 978	22 097 465
21. Impairment of shares, securities, long-term loans given and bank deposits	0	8 228 059
22. Other expenditure of financial transactions	<u>102 039 144</u>	<u>32 215 113</u>
IX. Expenditures of financial transactions	128 678 373	79 152 227
B. PROFIT ON FINANCIAL TRANSACTIONS	<u>-722 849</u>	<u>-132 181</u>
C. PRE-TAX PROFIT	<u>24 246 155</u>	<u>11 844 987</u>
X. Tax expense	-250 459	116 151
D. AFTER-TAX PROFIT	<u>24 496 614</u>	<u>11 728 836</u>

Tab, 18 July 2024

Nagy László
Managing director

Christian Pfister
Managing director