



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	939 099 093
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	EXIDE TECHNOLOGIES AS
Forretningsadresse:	Dyrskuevegen 3 2040 KLØFTA

Regnskapsår

Årsregnskapets periode:	01.04.2022 - 31.03.2023
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Christina Jahn
Dato for fastsettelse av årsregnskapet:	25.09.2023

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 25.10.2024



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	327 603 000	308 465 000
Annen driftsinntekt		1 820 000	2 446 000
Sum inntekter		329 423 000	310 911 000
Kostnader			
Varekostnad		244 266 000	218 837 000
Lønnskostnad	2	25 740 000	28 811 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	3	259 000	177 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	2	52 127 000	52 801 000
Sum kostnader		322 392 000	300 626 000
Driftsresultat		7 031 000	10 285 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	4	2 821 000	3 583 000
Annen renteinntekt	4	243 000	43 000
Annen finansinntekt	4	15 673 000	2 301 000
Sum finansinntekter		18 737 000	5 927 000
Rentekostnad til foretak i samme konsern	4	0	0
Annen rentekostnad	4	9 000	5 000
Annen finanskostnad	4	6 424 000	5 064 000
Sum finanskostnader		6 433 000	5 069 000
Netto finans		12 304 000	858 000
Ordinært resultat før skattekostnad		19 335 000	11 143 000
Skattekostnad på ordinært resultat	5	3 767 000	2 479 000
Ordinært resultat etter skattekostnad		15 568 000	8 664 000
Årsresultat		15 568 000	8 664 000



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6	428 000	760 000
Sum immaterielle eiendeler		428 000	760 000
Varige driftsmidler			
Maskiner og anlegg	3	1 650 000	1 910 000
Sum varige driftsmidler		1 650 000	1 910 000
Finansielle anleggsmidler			
Investering i datterselskap	7	35 000 000	35 000 000
Investeringer i aksjer og andeler	8	98 000	98 000
Obligasjoner		63 000	63 000
Sum finansielle anleggsmidler		35 161 000	35 161 000
Sum anleggsmidler		37 239 000	37 831 000
Omløpsmidler			
Varer			
Varer	4,9	35 254 000	26 753 000
Sum varer		35 254 000	26 753 000
Fordringer			
Kundefordringer	4,10	44 016 000	62 219 000
Andre fordringer	10	961 000	1 532 000
Konsernfordringer	10	86 112 000	75 230 000
Sum fordringer		131 089 000	138 981 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	11	8 710 000	6 589 000
Sum bankinnskudd, kontanter og lignende		8 710 000	6 589 000
Sum omløpsmidler		175 053 000	172 323 000
SUM EIENDELER		212 292 000	210 154 000



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	6,12	10 694 000	10 694 000
Sum innskutt egenkapital		10 694 000	10 694 000
Opptjent egenkapital			
Annen egenkapital	6	92 380 000	126 812 000
Sum opptjent egenkapital		92 380 000	126 812 000
Sum egenkapital		103 074 000	137 506 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	10	21 318 000	23 159 000
Betalbar skatt	5	5 814 000	1 867 000
Skyldige offentlige avgifter		16 633 000	18 931 000
Utbytte		50 000 000	8 664 000
Kortsiktig konserngjeld		15 453 000	20 027 000
Sum kortsiktig gjeld		109 218 000	72 648 000
Sum gjeld		109 218 000	72 648 000
SUM EGENKAPITAL OG GJELD		212 292 000	210 154 000



ÅRSBERETNING FOR REGNSKAPSÅRET 2023

01.04.22 – 31.03.23

VIRKSOMHETENS ART

Exide Technologies AS markedsfører start- og industribatterier i Norge.

Exide Technologies AS inngår i Exide-gruppen, som benytter avvikende regnskapsår. Årets regnskap omfatter 12 måneders perioden fra 1.4.2022 – 31.3.2023. Denne perioden utgjør regnskapsåret 2023.

FORTSATT DRIFT

Årsoppgjøret er avlagt under forutsetning om fortsatt drift. Til grunn for antagelsen ligger budsjett for regnskapsåret 2024 og langsiktige prognoser for årene fremover.

UTVIKLINGEN I LØPET AV ÅRET

Salgsinntekter for Exide Technologies ble 327,6 mill kroner. Dette er noe høyere enn fjoråret (se note 12). Resultatet er høyere enn i fjor hovedsakelig på grunn av høyere finansinntekter.

Totalkapitalen for Exide Technologies var ved utgangen av året 212,3 mill kroner, sammenlignet med 210,1 mill kroner året før. Egenkapitalandelen pr. 31.03.2023 er 48,6% sammenlignet med 65,4% pr. 31.03.2022.

Kontantstrøm fra driften er positiv hovedsakelig på grunn av høyere resultat.

HENDELSER ETTER BALANSEDAGEN

Det har ikke vært hendelser etter regnskapsårets slutt som har påvirket virksomheten vesentlig.

FREMTIDIG UTVIKLING

Forventningene på salgs- og driftsresultat for budsjettåret 2024 ligger omtrent på samme nivå som det avsluttede regnskapsår. Eiertilknytningen til Exide-gruppen vil fortsatt gi god produkttilgang til konkurransedyktige priser fra Exides fabrikker i Europa.



Konsernets kredittrisiko anses lav, da det historisk sett har vært lite tap på fordringer. Konsernet har en viss valutarisiko, da merparten av alt varekjøp i Exide Technologies AS er i EUR.

ARBEIDSMILJØ OG PERSONALE

Bedriften har et godt arbeidsmiljø og lavt sykefravær. I regnskapsåret 2023 utgjorde sykefraværet totalt 563,0 dager, hvilket tilsvarer 5,26% av total arbeidstid.

Samarbeidet med de ansattes organisasjoner har vært konstruktivt og bidratt positivt til driften.

MILJØRAPPORTERING

Bedriften arbeider kontinuerlig med forbedringer innen miljøarbeidet, så vel eksternt som internt.

LIKESTILLING

Bedriften har som mål å være en arbeidsplass hvor det er likestilling mellom kvinner og menn. Bedriften har en overvekt av mannlige ansatte. Dette er naturlig ut fra bransjen. Kvinner og menn har like muligheter for å kvalifisere seg til alle typer oppgaver og karrieremulighetene er de samme. Lønnssystemet reflekterer den enkeltes ansvarsområde og kvalifikasjoner. Bedriften har ikke ufrivillig bruk av deltidsarbeid.

Av bedriftens 33 ansatte er 5 kvinner.

Videre har bedriften en rekrutterings- og personalpolicy som skal sikre like muligheter og rettigheter og hindre diskriminering på grunn av etnisitet, nasjonal opprinnelse, avstamning, hudfarge, språk, religion og livssyn. Bedriften gjennomfører periodiske medarbeiderundersøkelser som belyser alle aspekter av arbeidsmiljøet, inkludert diskriminering som etterfølges av ledelse og ansatte og med aktiviteter.

Basert på det daglige arbeidet forankret bl.a. i Exide Technologies sine verdier, etiske policy og rekrutterings policy, sikrer bedriften at arbeidstakere og arbeidssøkere får like muligheter som beskrevet i § 26 i likestillings- og diskrimineringsloven.

ÅPENHETSLOVEN

Bedriften er omfattet av åpenhetsloven og bedriftens redegjørelse iht. denne er tilgjengelig her:

Hvem er vi -> Leverandørinformasjon
(<https://www.exidegroup.com/no/nb/node/51066>)



FORSKNING OG UTVIKLING

Selskapet har i 2023 ikke hatt noen form for forskning- og utviklingsaktiviteter.

HELSE MILJØ OG SIKKERHET

Det har i løpet av året ikke forekommet eller blitt rapportert personskader.

ANSVARSFORSIKRING

Det er tegnet forsikring for styremedlemmer og ledere som dekker alle juridiske enheter i konsernet, for deres mulige erstatningsansvar overfor foretaket og tredjepersoner. Forsikringen dekker det rettslige erstatningsansvar styret eller styremedlemmet kan pådra seg under utøvelsen av styreverv, samt ansvaret som daglig leder kan pådra seg i rollen som daglig leder.

RESULTAT OG DISPONERINGER

Styret foreslår følgende disponering av årsresultatet på kr. 15.568.298 i Exide Technologies AS:

Utbytte	kr. 50.000.000
Fra annen EK	kr. - 34.432.702
Totalt disponert	kr. 15.568.298

Oslo 25. september 2023

Stefan Stübing
Styrets leder

Michael Geiger
Styremedlem

Christina Jahn
Daglig leder

Sharon Cottam
Styremedlem



EXIDE TECHNOLOGIES AS
RESULTATREGNSKAP

(NOK 1.000)	Note	2022-2023 1.4.22-31.3.23	2021-2022 1.4.21-31.3.22
DRIFTSINNTEKTER			
Salgsinntekt	1	327 603	308 465
Andre driftsinntekter		1 820	2 446
Sum driftsinntekter		329 424	310 911
DRIFTSKOSTNADER			
Varekostnad		244 266	218 837
Lønnskostnad	2	25 740	28 811
Avskrivninger	3	259	177
Andre driftskostnader	2	52 127	52 801
Sum driftskostnader		322 392	300 626
DRIFTSRESULTAT		7 031	10 285
FINANSINNTEKTER OG FINANSKOSTNADER			
Finansinntekter	4	18 737	5 927
Finanskostnader	4	6 433	5 070
Netto finansposter		12 304	858
ORDINÆRT RESULTAT FØR SKATTEKOSTNAD		19 335	11 143
Skattekostnad på ordinært resultat	5	3 767	2 479
ÅRSRESULTAT		15 568	8 664
Opplysninger om avsetninger til:			
Foreslått utbytte		50 000	8 664
Annen EK		-34 432	0
Sum disponeringer	6	15 568	8 664



EXIDE TECHNOLOGIES AS EIEDELER

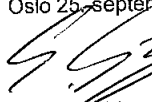
(NOK 1.000)	Note	2023-03-31	2022-03-31
ANLEGGSMIDLER			
Immaterielle eiendeler			
Utsatt skattefordel	6	428	760
Sum immaterielle eiendeler		428	760
Varige driftsmidler			
Maskiner og inventar	3	1 650	1 910
Sum varige driftsmidler		1 650	1 910
Finansielle anleggsmidler			
Investeringer i datterselskap	7	35 000	35 000
Andre aksjer	8	98	98
Obligasjoner og andre langsiktige fordringer		63	63
Sum finansielle anleggsmidler		35 161	35 161
Sum anleggsmidler		37 239	37 831
Varer			
Varer	4, 9	35 254	26 753
Kundefordringer	4, 10	44 016	62 219
Andre fordringer	10	87 073	76 762
Kontanter, bankinnskudd	11	8 710	6 589
Sum omløpsmidler		175 053	172 323
SUM EIEDELER		212 292	210 153





EXIDE TECHNOLOGIES AS
EGENKAPITAL OG GJELD

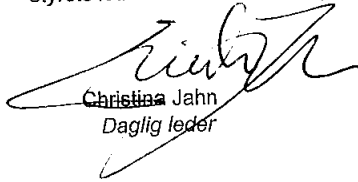
(NOK 1.000)	Note	2023-03-31	2022-03-31
EGENKAPITAL			
Innskutt egenkapital			
Aksjekapital	6,12	10 694	10 694
Opptjent egenkapital			
Annen egenkapital	6	92 380	126 812
Sum egenkapital		103 074	137 506
GJELD			
Kortsiktig gjeld			
Leverandørgjeld	10	21 318	23 159
Betalbar skatt	5	5 814	1 867
Skyldig offentlige avgifter		16 633	18 931
Skyldig utbytte	6	50 000	8 664
Annen kortsiktig gjeld	10	15 453	20 027
Sum kortsiktig gjeld		109 217	72 647
Sum gjeld		109 217	72 647
SUM EGENKAPITAL OG GJELD		212 292	210 153

Oslo 25. september 2023


Stefan Stübing
Styrets leder


Michael Geiger
Styremedlem


Sharon Cottam
Styremedlem


Christina Jahn
Daglig leder



EXIDE TECHNOLOGIES AS KONTANTSTRØMOPPSTILLING

(NOK 1.000)	note:	2022-2023	2021-2022
Likvider tilført / brukt på virksomheten:			
Resultat før skatt		19 335	11 143
Resultatandel tilknyttet selskap		0	0
Gevinst(-)/tap(+) avgang anleggsmidler /Nedskrivning	3	259	177
Ordinære avskrivninger			
Nedskrivning av aksjer		513	-463
Periodens betalte skatter		0	0
Forskjellen mellom kostnadsført pensjon og inn-/utbetalinger		0	0
Endring i andre avsetninger og forpliktelser			
Endring i varer, kundefordringer og leverandørgjeld		7 861	-27 540
Endring i andre tidsavgrensingsposter		-6 272	-6 069
Netto likviditetsendring fra virksomheten		21 696	-22 752
 Likvider tilført / brukt på investeringer:			
Investeringer i varige driftsmidler	3	0	-1 906
Endring kortsiktig lån		-10 911	24 891
Endring i andre investeringer			
Netto likviditetsendring fra investeringer		-10 911	22 984
 Likvider tilført / brukt på finansiering:			
Opptak av ny gjeld		0	0
Utbetaling av utbytte		-8 664	0
Netto likviditetsendring fra finansiering		-8 664	0
Netto endring i likvider i året		2 121	232
 Kontanter og bankinnskudd pr 01.04.22			
		6 588	6 356
Kontanter og bankinnskudd pr 31.03.23		8 709	6 588



Exide Technologies AS
Noter til regnskapet for 2023

Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven av 1998 og god regnskapsskikk.

Salgsinntekter

Inntektsføring ved salg av varer skjer på leveringstidspunktet.

Varene blir levert til kunden fra vårt sentrallager i Oslo eller fra våre lokale lager og leveringslager.

Noe volum selges kontant på våre lokale lager.

Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen et år etter anskaffelsestidspunktet, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmidler/langsiktig gjeld.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på opptakstidspunktet.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi dersom verdifallet ikke forventes å være forbigående. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Fordringer

Kundefordringer og Andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap.

Avsetningen til tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene.

Valuta

Pengeposter i utenlandsk valuta er vurdert etter kursen ved regnskapsårets slutt.

Varebeholdninger

Lager av innkjøpte varer er verdsatt til laveste av anskaffelseskost etter FIFO- prinsippet og virkelig verdi.

Varer under tilvirkning er vurdert til full tilvirkningskost. Det foretas nedskrivning for påregnelig ukurans.

Varige driftsmidler

Varige driftsmidler balanseføres og avskrives lineært over driftsmidlenes forventede levetid dersom de har antatt

levetid over 3 år og har en kostpris som overstiger kr 15.000. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet.

Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskaps- og skattemessige verdier, samt eventuelt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet. Utsatt skatt og skattefordel som kan balanseføres er oppført netto i balansen.

Pensjoner

Innskuddsplaner periodiseres etter sammenstillingsprinsippet: Årets innskudd til pensjonsordningen

Kontantstrømoppstilling

Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter

kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer som umiddelbart og med uvesentlig kursrisiko kan konverteres til kjente kontantbeløp og med forfallsdato kortere enn tre måneder fra anskaffelsesdato.



Exide Technologies AS
Noter til regnskapet for 2023

Note 1 Salgsinntekter (NOK 1000)

Inntektene er fordelt på følgende geografiske segmenter:	2023-03-31	2022-03-31
Norge	306 603	297 479
Andre nordiske land	20 324	9 775
Andre europeiske land	676	1 135
Andre geografiske land	0	76
Sum	327 603	308 465

Salgsinntektene refererer til batterier til ulike bruksområder med tilhørende tilbehør og installasjoner

Note 2 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte mm. (NOK 1000)

Lønnskostnader	2023-03-31	2022-03-31
Lønninger og feriepenger	20 356	23 087
Arbeidsgiveravgift	3 564	3 577
Pensjonskostnader	1 459	1 664
Andre ytelser	361	484
Sum	25 740	28 811

Administrerende direktør blir lønnet av konsernselskapet i Sverige. Det er ikke utbetalt honorar til styremedlemmer.
Gjennomsnittlig antall ansatte i løpet av regnskapsåret har vært 33.

Pensjon

Foretaket er pliktig til å ha tjenstepensjonsordning etter lov om obligatorisk tjenstepensjon, og har pensjonsordning som tilfredsstiller kravene i denne loven. Foretakets innskuddsordning er organisert i henhold til lov om innskuddspensjon.

Revisjonshonorar	2023-03-31	2022-03-31
Lovpålagt revisjon	240	243
Skattebistand	30	25
Andre attestasjonstjenester	0	0
Annen bistand	0	0
Sum	270	268

Note 3 Varige driftsmidler (NOK 1000)

	Maskiner og inventar	Sum Varige driftsmidler
Anskaffelseskost pr 31.03.22	2 409	2 409
Tilgang kjøpte driftsmidler		0
Utrangering av driftsmidler		0
Anskaffelseskost pr 31.03.23	2 409	2 409
Akkumulerte avskrivninger pr 31.03.23	-759	-759
Akkumulerte nedskrivninger pr 31.03.23	0	0
Utrangering av driftsmidler pr 31.03.23	0	0
Balanseført verdi pr 31.03.23	1 650	1 650
Årets avskrivninger	259	259
Årets nedskrivninger	0	0

Det benyttes lineære avskrivninger for alle varige driftsmidler. Den økonomiske levetiden for driftsmidlene er beregnet til:

* Maskiner og inventar 4 – 10 år

* Oppussing av leide lokaler avskrives over leieperioden

Årlig leie for lokaler utgjør kkr. 5 012. Gjenværende leieperioder er fra 0 til 10 år.

Biler leases normalt for 4 år, gjenstående leietid er fra 0 til 4 år. Årlig leie utgjør kkr 608.



Exide Technologies AS
Noter til regnskapet for 2023

Note 4 Poster som er slått sammen i regnskapet (NOK 1000)

Finansinntekter	2023-03-31	2022-03-31
Renteinntekter fra foretak i samme konsern	2 821	3 583
Utbytte fra konsernselskap	0	0
Annen renteinntekt	243	43
Annen finansinntekt	15 672	2 301
Sum finansinntekter	18 737	5 927

Finanskostnader	2023-03-31	2022-03-31
Annen rentekostnad	9	5
Rentekostnader til foretak i samme konsern	0	0
Nedskrivning av aksjer	0	0
Annen finanskostnad	6 424	5 064
Sum finanskostnader	6 433	5 070

Garantiforpliktelser:	2023-03-31	2022-03-31
Husleie	2 094	2 094
Billån ansatte	0	0
Ferdigstillelse garanti kunder	0	0
Totale garantiforpliktelser	2 094	2 094

Garantiene er sikret ved pant.

Bokført verdi av pantsatte eiendeler:	2023-03-31	2022-03-31
Kundefordringer	44 016	62 219
Varelager	35 254	26 753

Note 5 Skatter (NOK 1000)

Beregning av utsatt skatt/utsatt skattefordel

Midlertidige forskjeller	Endring	2023-03-31	2022-03-31
Fordringer	-183	-120	63
Varer	349	-567	-916
Tilvirkningskontrakter	0	0	0
Varige driftsmidler	56	295	239
Garantiavsetning og andre avsetninger	1 351	-1 816	-3 167
Pensjoner	0	0	0
Gevinst- og tapskonto	-65	261	326
Netto midlertidige forskjeller	1 508	-1 947	-3 455
Underskudd til fremføring	0	0	0
Grunnlag for utsatt skatt/skattefordel	1 508	-1 947	-3 455
22% Utsatt skatt / utsatt skattefordel (-)	332	-428	-760
Herav ikke balanseført utsatt skattefordel			
Utsatt skatt/utsatt skattefordel (-) i balansen	332	-428	-760



Exide Technologies AS
Noter til regnskapet for 2023

Grunnlag for skattekostnad, endring i utsatt skatt og betalbar skatt

	2023-03-31	2022-03-31
Resultat før skattekostnad	19 335	11 143
Permanente forskjeller	117	124
Grunnlag for årets skattekostnad	19 452	11 267
Endring i midlertidige resultatforskjeller	-1 508	-2 085
Bruk av underskudd til fremføring	0	-697
Grunnlag for betalbar skatt i resultatregnskapet	17 944	8 485
Avsatt konsernbidrag	0	0
Skattepliktig inntekt (grunnlag for betalbar skatt i balansen)	17 944	8 485

Betalbar skatt i balansen

Betalbar skatt (22 % av grunnlag for betalbar skatt i resultatregnskapet)	3 948	1 867
Betalbar skatt fra tidligere år	1 867	0
Betalbar skatt i balansen	5 815	1 867

Fordeling av skattekostnaden

Betalbar skatt (22 % av grunnlag for betalbar skatt i resultatregnskapet)	3 948	1 867
Sum betalbar skatt	3 948	1 867
Endring i utsatt skatt	332	612
Skattekostnad (22 % av grunnlag for årets skattekostnad)	4 279	2 479

Avstemming effektiv skattesats

Resultat før skatt	19 335	11 143
Skatt beregnet med nominell sats (22 %)	4 254	2 451
Effekt av permanente forskjeller	26	27
Effekt av ändrad skattesats		
Reduksjon av skatt från tidligere år	-513	
Sum skattekostnad	3 767	2 479

Effektiv skattesats	19,5%	22,2%
---------------------	-------	-------

Note 6 Egenkapital (NOK 1000)

Årets endring i egenkapital	Aksje- kapital	Annen EK	Sum
Egenkapital pr 31.03.22	10 694	126 812	137 506
Årets resultat		15 568	15 568
Avsatt utbytte		-50 000	-50 000
Avsatt konsernbidrag etter skatt			0
Egenkapital pr 31.03.23	10 694	92 380	103 074

Note 7 Datterselskap (NOK 1000)

Selskapet har 100 % av aksjene i Exide Technologies OY, Takkatie 21, 00370 Helsinki, Finland. Stemmeandelen utgjør 100 %.
Investeringene i datterselskap regnskapsføres etter kostmetoden.
Det er utarbeidet konsernregnskap på konsernnivå, Energy Technologies Holdings LLC



Exide Technologies AS
Noter til regnskapet for 2023

Note 8 Andre aksjer (NOK 1000)

Selskapet har følgende mindre aksjeposter med tilhørende kostpris:	2023-03-31	2022-03-31
Vestfold Flyplassinvest AS	80	80
Batteriretur AS	8	8
Rebatt AS	10	10
Sum	98	98

Note 9 Varer (NOK 1000)

	2023-03-31	2022-03-31
Lager av råvarer	-	-
Lager av varer under tilvirkning	-	-
Lager av innkjøpte ferdigvarer	35 254	26 753
Nedskrivning for ukurans	-	-
Sum	35 254	26 753

Note 10 Mellomværende med selskap i samme konsern og tilknyttede selskap (NOK 1000)

Fordringer	2023-03-31	2022-03-31
Kundefordringer konsern	7	79
Kundefordringer øvrig	44 009	62 139
Sum Kundefordringer	44 016	62 219
Andre fordringer konsern	86 112	75 230
Andre fordringer øvrig	961	1 532
Sum Andre fordringer	87 073	76 762
Gjeld		
Leverandørgjeld konsern	13 596	14 716
Leverandørgjeld øvrig	7 722	8 442
Sum Leverandørgjeld	21 318	23 159
Annen kortsiktig gjeld konsern	0	0
Annen kortsiktig gjeld øvrig	15 453	20 027
Sum Annen kortsiktig gjeld	15 453	20 027
Langsiktig gjeld konsern	0	0
Varekjøp fra konsernselskap	226 385	200 014
Management fee	17 189	17 744

Note 11 Bank (NOK 1000)

Betalingsmidler avsatt til betaling av skattetrekk utgjør tnoak 583.

Ubenyttet kassekredit utgjør kkr 0.

Note 12 Aksjekapital og aksjonærinformasjon (NOK 1000)

	Antall	Pålydende	Bokført
Aksjekapitalen består av:	10 694	1 000	10 694

Exide Technologies AS har en aksjonær pr 31.03.23. Alle aksjer gir samme rett i selskapet. Eneaksjonær er Exide Technologies BV, Nederland.



ENERGY TECHNOLOGIES HOLDINGS, LLC
AND SUBSIDIARIES

Consolidated Financial Statements
for the fiscal period ended March 31, 2023

(With Independent Auditors' Report Thereon)



ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

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Independent Auditors' Report

The Board of Directors of Energy Technologies Holdings LLC

Opinion

We have audited the consolidated financial statements of Energy Technologies Holdings LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of March 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive loss, equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

KPMG S.A.,
a French audit and accounting limited liability company
registered with the Paris Association of Chartered
Accountants under n°14-30060101 and a member of the
Regional Association of statutory auditors of Versailles and
Centre.
A French company, member firm of the KPMG global
organization of independent member firms affiliated with
KPMG International Limited, a Private English company
limited by guarantee.

Public limited company with board of
directors
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92066 Paris la Défense Cedex
Capital : 5 497 100 €
775 726 417 RCS Nanterre



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Paris, France
June 15, 2023

KPMG S.A.

Alexandra Saastamoinen

Partner

Signature numérique
de Alexandra
Saastamoinen
Date : 2023.06.15
15:44:02 +02'00'



ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

(In thousands)

	For the Fiscal Period Ended	
	March 31, 2023	March 31, 2022
Net sales	€ 1,545,018	€ 1,465,005
Cost of sales	1,395,283	1,284,858
Gross profit	149,735	180,147
Selling and administrative expenses	127,568	135,964
Restructuring and impairments, net	Note 15 8,761	9,156
Operating income	13,406	35,027
Other (income) expense, net	Note 16 4,525	1,122
Interest expense, net	19,344	27,832
Income before income taxes	(10,463)	6,073
Income tax provision	Note 13 4,813	9,266
Net loss	(15,276)	(3,193)
Net income attributable to noncontrolling interests	(5)	13
Net loss attributable to Energy Technologies Holdings LLC	€ (15,271)	€ (3,206)

The accompanying notes are an integral part of these consolidated financial statements.



ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

(In thousands)

	For the Fiscal Period Ended March 31, 2023	For the Fiscal Period Ended March 31, 2022
Net loss	€ (15,276)	€ (3,193)
Other comprehensive income (loss):		
Foreign currency translation adjustment	(13,018)	(8,275)
Change in defined-benefit liabilities, net of tax	10,906	5,693
Total comprehensive income (loss)	€ (17,387)	€ (5,775)

The accompanying notes are an integral part of these consolidated financial statements.



ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(In thousands)

		<u>March 31, 2023</u>	<u>March 31, 2022</u>
ASSETS			
Current assets:			
Cash and cash equivalents	Note 2	€ 54,835	€ 59,861
Current receivables and contract assets	Note 5	231,621	193,056
Inventories	Note 6	274,764	296,654
Prepaid expenses and other current assets		17,616	12,152
Total current assets		<u>578,836</u>	<u>561,723</u>
Property, plant, and equipment, net	Note 7	239,394	236,703
Other assets:			
Intangibles, net	Note 4	30,301	33,524
Deferred income taxes	Note 13	45,915	50,415
Other noncurrent assets	Note 8	49,914	17,186
Total other assets		<u>126,130</u>	<u>101,125</u>
Total assets		<u>€ 944,360</u>	<u>€ 899,551</u>
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	Note 9	€ 88,205	€ 77,903
Current maturities of long-term debt	Note 9	32,881	25,841
Accounts payable		242,301	235,942
Accrued expenses		139,238	137,621
Total current liabilities		<u>502,625</u>	<u>477,307</u>
Long-term debt			
Long-term debt - Preferred Units	Note 9	25,087	156,904
Long-term debt - Other	Note 9	78,299	62,883
Total Long-term debt	Note 9	<u>103,386</u>	<u>219,787</u>
Noncurrent retirement obligations	Note 10	89,298	107,124
Deferred income taxes	Note 13	3,213	3,847
Other noncurrent liabilities	Note 11	45,063	20,928
Total liabilities		<u>743,585</u>	<u>828,993</u>
EQUITY			
Members' Equity		210,447	59,277
Retained earnings		(11,230)	8,623
Accumulated other comprehensive income		(315)	2,426
Total equity attributable to Energy Technologies Holdings LLC		<u>199,532</u>	<u>70,326</u>
Noncontrolling interests		1,242	232
Total equity		<u>200,774</u>	<u>70,558</u>
Total liabilities and equity		<u>€ 944,360</u>	<u>€ 899,551</u>

The accompanying notes are an integral part of these consolidated financial statements.



ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF EQUITY

(In thousands)

	Members' capital	Retained earnings	Accumulated other comprehensive income (loss)		Non-controlling interest	Total equity
			Defined benefit plans	Cumulative translation adjustment		
As of March 31, 2021	€ 59,277	€ 11,829	€ 3,390	€ 1,618	€ 220	€ 76,334
Net income (loss)	—	(3,206)	—	—	13	(3,193)
Defined-benefit plans, net of tax	—	—	5,693	—	—	5,693
Translation adjustment	—	—	—	(8,275)	—	(8,275)
Other	—	—	—	—	—	—
As of March 31, 2022	€ 59,277	€ 8,623	€ 9,083	€ (6,657)	€ 232	€ 70,558
Net loss	—	(15,271)	—	—	(5)	(15,276)
Defined benefit plans, net of tax	—	—	10,906	—	—	10,906
Translation adjustment	—	—	—	(13,018)	—	(13,018)
Shares issued as part of Equity Incentive Plan ⁽¹⁾	134	—	—	—	—	134
Minority interests change ⁽²⁾	—	—	—	—	1,015	1,015
Preferred Units reclassification ⁽³⁾	151,036	—	—	—	—	151,036
Preferred Return ⁽³⁾	—	(4,583)	—	—	—	(4,583)
Other	—	—	—	—	—	—
As of March 31, 2023	€ 210,447	€ 11,230	€ 19,990	€ (19,675)	€ 1,242	€ 200,774

- (1) During the fiscal period ended March 31, 2022, Company issued 98.56 common units to the beneficiaries of the US Equity Incentive Plan, that as of July 1, 2022, were held for more than 6 months, and as a result were reclassified from Liability to Equity. Please refer to Note 18 for further details
- (2) Change related to shares vested under EU Equity Incentive Plan
- (3) Change related to removal of mandatory redemption mechanism in LLCA starting from November 23, 2022. Please refer to Note 9 for further details

The accompanying notes are an integral part of these consolidated financial statements.



ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands)

	For the Fiscal Period Ended	
	March 31, 2023	March 31, 2022
Cash Flows From Operating Activities:		
Net loss	€ (15,276)	€ (3,193)
Adjustments to reconcile Net income (loss) to cash provided by operating activities		
Depreciation and amortization	Note 4,7 27,373	24,417
(Gain) Loss on asset sales, impairments and ARO accretion	109	(243)
Deferred income taxes	3,677	3,951
Provision for doubtful accounts	(326)	468
Non-cash interest expense	6,849	15,937
Non-cash currency remeasurement gain (loss)	3,141	(1,168)
Changes in assets and liabilities:		
Current receivables and contract assets	Note 5 (41,549)	32,523
Inventories	Note 6 18,636	(77,118)
Other current assets	(4,591)	2,642
Accounts payable	7,815	63,908
Accrued expenses	(5,792)	(7,590)
Other noncurrent liabilities	(6,542)	(14,237)
Other, net	(2,517)	2,590
Net cash provided used in operating activities	(8,993)	42,888
Cash Flows From Investing Activities:		
Capital expenditures	(28,030)	(30,942)
Net of Cash Acquired in the acquisition of ATEPS Nederland BV	—	(3,897)
Net cash used in investing activities	(28,030)	(34,839)
Cash Flows From Financing Activities:		
InfloWS from PKO long term financing	—	40,000
Payments regarding PKO long term financing	(6,667)	—
Bridge Note repayment	—	(38,360)
Proceeds from PKO overdraft	7,622	7,299
Increase in short-term borrowings	2,797	5,308
Increase (decrease) in other debt	29,015	(11,283)
Net cash provided by financing activities	32,768	2,963
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,130)	671
Net increase in cash, cash equivalents and restricted cash	(5,385)	11,682
Cash, cash equivalents and restricted cash, beginning of period	62,401	50,719
Cash, cash equivalents and restricted cash, end of period	Note 2 € 57,016	€ 62,401
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period:		
Interest	€ 11,570	€ 13,327
Income taxes (net of refunds)	8,722	4,597

The accompanying notes are an integral part of these consolidated financial statements.



(1) BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Energy Technologies Holdings LLC and all of its majority-owned subsidiaries (referred to as the “Company”). The Company was formed on June 12, 2020, as a limited liability company under the laws of the State of Delaware, USA as “EIH Europe Acquisition LLC”. On September 28, 2020, “EIH Europe Acquisition LLC” was renamed into “Energy Technologies Holdings LLC”. The Company owns 100 percent controlling interest in Exide International Holdings GP, LLC (“Exide GP”) together with 100 percent controlling interest in Exide International Holdings, LP (“Exide International”), both registered in the Cayman Islands.

As of March 31, 2023, the Company is owned by various institutional investors, all of which have non-controlling stakes in the Company. Members’ Equity consists of 70,187.20 Common Units in the total principal value of \$70.3 million (which translates to €59.5 million) and 155,945 Preferred Units in the total principal value of \$155.95 million (which translates to €151.0 million). Please note that 88.64 units, amounting to €0.1 million, that were issued in connection with Equity Incentive Plan as of December 31, 2022, are presented in Liabilities. Furthermore, during the fiscal period ended March 31, 2022, Company issued 98.56 common units to the beneficiaries of the US Plan, that as of July 1, 2022, were held for more than 6 months, and as a result were reclassified from Liability to Equity. Details of such classification are described in *Note 18 Stock Based Compensation*. Please also note, that the Preferred Units, that in previous periods were presented as long-term debt, are currently presented as part of Equity after removal of mandatory redemption mechanism following LLCA update on November 23, 2022. Details of this reclassification are described in *Note 9 Debt*.

The Consolidated Financial Statements are presented in euros and prepared in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”). The Company has evaluated subsequent events from the balance sheet date through June 13, 2023, the date at which the Consolidated Financial Statements were available to be issued.

Unless otherwise indicated or unless the context otherwise requires, references to “fiscal year” refer to the period ended March 31, of that year (e.g., “fiscal year 2023” refers to the period beginning April 1, 2022, and ending March 31, 2023).

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and all majority-owned subsidiaries in which the Company exercises control. All significant intercompany transactions have been eliminated.

Nature of Operations

Exide Technologies (www.exidegroup.com), headquartered near Paris, in France, is a leading provider of advanced energy storage solutions for the automotive and industrial markets. It designs, manufactures and markets today’s and next-generation batteries and technologies used across a wide range of applications, from automotive and off-road to material handling, stationary, medium to large energy storage over to rail and defense. Exide Technologies serves the global markets with top-notch lead-acid and lithium-ion based battery technologies, know-how& added-value services under many well-known brands.

As an original equipment manufacturer to leading automotive and industrial equipment manufacturers, Exide Technologies has been involved in many of the significant breakthrough energy-storage developments that are enabling innovation across the markets. With two R&D facilities, ten production plants and three recycling plants in Europe, Exide is committed to high quality engineering, manufacturing and recycling. It energizes the world with the most efficient energy solutions, helping customers maximize their productivity and performance.



Business combinations

The Company accounts for its business acquisitions under the acquisition method of accounting. The total value of the consideration paid for acquisitions is allocated to the identifiable assets acquired and liabilities assumed based on their respective estimated fair values and any remaining purchase price, if any, is recorded as goodwill. If the net acquisition date amounts of the identifiable net assets acquired exceeds the fair value of the consideration transferred (and the fair value of any non-controlling interests in the acquiree), a bargain purchase has occurred. This resulting gain is recognized in earnings on the acquisition date. The Company uses a number of valuation methods to determine the fair value of assets and liabilities acquired, including discounted cash flows, external market values, valuations on recent transactions or a combination thereof, relief from royalty and believes that it uses the most appropriate measure or a combination of measures to value each asset or liability. Although the estimates of fair value are based on assumptions believed to be reasonable, actual results may differ. The Company recognizes measurement-period adjustments, which may be up to one year from the acquisition date, in the reporting period in which the adjustment amounts are determined.

Major Customers and Concentration of Credit

The Company has a number of major end-user customers that consist of retailers and OEM. No single customer accounted for more than 10.0% of consolidated net sales during the fiscal period presented. As of March 31, 2023, no entity represented 10.0% or more of total accounts receivable balance.

Foreign Currency Translation

The functional currency of Energy Technologies Holdings LLC is Euro. The functional currencies of the Company's foreign subsidiaries are primarily the respective local currencies. Assets and liabilities of the Company's foreign subsidiaries and affiliates are translated into euros at the year-end exchange rate, and revenue and expenses are translated at average monthly exchange rates. Translation gains and losses are recorded as a component of accumulated other comprehensive income (loss) within equity. All other foreign currency gains and losses are included in other expense (income), net.

Cash Equivalents and Restricted Cash

Cash equivalents consist of highly liquid instruments with maturities at the time of acquisition of three months or less. Cash equivalents are stated at cost, which approximates fair value because of the short-term maturity of these instruments.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Balance Sheet that sums to the total of the same amounts shown in the Consolidated Statements of Cash Flows.

	March 31, 2023	March 31, 2022
	(In thousands)	
Cash and cash equivalents	€ 54,835	€ 59,861
Restricted cash included in prepaid expenses and other current assets	376	404
Restricted cash included in other noncurrent assets	1,805	2,136
Total cash, cash equivalents, and restricted cash shown in the Consolidated Statements of Cash Flows	€ 57,016	€ 62,401

Restricted cash represents amounts primarily required to be set aside by contractual agreements, including guarantees for certain customer business arrangements and payments for specific capital improvements. The restriction will lapse when the related arrangement is completed, and no further obligation exists.



Accounts Receivable Factoring Arrangements

The Company utilizes nonrecourse accounts receivable factoring arrangements in certain countries where programs of this type are typical. These arrangements do not contain recourse provisions against the Company for its customers' failure to pay. Under these arrangements, the Company may sell certain of its trade accounts receivable to financial institutions. These transactions are accounted for in accordance with ASC 860, "Transfers and Servicing". ASC 860 allows for the ownership transfer of accounts receivable to qualify for sale treatment when the appropriate criteria are met, which permits the Company to exclude amounts sold under the program from Current receivables and contract assets on the Consolidated Balance Sheets. Receivables are considered sold when (i) they are transferred beyond the reach of the Company and its creditors, (ii) the purchaser has the right to pledge or exchange the receivables, and (iii) the Company has no continuing involvement in the transferred receivables. In addition, the Company provides no other forms of continued financial support to the purchaser of the receivables once the receivables are sold.

The Company sold approximately €126.2 million and €123.8 million of accounts receivable without recourse that would be otherwise included in the balance sheet as at March 31, 2023 and March 31, 2022, respectively. Changes in the level of receivables sold from year to year are included in the change in current receivables and contract assets within cash flow from operations in the Consolidated Statements of Cash Flows.

Allowance for Doubtful Accounts

The Company maintains allowances for doubtful accounts for estimated probable losses resulting from the inability of the Company's customers to make the required payments. The Company continues to assess the adequacy of the reserves for doubtful accounts based on the financial condition of the Company's customers and other external factors that may impact collectability. The majority of the Company's accounts receivable are due from trade customers. Credit is extended based on an evaluation of the Company's customers' financial condition and generally collateral is not required. Payment terms vary, and accounts receivable are stated in the Consolidated Financial Statements in amounts due from customers net of an allowance for doubtful accounts. The Company reviews its allowance for doubtful accounts monthly. The Company considers a number of factors in determining the allowance for doubtful accounts, including the length of time trade accounts receivable are past due, the customers' current ability to pay their obligations to the Company, the Company's previous loss history, and the condition of the general economy and the industry as a whole. The Company writes off accounts receivable when they are deemed uncollectible. The Company's accounts receivable balance on March 31, 2023, and 2022 reflects an allowance for doubtful accounts of €1.4 million and €1.1 million, respectively.

Inventories

Inventories, which consist of material, labor and overhead, are stated at the lower of cost or net realizable value using the first-in, first-out ("FIFO") method.

Property, Plant, and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The range of original estimated useful lives are generally: buildings and improvements, 25-40 years; machinery and equipment, 3-14 years. Cost and accumulated depreciation for property retired or disposed of is removed from the accounts and any gain or loss on disposal is credited or charged to earnings. Assets held under capital leases are stated at the present value of minimum lease payments and are amortized as depreciation expense on a straight-line basis over the shorter of the lease term or estimated useful life of the asset. Expenditures for maintenance and repairs are charged to expense as incurred. Additions, improvements, and major renewals that extend the useful lives of the assets are capitalized.



Deferred Financing Costs

Deferred financing costs are presented in the Consolidated Balance Sheets as a direct deduction from the carrying amount of the Company's debt and amortized to interest expense over the life of the related debt.

Long-Lived Assets

The Company's long-lived assets include property, plant, and equipment and identified intangible assets. Long-lived assets (other than indefinite lived intangible assets) are depreciated over their estimated useful lives and are reviewed for impairment whenever changes in circumstances indicate the carrying value may not be recoverable. The recoverability of asset groups to be held and used is measured by a comparison of the carrying amount of long-lived assets to future undiscounted net cash flows expected to be generated by these asset groups. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized in the amount by which the carrying amount of the asset group exceeds the fair value of the asset group. Assets held for sale are reported at the lower of the carrying amount or fair value less estimated costs of disposal and are no longer depreciated. Indefinite-lived intangible assets are reviewed for impairment on both an annual basis at March 31 and whenever changes in circumstances indicate the carrying value may not be recoverable. Fair value is based upon the Company's estimates of future cash flows and other factors, including discount rates to determine the fair value of the respective assets. If these long-lived assets or their related assumptions change in the future, the Company may be required to record impairment charges.

Sales Returns and Allowances

The Company provides an allowance for product returns and/or allowances. Based upon its manufacturing re-work process, the Company believes that the majority of its product returns are not the result of product defects. The Company recognizes the estimated cost of product returns as a reduction of sales in the period in which the related revenue is recognized. The product return estimates are based upon historical trends and claims experience and include an assessment of the anticipated lag between the date of sale and claim/return date.

Income Taxes

The Company accounts for income taxes using the asset and liability method in accounting for deferred taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. If it is more likely than not that some portion, or all, of a deferred tax asset will not be realized, a valuation allowance is recognized. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company classifies interest and penalties as income tax expense in the Consolidated Statements of Operations under the caption income tax provision (benefit).



Revenue Recognition

ASC Topic 606, *Revenue from Contracts with Customers*, was adopted for the fiscal period ended March 31, 2021.

The Company determines revenue recognition by applying the following steps:

1. Identify the contract with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations.
5. Recognize revenue as the performance obligations are satisfied.

The Company recognizes revenue when (or as) performance obligations are satisfied by transferring control of the performance obligation to a customer. Control of a performance obligation may transfer to the customer either at a point in time or over time depending on an evaluation of the specific facts and circumstances for each contract, including the terms and conditions of the contract as agreed with the customer, as well as the nature of the products or services to be provided. A performance obligation is considered distinct from other obligations in the contract when it (a) provides benefit to the customer either on its own or together with other resources that are readily available to the customer and (b) is separately identified in the contract.

The Company's primary performance obligation to its customers is the delivery of finished goods and products, pursuant to master service agreements and/or purchase orders. Control of the products sold typically transfers to its customers at the point in time when the goods are shipped as this is also when title generally passes to its customers under the terms and conditions of our customer arrangements.

Each customer purchase order sets forth the transaction price for the products and services purchased under that arrangement. Some customer arrangements include variable considerations, such as volume rebates, some of which depend upon the customers meeting specified performance criteria, such as a purchasing level over a period of time. The Company uses judgment to estimate the most likely amount of variable consideration at each reporting date. When estimating variable consideration, the Company also applies judgment when considering the probability of whether a reversal of revenue could occur and only recognizes revenue subject to this constraint.

Service revenue related to the work performed for the Company's customers by its maintenance technicians generally represents a separate and distinct performance obligation. Control of these services passes to the customer as the services are performed. Service revenue for the fiscal period ending March 31, 2023, and 2022 amounted to €13.6 million and €16.0 million, respectively.

A small portion of the Company's customer arrangements oblige the Company to create customized products for its customers that require the bundling of both products and services into a single performance obligation because the individual products and services that are required to fulfill the customer requirements do not meet the definitions for a distinct performance obligation. These customized products generally have no alternative use to the Company and the terms and conditions of these arrangements give the Company the enforceable right to payment for performance completed to date, including a reasonable profit margin. For these arrangements, control transfers over time and the Company measures progress towards completion by selecting the input or output method that best depicts the transfer of control of the underlying goods and services to the customer for each respective arrangement. Methods used by the Company to measure progress toward completion include labor hours, costs incurred and units of production. Revenue recognized over time for the fiscal period ending March 31, 2023, and 2022 amounted to €8.5 million and €10.6 million, respectively.

With the sale of the batteries to certain customers, the customers might be obligated to return old core batteries previously sold to them by the Company. The return battery cores are included in the transaction price as noncash consideration measured at fair value.



The Company's sales arrangements do not contain any significant financing component for its customers.

Shipping and handling costs billed to customers are included in sales and the related costs are included in cost of sales when control transfers to the customer. The Company has utilized the practical expedient to account for it as a cost to fulfill.

Taxes assessed by a government authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

The Company generally provides customers with a product warranty that provides assurance that the products meet standard specifications and are free of defects. The Company maintains a reserve for claims incurred under standard product warranty programs, which are not separate performance obligations and outside the scope of ASC 606. Performance obligations related to service warranties are not material to the Consolidated Financial Statements.

Any payments that are received from a customer in advance, prior to the satisfaction of a related performance obligation and billings in excess of revenue recognized, are deferred and treated as a contract liability. As of March 31, 2023, and 2022, contract liabilities were €12.0 million and €12.7 million, respectively and are reported as a component of Accrued Expenses in the Consolidated Balance Sheets. The Company estimates that all the contract liabilities as of March 31, 2023 will be recognized as revenue in fiscal year 2024. Amounts representing work completed and not billed to customers are treated as contract assets and are reported as a component of Current receivables and contract assets in the Consolidated Balance Sheets. Contract assets as of March 31, 2023 were €7.9 million.

The following table presents the Company's revenue disaggregated by reporting segment during fiscal period ending March 31, 2023 and fiscal period ending March 31, 2022. The Company reports its results in two business segments: Transportation & Industrial.

	Fiscal Period Ended	
	March 31, 2023 (In thousands)	March 31, 2022 (In thousands)
Sales		
Transportation	€ 854,493	€ 796,037
Industrial	690,525	668,968
Corporate	—	—
Total	€ 1,545,018	€ 1,465,005

Advertising

The Company expenses advertising costs as they are incurred.

Fair Value

The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 - Observable inputs, such as quoted prices in active markets for identical assets and liabilities
- Level 2 - Inputs other than quoted prices in active markets that are observable either directly or indirectly
- Level 3 - Inputs from valuation techniques in which one or more key value drivers are not observable and must be based on the reporting entity's own assumptions.



Stock based compensation

The Company entered into an Equity Incentive Plan to grant restricted shares to certain members of the top management and phantom shares and profit interest units to certain Board Members. The Equity Incentive Plan directly covers beneficiaries based in the United States of America but also includes a sub-plan for beneficiaries based in the European Union. The Company recognizes compensation expense from the Equity Incentive Plan in accordance with ASC Topic 718 Compensation – Stock Compensation. Liability classified awards are measured at the grant date fair value and are remeasured at each reporting date until settlement of the award or reclassified as equity classified awards. Compensation expenses related to Equity Incentive Plan for the fiscal period ending March 31, 2023, and 2022 amounted to €2.2 million and €1.1 million, respectively.

The plan includes repurchase features that allow the company, in the event of a termination, to buy back the awards that have been vested as of the termination date within 6 months of vesting based on a formula representative of fair value. Hence, for the restricted shares and the phantom shares the Company's obligations as at March 31, 2023 are classified as Liabilities in the Consolidated Balance Sheet until the shares have been issued and held for 6 months, at which time they will be reclassified as equity. The profit interest units are cash settled and are not reclassified.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions consider historical and forward-looking factors that the Company believes are reasonable, including, but not limited to, the potential impacts arising from the war in Ukraine that started in February 2022 that heavily impacted energy and commodity prices. As the extent and duration of the impacts of these events remain unclear, the Company's estimates and assumptions may evolve as conditions change. Actual results could materially differ from those estimates.

Significant items subject to such estimates include pension valuations, derivative transactions, accruals created as well as assets and liabilities acquired as part of a business combination.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU") No. 2016-02, "*Leases (Topic 842)*". ASU No. 2016-02 requires recognition of operating leases as lease assets and liabilities on the balance sheet, and disclosure of key information about leasing arrangements. This ASU establishes a right of use ("ROU") model that requires a lessee to recognize an ROU asset and lease liability on the Consolidated Balance Sheets for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the Consolidated Statements of Operations. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. In November 2019, the FASB issued the new guidance to defer the effective date and push out one more year for companies who had not yet adopted the standard (i.e., private companies) to fiscal years beginning after December 15, 2020. In June 2020, the FASB issued the new guidance to further defer the effective date and push one more year for companies who had not yet adopted the standard (i.e., private companies) to fiscal year beginning after December 15, 2021.



Effective April 1, 2022, the Company adopted the new standard under the modified retrospective approach, which resulted in no adjustment to the April 1, 2022, beginning Retained Earnings. There are optional practical expedients and policy elections made available to simplify the transition to the new standard. The Company has elected the following:

- to adopt the optional transition method defined within ASU 2018-11 and not restate comparative prior periods but instead recognize a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption,
- to apply the package of three practical expedients addressing whether a contract contains a lease, lease classification and initial direct costs,
- to use land easements relief (ASU 2018-02),
- to use a risk-free rate as a discount rate base,
- to apply the short-term lease exception to leases that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise.

The Company leases warehouses, office spaces, vehicles, forklifts and other equipment under non-cancellable leases with initial terms of more than 1 year. At contract inception, the Company reviews the terms of the arrangement to determine if the contract is or contains a lease. Guidance in Topic 842 is used to evaluate whether the contract has an identified asset; if the Company has the right to obtain substantially all economic benefits from the asset; and if it has the right to direct the use of the underlying asset. When determining if a contract has an identified asset, the Company considers both explicit and implicit assets, and whether the supplier has the right to substitute the asset. When determining if the Company has the right to obtain substantially all economic benefits from the asset, the Company considers the primary outputs of the identified asset throughout the period of use and determines if it receives greater than 90% of those benefits. When determining if it has the right to direct the use of an underlying asset, the Company considers if it has the right to direct how and for what purpose the asset is used throughout the period of use and if it controls the decision-making rights over the asset.

Lease terms may include options to extend or terminate the lease. The Company exercises its judgment to determine the term of those leases when extension or termination options are present and include such options in the calculation of the lease term when it is reasonably certain that the Company will exercise those options. The fixed portion of these payments are included in the calculation of the lease liability, while any variable portion would be recognized as variable lease expenses, when incurred. Variable payments made to third parties for these, or similar costs, such as utilities, are not included in the calculation of lease payments. Both finance and operating leases are reflected as liabilities on the commencement date of the lease based on the present value of the lease payments to be made over the lease term.

For operating leases, as most of the leases do not provide an implicit rate, the Company has elected to use risk-free rate based on the information available when the lease commences to determine the present value of future payments as allowed by practical expedient defined in ASU 2016-02 and ASU 2021-09 – please refer to Note 2 for further details on practical expedients applied. Right-of-use assets are valued at the initial measurement of the lease liability, plus any initial direct costs or rent prepayments and reduced by any lease incentives and any deferred lease payments.

Operating lease expense is recognized on a straight-line basis over the lease term. Finance lease expense includes depreciation, which is recognized on a straight-line basis over the expected life of the leased asset, and interest expense, which is recognized following an effective interest rate method.

Short-term leases with an initial term of 12 months or less are not presented on the balance sheet and expense is recognized as incurred, as allowed by practical expedient defined in ASU 2016-02 – please refer to Note 2 for further details on practical expedients applied. The current and non-current portion of operating lease liabilities are reflected in accrued expenses and other liabilities, respectively, on the consolidated balance sheets. The right-of use assets relating to operating and finance leases are reflected in other assets and property, plant and equipment, respectively, on the consolidated balance sheets.



(4) INTANGIBLE ASSETS

Intangible assets, net consisted of the following:

	Goodwill	Trademarks and Tradenames (subject to amortization)	Technology	Total
	(In thousands)			
As of March 31, 2023				
Gross amount	€ 4,187	€ 18,032	€ 15,493	€ 37,712
Accumulated amortization	(628)	(3,023)	(3,760)	(7,411)
Total	€ 3,559	€ 15,009	€ 11,733	€ 30,301
As of March 31, 2022				
Gross amount	€ 4,187	€ 18,032	€ 15,488	€ 37,707
Accumulated amortization	(209)	(1,772)	(2,202)	(4,183)
Total	€ 3,978	€ 16,260	€ 13,286	€ 33,524

Excluding goodwill, amortization of intangible assets was €2.8 million for the fiscal period ended March 31, 2023 and €2.8 million for the fiscal period ended March 31, 2022.

Goodwill is amortized on a straight-line basis for 10 years, as allowed by the simplification alternative for private companies introduced in ASC 350 (ASU 2014-02). Amortization was €0.4 million for the fiscal period ended March 31, 2023 and €0.2 million for the fiscal period ended March 31, 2022.

Excluding the impact of future acquisitions, if any, the Company anticipates annual amortization of intangible assets for each of the next five years to be approximately €3.2 million. Weighted average amortization period is approximately 14 years and 5 months for Trademarks and Tradenames, approximately 10 years for Technology and 10 years for Goodwill as indicated above.

(5) CURRENT RECEIVABLES AND CONTRACT ASSETS

Current receivables and contract assets consisted of the following:

	March 31, 2023	March 31, 2022
	(In thousands)	(In thousands)
Accounts Receivable from 3rd parties – gross	€ 202,538	€ 165,896
Other receivables	22,646	17,316
Unbilled trade receivables (a)	7,853	10,995
Allowance for doubtful accounts	(1,417)	(1,149)
Total	€ 231,621	€ 193,056

(a) Unbilled trade receivables relate mainly to revenue recognized in accordance with Percentage of Completion method for long term contracts



The change of Current Receivables and Contract Assets in the Consolidated Statement of Cash Flows is presented net of decrease of allowance for doubtful accounts of €0.3 million and offsetting foreign exchange effect of €3.2 million.

Trade receivables due after March 31, 2024, amount to €2.2 million and are presented in Other noncurrent assets as noncurrent trade receivables, please also refer to Note 8.

(6) INVENTORIES

Inventories, valued using the first in, first out method, consisted of the following:

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>(In thousands)</u>	<u>(In thousands)</u>
Raw materials	€ 73,239	€ 54,987
Work-in-process	39,157	30,116
Finished goods	162,368	211,551
Total	<u>€ 274,764</u>	<u>€ 296,654</u>

The change of Inventories in the Consolidated Statement of Cash Flows is presented net of increase of provision for obsolete stock of €0.2 million offset by foreign exchange effect of €3.5 million.

(7) PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant, and equipment, net consisted of the following:

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>(In thousands)</u>	<u>(In thousands)</u>
Land	€ 70,521	€ 70,424
Buildings and improvements	29,075	26,749
Machinery and equipment	167,842	151,052
Construction in progress	26,929	20,351
Total Gross Value	294,367	268,576
Accumulated depreciation	(54,974)	(31,873)
Property, plant and equipment, net	<u>€ 239,394</u>	<u>€ 236,703</u>

Depreciation expense was €23.6 million for the fiscal period ended March 31, 2023, and €21.4 million for the fiscal period ended March 31, 2022.

Finance lease assets amounting to €15.9 million as of March 31, 2023, are classified as finance lease right-of-use assets and presented as a part of property, plant and equipment. For further details please refer to Note 12 Leases.



(8) OTHER NONCURRENT ASSETS

Other noncurrent assets consisted of the following:

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>(In thousands)</u>	<u>(In thousands)</u>
Right-of-use assets (operating leases)	€ 31,805	€ —
Deposits	3,799	4,113
Capitalized software, net	4,236	2,733
Retirement plans	5,091	4,522
NC restricted cash	1,805	2,136
NC trade receivables	2,208	2,593
Other	970	1,089
Total	<u>€ 49,914</u>	<u>€ 17,186</u>

(9) DEBT

At March 31, 2023 and 2022 short-term borrowings of €88.2 million and €77.9 million, respectively, consisted of borrowings under various operating lines of credit and working capital facilities maintained by certain of the Company's European subsidiaries. Certain of these borrowings are collateralized by receivables, inventories and/or negative pledges. These borrowing facilities are typically for one-year renewable terms, while some have recently been renewed for two years, and generally bear interest at current local market rates. The weighted average interest rate on short-term borrowings was 5.02% as at March 31, 2023 and 2.97% as at March 31, 2022.

Total long-term debt consisted of the following:

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>(In thousands)</u>	<u>(In thousands)</u>
8% Preferred Units	€ —	€ 140,478
Accrued preferred return	25,087	16,426
Term loans due at various maturities thru 2028 with interest rates up to 6.2% ⁽¹⁾	49,752	39,170
European Financing with PKO	33,333	40,000
Capital leases due at various maturities thru 2035 with interest rates up to 9.3%	28,501	10,068
Subtotal	<u>136,673</u>	<u>246,142</u>
Unamortized debt issuance costs / discounts	(406)	(513)
Current debt maturities	<u>(32,881)</u>	<u>(25,841)</u>
Total long-term debt	<u>€ 103,386</u>	<u>€ 219,787</u>

(1) These loans include mainly facilities utilized in Spain and Portugal with various banks and financial institutions.



Annual principal payments required under long-term debt obligations at March 31, 2023 are as follows (in thousands):

2024	€	32,881
2025		23,097
2026		20,680
2027		15,913
2028		6,453
Thereafter		37,649
Total	€	<u>136,673</u>

Total debt, including short-term borrowings, at March 31, 2023 and 2022 was €224.5 million and €323.5 million, respectively.

European Financing with PKO

On December 3, 2021, the Company signed a 5-year, €80.0 million credit facility agreement with PKO Bank Polski based in Poland. The facility consists of a €40.0 million bank term loan (the "Term Loan"), a €35.0 million overdraft facility and a €5.0 million non-cash facility for letter of credits and guarantees. Proceeds and repayments from the overdraft facility are presented as separate line of financing activity in Consolidated Statement of Cash Flows.

On January 5, 2022, the Company drew the funds from €40.0 million bank term loan facility (the "Term Loan") with a fixed rate of 2.67% p.a. The proceeds generated from this loan were used to redeem the 10.75% Super Priority Priming Lien Senior Secured Notes due October 26, 2024 (the "Bridge Note") issued as part of the Interim Financing facility supporting acquisition of Exide GP and Exide International, including their respective subsidiaries. On January 7, 2022, EGHN C.V. redeemed the Bridge Note at 100% of their principal amount, together with accrued and unpaid interest.

The PKO Term Loan is repaid in equal quarterly installments starting September 30, 2022 and shall be fully repaid on November 30, 2026.

Preferred Units

The New International Notes, amounting to \$150.0 million in aggregate principal amount, were fully cancelled on October 26, 2020, inclusive releasing all securities of the guarantors. In the context of the cancellation of the New International Notes, the Company issued 155,945 units of preferred equity in the total principal value of \$155.95 million. This process did not generate any additional proceeds for the company.

The preferred return with respect to the preferred units is at a rate of 8% per annum on the basis of a 365-day year, compounding annually on the (a) preferred unreturned capital with respect to such preferred unit and (b) the preferred unpaid return with respect to such preferred unit for all prior periods.



Preferred Units were subject to mandatory redemption within 8th to 13th anniversary of the Effective Date, that was applicable for the units' principal value together with the unpaid Preferred Return. On November 23, 2022, LLCA was adjusted to remove mandatory redemption feature from the Preferred Units. Therefore, until November 22, 2022, these units were presented as long-term debt together with accrued Preferred Return (as Interest expense), however starting from November 23, 2022, they are presented as Equity. Preferred Return accrued subsequent to removal of mandatory redemption mechanism is presented as other liability and is recorded as a reduction of retained earnings.

(10) EMPLOYEE BENEFIT PLANS AND POST-RETIREMENT HEALTHCARE AND LIFE INSURANCE BENEFITS

The Company maintains several defined-benefit plans that were historically offered to the employees. For defined-benefit plans, charges to expense are based upon underlying assumptions established by the Company in consultation with its actuaries. In most cases, the defined-benefit plans are not required to be funded. The Company also has defined-contribution plans with related expenses of €3.0 million in the fiscal period ended March 31, 2023, and €2.8 million in the fiscal period ended March 31, 2022.



The following tables set forth the plans' funded status and the amounts recognized in the Company's Consolidated Financial Statements on March 31, 2023, and 2022, respectively:

Pension Benefits:	March 31, 2023		March 31, 2022	
	(In thousands)			
Change in benefit obligation:				
Benefit obligation at beginning of period	€	251,402	€	277,650
Acquired benefit obligations		—		—
Service cost		727		957
Interest cost		3,815		2,594
Actuarial loss (gain)		(32,157)		(8,156)
Benefits paid		(12,137)		(13,724)
Changes in financial assumptions		(20,848)		(8,631)
Currency translation		(4,626)		820
Settlements and other		(279)		(107)
Benefit obligation at end of period	€	185,898	€	251,402
Change in plan assets:				
Fair value of plan assets at beginning of period	€	142,151	€	155,874
Acquired plan assets		—		—
Actual return on plan assets		(36,416)		(7,256)
Employer contributions		6,621		6,496
Benefits paid		(11,654)		(13,724)
Currency translation		(4,657)		869
Settlements and other		(504)		(107)
Fair value of plan assets at end of period	€	95,542	€	142,151
Reconciliation of funded status:				
Benefit obligation at end of period	€	185,917	€	251,402
Fair value of plan assets at end of period		94,576		142,151
Funded status over (under)	€	(91,341)	€	(109,251)
Amounts recognized in the Consolidated Balance Sheets:				
Other non current assets	€	5,091	€	4,522
Accrued expenses		(7,137)		(6,649)
Noncurrent retirement obligations		(89,298)		(107,124)
Net amount recognized at end of period	€	(91,341)	€	(109,251)
Amounts recognized in accumulated other comprehensive income:				
Prior service cost (credit)	€	172	€	—
Net actuarial gain - cumulative		(27,120)		(12,577)
Net amount recognized at end of period	€	(26,948)	€	(12,577)



	Pension Benefits	
	March 31, 2023	March 31, 2022
Weighted-average assumptions at period end:		
Discount rate	3.9 %	1.6 %
Rate of compensation increase	2.7 %	2.4 %

	Pension Benefits/ Expense	
	FY23	FY22
Weighted-average expense assumptions:		
Discount rate	2.8 %	1.3 %
Expected return on plan assets	2.6 %	1.2 %
Rate of compensation increase	2.9 %	2.4 %

The Company evaluated input from third-party pension plan asset managers, including their review of asset class return expectations and long-term inflation assumptions in developing the expected weighted average return on plan assets.

The changes in plan assets and benefit obligations recognized in other comprehensive income (loss) at March 31, 2023 are as follows:

	Pension Benefits	
Net gain arising during the period	€	14,954
Net prior service cost during the period		172
Net gain recognized during the period		343
Exchange rate change during the period		47
Total	€	14,392

Net Periodic Benefit Cost

The following tables set forth the plans' expenses recognized in the Company's Consolidated Statements of Operations:

	Pension Benefits	
	For the Fiscal Period Ended	
	March 31, 2023	March 31, 2022
	(In thousands)	
Components of net periodic benefit cost:		
Service cost	€ 746	€ 957
Interest cost	3,815	2,594
Expected return on plan assets	(1,581)	(984)
Amortization of:		
Prior service cost (credit)	—	—
Actuarial gain	(285)	—
Net periodic benefit cost	€ 2,694	€ 2,567



The above excludes the impact of settlement and curtailment net loss (gain) of €57.4 thousand in the fiscal period ended March 31, 2023, and €3 thousand in the fiscal period ended March 31, 2022.

The projected benefit obligation and accumulated benefit obligation for the pension plans with accumulated benefit obligations in excess of plan assets as of March 31, 2023, and 2022 were €96.4 million and €113.8 million, respectively.

The accumulated benefit obligation for the Company's pension plans was €94.2 million as of March 31, 2023. Expected future benefit payments are as follows:

Fiscal Year	Expected future benefit payments		Expected future benefit payments covered by Buy-In policy		Net expected future benefit payments	
	(In thousands)					
2024	€	12,821	€	5,687	€	7,134
2025		13,401		5,812		7,589
2026		13,608		5,937		7,671
2027		13,619		6,074		7,545
2028		13,729		6,210		7,518
Thereafter		95,542		32,803		35,477

Pension Plan Investment Strategy

The Company's pension plans are invested in a diversified portfolio of investments consisting primarily of equity and fixed income securities. The target asset allocation for the plan portfolio is based on a combination of financial, demographic, and actuarial considerations, along with the advice of the Company's investment advisory firm. The plans' current target allocation is primarily fixed-income investments with a mix of government bonds and corporate bonds. The Company believes this target allocation will be effective in achieving the plans' long-term investment objectives of:

- protecting the plan's funded status from volatility
- optimizing the long-term return on plan assets sufficient to accommodate current and future pension obligations
- maintaining an acceptable level of risk for each asset category.

The Company utilizes investment managers, who are appointed by the trustees of those plans, to actively manage the assets of the pension plans. The investment strategies of the Company's plans are in some instances influenced by local laws and regulations. Based on its underlying risk parameters, the Company has established investment guidelines for each investment manager within which they have agreed to operate. These guidelines include criteria for identifying eligible and ineligible securities as well as diversification criteria. In addition, investment managers are required to seek approval prior to making investments in certain commodity contracts, illiquid investments, or futures or options strategies, and are prohibited from engaging in certain transactions, including the short selling of securities, borrowing money, or engaging in futures or options strategies for purposes of speculation or leverage.



The following table summarizes the investments that comprise the assets of the Company's pension plans, all of which are measured at fair value on a recurring basis, and the basis for that measurement.

	Total Fair Value Measurement	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
As of March 31, 2023:			
Cash and cash equivalents	€ 6,359	€ 6,359	€ —
Buy-in contract (a)	89,182	—	89,182
Total	€ 95,542	€ 4,988	€ 89,182
As of March 31, 2022:			
Cash and cash equivalents	€ 4,988	€ 4,988	€ —
Buy-in contract (a)	137,163	—	137,163
Total	€ 142,151	€ 4,988	€ 137,163

(a) In February 2020, a full UK Pension scheme buy-in contract was signed between Plan Trustees and an insurer (Aviva)

Level 1 assets include cash and cash equivalents, which consist primarily of excess cash balances in the plans' investment accounts. Level 3 assets include a buy-in contract between the Company and an insurer valued using significant unobservable inputs.

The asset allocation for the Company's pension plans by asset category is as follows:

	Percentage of Plan Assets at Period End	
	March 31, 2023	March 31, 2022
Cash and cash equivalents	6.7%	3.5%
Buy-in contract	93.3%	96.5%
Total	100.0%	100.0%

Plan Contributions

The estimated fiscal 2024 pension plan contributions are €7.1 million. Cash contributions to the Company's pension plans are generally made in accordance with minimum regulatory requirements and are accounted for on an accrual basis.

The Company expects that cumulative contributions to its pension plans will total approximately €35.5 million from fiscal 2024 through fiscal 2028.



(11) OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities consisted of the following:

	March 31, 2023	March 31, 2022
	(In thousands)	(In thousands)
NC operating lease liabilities	€ 23,000	€ —
Assets retirement obligation	6,044	5,958
NC long service bonus accrual	5,703	4,533
Accrued preferred return	4,493	—
NC sales returns and allowances	3,430	5,941
Uncertain tax positions	1,491	2,261
Other	901	2,234
Total	€ 45,063	€ 20,928

(12) LEASES

The following table presents lease assets and liabilities:

	Classification	March 31, 2023	
		(In thousands)	
Operating leases			
Right-of-use assets	Other noncurrent assets	€	31,805
Operating lease current liabilities	Accrued expenses		8,805
Operating lease non-current liabilities	Other noncurrent liabilities		23,000
Finance leases			
Right-of-use assets	Property, plant, and equipment, net	€	15,936
Finance lease current liabilities	Current maturities of long-term debt		3,748

The component of lease expense for the fiscal year ended March 31, 2023, are as follows:

	Classification	March 31, 2023	
		(In thousands)	
Operating leases			
Operating lease cost (a)	Operating expenses	€	13,046
Finance leases			
Depreciation	Operating expenses	€	2,901
Interest expense	Interest expense		801

(a) Total operating lease cost include €2 million regarding variable lease payments and short-term lease



The following table presents the weighted average lease term and discount rates for leases as of March 31, 2023:

	<u>March 31, 2023</u>
Operating leases	
Weighted average remaining lease term (years)	7.5 years
Weighted average discount rate	3.0%
Finance leases	
Weighted average remaining lease term (years)	7.9 years
Weighted average discount rate	4.2%

The following table presents future payments due under operating leases reconciled to lease liabilities as of March 31, 2023:

Fiscal Period	<u>Operating Leases</u>	
2024	€	9,680
2025		6,922
2026		5,113
2027		3,338
2028		2,183
Thereafter		7,941
Total undiscontinued lease payments		35,177
Present value discount		(3,371)
Total liability	€	<u>31,805</u>

The following table presents future payments due under finance leases reconciled to lease liabilities as of March 31, 2023:

Fiscal Period	<u>Finance Leases</u>	
2024	€	3,748
2025		3,964
2026		3,349
2027		3,187
2028		2,900
Thereafter		11,352
Total liability	€	<u>28,501</u>



The following table presents supplemental disclosures of cash flow information related to leases for the fiscal years ended March 31, 2023:

	<u>March 31, 2023</u>
	(In thousands)
Cash paid for amounts included in the measurement of lease liability	
Operating cash flows from finance leases	801
Operating cash flows from operating leases	13,046
Financing cash flow from finance leases	2,126
Supplemental non-cash information on lease liabilities arising from right-of-use assets:	
Right-of-use assets obtained in exchange for new finance lease liabilities	—
Right-of-use assets obtained in exchange for new operating lease liabilities	—

(13) INCOME TAXES

The provision for income taxes includes foreign taxes currently payable and those deferred because of net operating losses and temporary differences between the Consolidated Financial Statements carrying amounts and tax bases of assets and liabilities. There are no U.S. taxes due from the current entity structure.

The components of Income before income taxes and the provision for income taxes are as follows:

	For the Fiscal Period Ended	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	(In thousands)	
Income (loss) before income taxes:		
United States	€ (11,962)	€ (13,753)
Foreign	1,498	19,826
	<u>€ (10,464)</u>	<u>€ 6,073</u>
Income tax provision (benefit):		
Current		
United States	€ —	€ —
Foreign	4,438	7,364
	<u>€ 4,438</u>	<u>€ 7,364</u>
Deferred		
United States	€ —	€ —
Foreign	375	1,902
	<u>€ 375</u>	<u>€ 1,902</u>
Total income tax provision (benefit)	<u>€ 4,813</u>	<u>€ 9,266</u>



Major differences between the United States federal statutory rate and the effective tax rate are as follows:

	For the Fiscal Period Ended	
	March 31, 2023	March 31, 2022
United States federal statutory rate	21.0%	21.0%
Local and provincial taxes	-2.7%	9.3%
Rate differences on foreign subsidiaries	-42.0%	17.2%
Disallowed Interest Expense	-8.0%	—
Nondeductible expenses	-8.8%	69.7%
Tax-exempt income	—	6.3%
Tax credits	-1.7%	-20.4%
Permanent PTRs	-4.2%	—
Foreign exchange	-10.8%	-12.9%
NOL and Capital Loss Carryover Adjustments	57.0%	-17.8%
Change in valuation allowance	-61.0%	64.3%
Change in Uncertain tax positions	6.4%	—
MAP settlement	3.6%	3.5%
Previous period Adjustments	—	8.8%
Other, net	5.2%	3.6%
Effective tax rate	-46.0%	152.6%

The following is a summary of the significant components of the Company's deferred tax assets and liabilities:

	March 31, 2023		March 31, 2022	
	(In thousands)			
Deferred tax assets:				
Operating loss and tax credit carryforwards	€	155,097	€	143,490
Inventory		3,050		2,894
Compensation reserves		13,594		17,716
Environmental reserves		520		581
Sales returns		2,463		3,029
Property, plant, and equipment		1,116		1,318
Restructuring		336		281
Capitalized R&D		2,150		1,965
Other		4,474		6,154
Valuation allowance		(137,793)		(128,025)
Total	€	45,007	€	49,403
Deferred tax liabilities:				
Intangible assets	€	(2,305)	€	(2,835)
Total				
Net deferred tax assets	€	42,702	€	46,568



The net deferred income tax asset is classified in the Consolidated Balance Sheets as follows:

	March 31, 2023	March 31, 2022
	(In thousands)	
Noncurrent asset	€ 45,915	€ 50,415
Noncurrent liability	(3,213)	(3,847)
Total	<u>€ 42,702</u>	<u>€ 46,568</u>

At March 31, 2023, the Company had tax effected net operating losses (“NOLs”) for income tax purposes and tax credit carryovers of approximately €155.1 million. Some of these are indefinite lived and some expire at various dates between 2024 and 2031.

Valuation allowances have been recognized in certain tax jurisdictions to reduce the deferred tax assets for loss carryforwards and deductible temporary differences for which it is more likely than not that the tax benefits associated with those assets will not be realized. In other jurisdictions, the Company’s net deferred tax assets include loss carryforwards and deductible temporary differences, which management believes are realizable through future taxable income. Each reporting period, the Company reviews the likelihood of the future realization of tax benefits of deductible temporary differences or loss and/or credit carryforwards reflected on its Consolidated Financial Statements and adjusts its valuation of those attributes accordingly. All available evidence is considered to determine whether a valuation allowance should be established against these future tax benefits or if previously established valuation allowances should be released. This review is performed on a jurisdiction by jurisdiction basis. As global market conditions and the Company’s financial results in certain jurisdictions change, the continued release and establishment of related valuation allowances may occur. During fiscal period ending March 31, 2023, the Company performed an analysis related to the realizability of its worldwide tax assets. As a result, after considering all the positive and negative evidence, the Company determined that a valuation allowance is necessary on deferred tax assets in several jurisdictions. Accordingly, a €137.8 million valuation allowance is recognized as of the end of the period.

It is the Company’s intention to reinvest undistributed earnings of its foreign subsidiaries and thereby indefinitely postpone their remittance. In the event it needed to repatriate funds, such repatriation would likely be subject to restrictions by local laws and/or tax consequences including foreign withholding taxes. It is not currently practicable to estimate the legal restrictions or tax liability that would arise from such repatriations.

The Company files income tax returns in various jurisdictions. With certain exceptions, the Company and its subsidiaries are no longer subject to income tax audits for years ended before March 31, 2017. The Company is currently undergoing tax audits that are in various phases in certain jurisdictions.



A reconciliation of the beginning and ending amount of unrecognized tax benefit is as follows:

	March 31, 2023		March 31, 2022
	(In thousands)		
Beginning of the fiscal period	€ 17,381	€	17,874
Acquired unrecognized tax benefit	—		—
Increases (decreases) for income tax positions taken during current period	(1,636)		762
Increases (decreases) for income tax positions taken during prior period	—		101
Increases (decreases) for currency fluctuation on tax positions	35		97
Decreases for settlements with taxing authorities	(128)		(1,454)
Decreases for lapse of the applicable statute of limitations	—		—
End of the fiscal period	<u>€ 15,652</u>	<u>€</u>	<u>17,381</u>

The amount of unrecognized tax benefit, if recognized, that would affect the Company's effective tax rate at March 31, 2023 and 2022 is €2.0 million and €2.9 million, effectively. The decrease in unrecognized tax benefits in the period ended March 31, 2023, was primarily driven by the settlement of uncertain tax positions in Italy, the end of pending processes from 1990 and 1992 in Portugal, risk expiration in Spain and due to tax rate decreased from 26.5% to 25% in France.

The Company classifies interest and penalties on uncertain tax benefits as income tax expense. At March 31, 2023 and 2022, before any tax benefits, the Company had €33 thousand and €0.2 million, respectively, of accrued interest and penalties on unrecognized tax benefits.

(14) COMMITMENTS AND CONTINGENCIES

Regulatory Matters

In December 2015, the national competition authorities in Spain commenced an investigation into suspected price fixing in the local Spanish market in relation to purchases of spent batteries.

On January 26, 2017, the Company's Spanish subsidiary and an intermediate European holding company were advised that they were targets of the investigation. On July 18, 2018, Exide Technologies, S.L.U. was advised by the competition Council of the Spanish competition authority that it had been fined 2.0 million euros for violations of Spanish antitrust laws. The fine was conditionally paid in full subject to an appeal filed by Exide Technologies, S.L.U. on January 25, 2019. The Company monitors the status of the appeal, however there were no subsequent updates in this regard.

In 2018, one of the Company's French subsidiaries received notice of an investigation by the European Commission ("EC") of alleged anti-competitive behavior relating to automotive lead-acid batteries. The same French subsidiary has since received and also responded to several additional requests for information from the EC. The most recent request for information was received in May 2023, to which the Company responded within the same month. In addition, the Company has submitted confidentiality claims to the EC and maintained its constructive approach and regular contacts with the EC in the investigation. The Company is currently unable to assess the ultimate outcome of the EC's investigation, the entities that could be affected or the amount of any fine or damages that may result.



Environmental Matters

As a result of its multinational manufacturing, distribution, and recycling operations, the Company is subject to numerous federal and local environmental, occupational health, and safety laws and regulations, as well as similar laws and regulations in other countries in which the Company operates (collectively, “EH&S laws”).

The Company is exposed to liabilities under such EH&S laws arising from its past handling, release, storage, and disposal of materials now designated as hazardous substances and hazardous wastes.

The Company is also involved in the assessment and remediation of various other properties, including certain currently and formerly owned or operating facilities. Such assessment and remedial work are being conducted pursuant to applicable EH&S laws with varying degrees of involvement by appropriate regulatory authorities. In addition, certain environmental matters concerning the Company are pending in various courts or with certain environmental regulatory agencies with respect to these currently or formerly owned or operating locations. From time to time, the Company confronts claims under contracts (such as leases) or due to alleged releases of hazardous substances, which allegedly have caused damages, but any such claims at present (unless expressly discussed below) are not expected to be material.

Environmental Liabilities

The Company has established liabilities for on-site and off-site environmental remediation costs where such costs are probable and reasonably estimable and believes that such liabilities are adequate. As of March 31, 2023, the amount of such liabilities on the Company’s Consolidated Balance Sheets was approximately €2.0 million. Environmental costs are classified as an operating item in the Consolidated Statements of Operations under the caption cost of sales. Because environmental liabilities are not accrued until a liability is determined to be probable and reasonably estimable, not all potential future environmental liabilities have been included in the Company’s environmental liabilities. Therefore, changes in estimates or future findings could have a material adverse effect on the Company’s financial condition, cash flows, or results of operations.

Asset Retirement Obligation

The Company provides a reserve for asset retirement obligations (“ARO”) for legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development, and/or normal operation of that asset (e.g., liabilities for decommissioning a plant, dismantlement, and restoration costs). The ARO includes environmental remediation liability that results from the normal operation of a long-lived asset and that is associated with the retirement of that asset. ARO accretion expense is classified as an operating item in the Consolidated Statements of Operations under the caption restructuring/impairment expense.

The following summarizes ARO activity:

	March 31, 2023	March 31, 2022
	(in thousands)	
Beginning of the fiscal period	€ 5,958	€ 6,365
Acquired Asset Retirement Obligations	—	—
Accretion expense	214	1,024
Payments	(112)	(362)
Release	—	(1,075)
Change in currency translation	€ (17)	€ 5
End of the fiscal period	€ 6,044	€ 5,958



Other Litigation and Claims

The Company is involved in other litigation matters and is subject to claims that the Company does not believe will have a material adverse effect upon the Company's business, financial condition, or results of operations, although the Company can offer no assurance as to the ultimate outcome of any such matters.

Guarantees

Certain of the Company's subsidiaries have bank guarantees outstanding as collateral or financial assurance in connection with environmental obligations, income tax claims, and customer contract requirements. At March 31, 2023 and 2022, bank guarantees with an aggregate face value of €9.7 million and €11.0 million, respectively were outstanding.

(15) RESTRUCTURING AND IMPAIRMENTS, NET

The Company continued to implement operational changes to streamline and rationalize its structure in an effort to simplify the organization and eliminate redundant and/or unnecessary costs. As part of these restructuring programs, the nature of the positions eliminated ranged from plant employees and clerical workers to operational, sales management and divisional leadership.

During fiscal period 2023 and 2022, the Company recorded restructuring and impairment charges of €8.8 million and €9.1 million, respectively. Restructuring charges for fiscal period 2023 and 2022 of €8.5 million and of €8.7 million, respectively represented primarily severance. The impairment expense for fiscal period 2023 of €0.3 million included €0.2 million of Fixed assets impairment, €0.2 million of asset retirement obligation accretion expense and €0.1 million of gain on asset sales. The impairment expense for fiscal period 2022 of €0.4 million included €0.4 million of Fixed assets impairment, €1.0 million of asset retirement obligation accretion expense and €1.0 million of gain on asset sales.

The following summarizes restructuring reserve activity:

	<u>Severance Costs</u>	<u>Closure Costs</u>	<u>Total Restructuring</u>
	<u>(In thousands)</u>		
At March 31, 2021	€ 3,335	€ 207	€ 3,542
Expenses	8,387	273	8,660
Payments	(7,928)	(70)	(7,998)
Change in currency translation	63	(34)	29
At March 31, 2022	<u>€ 3,857</u>	<u>€ 375</u>	<u>€ 4,232</u>
Expenses	8,347	79	8,427
Payments	(4,847)	(253)	(5,100)
Change in currency translation	(64)	28	(36)
At March 31, 2023	<u>€ 7,292</u>	<u>€ 230</u>	<u>€ 7,522</u>



(16) OTHER (INCOME) EXPENSE, NET

Other (income) expense, net consisted of the following

	For the Fiscal Period Ended	
	March 31, 2023	March 31, 2022
	(In thousands)	
Net periodic benefit cost (credit) excluding the service cost component	€ 2,637	€ 1,578
Currency remeasurement (gain) loss	1,431	1,649
(Gain) loss on derivatives transactions	592	(2,539)
Reorganization costs	—	431
Other	€ (135)	€ 2
Total	€ 4,525	€ 1,122

(17) FAIR VALUE MEASUREMENTS

The Company used available market information and methodologies believed to be appropriate to estimate the fair value of its financial instruments. Considerable judgment is required in interpreting market data to develop these estimates. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange. Certain of these financial instruments are with major financial institutions and expose the Company to market and credit risks and may at times be concentrated with certain counterparties or groups of counterparties. The creditworthiness of counterparties is continually reviewed, and full performance is currently anticipated.

The Company's cash and cash equivalents, accounts receivable, accounts payable, debt and short-term borrowings all have carrying amounts that are a reasonable estimate of their fair values. The carrying values and estimated fair values of the Company's financial instruments are as follows:

	March 31, 2023		March 31, 2022	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	(In thousands)			
Asset (liability):				
Currency forwards (a)	€ 339	€ 339	€ 931	€ 931
Commodity swap / forward (a)	648	648	—	—
Interest rate swap (a)	1,933	1,933	474	474

(a) These financial instruments are required to be measured at fair value and are based on inputs as described in the three-tier hierarchy that prioritizes inputs used in measuring fair value as of the reported date.



The following table represents the Company's financial instruments that were measured at fair value on a recurring basis, and the basis for that measurement as an asset (liability):

	Total Fair Value Measurement	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(In thousands)		
As of March 31, 2023:				
Currency forwards	€ 339	€ —	€ 339	€ —
Commodity swap/forward	648	—	648	—
Interest rate swap	1,933	—	1,933	—
As of March 31, 2022:				
Currency forwards	931	—	931	—
Commodity swap/forward	—	—	—	—
Interest rate swap	474	—	474	—

The Company uses a market approach to determine the fair values of all of its derivative instruments subject to recurring fair value measurements. The fair value of each financial instrument was determined based upon observable forward prices for the related underlying financial index or commodity price, and each has been classified as Level 2 based on the nature of the underlying markets in which those derivatives are traded.

(18) STOCK BASED COMPENSATION

August 11, 2021, the Company entered into an Equity Incentive Plan to grant restricted shares to certain members of the top management and phantom shares and profit interest units to certain Board. Equity Incentive Plan directly covers beneficiaries based in the United States of America ("US Plan") but also includes sub-plan for beneficiaries based in the European Union ("EU Plan").

Under the Equity Incentive Plan phantom units are exchangeable into common units while the terms of the profit interest units granted provide for the beneficiaries to participate in the value of Energy Technology Holdings LLC (ETH LLC) in excess of its fair value at the date of grant. The fair value at the date of grant is known as the hurdle. Once the distribution hurdle is met the beneficiaries are entitled to distributions on the same basis as other member unit holders. Phantom shares are exchangeable into common units and represent a contractual right to receive a corresponding number of common units in ETH LLC when the phantom units vest and are settled.

Under the sub plan, European participants will receive restricted shares tied to the value of ETH LLC but granted per the sub plan with respect to equity in Exide Holding Europe SAS.



The Equity Incentive Plan authorized shares of Exide Holding Europe SAS and units of Energy Technologies Holdings LLC to be granted to the beneficiaries. Half of the shares and units will be granted based on fulfilling a performance condition; the rest of the shares and units will be granted based on fulfilling presence condition. The presence condition will be met when the beneficiary remains an employee or a corporate officer of the Group throughout the duration of the relevant vesting period. The performance condition will be met if, on December 31, 2024, the Fair Market Value of ETH LLC meets the target set out in the plan. Shares and units granted based on presence condition will vest ratably, in four tranches, from the grant date till December 31, 2024. Shares and units based on performance condition will fully vest altogether on December 31, 2024. The awards are subject to a repurchase feature that allows the company, in the event of a termination for any reason other than cause, to buy back the awards vested as of the termination date. The call is structured such that it could be exercised before the shares have been subject to the risks and rewards for 6 months based on fair value. The awards are classified as a liability under ASC 718. The restricted shares and phantom shares will be liability classified until the date the shares are issued and held for 6 months, at which time they are classified as equity. This does not apply to the profit interest units which are cash settled and not reclassified. Compensation cost was measured based on the fair value of the award at the grant date and remeasured each reporting period. The Company recognizes compensation expenses for the restricted shares and phantom shares using the straight-line method over the vesting periods of the awards, and graded vesting for the profit interest units.

During the fiscal period ended March 31, 2022, Company issued 98.56 common units to the beneficiaries of the US Plan, that as of July 1, 2022, were held for more than 6 months, and as a result were reclassified from Liability to Equity.

During the current fiscal period 155.56 units were vested in regards of the US Plan. Since the beneficiaries decided to net settle, they effectively received 88.64 common units. These units, in the value of €129 thousand are currently presented as liabilities and are planned to be reclassified to Equity after being held by more than 6 months.

During the current fiscal period 532,567 shares were vested in regards of EU Plan. Since the beneficiaries decided to net settle, they effectively received 423,472 shares.

During the fiscal period ended March 31, 2023, there was a change in the beneficiary's structure (departure of 2 beneficiaries) of EU Plan that resulted in forfeiture of 432,892 shares as well as grant of 21,153 shares.

The following tables summarizes the Company's vested and non-vested awards as of March 31, 2022:

	Number of shares			
	"EU Plan" Restricted Shares granted on Presence Condition	"EU Plan" Restricted Shares granted on Presence & Performance condition	"US Plan" Common Units granted on Presence Condition	"US Plan" Profit Interest Units granted on Presence & Performance condition
	(In thousands)			
Non-vested awards as of March 31, 2021	€ —	€ —	€ —	€ —
Granted	1,344,781	1,344,781	583	583
Vested	—	—	(99)	—
Forfeitures	—	—	(18)	—
Other	8,004	8,004	—	—
Expired during the fiscal period	—	—	—	—
Non-vested awards as of March 31, 2022	<u>1,352,785</u>	<u>1,352,785</u>	<u>467</u>	<u>583</u>



	Weighted average exercise prices (WAEP)			
	“EU Plan” Restricted Shares granted on Presence Condition	“EU Plan” Restricted Shares granted on Presence & Performance condition	“US Plan” Common Units granted on Presence Condition	“US Plan” Profit Interest Units granted on Presence & Performance condition
	(In thousands)			
Non-vested awards as of March 31, 2021	€ —	€ —	€ —	€ —
Granted	2.6	2.6	1,046.4	956.6
Vested	—	—	1,131.4	—
Forfeitures	—	—	—	—
Other	2.6	2.6	—	—
Expired during the fiscal period	—	—	—	—
Non-vested awards as of March 31, 2022	2.6	2.6	1,046.4	956.6

The following tables summarizes the Company's vested and non-vested awards as of March 31, 2023:

	Number of shares			
	“EU Plan” Restricted Shares granted on Presence condition	“EU Plan” Restricted Shares granted on Presence & Performance condition	“US Plan” Common Units granted on Presence condition	“US Plan” Profit Interest Units granted on Presence & Performance condition
	(In thousands)			
Non-vested awards as of March 31, 2022	€ 1,352,785	€ 1,352,785	€ 467	€ 583
Granted	8,950	12,203	—	—
Vested	423,472	—	89	—
Forfeitures – net settlement	109,184	—	67	—
Forfeitures – change in a beneficiary’s structure	216,446	216,446	—	—
Expired during the fiscal period	—	—	—	—
Non-vested awards as of March 31, 2023	612,633	1,148,543	311	583



	Weighted average exercise prices (WAEP)			
	“EU Plan” Restricted Shares granted on Presence condition	“EU Plan” Restricted Shares granted on Presence & Performance condition	“US Plan” Common Units granted on Presence condition	“US Plan” Profit Interest Units granted on Presence & Performance condition
	(In thousands)			
Non-vested awards as of March 31, 2022	€ 2.6	€ 2.6	€ 1,046.4	€ 956.6
Granted	2.5	2.5	—	—
Vested	2.8	—	1,451.1	—
Forfeitures – net settlement	2.8	—	1,451.1	—
Forfeitures – change in a beneficiary’s structure	3.1	3.1	—	—
Expired during the fiscal period	—	—	—	—
Non-vested awards as of March 31, 2023	2.5	2.5	1,438.9	1,438.9

For the purpose of the accrual calculation, the Formulaic Value was used as a proxy for fair value as defined by the Equity Incentive Plan agreement. In cases where value derived from such calculation is deemed to differ significantly from Fair Value of the Company the Plan president may elect to use an appraiser to estimate fair value of the awards granted. Such election was made for each of the vesting that occurred to date: as of December 31, 2021, as of August 11, 2022, and as of December 31, 2022.

Compensation expense of €2.9 million for the fiscal period ended March 31, 2023, related to Equity Incentive Plan was recorded. Non-cash compensation expenses are presented in lines: “Accrued Expenses” and “Other, net” in the Consolidated Statement of Cash Flows. There was a cash-flow impact in the fiscal period ended March 31, 2023, amounting to €0.4 million related to social security and net settlement payment.

(19) ACQUISITIONS

No acquisition transactions occurred in the fiscal period ended March 31, 2023. For prior period transaction please refer to details described below.

On September 30, 2021, Exide Holding Europe SAS acquired 100 percent of the shares of ATEPS Nederland BV (referred to as "ATEPS"). ATEPS stands for Advanced Technologies for Energy & Power Systems and is an innovative and dynamic provider of Lithium-Ion based energy storage solutions. As a result of the acquisition, Exide will increase its footprint in medium to large energy storage systems’ market based on Lithium-Ion technology.

The goodwill of €4.2 million gross arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of Exide and ATEPS.



The following table summarizes the consideration paid for ATEPS and the amounts of the assets acquired, and liabilities assumed recognized at the acquisition date.

	September 30, 2021
	(In thousands)
Consideration	
Cash	2,000
Contingent consideration arrangements (1)	1,000
Loan repayment	2,062
Fair value of total consideration transferred	5,062
Recognized identifiable assets acquired, and liabilities assumed at fair value	
Cash and cash equivalents	165
Current receivables and contract assets (2)	597
Inventories (3)	1,607
Property, plant and equipment, net	2
Other noncurrent assets	159
Deferred income taxes	495
Accounts payable	(148)
Accrued expenses (4)	(1,654)
Short-term borrowings	(347)
Total identifiable net assets	876
Goodwill	€ 4,186

- (1) Contingent consideration arrangements consist of earn-out payment subject to conditions that the management believes are probable to be achieved; this consideration component is expected to be paid in October 2023, hence it is not part of current Consolidated Cash Flow Statement
- (2) Current receivables and contract assets are presented at fair value
- (3) The fair value of inventory is presented in net of expected obsolescence. Furthermore, the fair value of inventory was determined with a distinction made between finished goods (€1,249 thousand), work in progress (€346 thousand) and raw materials (€13 thousand).
- (4) Accrued expenses consist, among others, of deferred revenue (€672 thousand), accruals (€452 thousand) and taxes and social securities (€527 thousand)

ATEPS generated €1.5 million revenue and incurred €0.4 million net loss for the fiscal period ended March 31, 2022.

The Company incurred acquisition related costs of €0.2 million that are included in the consolidated statement of operations for the fiscal period ended March 31, 2022.

Acquisition of ATEPS Nederland BV net of cash acquired line in the Consolidated Statement of Cash Flows for fiscal period ended March 31, 2022, that amounts to €3.9 million consists of consideration paid in cash of €2.0 million, ATEPS loan repayment of €2.1 million offset by cash available in acquired company of €0.2 million.



(20) RELATED PARTIES TRANSACTIONS

Energy Technologies Holdings LLC is the Parent Company of the group. During the fiscal period ended March 31, 2023 no related party transactions occurred that would not have been eliminated on a consolidated level. For the intercompany transactions every effort is made to approximate an arm's length fee for services provided or goods sold, however because of the relationship between the subsidiaries and the Parent Company, it is possible that the terms and costs of the services provided are not the same as those that would result from transactions among wholly unrelated parties.



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Til generalforsamlingen i Exide Technologies AS

Uavhengig revisors beretning

Konklusjon

Vi har revidert årsregnskapet for Exide Technologies AS som består av balanse per 31. mars 2023, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. mars 2023, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder

Offices in:

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Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Slavanger	Ulsteinvik
Bode	Knarvik	Stord	Alesund
Drammen	Kristiansand	Strøme	

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vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjons handlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av intern kontroll som er relevant for revisjonen, for å utforme revisjons handlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifierer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte innholdet i og tidspunkt for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i intern kontroll som vi avdekker gjennom revisjonen.

Oslo, 26. september 2023
KPMG AS

Øivind Karlsen
Statsautorisert revisor
(elektronisk signert)

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Øivind Karlsen

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