

## Mid year un-audited financial statement

Relating to the un-audited financial statement

For the date of Sept 30th 2023

Flextronics International Kft.

Tab, the 29th of December 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 2023 (that shows total assets at the end of the period **1,400,216 kEUR** and profit for the period **10,036 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 press release contains forward-looking statements within the meaning of U.S. securities laws, including statements related to our future financial results and our guidance for future financial performance (including expected revenues, operating income, margins and earnings per share). These forward-looking statements are based on current expectations, forecasts and assumptions involving risks and uncertainties that could cause the actual outcomes and 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 revenue and margins; the effects that the current and future macroeconomic environment, including inflation, slower growth or recession, higher interest rates, a potential U.S. federal government shutdown, 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 and margins; the uncertainty of our ability to complete the Transactions referred to above, which are subject to numerous conditions that may not be satisfied or waived, and the failure of any such Transactions to qualify as tax-free under the relevant Internal Revenue Code of 1986, as amended; uncertainties and risks relating to our ability to achieve some or all of the intended or anticipated benefits of Nextracker being a separate, publicly-traded company, which could negatively impact our business, financial condition and results of operations; risks associated with acquisitions and divestitures, including the possibility that we may not fully realize their projected benefits; 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; uncertainties relating to the Israel-Hamas war including escalating geopolitical tensions as a result thereof which could negatively impact our operations and financial performance; 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; hiring and 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 meet environmental, social and governance expectations or standards or achieve sustainability goals; we may be exposed to product liability and product warranty liability; that recently proposed changes or future changes in tax laws in certain jurisdictions where we operate could materially impact our tax expense; and the impact and effects on our business, results of operations and financial condition of a public health issue, including a pandemic, or catastrophic event.

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, 2023 and in subsequent quarterly reports on Form 10-Q, as well as the registration statement, including the proxy statement/prospectus, and other documents filed by Flex or Nextracker, as applicable, with the U.S. Securities and Exchange Commission (the "SEC") in connection with the Transactions referred to above. 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.

## Performance of the period 04.01.2023 – 09.30.2023

- Net revenue of 6 month changed from 0,88bn€ (04.01.2022 – 09.30.2022) to 0.96bn€ (04.01.2023 – 09.30.2023)
- Operating income of 6 month from 14.1m€ [1.6%] (04.01.2022 – 09.30.2022) to 6.9m€ [0.72%] (04.01.2023 – 09.30.2023)
- Net working capital from 75m€ (at 09.30.2022) to 128m€ (at 09.30.2023)  
(Receivables + Inventory – Payables)
- Liquidity from 1.15 (at 09.30.2022) to 1.18 (at 09.30.2023)  
(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.

In this recent half-year, our portfolio continues to evolve toward automotive, which is driving the sales growth.

The increase in net working capital is driven by expiry of a short term agreement with one of our customers to fund net working capital associated to their growth.

We continued to invest in our business to expand our capabilities and capacity, support new program launches and maintain competitiveness. After completing investment into the award winning robotized warehouse system (ASRS) last year we ramped up the solution completely early this year and we focus on securing the equipment and infrastructure for our growth in Automotive.

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

	04.01.22 - 09.30.22	04.01.23 - 09.30.23
Net sales domestic	8 402	31 375
Net sales export	868 447	927 932
<b>NET SALES REVENUE</b>	<b>876 849</b>	<b>959 307</b>
Change in stocks of finished goods and work in progress	4 183	-1 499
<b>OWN PERFORMANCE CAPITALIZED</b>	<b>4 183</b>	<b>-1 499</b>
<b>OTHER INCOME</b>	<b>18 656</b>	<b>13 020</b>
including: loss in value marked back	7 713	6 247
Cost of raw materials and consumables	612 601	650 270
Cost of services	127 978	125 412
Cost of other service activities	123	1 041
Cost of goods sold	9 317	20 287
Cost of services sold (intermediated)	48 748	52 272
<b>MATERIAL COSTS</b>	<b>798 766</b>	<b>849 282</b>
Wages and salaries	48 180	61 116
Other employee benefits	4 377	6 948
Contributions on wages and salaries	6 661	8 809
<b>STAFF COSTS</b>	<b>59 219</b>	<b>76 873</b>
<b>DEPRECIATION</b>	<b>10 860</b>	<b>12 942</b>
<b>OTHER OPERATING CHARGES</b>	<b>16 768</b>	<b>24 846</b>
including: loss in value	4 628	10 756
<b>OPERATING (TRADING) PROFIT</b>	<b>14 075</b>	<b>6 885</b>
Other interest and similar income (received or due)	6 944	21 318
including: from affiliated undertakings	6 943	21 239
Other income from financial transactions	57 368	171 239
<b>INCOME FROM FINANCIAL TRANSACTIONS</b>	<b>64 312</b>	<b>192 557</b>
Interest payable and similar charges	9 368	20 704
including: to affiliated undertakings	2 438	11 039
Other expenses on financial transactions	62 071	168 586
<b>EXPENSES ON FINANCIAL TRANSACTIONS</b>	<b>71 439</b>	<b>189 290</b>
<b>PROFIT OR LOSS FROM FINANCIAL TRANSACTIONS</b>	<b>-7 126</b>	<b>3 267</b>
<b>PROFIT OR LOSS ON ORDINARY ACTIVITIES</b>	<b>6 949</b>	<b>10 152</b>
<b>PROFIT BEFORE TAX</b>	<b>6 949</b>	<b>10 152</b>
<b>TAX PAYABLE</b>	<b>393</b>	<b>116</b>
<b>PROFIT AFTER TAX</b>	<b>6 556</b>	<b>10 036</b>
<b>PROFIT OR LOSS FOR THE YEAR</b>	<b>6 556</b>	<b>10 036</b>

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

	09.30.2022	09.30.2023
<b>A <u>FIXED ASSETS</u></b>	<b>407 616</b>	<b>441 863</b>
<b>I. INTANGIBLE ASSETS</b>	<b>235</b>	<b>168</b>
I.3 Concessions, licenses and similar rights and assets	205	101
I.4 Intellectual property	30	67
<b>II. TANGIBLE ASSETS</b>	<b>124 780</b>	<b>141 153</b>
II.1 Land and buildings, rights to immovable	29 791	34 936
II.2 Plant and machinery, vehicles	65 679	73 113
II.3 Other equipment, fixtures and fittings, vehicles	4 835	6 234
II.5 Assets in course of construction	24 475	26 870
<b>III. FINANCIAL INVESTMENTS</b>	<b>282 601</b>	<b>300 543</b>
III.1 Long-term participations in affiliated undertakings	43 176	42 998
III.2 Long-term loan to affiliated undertakings	239 424	257 545
<b>B <u>CURRENT ASSETS</u></b>	<b>960 998</b>	<b>873 486</b>
<b>I INVENTORIES</b>	<b>295 632</b>	<b>216 844</b>
I.1 Raw materials and consumables	262 997	187 424
I.2 Work in progress, intermediate and semi-finished products	16 098	12 029
I.4 Finished products	12 269	10 545
I.5 Goods for resale	1 812	1 638
I.6 Advances and prepayments on inventories	2 456	5 208
<b>II. RECEIVABLES</b>	<b>661 652</b>	<b>655 220</b>
II.1 Accounts receivable (trade debtors)	188 365	186 820
II.2 Receivables from affiliated undertakings	464 357	466 010
II.5 Other receivables	8 931	2 391
<b>III. SECURITIES</b>	<b>0</b>	<b>0</b>
<b>IV. LIQUID ASSETS</b>	<b>3 714</b>	<b>1 421</b>
IV.1 Cash in hand, checks	3	2
IV.2 Cash at bank	3 711	1 419
<b>C <u>PREPAYMENTS AND ACCRUED INCOME</u></b>	<b>71 494</b>	<b>85 898</b>
C.1 Accrued income	34 713	57 273
C.2 Accrued costs, expenses	36 781	28 626
<b><u>TOTAL ASSETS</u></b>	<b>1 440 108</b>	<b>1 401 248</b>

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

	09.30.2022	09.30.2023
<b>D. SHAREHOLDERS' EQUITY</b>	<b>300 079</b>	<b>328 100</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	117 517	142 013
V. TIED-UP RESERVE	108 780	108 780
VI. REVALUATION RESERVE	0	45
VII. PROFIT OR LOSS FOR THE YEAR	6 556	10 036
<b>E. PROVISIONS</b>	<b>5 734</b>	<b>6 882</b>
E.1 Provisions for expected liabilities	5 734	6 882
<b>F. LIABILITIES</b>	<b>1 031 014</b>	<b>959 935</b>
I. SUBORDINATED LIABILITIES	0	0
<b>II. LONG-TERM LIABILITIES</b>	<b>237 299</b>	<b>255 591</b>
II.3 Debts on issue of bonds	237 299	255 591
<b>III. CURRENT LIABILITIES</b>	<b>793 716</b>	<b>704 344</b>
III.2 Other short-term credits	56 111	143 277
III.3 Advances received from customers	588	3 838
III.4 Accounts payable (trade creditors)	409 360	275 497
III.6 Short-term liabilities to affiliated undertakings	291 992	237 458
III.8 Other short-term liabilities	35 664	44 275
<b>G. ACCRUALS AND DEFERRED INCOME</b>	<b>103 281</b>	<b>106 330</b>
G.1 Deferred income	26 217	17 014
G.2 Deferred costs, expenses	70 798	79 549
G.3 Accrued income	6 266	9 768
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 440 108</b>	<b>1 401 248</b>