

## **Mid year un-audited financial statement**

Relating to the un-audited financial statement

For the date of Sept 30th 2022

Flextronics International Kft.

Tab, the 6th of February 2023

We, as the managing directors of **Flextronics International Kft.** (registered seat: H-8660 Tab, Munkás u. 28.; company registration number: 14-09-300339) (the “**Issuer**”), regarding the Issuer's mid-year unaudited financial statement for the date of 30th September 2022 (that shows total assets at the end of the period **1,440,108 kEUR** and profit for the period **6,556 kEUR**) state that the financial statement:

- is not an audited financial report;
- is fair and complete representation of the Issuer's assets, liabilities, performance, and financial position;
- is prepared based on the principles of the Hungarian Act on Accounting (Act C. 2000) and in accordance with the best knowledge of the Issuer;
- there were no major changes compared to the prior year financials in the policies applied for the preparation of this financial statement; and
- the management report being part of the Issuer's financial statement provides reliable overview as to the Issuer's situation, development, and performance, presenting the main risks and uncertainties.

Laszlo Nagy  
Managing Director

Christian Pfister  
Managing Director

This report contains forward-looking statements within the meaning of U.S. securities laws, including: statements related to future expected revenues and earnings per share. These forward-looking statements involve risks and uncertainties that could cause the actual results to differ materially from those anticipated by these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. These risks include: that we may not achieve our expected future operating results, including margins; the effects that the current and future macroeconomic environment, including inflation, rising interest rates, and currency exchange rate fluctuations, could have on our business and demand for our products; the impact of component shortages, fluctuations in the pricing or availability of raw materials, labor and energy, and logistical constraints, including their impact on our revenues; uncertainties and risks relating to our ability to successfully complete a transaction for our Nextracker business, including the potential initial public offering of our Nextracker business, including the possibility that we may not be able to consummate the transaction on the expected timeline or at all, or that we will achieve the anticipated benefits of the transaction; the possibility that we may not fully realize the projected benefits of the Anord Mardix acquisition, including our expectation that the acquisition will be accretive to our fiscal year 2023 adjusted earnings per share; geopolitical risk, including the termination and renegotiation of international trade agreements and trade policies, including the impact of tariffs and related regulatory actions; the war in Ukraine and escalating geopolitical tensions as a result of Russia's invasion of Ukraine, including the imposition of economic sanctions on Russia which could lead to disruption, instability, and volatility in global markets and negatively impact our operations and financial performance; the effects of the COVID-19 pandemic on our business, results of operations and financial condition; the effects that current and future credit and market conditions could have on the liquidity and financial condition of our customers and suppliers, including any impact on their ability to meet their contractual obligations to us and our ability to pass through costs to our customers; the challenges of effectively managing our operations, including our ability to control costs and manage changes in our operations; retaining key personnel; litigation and regulatory investigations and proceedings; our compliance with legal and regulatory requirements; changes in laws, regulations, or policies that may impact our business, including those related to climate change; the possibility that benefits of the Company's restructuring actions may not materialize as expected; that the expected revenue and margins from recently launched programs may not be realized; our dependence on industries that continually produce technologically advanced products with short product life cycles; the short-term nature of our customers' commitments and rapid changes in demand may cause supply chain issues, excess and obsolete inventory, and other issues which adversely affect our operating results; our dependence on a small number of customers; our industry is extremely competitive; we may be exposed to financially troubled customers or suppliers; the success of certain of our activities depends on our ability to protect our intellectual property rights and we may be exposed to claims of infringement or breach of license agreements; a breach of our IT or physical security systems, or violation of data privacy laws, may cause us to incur significant legal and financial exposure and disrupt our operations; physical and operational risks from natural disasters, severe weather events, or climate change; our ability to achieve sustainability goals; we may be exposed to product liability and product warranty liability; and that recently proposed changes or future changes in tax laws in certain

jurisdictions where we operate could materially impact our tax expense. In addition, the COVID-19 pandemic increases the likelihood and potential severity of many of the foregoing risks.

Additional information concerning these, and other risks is described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our annual report on Form 10-K for the fiscal year ended March 31, 2022 and in subsequent quarterly reports on Form 10-Q. The forward-looking statements in this press release are based on current expectations and Flex assumes no obligation to update these forward-looking statements. Our share repurchase program does not obligate the Company to repurchase a specific number of shares and may be suspended or terminated at any time without prior notice.

This report does not constitute an offer to sell or the solicitation of an offer to buy any securities. Any securities to be offered in any offering may not be sold nor may offers to buy be accepted prior to the time a registration statement becomes effective.

## Performance of the period 04.01.2022 – 09.30.2022

- Net revenue of 6 month changed from 1.1Bn€ (04.01.2021 – 09.30.2021) to 0.9bn€ (04.01.2022 – 09.30.2022)
- Operating income of 6 month from 16.9m€ [1.6%] (04.01.2021 – 09.30.2021) to 14.1m€ [1.6%] (04.01.2022 – 09.30.2022)
- Net working capital from 46m€ (at 09.30.2021) to 75m€ (at 09.30.2022)  
(*Receivables + Inventory – Payables*)
- Liquidity from 1.19 (at 09.30.2021) to 1.15 (at 09.30.2022)  
(*current assets + prepayments and accrued income*) / (*current liabilities + accruals and deferred income*)

As already indicated in the prior year statements, our consumer digital product line has been discontinued and the resources previously allocated to such product line were reallocated to our automotive and lifestyle businesses. The products for our automotive and lifestyle businesses generally have lower material content than the products for our consumer digital business, and revenue per unit is in the aggregate lower.

The increase in net working capital is driven by an increase in inventory due to strong demand as well as component shortages in the supply chain, in particular semiconductors, and logistics challenges driving up buffer stock. We are proactively working with our partners to secure needed parts and fulfill demand, while also rebalancing safety and buffer stock requirements. While we are actively managing these impacts, we may experience continued working capital pressure in the near future.

We continued to invest in our business to expand our capabilities and capacity, support new program launches and maintain competitiveness, including investing in the area of automation in our operations and shop floor logistics.

**Unaudited statement of profit or loss** (kEUR, lines with zero are not shown)

	04.01.21 - 09.30.21	04.01.22 - 09.30.22
01 Net sales domestic	12,942	8,402
02 Net sales export	1,038,367	868,447
<b>I. NET SALES REVENUE</b>	<b>1,051,309</b>	<b>876,849</b>
03 Change in stocks of finished goods and work in progress	-12,272	4,183
<b>II. OWN PERFORMANCE CAPITALIZED</b>	<b>-12,272</b>	<b>4,183</b>
<b>III. OTHER INCOME</b>	<b>15,221</b>	<b>18,656</b>
Of which: reversal of impairment	4,090	7,713
05 Cost of raw materials and consumables	712,068	612,601
06 Cost of services	59,576	127,978
07 Cost of other service activities	295	123
08 Cost of goods sold	129,457	9,317
09 Cost of services sold (intermediated)	45,190	48,748
<b>IV. MATERIAL COSTS</b>	<b>946,586</b>	<b>798,766</b>
10 Wages and salaries	49,958	48,180
11 Other employee benefits	3,603	4,377
12 Contributions on wages and salaries	8,838	6,661
<b>V. STAFF COSTS</b>	<b>62,399</b>	<b>59,219</b>
<b>VI. DEPRECIATION</b>	<b>10,414</b>	<b>10,860</b>
<b>VII. OTHER OPERATING CHARGES</b>	<b>17,889</b>	<b>16,768</b>
Of which: impairment	3,637	4,628
<b>A OPERATING (TRADING) PROFIT</b>	<b>16,971</b>	<b>14,075</b>
16 Other interest and similar income (received or due)	492	6,944
including: from affiliated undertakings	492	6,943
17 Other income from financial transactions	35,473	57,368
<b>IX. INCOME FROM FINANCIAL TRANSACTIONS</b>	<b>35,965</b>	<b>64,312</b>
19 Interest payable and similar charges	4,898	9,368
including: to affiliated undertakings	1,821	2,438
21 Other expenses on financial transactions	30,812	62,071
<b>X. EXPENSES ON FINANCIAL TRANSACTIONS</b>	<b>35,710</b>	<b>71,439</b>
<b>B PROFIT OR LOSS FROM FINANCIAL TRANSACTIONS</b>	<b>255</b>	<b>-7,126</b>
<b>C PROFIT OR LOSS ON ORDINARY ACTIVITIES</b>	<b>17,226</b>	<b>6,949</b>
<b>E PROFIT BEFORE TAX</b>	<b>17,226</b>	<b>6,949</b>
<b>XIII. TAX PAYABLE</b>	<b>146</b>	<b>393</b>
<b>F PROFIT AFTER TAX</b>	<b>17,080</b>	<b>6,556</b>
<b>G PROFIT OR LOSS FOR THE YEAR</b>	<b>17,080</b>	<b>6,556</b>

## Unaudited statement of financial position: assets (kEUR)

	03.31.2022	09.30.2022
<b>A <u>FIXED ASSETS</u></b>	<b>428,719</b>	<b>407,616</b>
<b>I. INTANGIBLE ASSETS</b>	<b>228</b>	<b>235</b>
I.3 Concessions, licenses and similar rights and assets	186	205
I.4 Intellectual property	42	30
<b>II. TANGIBLE ASSETS</b>	<b>115,827</b>	<b>124,780</b>
II.1 Land and buildings, rights to immovable	28,867	29,791
II.2 Plant and machinery, vehicles	62,145	65,679
II.3 Other equipment, fixtures and fittings, vehicles	4,525	4,835
II.5 Assets in course of construction	20,290	24,475
<b>III. FINANCIAL INVESTMENTS</b>	<b>312,663</b>	<b>282,601</b>
III.1 Long-term participations in affiliated undertakings	40,903	43,176
III.2 Long-term loan to affiliated undertakings	271,761	239,424
<b>B <u>CURRENT ASSETS</u></b>	<b>838,423</b>	<b>960,998</b>
<b>I INVENTORIES</b>	<b>236,899</b>	<b>295,632</b>
I.1 Raw materials and consumables	205,270	262,997
I.2 Work in progress, intermediate and semi-finished products	11,492	16,098
I.4 Finished products	12,692	12,269
I.5 Goods for resale	2,179	1,812
I.6 Advances and prepayments on inventories	5,266	2,456
<b>II. RECEIVABLES</b>	<b>596,134</b>	<b>661,652</b>
II.1 Accounts receivable (trade debtors)	120,303	188,365
II.2 Receivables from affiliated undertakings	469,390	464,357
II.5 Other receivables	6,441	8,931
<b>III. SECURITIES</b>	<b>0</b>	<b>0</b>
<b>IV. LIQUID ASSETS</b>	<b>5,391</b>	<b>3,714</b>
IV.1 Cash in hand, checks	4	3
IV.2 Cash at bank	5,387	3,711
<b>C <u>PREPAYMENTS AND ACCRUED INCOME</u></b>	<b>59,566</b>	<b>71,494</b>
C.1 Accrued income	42,146	34,713
C.2 Accrued costs, expenses	17,420	36,781
<b><u>TOTAL ASSETS</u></b>	<b>1,326,708</b>	<b>1,440,108</b>

## Unaudited statement of financial position: liabilities (kEUR)

	03.31.2022	09.30.2022
<b>D. SHAREHOLDERS' EQUITY</b>	<b>293,523</b>	<b>300,079</b>
<b>I. ISSUED CAPITAL</b>	<b>5,591</b>	<b>5,591</b>
II. ISSUED CAPITAL UNPAID (-)	0	0
III. CAPITAL RESERVE	61,635	61,635
IV. ACCUMULATED PROFIT RESERVE	79,983	117,517
V. TIED-UP RESERVE	108,780	108,780
VI. REVALUATION RESERVE	0	0
VII. PROFIT OR LOSS FOR THE YEAR	37,534	6,556
<b>E. PROVISIONS</b>	<b>5,930</b>	<b>5,734</b>
E.1 Provisions for expected liabilities	5,930	5,734
<b>F. LIABILITIES</b>	<b>950,209</b>	<b>1,031,014</b>
I. SUBORDINATED LIABILITIES	0	0
<b>II. LONG-TERM LIABILITIES</b>	<b>270,550</b>	<b>237,299</b>
II.3 Debts on issue of bonds	270,548	237,299
<b>III. CURRENT LIABILITIES</b>	<b>679,659</b>	<b>793,716</b>
III.2 Other short-term credits	22,164	56,111
III.3 Advances received from customers	845	588
III.4 Accounts payable (trade creditors)	311,195	409,360
III.6 Short-term liabilities to affiliated undertakings	316,685	291,992
III.8 Other short-term liabilities	28,770	35,664
<b>G. ACCRUALS AND DEFERRED INCOME</b>	<b>77,046</b>	<b>103,281</b>
G.1 Deferred income	26,281	26,217
G.2 Deferred costs, expenses	38,937	70,798
G.3 Accrued income	11,829	6,266
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,326,708</b>	<b>1,440,108</b>