

**FLEXTRONICS INTERNATIONAL KFT.**  
**BUSINESS REPORT for the year ended 31 March 2025**

Our Company, Flextronics International Termelő és Szolgáltató Vámszabadterületi Korlátolt Felelősségű Társaság, has the following sites:

1. 8660 Tab, Munkás u. 28. (also the registered office)

This site manufactures electronic components and finished products. The products mainly include parts and components for industrial electronics and household goods.

2. 8900 Zalaegerszeg, Zrínyi Miklós u. 38.  
8900 Zalaegerszeg, Posta u. 63.

In addition, there are two production plants in Zalaegerszeg. One of these plants manufactures electronic appliances and IT equipment. The other manufacturing unit is engaged in the production of electronic components used in the car industry. In addition to manufacturing, there is also a research and development base that mainly deals with the development and optimisation of electronic equipment and printed circuits foglalkozik

3. 9600 Sárvár, Ikervári u. 42.  
9600 Sárvár, Ikervári u. 25.  
9600 Sárvár, Ungvár u. 22.  
9600 Sárvár, 1359. hrsz.  
9600 Sárvár, 1360/1. hrsz.  
9600 Sárvár, 1390. hrsz

The Company's plastic injection moulding plant is located in Sárvár. This site manufactures plastic parts for the car industry and for household electronics companies, as well as for our branches. The other huge production unit supplying for the car industry is also located here. Its focus is on the assembly of lamps. In addition, the plant which is assigned the role of producing key strategic computer equipment for the entire Flextronics group is located in Sárvár as well. The Sárvár plant also hosts the manufacturing of a world famous company's small kitchen appliances. During the business year, production has already started for a customer related to medical products.

Flextronics International Kft's administrative centre is also located in Sárvár, providing bookkeeping, tax and payroll services to the individual sites.

In order to meet the rising logistical needs, the Company has extended its warehousing capacity by purchasing the warehouse next to the Industrial Park.

**FLEXTRONICS INTERNATIONAL KFT.**  
**BUSINESS REPORT for the year ended 31 March 2025**

4. 4400 Nyíregyháza, Debreceni út 342.  
4400 Nyíregyháza, Debreceni út 370.

The buildings of the Nyíregyháza site were leased to the business partner that purchased the production machinery. One of the premises was leased by the Company from a third party, this lease was terminated in the financial year and the site is being cancelled from company documents. The other site in Nyíregyháza (Debreceni út 370) performs logistics functions.

5. 1183 Budapest, Hangár utca 5-37.

After the merger with Flextronics Budapest Kft the site became the repair centre that provides maintenance service for our customers within or outside the guarantee time frame. This is the manufacturing and repair unit of the Medical segment engaged in the repair and manufacturing of medical equipment.

6. 2360 Gyál, Bem József utca 32.

Logistic and repair services are rendered for the Budapest site at the site in Gyál.

7. 1117 Budapest, Irinyi József u. 4-20.

This site was also launched in 2015. Our activities at this site are closely related to the industrial research and development activity carried out by the Flextronics group. The engineering knowledge centre located at this site is involved in the further development of IT hardware solutions.

8. 2225 Üllő, K-Sped körút 28.

At this branch, we provide logistics and material handling services for our customers.

9. 2360 Gyál, Gorcsev Iván utca 7. B. ép.

We provide logistics services at our second site in Gyál, which complements and assists the work of the Budapest and Bem József utca, Gyál sites.

Compared to the previous year, our Company's sales revenue decreased by 16.2%. At the same time, the added value has remained essentially unchanged.

The primary reason for the decline was the termination of a partnership agreement with a significant share of materials in the industrial business, which alone resulted in a 22% decrease in

**FLEXTRONICS INTERNATIONAL KFT.**  
**BUSINESS REPORT for the year ended 31 March 2025**

revenue. This was partly offset by the increase in the automotive order book, which generated a 5% increase in sales revenue through newly won projects.

The volume of changes in lifestyle, services and other industrial businesses was negligible.

Working capital increased slightly from EUR 149 million to EUR 154 million. This was mainly due to the finished product levels built up as planned at our Zalaegerszeg plant in connection with new automotive orders.

Both the customer and supplier balances decreased, by 11% and 10% respectively, in line with the termination of the industrial partner contract mentioned above.

In the financial year ending 31 March 2025, the Company achieved a profit after tax of EUR 8,1 million, lower by EUR 3,6 million compared to the previous year. The decrease was mainly due to unfavourable developments in foreign exchange exposure.

	<u>31 March 2024</u>	<u>31 March 2025</u>
ROE (retained profit / equity)	0,04	0,02
ROA (retained profit / assets)	0,01	0,01
Adjusted ROA ((operating profit + interest paid) / assets)	0,04	0,03
Turnover of assets (Revenue / Assets)	1,36	1,29
Operating margin (Operating profit / Revenue)	0,01	0,01

Thanks to a high degree of automation, the delivery of the Company's contracts did not face significant labour market challenges.

**Business performance:**

- **Automotive business:**

Investments related to improvements are on track. As a result, the closing stock of investments increased by EUR 27.6 million (including advances granted), reflecting capacity expansions along the strategic objectives.

- **Industrial products:**

The Industrial business unit's revenue decreased during the year under review, mainly due to the termination of a contract with our partner in the solar energy exploitation sector. The performance of the remaining contract portfolio was at the level of the previous year.

- **Lifestyle business:**

Previously won contracts were steadily fulfilled, and the business achieved a similar result to the previous year, maintaining a solid performance and customer satisfaction.

**FLEXTRONICS INTERNATIONAL KFT.**  
**BUSINESS REPORT for the year ended 31 March 2025**

Financing of Flextronics International Kft. has further improved compared to previous years. In order to ensure efficient financing, the company operates a cash pool system, so receivables and liabilities related to financing are typically due/from affiliated companies, and the Hungarian company does not typically use bank financing.

Our company has an ISO 9001 certified quality management system, IATF 16949 certification in the relevant plants, ISO 14001 environmental certification and the full ISO 45001 certification of our plants is in progress. It is not only in the production process that environmental protection is an important factor for us but also with respect to our products for which we constantly have to consider the EU guidelines and regulations as well as the Hungarian laws. In the event that the rules in the country of destination of the product are more stringent or of a different nature than the relevant EU regulations, we also have to meet those requirements. This task represents an ever growing challenge for our development engineers, who have to develop adequate technical solutions so that the products manufactured by us meet all current and future requirements (recycling, leadless soldering, etc.). We continue to participate in the full re-cycling of packaging and other materials and these activities win environmental recognition for the Company year after year. Finally, we export the majority of our electronic products, thereby minimising the effects detrimental to the environment in Hungary.

The development centre in Budapest is engaged in research and product development activities. They are specialised in network communication tools and high level self-driving systems.

In addition to the quality assurance systems mentioned above, as a consolidated subsidiary, the Hungarian branches operate a strict business control environment in compliance with the requirements of the Sarbanes-Oxley Act.

No major events occurred subsequent to the balance sheet date that could have influenced the data disclosed in the financial statements.

Tab, 28 July 2025

.....  
Nagy László  
Managing director

.....  
Christian Pfister  
Managing director