FLEXTRONICS INTERNATIONAL KFT.
BUSINESS REPORT for the year ended 31 March 2026

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 parts and subassemblies for household appliances.

2. 8900 Zalaegerszeg, Zrínyi Miklós u. 38.
   8900 Zalaegerszeg, Posta u. 63.
   8900 Zalaegerszeg, Bánki Donát út 1.
   There are three production plants in Zalaegerszeg. Two of our long-established plants manufacture electronic appliances and IT equipment, as well as electronic components used in the automotive industry. In addition to manufacturing, there is also a research and development base that mainly deals with the development and optimisation of electronic components and printed circuit boards. The newly built production facility on Bánki Donát Street manufactures products related to electric vehicle applications.

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 automotive segment and household electronics companies, while also supplying the plastic component requirements of our branches. Another production unit of our automotive supplier base is also located here. In addition to the assembly of lighting units, it will also carry out a new electric bicycle assembly activity. The production unit is currently primarily responsible for new product introduction activities, start-up operations, tooling, engineering support and pre-series production tasks.
   In addition, the Sárvár plant is the manufacturing location of a world-famous company's small kitchen appliances. Production is also carried out 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.

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; the removal of this site from the official company records is currently in progress. 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., this site became the repair centre that provides maintenance services for our customers within or outside the guarantee period. This is also the manufacturing and repair base 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 activities 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, the Company's net sales revenue decreased by 7.08%. The main reasons for the decline in revenue include the significant decrease in European demand experienced in the Lifestyle business. The Automotive business was further negatively impacted by the discontinuation of several end-of-life product programmes, while the Industrial segment was affected by a lower customer order backlog. Overall, these changes are attributable to weaker market demand, changes in the product portfolio and manufacturing structure, and the end of the life cycle of certain products.

Working capital increased by 1% compared to the previous year. Trade receivables remained largely unchanged, while inventories and supplier liabilities increased slightly and consistently with each other. As a result, there was no significant change in the overall level of working capital.

The Company's profit after tax increased by EUR 8.6 million compared to the previous financial year. Both revenue and operating expenses decreased during the year, which overall resulted in a lower operating profit. At the same time, the reduction in certain cost elements was less significant than the decline in revenue, primarily due to movements in the Hungarian Forint exchange rate.
The improvement in profit after tax was primarily supported by the stronger financial result.
The increase in the result of financial operations was mainly attributable to foreign exchange rate movements. The combined net effect of realised and unrealised foreign exchange differences recognised on the revaluation of the Company's significant foreign currency denominated receivables and liabilities was favourable.
During the financial year, the valuation of investments remained unchanged compared to the previous year, as no permanent changes in business expectations were identified; therefore, neither impairment nor reversal of impairment was recognised.

	31 March 2025	31 March 2026
ROE (Retained profit / Equity)	0,02	0,05
ROA (Retained profit / Assets)	0,01	0,01
Adjusted ROA ((Operating profit + Interest paid) / Assets)	0,03	0,02
Turnover of assets (Revenue / Assets)	1,29	1,15
Operating margin (Operating profit / Revenue)	0,01	0,00

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:
  The Automotive business underwent a structural transformation during the financial year. The gradual phase-out of programmes related to previous-generation products is increasingly being offset by projects linked to new technologies and electromobility.

- Industrial products:
  Revenue in the Industrial business decreased during the financial year, primarily due to lower volumes in programmes related to certain traditional industrial and consumer applications.
- Lifestyle business:
  The performance of the Lifestyle business declined significantly during the financial year. The primary reason for the decrease in revenue was weaker European demand for a major consumer product programme.
- Medical business:
  The Medical segment continues to develop favourably as new projects gradually ramp up, further increasing the proportion of high value-added, technology-intensive and knowledge-intensive products within the product mix.

Financing of Flextronics International Kft. remains stable. Our XBOND bond provides sufficient funding and, in order to ensure efficient financing, the Company also operates a cash pool system. Therefore, receivables and liabilities related to financing are typically due from or payable to 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. Environmental protection is important to us not only during our manufacturing processes but also with respect to our products, for which we continuously monitor and comply with the applicable European Union directives, regulations and Hungarian legislation.
During the financial year, the Company completed the preparatory activities related to its compliance obligations arising from the Hungarian ESG Act, including the implementation of the required due diligence procedures, supplier questionnaires and data collection activities. The necessary information was collected and processed in accordance with the applicable legal requirements.
The related independent certification and verification procedures will be carried out during 2026, following the preparation of the financial statements, in accordance with the statutory timetable.
The Company is committed to continuous compliance with ESG requirements and has established its sustainability data collection, risk assessment and supplier due diligence processes. Certification of these processes is expected during 2026 following the completion of the financial statements.

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.

In connection with the planned spin-off process announced by the Group, based on the information currently available to the Company, the expected impact on the Hungarian operations is not significant. The changes identified so far are primarily limited to the organisational reassignment of certain regional employees.
No material changes are currently expected in the Company's operations, financing structure or business activities. Should any circumstance arise in the future that may have a material impact on the Company's position, the Company will provide appropriate disclosure in accordance with the applicable legal requirements.

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

Tab, 28 July 2026

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Nagy László	Christian Pfister
Managing Director	Managing Director