



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.04.2021 - 31.03.2022
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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:	20.09.2022

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 06.10.2023



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	12	308 465 000	321 404 000
Annen driftsinntekt		2 446 000	2 522 000
Sum inntekter		310 911 000	323 926 000
Kostnader			
Varekostnad		218 837 000	224 280 000
Lønnskostnad	7	28 811 000	27 901 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	2	177 000	122 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7	52 801 000	65 972 000
Sum kostnader		300 626 000	318 275 000
Driftsresultat		10 285 000	5 651 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	8	3 583 000	2 578 000
Annen renteinntekt	8	43 000	52 000
Annen finansinntekt	8	2 301 000	3 605 000
Sum finansinntekter		5 927 000	6 235 000
Rentekostnad til foretak i samme konsern	8		0
Annen rentekostnad	8	5 000	80 000
Annen finanskostnad	8	5 064 000	13 340 000
Sum finanskostnader		5 069 000	13 420 000
Netto finans		858 000	-7 185 000
Ordinært resultat før skattekostnad		11 143 000	-1 534 000
Skattekostnad på ordinært resultat		2 479 000	-316 000
Ordinært resultat etter skattekostnad		8 664 000	-1 218 000
Årsresultat		8 664 000	-1 218 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6	760 000	1 372 000
Sum immaterielle eiendeler		760 000	1 372 000
Varige driftsmidler			
Maskiner og anlegg	2	1 910 000	180 000
Sum varige driftsmidler		1 910 000	180 000
Finansielle anleggsmidler			
Investering i datterselskap	10	35 000 000	35 000 000
Investeringer i aksjer og andeler	11	98 000	98 000
Obligasjoner		63 000	63 000
Sum finansielle anleggsmidler		35 161 000	35 161 000
Sum anleggsmidler		37 831 000	36 713 000
Omløpsmidler			
Varer			
Varer	3,8	26 753 000	26 134 000
Sum varer		26 753 000	26 134 000
Fordringer			
Kundefordringer	4,8	62 219 000	42 167 000
Andre fordringer	4,8	1 532 000	1 965 000
Konsernfordringer	4,8	75 230 000	100 105 000
Sum fordringer		138 981 000	144 237 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	6 589 000	6 356 000
Sum bankinnskudd, kontanter og lignende		6 589 000	6 356 000
Sum omløpsmidler		172 323 000	176 727 000
SUM EIENDELER		210 154 000	213 440 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	1,5	10 694 000	10 694 000
Sum innskutt egenkapital		10 694 000	10 694 000
Opptjent egenkapital			
Avsatt utbytte	1		
Annen egenkapital	1	126 812 000	126 812 000
Sum opptjent egenkapital		126 812 000	126 812 000
Sum egenkapital		137 506 000	137 506 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	4	23 159 000	30 028 000
Betalbar skatt	6	1 867 000	463 000
Skyldige offentlige avgifter		18 931 000	21 560 000
Utbytte		8 664 000	
Kortsiktig konserngjeld		20 027 000	23 883 000
Sum kortsiktig gjeld		72 648 000	75 934 000
Sum gjeld		72 648 000	75 934 000
SUM EGENKAPITAL OG GJELD		210 154 000	213 440 000



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Til generalforsamlingen i Exide Technologies AS

Uavhengig revisors beretning

Konklusjon

Vi har revidert Exide Technologies AS' årsregnskap som består av balanse per 31. mars 2022, 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,
- gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. mars 2022, 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 de internasjonale revisjonsstandardene 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 slik det kreves i lov, forskrift og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av the 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 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.

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

Penneo Dokumentnøkkel: 6Z25W-0KEE1-PTKLO-C5OAX-4F4ZL-UPW5C



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 som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på 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 revisjonshandlinger 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 den interne kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger 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 regnskapestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av årsregnskapet, basert på innhentede revisjonsbevis, og 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 modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke fortsetter 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 omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.

Oslo, 3. oktober 2022
KPMG AS

Øivind Karlsen
Statsautorisert revisor
(elektronisk signert)



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Øivind Karlsen

Statsautorisert revisor

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ÅRSBERETNING FOR REGNSKAPSÅRET 2022

01.04.21 – 31.03.22

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 1.4.2021 – 31.3.2022. Denne perioden utgjør regnskapsåret 2022.

FORTSATT DRIFT

Årsoppgjøret er avlagt under forutsetning om fortsatt drift. Til grunn for antagelsen ligger budsjett for regnskapsåret 2023 og langsiktige prognoser for årene fremover.

UTVIKLINGEN I LØPET AV ÅRET

Salgsinntekter for Exide Technologies ble 308,5 mill kroner. Dette er noe høyere enn fjoråret (se note 12). Resultatet er høyere enn i fjor hovedsakelig på grunn av høyere bruttofortjeneste og lavere finanskostnader.

Totalkapitalen for Exide Technologies var ved utgangen av året 210,2 mill kroner, sammenlignet med 213,4 mill kroner året før. Egenkapitalandelen pr. 31.03.2022 er 69,6% sammenlignet med 64,4% pr. 31.03.2021.

Kontantstrøm fra driften er negativ grunnet høyere salg og kundefordringer ved utgangen av året.

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 2023 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 kredittisiko 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 2022 utgjorde sykefraværet totalt 708,0 dager, hvilket tilsvarer 7,44% 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 37 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.

FORSKNING OG UTVIKLING

Selskapet har i 2022 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. 8.664.089 i Exide Technologies AS:

Utbytte	kr.	8.664.000
Til annen EK	kr.	89
Totalt disponert	kr.	8.664.089

Oslo 20. september 2022

Stefan Stübing
Styrets leder

Michael Geiger
Styremedlem

Christina Jahn
Dagligleder

Sharon Cottam
Styremedlem



EXIDE TECHNOLOGIES AS
RESULTATREGNSKAP

(NOK 1.000)	Note	2021-2022 1.4.21-31.3.22	2020-2021 1.4.20-31.3.21
DRIFTSINNETEKTER			
Salgsinntekt	12	308 465	321 405
Andre driftsinntekter		2 446	2 522
Sum driftsinntekter		310 911	323 926
DRIFTSKOSTNADER			
Varekostnad		218 837	224 280
Lønnskostnad	7	28 811	27 901
Avskrivninger	2	177	122
Andre driftskostnader	7	52 801	65 972
Sum driftskostnader		300 626	318 275
DRIFTSRESULTAT		10 285	5 651
FINANSINNETEKTER OG FINANSKOSTNADER			
Finansinntekter	8	5 927	6 235
Finanskostnader	8	5 070	13 420
Netto finansposter		858	-7 185
ORDINÆRT RESULTAT FØR SKATTEKOSTNAD		11 143	-1 534
Skattekostnad på ordinært resultat	6	2 479	-316
ÅRSRESULTAT		8 664	-1 218
Opplysninger om avsetninger til:			
Foreslått utbytte		8 664	
Annen EK		0	-1 218
Sum disponeringer	1	8 664	-1 218



EXIDE TECHNOLOGIES AS EIEDELER

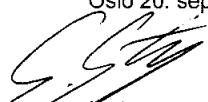
(NOK 1.000)	Note	2022-03-31	2021-03-31
ANLEGGSMIDLER			
Immaterielle eiendeler			
Utsatt skattefordel	6	760	1 372
Sum immaterielle eiendeler		760	1 372
Varige driftsmidler			
Maskiner og inventar	2	1 910	180
Sum varige driftsmidler		1 910	180
Finansielle anleggsmidler			
Investeringer i datterselskap	10	35 000	35 000
Andre aksjer	11	98	98
Obligasjoner og andre langsiktige fordringer		63	63
Sum finansielle anleggsmidler		35 161	35 161
Sum anleggsmidler		37 831	36 713
Varer			
Varer	3, 8	26 753	26 134
Kundefordringer	4, 8	62 219	42 167
Andre fordringer	4	76 762	102 069
Kontanter, bankinnskudd	9	6 589	6 356
Sum omløpsmidler		172 323	176 726
SUM EIEDELER		210 153	213 440





EXIDE TECHNOLOGIES AS
EGENKAPITAL OG GJELD

(NOK 1.000)	Note	2022-03-31	2021-03-31
EGENKAPITAL			
Innskutt egenkapital			
Aksjekapital	1, 5	10 694	10 694
Opptjent egenkapital			
Annen egenkapital	1	126 812	126 812
Sum egenkapital		137 506	137 506
GJELD			
Kortsiktig gjeld			
Leverandørgjeld	4	23 159	30 028
Betalbar skatt	6	1 867	463
Skyldig offentlige avgifter		18 931	21 560
Skyldig utbytte	1	8 664	0
Annen kortsiktig gjeld	4	20 027	23 883
Sum kortsiktig gjeld		72 647	75 933
Sum gjeld		72 647	75 933
SUM EGENKAPITAL OG GJELD		210 153	213 440

Oslo 20. september 2022


Stefan Stübing
Styrets leder

 
Michael Geiger
Styremedlem

Sharon Cottam
Styremedlem


Christina Jahn
Daglig leder



EXIDE TECHNOLOGIES AS KONTANTSTRØMOPPSTILLING

(NOK 1.000)	note:	2021-2022	2020-2021
Likvider tilført / brukt på virksomheten:			
Resultat før skatt		11 143	-1 534
Resultatandel tilknyttet selskap			
Gevinst(-)/tap(+) avgang anleggsmidler /Nedskrivning		0	0
Ordinære avskrivninger	2	177	122
Nedskrivning av aksjer			
Periodens betalte skatter		-463	0
Forskjellen mellom kostnadsført pensjon og inn-/utbetalinger		0	0
Endring i andre avsetninger og forpliktelser		0	0
Endring i varer, kundefordringer og leverandørgjeld		-27 540	15 323
Endring i andre tidsavgrensingsposter		-6 069	14 322
Netto likviditetsendring fra virksomheten		<u>-22 752</u>	<u>28 234</u>
 Likvider tilført / brukt på investeringer:			
Investeringer i varige driftsmidler	2	-1 906	
Endring kortsiktig lån		24 891	-24 884
Endring i andre investeringer			0
Netto likviditetsendring fra investeringer		<u>22 984</u>	<u>-24 884</u>
 Likvider tilført / brukt på finansiering:			
Opptak av ny gjeld		0	0
Utbetaling av utbytte			
Netto likviditetsendring fra finansiering		<u>0</u>	<u>0</u>
Netto endring i likvider i året		232	3 350
 Kontanter og bankinnskudd pr 01.04.21			
		6 356	3 006
Kontanter og bankinnskudd pr 31.03.22			
		6 588	6 356



Exide Technologies AS
Noter til regnskapet for 2022

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 2022

Regnskapsprinsipper

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

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Pensjoner

Innskuddsplener 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 2022

Note 1 Egenkapital (NOK 1000)

Årets endring i egenkapital	Aksje- kapital	Annen EK	Sum
Egenkapital pr 31.03.21	10 694	126 812	137 506
Årets resultat		8 664	8 664
Avsatt utbytte		-8 664	-8 664
Avsatt konsernbidrag etter skatt			0
Egenkapital pr 31.03.22	10 694	126 812	137 506

Note 2 Varige driftsmidler (NOK 1000)

	Maskiner og inventar	Sum Varige driftsmidler
Anskaffelseskost pr 31.03.21	919	919
Tilgang kjøpte driftsmidler	1 984	1 984
Utrangering av driftsmidler	-495	-495
Anskaffelseskost pr 31.03.22	2 408	2 408
Akkumulerte avskrivninger pr 31.03.22	-916	-916
Akkumulerte nedskrivninger pr 31.03.21	0	0
Utrangering av driftsmidler pr 31.03.21	417	417
Balanseført verdi pr 31.03.22	1 908	1 908
Årets avskrivninger	177	177
Årets nedskrivninger	78	78

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. 4 585. 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 596.

Note 3 Varer (NOK 1000)

	2022-03-31	2021-03-31
Lager av råvarer	-	-
Lager av varer under tilvirkning	-	-
Lager av innkjøpte ferdigvarer	26 753	26 134
Nedskrivning for ukurans	-	-
Sum	26 753	26 134



Exide Technologies AS
Noter til regnskapet for 2022

Note 4 Mellomværende med selskap i samme konsern og tilknyttede selskap (NOK 1000)

Fordringer	2022-03-31	2021-03-31
Kundefordringer konsern	79	7
Kundefordringer øvrig	62 139	42 160
Sum Kundefordringer	62 219	42 167
Andre fordringer konsern	75 230	100 105
Andre fordringer øvrig	1 532	1 965
Sum Andre fordringer	76 762	102 069
Gjeld		
Leverandørgjeld konsern	14 716	24 504
Leverandørgjeld øvrig	8 442	5 523
Sum Leverandørgjeld	23 159	30 028
Annen kortsiktig gjeld konsern	0	0
Annen kortsiktig gjeld øvrig	20 027	23 883
Sum Annen kortsiktig gjeld	20 027	23 883
Langsiktig gjeld konsern	0	0
Varekjøp fra konsernselskap	200 014	207 786
Management fee	17 744	12 686

Note 5 Aksjekapital og aksjonærinformasjon (NOK 1000)

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

Exide Technologies AS har en aksjonær pr 31.03.22. Alle aksjer gir samme rett i selskapet. Eneaksjonær er Exide Technologies BV., Nederland.

Note 6 Skatter (NOK 1000)

Beregning av utsatt skatt/utsatt skattefordel

Midlertidige forskjeller	Endring	2022-03-31	2021-03-31
Fordringer	307	63	-244
Varer	78	-916	-995
Tilvirkningskontrakter	0	0	0
Varige driftsmidler	646	239	-407
Garantiavsetning og andre avsetninger	1 135	-3 167	-4 302
Pensjoner	0	0	0
Gevinst- og tapskonto	-82	326	408
Netto midlertidige forskjeller	2 085	-3 455	-5 540
Underskudd til fremføring	697	0	-697
Grunnlag for utsatt skatt/skattefordel	2 782	-3 455	-6 237
22% Utsatt skatt / utsatt skattefordel (-)	612	-760	-1 372
Herav ikke balanseført utsatt skattefordel			
Utsatt skatt/utsatt skattefordel (-) i balansen	612	-760	-1 372



Exide Technologies AS
Noter til regnskapet for 2022

Grunnlag for skattekostnad, endring i utsatt skatt og betalbar skatt

	2022-03-31	2021-03-31
Resultat for skattekostnad	11 143	-1 534
Permanente forskjeller	124	97
Grunnlag for årets skattekostnad	11 267	-1 437
Endring i midlertidige resultatforskjeller	-2 085	0
Bruk av underskudd til fremføring	-697	0
Grunnlag for betalbar skatt i resultatregnskapet	8 485	-1 437
Avsatt konsernbidrag	0	0
Skattepliktig inntekt (grunnlag for betalbar skatt i balansen)	8 485	-1 437

Betalbar skatt i balansen

Betalbar skatt (22 % av grunnlag for betalbar skatt i resultatregnskapet)	1 867	-316
Betalbar skatt fra tidligere år	0	0
Betalbar skatt i balansen	1 867	-316

Fordeling av skattekostnaden

Betalbar skatt (22 % av grunnlag for betalbar skatt i resultatregnskapet)	1 867	0
Sum betalbar skatt	1 867	0
Endring i utsatt skatt	612	0
Skattekostnad (22 % av grunnlag for årets skattekostnad)	2 479	0

Avstemming effektiv skattesats

Resultat før skatt	11 143	-1 534
Skatt beregnet med nominell sats (22 %)	2 451	-337
Effekt av permanente forskjeller	27	21
Effekt av ändrad skattesats		
Sum skattekostnad	2 479	-316
Effektiv skattesats	22,2%	20,6%

Note 7 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte mm. (NOK 1000)

Lønnskostnader	2022-03-31	2021-03-31
Lønninger og feriepenger	23 087	22 850
Arbeidsgiveravgift	3 577	3 148
Pensjonskostnader	1 664	1 509
Andre ytelser	484	394
Sum	28 811	27 901

Administrerende direktør blir lønnet av konsernselskapet i Sverige. Det er ikke utbetalt honorar til styremedlemmer. Gjennomsnittlig antall ansatte i løpet av regnskapsåret har vært 37.

Pensjon

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

Revisjonshonorar	2022-03-31	2021-03-31
Lovpålagt revisjon	243	233
Skattebistand	25	20
Andre attestasjonstjenester		
Annen bistand	0	0
Sum	268	253



Exide Technologies AS
Noter til regnskapet for 2022

Note 8 Poster som er slått sammen i regnskapet (NOK 1000)

Finansinntekter	2022-03-31	2021-03-31
Renteinntekter fra foretak i samme konsern	3 583	2 578
Utbytte fra konsernselskap	0	0
Annen renteinntekt	43	52
Annen finansinntekt	2 301	3 606
Sum finansinntekter	5 927	6 235

Finanskostnader	2022-03-31	2021-03-31
Annen rentekostnad	5	80
Rentekostnader til foretak i samme konsern	0	0
Nedskrivning av aksjer	0	0
Annen finanskostnad	5 064	13 340
Sum finanskostnader	5 070	13 420

Garantiforpliktelser:	2022-03-31	2022-03-31
Husleie	2 094	2 049
Billån ansatte	0	0
Ferdigstillelse garanti kunder	0	0
Totale garantiforpliktelser	2 094	2 049

Garantiene er sikret ved pant.

Bokført verdi av pantsatte eiendeler:	2022-03-31	2021-03-31
Kundefordringer	62 219	42 167
Varelager	26 753	26 134

Note 9 Bank (NOK 1000)

Betalingsmidler avsatt til betaling av skattetrekk utgjør tnok 588. Beløpet er innsatt på separat bankkonto.

Ubenyttet kassekreditt utgjør kkr 0.

Note 10 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

Note 11 Andre aksjer (NOK 1000)

Selskapet har følgende mindre aksjeposter med tilhørende kostpris:	2021-03-31	2021-03-31
Vestfold Flyplassinvest AS	80	80
Batteriretur AS	8	8
Rebatt AS	10	10
Sum	98	98



Exide Technologies AS
Noter til regnskapet for 2022

Note 12 Salgsinntekter (NOK 1000)

Inntektene er fordelt på følgende geografiske segmenter:	2022-03-31	2021-03-31	2021-03-31
		Jmf 2022	Årsregnskap
Norge	297 479	296 375	313 195
Andre nordiske land	9 775	7 794	7 794
Andre europeiske land	1 135	87	87
Andre geografiske land	76	328	328
Sum	308 465	304 585	321 405

Det har vært en reklassifisering av bonuskostnader fra andre driftskostnader til salgsinntekter i løpet av året.



ENERGY TECHNOLOGIES HOLDINGS, LLC
AND SUBSIDIARIES

Consolidated Financial Statements
for the fiscal period ended March 31, 2022

(With Independent Auditors' Report Thereon)



ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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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, 2022 and 2021, and the related consolidated statements of operations, comprehensive income (loss), equity and cash flows for the year ended March 31, 2022 and the period from June 12, 2020 (date of formation) to March 31, 2021, 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, 2022 and 2021, and the results of its operations and its cash flows for the periods 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.

Emphasis of Matter

As discussed in Note 2 *Summary of significant accounting policies* to the consolidated financial statements, the Company has changed the reporting currency of the consolidated financial statements from the U.S. dollar to the Euro. Our opinion is not modified with respect to this matter.

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.

KPMG S.A.,
société française membre du réseau KPMG
constitué de cabinets indépendants adhérents de
KPMG International Limited, une société de droit anglais
(« private company limited by guarantee »).

Société anonyme d'expertise
comptable et de commissariat
aux comptes à directoire et
conseil de surveillance.
Inscrite au Tableau de l'Ordre
à Paris sous le n° 14-30060101
et à la Compagnie Régionale
des Commissaires aux Comptes
de Versailles.

Siège social :
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Capital : 5 497 100 €.
Code APE 6820Z.
775 726 417 R.C.S. Nanterre
TVA Union Européenne
FR 77 775 726 417



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.

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, 2022

KPMG Audit
A division of KPMG S.A.

Alexandra Saastamoinen
Partner



ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(In thousands)

	For the Fiscal Period Ended	
	March 31, 2022	March 31, 2021 ⁽¹⁾
Net sales	€ 1,465,005	€ 626,035
Cost of sales	1,284,858	546,248
Gross profit	180,147	79,787
Selling and administrative expenses	135,964	55,720
Restructuring and impairments, net	Note 13 9,156	3,872
Operating income	35,027	20,195
Other (income) expense, net	Note 14 1,122	(6,809)
Interest expense, net	27,832	9,972
Income before income taxes	6,073	17,032
Income tax provision	Note 11 9,266	5,201
Net income (loss)	(3,193)	11,831
Net income attributable to noncontrolling interests	13	2
Net income (loss) attributable to Energy Technologies Holdings LLC	€ (3,206)	€ 11,829

(1) As the Exide International Sale Transaction became effective on October 26, 2020 and as Energy Technologies Holdings LLC did not have any operation until that date, the consolidated statements of operations and cash flows for the prior fiscal period include the operations and cash flows of the Exide International Assets for the period of 5 months and 5 days ended March 31, 2021

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



ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	For the Fiscal Period Ended March 31, 2022	For the Fiscal Period Ended March 31, 2021
Net income (loss)	€ (3,193)	€ 11,831
Other comprehensive income (loss):		
Foreign currency translation adjustment	(8,275)	1,619
Change in defined-benefit liabilities, net of tax	5,693	3,390
Total comprehensive income (loss)	(5,775)	16,841
Comprehensive income (loss) attributable to noncontrolling interests	13	2
Comprehensive income (loss) attributable to Energy Technologies Holdings LLC	€ (5,788)	€ 16,838

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, 2022</u>	<u>March 31, 2021</u>
ASSETS			
Current assets:			
Cash and cash equivalents	Note 2	€ 59,861	€ 45,969
Current receivables and contract assets	Note 5	193,056	225,192
Inventories	Note 6	296,654	217,758
Prepaid expenses and other current assets		12,152	14,902
Total current assets		<u>561,723</u>	<u>503,821</u>
Property, plant, and equipment, net	Note 7	236,703	226,132
Other assets:			
Intangibles, net	Note 4	33,524	32,323
Deferred income taxes	Note 11	50,415	59,885
Other noncurrent assets	Note 8	17,186	17,384
Total other taxes		<u>101,125</u>	<u>109,592</u>
Total assets		<u>€ 899,551</u>	<u>€ 839,545</u>
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	Note 9	€ 77,903	€ 65,208
Current maturities of long-term debt	Note 9	25,841	17,401
Accounts payable		235,942	171,786
Accrued expenses		137,621	146,407
Total current liabilities		<u>477,307</u>	<u>400,802</u>
Long-term debt			
Long-term debt - Preferred Units	Note 9	156,904	137,479
Long-term debt - Other	Note 9	62,883	74,484
Total Long-term debt	Note 9	<u>219,787</u>	<u>211,963</u>
Noncurrent retirement obligations	Note 10	107,124	120,034
Deferred income taxes	Note 11	3,847	9,440
Other noncurrent liabilities		20,928	20,972
Total liabilities		<u>828,993</u>	<u>763,211</u>
EQUITY			
Members' Equity		59,277	59,277
Retained earnings		8,623	11,829
Accumulated other comprehensive income		2,426	5,008
Total equity attributable to Energy Technologies Holdings LLC		<u>70,326</u>	<u>76,114</u>
Noncontrolling interests		232	220
Total equity		<u>70,558</u>	<u>76,334</u>
Total liabilities and equity		<u>€ 899,551</u>	<u>€ 839,545</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)

			Accumulated other comprehensive income (loss)			
	Members' capital	Retained earnings	Defined benefit plans	Cumulative translation adjustment	Non-controlling interest	Total equity
As of June 12, 2020	€ —	€ —	€ —	€ —	€ —	€ —
Common Units Issuance	59,277	—	—	—	—	59,277
Non-controlling interest acquisition	—	—	—	—	296	296
Net income (loss)	—	11,829	—	—	2	11,831
Defined-benefit plans, net of tax	—	—	3,390	—	—	3,390
Translation adjustment	—	—	—	1,618	1	1,619
Minority Interest buyback	—	—	—	—	(79)	(79)
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

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, 2022	March 31, 2021 ⁽¹⁾
Cash Flows From Operating Activities:		
Net income (loss)	€ (3,193)	€ 11,831
Adjustments to reconcile Net income (loss) to cash provided by operating activities		
Depreciation and amortization	Note 4,7 24,417	8,600
(Gain) Loss on asset sales, impairments and ARO accretion	(243)	237
Deferred income taxes	3,951	3,016
Provision for doubtful accounts	468	20
Non-cash interest expense	15,937	7,032
Non-cash currency remeasurement gain (loss)	(1,168)	(4,868)
Income for bargain purchase	—	(6,049)
Changes in assets and liabilities:		
Current receivables and contract assets	Note 5 32,523	6,436
Inventories	Note 6 (77,118)	12,528
Other current assets	2,642	(2,608)
Accounts payable	63,908	(30,597)
Accrued expenses	(7,590)	(11,350)
Other noncurrent liabilities	(14,237)	713
Other, net	2,590	1,845
Net cash provided by (used in) operating activities	42,888	(3,212)
Cash Flows From Investing Activities:		
Capital expenditures	(30,942)	(10,359)
Net of Cash Acquired in the acquisition of Exide GP and Exide International	—	56,295
Net of Cash Acquired in the acquisition of ATEPS Nederland BV	(3,897)	—
Proceeds from asset sales	—	31
Net cash provided by (used in) investing activities	(34,839)	45,967
Cash Flows From Financing Activities:		
Inflows from PKO long term financing	40,000	—
Bridge Note repayment	(38,360)	—
Proceeds from PKO overdraft	7,299	—
Increase in short-term borrowings	5,308	13,335
Decrease in other debt	(11,283)	(7,341)
Net cash provided by financing activities	2,963	5,994
Effect of exchange rate changes on cash, cash equivalents and restricted cash	671	1,971
Net increase in cash, cash equivalents and restricted cash	11,682	50,719
Cash, cash equivalents and restricted cash, beginning of period	50,719	—
Cash, cash equivalents and restricted cash, end of period	Note 2 € 62,401	€ 50,719
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period:		
Interest	€ 13,327	€ 2,959
Income taxes (net of refunds)	4,597	2,488

(1) As the Exide International Sale Transaction became effective on October 26, 2020 and as Energy Technologies Holdings LLC did not have any operation until that date, the consolidated statements of operations and cash flows for the prior fiscal period include the operations and cash flows of the Exide International Assets for the period of 5 months and 5 days ended March 31, 2021

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.

The Company acquired Exide GP and Exide International, including their respective subsidiaries (collectively, the “Exide International Assets”), in connection with the sale and marketing process commenced by Exide Holdings, Inc. (“Former Exide”) as part of its chapter 11 bankruptcy cases. Pursuant to the chapter 11 plan of liquidation approved in its bankruptcy cases, Former Exide was granted authority to sell the Exide International Assets – which included all of Former Exide’s holdings outside of North America – to the Company as part of a credit-bid asset sale (the “Exide International Sale Transaction”). The Exide International Sale Transaction, as well as the Company’s ownership of the Exide International Assets, became effective on October 26, 2020.

Upon reviewing the Exide International Sale Transaction, it was concluded that the transaction was between entities with a high degree of common ownership in which the Company, formed by shareholders and longtime noteholders of the former parent Former Exide, acquired the non-American operations. After the transaction, the percentages of equity held by the shareholders of the Company changed with respect to their pre-transaction equity and therefore the transaction was deemed to have economic substance. As a consequence, purchase accounting was required. Application of Purchase Accounting resulted in the Consolidated Financial Statements of Energy Technologies Holdings, LLC for prior fiscal period ending March 31, 2021 including the results and cash flows of the Exide International Assets from the acquisition date, October 26, 2020.

As of March 31, 2022, the Company is owned by various institutional investors, all of which have non-controlling stakes in the Company. Members’ Equity consists of 70,098.56 Common Units in the total principal value of \$70.1 million (which translates to €59.3 million). Please note that 70,000 units are presented as Members’ Equity in the Consolidated Balance Sheet, whereas 98.56 units, that were issued in connection with Equity Incentive Plan are presented in Liabilities. Details of such classification are described in *Note 18 Stock Based Compensation*.

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 10, 2022, 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 2022” refers to the period beginning April 1, 2021 and ending March 31, 2022). Unless otherwise indicated or unless the context otherwise requires, references to “fiscal period 2021” or “prior fiscal period” refer to the period from the June 12, 2020 date of formation to March 31, 2021. As the Exide International Sale Transaction became effective on October 26 and as Energy Technologies Holdings LLC did not have any operation until that date, the consolidated statements of operations and cash flows for prior fiscal period include the operations and cash flows of the Exide International Assets for 5 months and 5 days ended March 31, 2021.

(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, 2022, no entity represented 10.0% or more of total accounts receivable balance.

Change in reporting currency

Effective April 1, 2021, the Company changed its reporting currency from the US Dollar to the Euro. The prior year financial statements had been reported in US Dollars and have been recast into Euros in accordance with ASC 830, Foreign Currency Matters as if the Company had always used the Euro as their reporting currency. Therefore, following this change in accounting policy, the comparative consolidated financial statements are presented in Euros.

Foreign Currency Translation

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 sum to the total of the same such amounts shown in the Consolidated Statements of Cash Flows.

	March 31, 2022		March 31, 2021
	(In thousands)		
Cash and cash equivalents	€ 59,861	€	45,969
Restricted cash included in prepaid expenses and other current assets	404		2,632
Restricted cash included in other noncurrent assets	2,136		2,118
Total cash, cash equivalents, and restricted cash shown in the Consolidated Statements of Cash Flows	€ 62,401	€	50,719

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 receivables 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 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 €123.8 million and €100.2 million of accounts receivable without recourse that would be otherwise included in the balance sheet as at March 31, 2022 and March 31, 2021, 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 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 is 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 at 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 at March 31, 2022 and 2021 reflects an allowance for doubtful accounts of €405 thousand and €21 thousand, 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. 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 for 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 consideration, 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 represent a separate and distinct performance obligation. Control for these services passes to the customer as the services are performed. Service revenue for the fiscal period ending March 31, 2022 and 2021 amounted to €16.0 million and €6.3 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, 2022 and 2021 amounted to €10.6 million and €5.4 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, 2022, and 2021, contract liabilities were €12.7 million and €6.9 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, 2022 will be recognized as revenue in fiscal year 2023. 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, 2022 were €11.0 million.

The following table presents the Company's revenue disaggregated by reporting segment during fiscal period ending March 31, 2022 and fiscal period ending March 31, 2021. The Company reports its results in two business segments: Transportation & Industrial.

	Fiscal Period Ended	
	March 31, 2022 (In thousands)	March 31, 2021 (In thousands)
Sales		
Transportation	€ 796,037	€ 372,034
Industrial	668,968	254,001
Corporate	—	—
Total	€ 1,465,005	€ 626,035

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. The Company recognized compensation expense of €1.1 million for the fiscal period ended March 31, 2022 related to Equity Incentive Plan. The plan includes repurchase features that allows 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, 2022 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 coronavirus pandemic that started in 2019 ("COVID-19") as well as war in Ukraine that started in February 2022 that heavily impacts 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 Issued 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. The Company is currently assessing the impact that the adoption of this guidance will have on its Consolidated Financial Statements and started preparations to adopt the standard in the Company's fiscal year 2023.

(3) ACCOUNTING FOR DERIVATIVES

The Company uses derivative contracts to hedge the volatility arising from changes in the fair value of certain assets and liabilities that are subject to market risk, such as interest rates on debt instruments, foreign currency exchange rates, and certain commodities. The Company does not enter into derivative contracts for trading or speculative purposes.

The Company recognizes outstanding derivative instruments as assets or liabilities, based on measurements of their fair values. Certain derivatives are designated as either cash flow hedges or fair value hedges and qualify for hedge accounting



treatment. If a derivative qualifies for hedge accounting, gains, or losses in its fair value that offset changes in the fair value of the asset or liability being hedged except for those derivatives that are designated as qualified cash flow hedges, which the Company recognizes at their settlement values (“effective” gains or losses) are either offset through earnings against the change in fair value of the hedged item attributable to the risk being hedged or recognized in accumulated other comprehensive income (loss), and subsequently recorded to earnings only as the related variability on the hedged transaction is recorded in earnings. If a derivative does not qualify for hedge accounting, changes in its fair value are reported in earnings immediately upon occurrence, and the classification of cash flows from these instruments is consistent with that of the transactions being hedged. Derivatives qualify for hedge accounting if they are designated as hedging instruments at their inception, and if they are highly effective in achieving changes in fair value or cash flows that offset the fair value / cash flow changes of the assets or liabilities being hedged. Regardless of a derivative’s accounting designation, changes in its fair value or cash flows that are not offset by fair value / cash flow changes in the asset or liability being hedged are considered ineffective, and are recognized in earnings immediately.

The following tables set forth information on the presentation of these derivative instruments in the Company’s Consolidated Financial Statements:

	<u>Balance Sheet</u>		<u>March 31, 2022</u>		<u>March 31, 2021</u>
			(In thousands)		
Currency forwards	Prepaid expenses and other	€	931	€	1,256
Interest rate swap	Prepaid expenses and other		474		—
Commodity swaps / forwards	Accrued expenses		—		95
Interest rate swap	Accrued expenses		—		5

	<u>Statements of Operations</u>		<u>March 31, 2022</u>		<u>March 31, 2021</u>
			(In thousands)		
Currency forwards - (gain)/loss	Other (income) expense, net	€	(2,539)	€	(1,241)
Commodity swaps / forwards – loss	Cost of sales		(1,144)		18
Interest rate swap – gain	Interest (income) expense, net		(474)		(37)



(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, 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
As of March 31, 2021				
Gross amount	€ —	€ 18,032	€ 15,456	€ 33,488
Accumulated amortization	—	(521)	(644)	(1,165)
Total	€ —	€ 17,511	€ 14,812	€ 32,323

Excluding goodwill, amortization of intangible assets was €2.8 million for the fiscal period ended March 31, 2022 and €1.4 million for the fiscal period ended March 31, 2021.

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 €0.2 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, 2022 (In thousands)	March 31, 2021 (In thousands)
Accounts Receivable from 3rd parties – gross	€ 165,150	€ 203,176
Other receivables	17,316	14,157
Unbilled trade receivables ⁽¹⁾	10,995	7,880
Allowance for doubtful accounts	(405)	(21)
Total	€ 193,056	€ 225,192

(1) 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 increase of allowance for doubtful accounts of €0.5 million and offsetting foreign exchange effect of €0.7 million.

Trade receivables due after March 31, 2023 amount to €2.6 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, 2022</u>	<u>March 31, 2021</u>
	<u>(In thousands)</u>	<u>(In thousands)</u>
Raw materials	€ 54,987	€ 59,054
Work-in-process	30,116	33,898
Finished goods	211,551	124,806
Total	<u>€ 296,654</u>	<u>€ 217,758</u>

The change of Inventories in the Consolidated Statement of Cash Flows is presented net of decrease of provision for obsolete stock of €0.7 million and foreign exchange effect of €1.0 million.

(7) PROPERTY, PLANT AND EQUIPMENT, NET

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

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
	<u>(In thousands)</u>	<u>(In thousands)</u>
Land	€ 70,424	€ 70,946
Buildings and improvements	26,749	22,046
Machinery and equipment	151,052	123,809
Construction in progress	20,351	16,921
Total Gross Value	<u>268,576</u>	<u>233,722</u>
Accumulated depreciation	<u>(31,873)</u>	<u>(7,590)</u>
Property, plant and equipment, net	<u>€ 236,703</u>	<u>€ 226,132</u>

Depreciation expense was €21.4 million for the fiscal period ended March 31, 2021 and €7.6 million for the fiscal period ended March 31, 2021.



(8) OTHER NONCURRENT ASSETS

Other noncurrent assets consisted of the following:

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
	<u>(In thousands)</u>	<u>(In thousands)</u>
Deposits	€ 4,113	€ 7,904
Capitalized software, net	2,733	1,291
Retirement plans	4,522	4,949
NC restricted cash	2,136	2,118
NC trade receivables	2,593	—
Other	1,089	1,122
Total	<u>€ 17,186</u>	<u>€ 17,384</u>

(9) DEBT

At March 31, 2022 and 2021 short-term borrowings of €77.9 million and €65.2 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 2.97% as at March 31, 2022 and 2.5% as at March 31, 2021.

Total long-term debt consisted of the following:

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
	<u>(In thousands)</u>	<u>(In thousands)</u>
8% Preferred Units	€ 140,478	€ 132,934
Accrued preferred return	16,426	4,545
Term loans due at various maturities thru 2025 with interest rates up to 3.5%	39,170	48,946
10.75% Superpriority Priming Lien Senior Secured Note due 2024	—	38,360
New European Financing with PKO	40,000	—
Capital leases due at various maturities thru 2025 with interest rates up to 6.0%	10,068	11,432
Subtotal	<u>246,142</u>	<u>236,217</u>
Unamortized debt issuance costs / discounts	(513)	(6,853)
Current debt maturities	<u>(25,841)</u>	<u>(17,401)</u>
Total long-term debt	<u>€ 219,787</u>	<u>€ 211,963</u>



Annual principal payments required under long-term debt obligations at March 31, 2022 are as follows (in thousands):

2023	€	25,841
2024		23,204
2025		15,945
2026		12,890
2027		7,793
Thereafter		160,469
Total	€	<u>246,142</u>

Total debt, including short-term borrowings, at March 31, 2022 and 2021 was €323.5 million and €294.6 million, respectively.

Super Priority Priming Lien Senior Secured Notes

On October 26, 2020, the Company, through wholly-owned subsidiary, Exide Global Holding Netherlands C.V. (“EGHN C.V.”) issued \$45.0 million aggregate principal amount of new 10.75% Super Priority Priming Lien Senior Secured Notes due October 26, 2024 (the “Bridge Note”). The Bridge Note generated \$36.0 million of net proceeds. These notes were issued as part of the Interim Financing facility supporting acquisition of Exide GP and Exide International, including their respective subsidiaries.

The Bridge Note is guaranteed by the EGHN C.V., EH International, the General Partner, EHI International, LLC, Cooperatie Exide Europe U.A., Euro Exide Corporation Limited, Exide Australia Pty Ltd, Exide Holding Netherlands B.V., Exide Technologies B.V., Exide Technologies GmbH, Exide Technologies Operations GmbH & Co. KG, Exide Technologies (Transportation) Limited and GNB Industrial Power (UK) Limited.

The Bridge Note and the related guarantees are secured by a first priority lien on the Note Priority Collateral (as defined below) provided by EGHN C.V. and the Bridge Note Guarantors.

The Note Priority Collateral consists, for certain guarantors, of pledges on all assets, for certain guarantors of share pledges, for certain guarantors of pledges on real property, machinery, inventory or bank accounts.

The Bridge Note indenture restricts the Company’s, EH International and EGHN C.V. and their restricted subsidiaries’ ability to, among other things, (i) incur or guarantee additional indebtedness or issue preferred stock; (ii) pay dividends on, or make other distributions in respect of, their capital stock; (iii) purchase or redeem capital stock or subordinated indebtedness; (iv) make investments; (v) create liens or use assets as security; (vi) enter into agreements restricting the ability of any restricted subsidiary to pay dividends, make loans, or transfer assets to the Company or other restricted subsidiaries; (vii) sell assets, including capital stock of subsidiaries; (viii) engage in transactions with affiliates; and (ix) consolidate or merge with or into other companies or transfer all or substantially all of their assets, subject to certain exceptions, including, without limitation, that the sale of the Europe & Rest of World business will not constitute a transfer of all or substantially all of their assets.

On January 7, 2022, EGHN C.V. redeemed the Bridge Note at 100% of their principal amount, together with accrued and unpaid interest. The redemption was financed with the New European Financing arrangement with PKO Bank Polski as described in the following paragraph. Unamortized debt issuance costs, amounting €5.6 million associated with Bridge Note were recognized in consolidated statement of operations for fiscal period ending March 31, 2022 upon redemption of the notes.



New 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.

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 Bridge Note as described in the preceding paragraph. The Term Loan will be 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 \$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 are subject to mandatory redemption within 8th to 13th anniversary of the Effective Date. The mandatory redemption is applicable for the Preferred Units principal value together with the unpaid Preferred Return. As such these units were presented as long-term debt together with accrued preferred return.

(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 expense of €2.8 million in the fiscal period ended March 31, 2022 and €1.2 million in the fiscal period ended March 31, 2021.



The following tables set forth the plans' funded status and the amounts recognized in the Company's Consolidated Financial Statements at March 31, 2022 and 2021, respectively:

Pension Benefits:	March 31, 2022		March 31, 2021	
	(In thousands)			
Change in benefit obligation:				
Benefit obligation at beginning of period	€	277,650	€	—
Acquired benefit obligations		—		282,930
Service cost		957		428
Interest cost		2,594		706
Actuarial loss (gain)		(8,156)		(11,776)
Benefits paid		(13,724)		(5,138)
Changes in financial assumptions		(8,631)		—
Currency translation		820		10,732
Settlements and other		(107)		(232)
Benefit obligation at end of period	€	<u>251,402</u>	€	<u>277,650</u>
Change in plan assets:				
Fair value of plan assets at beginning of period	€	155,874	€	—
Acquired plan assets		—		155,815
Actual return on plan assets		(7,256)		(7,318)
Employer contributions		6,496		2,962
Benefits paid		(13,724)		(5,138)
Currency translation		869		9,897
Settlements and other		(107)		(347)
Fair value of plan assets at end of period	€	<u>142,151</u>	€	<u>155,870</u>
Reconciliation of funded status:				
Benefit obligation at end of period	€	251,402	€	277,650
Fair value of plan assets at end of period		142,151		155,870
Funded status over (under)	€	<u>(109,251)</u>	€	<u>(121,776)</u>
Amounts recognized in the Consolidated Balance Sheets:				
Other non current assets	€	4,522	€	4,949
Accrued expenses		(6,649)		(6,691)
Noncurrent retirement obligations		(107,124)		(120,034)
Net amount recognized at end of period	€	<u>(109,251)</u>	€	<u>(121,776)</u>
Amounts recognized in accumulated other comprehensive income:				
Prior service cost (credit)	€	—	€	—
Net actuarial gain - cumulative		(12,577)		(4,045)
Net amount recognized at end of period	€	<u>(12,577)</u>	€	<u>(4,045)</u>



	Pension Benefits	
	March 31, 2022	March 31, 2021
Weighted-average assumptions at period end:		
Discount rate	1.6 %	1.0 %
Rate of compensation increase	2.4 %	2.5 %

	Pension Benefits/ Expense	
	FY22	FY21
Weighted-average expense assumptions:		
Discount rate	1.3 %	0.8 %
Expected return on plan assets	1.2 %	0.8 %
Rate of compensation increase	2.4 %	2.5 %

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, 2022 are as follows:

	Pension Benefits	
Net gain arising during the period	€	8,547
Net prior service cost during the period		—
Net gain recognized during the period		3
Exchange rate change during the period		11
Total	€	8,533

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, 2022	March 31, 2021
	(In thousands)	
Components of net periodic benefit cost:		
Service cost	€ 957	€ 428
Interest cost	2,594	706
Expected return on plan assets	(984)	(175)
Amortization of:		
Prior service cost (credit)	—	—
Actuarial gain	—	—
Net periodic benefit cost	€ 2,567	€ 959



The above excludes the impact of settlement and curtailment net loss (gain) of €3 thousand in the fiscal period ended March 31, 2022 and €6 thousand in the fiscal period ended March 31, 2021.

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, 2022 and 2021 were €113.8 million and €123.2 million, respectively.

The accumulated benefit obligation for the Company's pension plans was €111.3 million as of March 31, 2022. Expected future benefit payments are as follows:

Fiscal Year	Pension Benefits	
	(In thousands)	
2023	€	12,512
2024		12,461
2025		12,819
2026		12,840
2027		12,859
Thereafter		65,278

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.

	<u>Total Fair Value Measurement</u>	<u>Quoted Price in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
As of March 31, 2022:			
Cash and cash equivalents	€ 4,988	€ 4,988	€ —
Buy-in contract (a)	137,163	—	137,163
Total	<u>€ 142,151</u>	<u>€ 4,988</u>	<u>€ 137,163</u>
As of March 31, 2021:			
Cash and cash equivalents	€ 5,460	€ 5,460	€ —
Buy-in contract (a)	150,410	—	150,410
Total	<u>€ 155,870</u>	<u>€ 5,460</u>	<u>€ 150,410</u>

(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	
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Cash and cash equivalents	3.5%	3.5%
Buy-in contract	96.5%	96.5%
Total	<u>100.0%</u>	<u>100.0%</u>

Plan Contributions

The estimated fiscal 2023 pension plan contributions are €6.6 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 €31.2 million from fiscal 2023 through fiscal 2027.

(11) 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	
	March 31, 2022	March 31, 2021
	(In thousands)	
Income (loss) before income taxes:		
United States	€ (13,753)	€ (1,300)
Foreign	19,826	18,332
	<u>€ 6,073</u>	<u>€ 17,032</u>
Income tax provision (benefit):		
Current		
United States	€ —	€ —
Foreign	7,364	2,111
	<u>€ 7,364</u>	<u>€ 2,111</u>
Deferred		
United States	€ —	€ —
Foreign	1,902	3,090
	<u>€ 1,902</u>	<u>€ 3,090</u>
Total income tax provision (benefit)	<u>€ 9,266</u>	<u>€ 5,201</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, 2022	March 31, 2021
United States federal statutory rate	21.0%	21.0%
Local and provincial taxes	9.3%	-8.8%
Rate differences on foreign subsidiaries	17.2%	3.7%
Nondeductible expenses	69.7%	10.2%
Tax-exempt income	6.3%	-11.8%
Tax credits	-20.4%	—
Bargain Purchase	—	-7.5%
Foreign exchange	-12.9%	-5.6%
NOL and Capital Loss Carryover Adjustments	-17.8%	-0.5%
Change in valuation allowance	64.3%	20.4%
Change in Uncertain tax positions	—	1.0%
MAP settlement	3.5%	—
Previous period Adjustments	8.8%	—
Other, net	3.6%	8.3%
Effective tax rate	<u>152.6%</u>	<u>30.4%</u>



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

	March 31, 2022	March 31, 2021
	(In thousands)	
Deferred tax assets:		
Operating loss and tax credit carryforwards	€ 143,490	€ 128,791
Inventory	2,894	2,792
Compensation reserves	17,716	15,073
Environmental reserves	581	554
Sales returns	3,029	2,388
Property, plant, and equipment	1,318	11,839
Restructuring	281	264
Capitalized R&D	1,965	1,633
Other	6,154	6,654
Valuation allowance	(128,025)	(111,522)
Total	€ 49,403	€ 58,467
Deferred tax liabilities:		
Intangible assets	€ (2,835)	€ (8,022)
Total		
Net deferred tax assets	€ 46,568	€ 50,445

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

	March 31, 2022	March 31, 2021
	(In thousands)	
Noncurrent asset	€ 50,415	€ 59,885
Noncurrent liability	(3,847)	(9,440)
Total	€ 46,568	€ 50,445

At March 31, 2022, the Company had tax effected net operating losses ("NOLs") for income tax purposes and tax credit carryovers of approximately €143.5 million. Some of these are indefinite lived and some expire at various dates between 2023 and 2030.

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, 2022, 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 €128.0 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, 2016. 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, 2022	March 31, 2021
	(In thousands)	
Beginning of the fiscal period	€ 17,874	€ —
Acquired unrecognized tax benefit	—	16,732
Increases (decreases) for income tax positions taken during current	762	266
Increases (decreases) for income tax positions taken during prior period	101	—
Increases (decreases) for currency fluctuation on tax positions	97	875
Decreases for settlements with taxing authorities	(1,454)	—
Decreases for lapse of the applicable statute of limitations	—	—
End of the fiscal period	€ 17,381	€ 17,874

The amount of unrecognized tax benefit, if recognized, that would affect the Company's effective tax rate at March 31, 2022 and 2021 is €2.9 million and €2.8 million, effectively. The decrease in unrecognized tax benefits in the period ended March 31, 2022 was primarily driven by the settlement of uncertain tax positions in Italy.

The Company classifies interest and penalties on uncertain tax benefits as income tax expense. At March 31, 2022 and 2021, before any tax benefits, the Company had €0.2 million and €0.5 million, respectively, of accrued interest and penalties on unrecognized tax benefits.

(12) 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.

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. As of June 10, 2022, the most recent request for



information was received in October 2021, to which the Company responded in November 2021. 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, 2022, the amount of such liabilities on the Company's Consolidated Balance Sheets was approximately €1.8 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, 2022	March 31, 2021
	(in thousands)	
Beginning of the fiscal period	€ 6,365	€ —
Acquired Asset Retirement Obligations	—	6,253
Accretion expense	1,024	163
Payments	(362)	(448)
Release	(1,075)	—
Change in currency translation	€ 5	€ 397
End of the fiscal period	€ 5,958	€ 6,365

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, 2022 and 2021, bank guarantees with an aggregate face value of €11.0 million and €10.6 million, respectively were outstanding.

Leases

Future minimum lease payments under operating and capital leases that have initial or remaining noncancelable lease terms in excess of one year at March 31, 2022, are as follows:

Fiscal Period	Operating	Capital
	(In thousands)	
2023	€ 11,594	€ 3,362
2024	6,760	2,453
2025	5,076	1,320
2026	3,345	950
2027	2,609	682
Thereafter	3,601	3,496
Total minimum payments	€ 32,986	12,263
Less—interest on capital leases		2,195
Total principal payable on capital leases (included in long-term debt)		€ 10,068

Rent expense amounted to €13.0 million for the fiscal period ending March 31, 2022 and €5.6 million for the fiscal period ending March 31, 2021.

(13) 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 2022 and 2021, the Company recorded restructuring and impairment charges of €9.1million and €3.9 million, respectively. Restructuring charges for fiscal period 2022 and 2021 of €8.7million and of €3.0 million, respectively represented primarily severance. 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 impairment expense for fiscal period 2021 of €0.9 million included €0.6 million of Fixed assets impairment, €0.1 million of asset retirement obligation accretion expense and €0.2 million of loss on asset sales.

The following summarizes restructuring reserve activity:

	Severance Costs	Closure Costs	Total Restructuring
	(In thousands)		
At October 26, 2020	€ —	€ —	€ —
Acquired restructuring reserve	2,090	534	2,624
Expenses	3,037	(81)	2,956
Payments	(1,769)	(284)	(2,053)
Change in currency translation	(23)	37	14
At March 31, 2021	<u>€ 3,335</u>	<u>€ 207</u>	<u>€ 3,542</u>
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>

(14) OTHER (INCOME) EXPENSE, NET

Other (income) expense, net consisted of the following

	For the Fiscal Period Ended	
	March 31, 2022	March 31, 2021
	(In thousands)	
(Gain) loss on derivatives transactions	€ (2,539)	€ (1,241)
Currency remeasurement (gain) loss	1,649	(2,575)
Net periodic benefit cost (credit) excluding the service cost component	1,578	510
Reorganization costs	431	1,586
Withholding tax claim settlement	—	859
(Gain) from bargain purchase	—	(6,049)
Other	<u>€ 2</u>	<u>€ 101</u>
Total	<u>€ 1,122</u>	<u>€ (6,809)</u>



(15) 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, 2022		March 31, 2021	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	(In thousands)			
Asset (liability):				
Currency forwards (a)	€ 931	€ 931	€ 1,256	€ 1,256
Commodity swap / forward (a)	—	—	(95)	(95)
Interest rate swap (a)	474	474	(5)	(5)

(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, 2022:						
Currency forwards	€ 931	€ —	€ 931	€ —	—	—
Commodity swap/forward	—	—	—	—	—	—
Interest rate swap	474	—	474	—	—	—
As of March 31, 2021:						
Currency forwards	1,256	—	1,256	—	—	—
Commodity swap/forward	(95)	—	(95)	—	—	—
Interest rate swap	(5)	—	(5)	—	—	—

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.



(16) SUPPLEMENTAL INFORMATION

The accumulated other comprehensive income (loss) income consisted of the following:

	Defined Benefit Plans ⁽¹⁾	Cumulative Translation Adjustment	Total
	(In thousands)		
Beginning of the Fiscal Period	€ —	€ —	€ —
Other comprehensive income (loss) before reclassifications	3,390	1,618	5,008
Amounts reclassified from AOCI	—	—	—
Net change in other comprehensive income (loss)	3,390	1,618	5,008
As of March 31, 2021	€ 3,390	€ 1,618	€ 5,008
Other comprehensive income (loss) before reclassifications	5,693	(8,275)	(2,582)
Amounts reclassified from AOCI	—	—	—
Net change in other comprehensive income (loss)	5,693	(8,275)	(2,582)
As of March 31, 2022	€ 9,083	€ (6,657)	€ 2,426

(1) See Note 10 to the Consolidated Financial Statements, Employee Benefit Plans and Post-Retirement Healthcare and Life Insurance Benefits, for further discussion on the Company's pension plans.

(17) ACQUISITIONS

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 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 thousands).

(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.

Acquisition of ATEPS Nederland BV net of cash acquired line in the Consolidated Statement of Cash Flows, 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.

(18) STOCK BASED COMPENSATION

On 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 will meet 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 fiscal period ended March 31, 2022 Company issued 98.56 common units to the beneficiaries of US Plan. No restricted shares were issued for the beneficiaries of EU Plan during the current fiscal period.

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)	—
Expired during the fiscal period	—	—	—	—
Non-vested awards as of March 31, 2022	1,344,781	1,344,781	467	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, 2021	€ —	€ —	€ —	€ —
Granted	1.6	2.4	1,187.0	1,369.1
Vested	—	—	1,131.4	—
Forfeitures	—	—	—	—
Expired during the fiscal period	—	—	—	—
Non-vested awards as of March 31, 2022	1.6	2.4	1,200.9	1,369.1

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 as at December 31, 2021 when the first units were issued to the Beneficiaries.

Compensation expense of €1.1 million related to Equity Incentive Plan was recorded for the fiscal period ended March 31, 2022. There was no cash-flow impact in the fiscal period ended March 31, 2022.

(19) RELATED PARTIES TRANSACTIONS

Energy Technologies Holdings LLC is the Parent Company of the group. During the fiscal period ended March 31, 2022 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.