20241011015S6

EXIDE TECHNOLOGIES AB

MÖLNLYCKE

556162-8792

ÅRSREDOVISNING FÖR PERIODEN

2023-04-01 – 2024-03-31

FASTSTÄLLELSEINTYG

Undertecknad VD i Exide Technologies AB intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultaträkningen och balansräkningen fastställts på ordinarie bolagsstämma den 30 september 2024. Bolagsstämman beslöt tillika godkänna styrelsens förslag till vinstdisposition i moderbolaget.

Mölnlycke 2024-09-30

Christina Jahn

20241011013567

ÅRSREDOVISNING FÖR EXIDE TECHNOLOGIES AB

FÖRVALTNINGSBERÄTTELSE

Styrelsen och verkställande direktören för Exide Technologies AB får härmed avge årsredovisning för verksamheten under räkenskapsåret 2023-04-01—2024-03-31. Bolaget är helägt dotterbolag till Exide Technologies BV, med säte i Holland, som ingår i Energy Technologies Holdings LLC.

Verksamheten

Bolaget ingår i en av världens största batterikoncerner, Exide Technologies.

Exide Technologies är en av de största tillverkarna och återvinnarna av bly-syra batterier i Europa. Exide tillhandahåller ett omfattande utbud av produkter för lagring av elektrisk energi och tjänster för industri- och transportsektorerna.

Exide Transportation ("Automotive") omfattar original- och ersättningsutrustning för bilar, tunga lastfordon, jordbruksmaskiner, marin utrustning och nya teknologier för hybridfordon. Exide Industrial ("Energy Solutions" och "Motion") omfattar sådana applikationer för nätverk som telekommunikationssystem, elektrisk utrustning, järnvägar, solenergisystem och avbrottsfria elsystem (UPS), samt applikationer för transport, däribland truckar, gruvfordon och andra arbetsfordon.

Bolagets verksamhet omfattar försäljning och distribution av koncernens produkter på den svenska marknaden.

I bolaget finns också företagsledning för övriga nordiska marknader samt ett nordiskt centrallager. Bolagets säte och huvudkontor med centrallager för Sverige och Norden ligger i Mölnlycke.

Väsentliga händelser under räkenskapsåret

Försäljningen för räkenskapsåret var högre än föregående år inom alla verksamhetsområden och rörelseresultatet för räkenskapsåret är ungefär i paritet med föregående år och är i paritet med företagets förväntningar.

Flerårsöversikt (tkr)

	2023/24	2022/23	2021/22	2020/21
Nettoomsättning	1 208 655	1 071 539	1 011 562	890 559
Resultat efter finansiella poster	35 820	34 813	29 037	13 276
Rörelsemarginal	2,2%	2,3%	2,5%	2,3%
Avkastning på eget kapital	24%	22%	19%	8%
Balansomslutning	327 035	319 506	311 471	301 010
Soliditet	52%	53%	51%	50%
Antal anställda	58	59	64	68

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Se not 27 för nyckeltalsdefinitioner.

Förväntad framtida utveckling samt viktiga risker och osäkerhetsfaktorer

Förväntningarna på kommande räkenskapsår ligger i paritet med avslutat räkenskapsår avseende försäljning. Bolagets koncerntillhörighet garanterar fortsatt god varuförsörjning till konkurrenskraftiga priser från Exide's fabriker i Europa.

Bolagets kreditrisk är låg, eftersom den historiskt sett har varit mycket få förluster på fordringar. Det finns inga andra väsentliga risker utöver de som är normala för branschen.

HÅLLBARHETSRAPPORT

Från och med innevarande år så hänvisas till koncernens hållbarhetsrapport som inkluderar alla dotterbolag som ingår i Exide koncernen. Rapporten bifogas årsredovisningen i separat publikation och finns också att tillgå under nedanlänk: https://www.exidegroup.com/eu/sites/default/files/2024-07/exide_technologies-esg-report-2024_v8.pdf

Förändring i eget kapital under året

	Aktie-Kapital	Reserv-Fond	Fritt eget kapital
Belopp vid årets ingång	31 000	6 290	89 013
Utdelning	-	-	-30 000
Årets resultat	-	-	31 510
BELOPP VID ÅRETS UTGÅNG	31 000	6 290	90 523

Förslag till behandling av vinstmedel:

Till årsstämmans förfogande står:

Balanserade vinstmedel	59 012 858
Årets resultat	31 509 642
Summa	90 522 500

Styrelsen och verkställande direktören föreslår att vinstmedlen disponeras på följande sätt:

Till aktieägarna utdelas 0,0 kr per aktie (antal aktier 310 000)	
I ny räkning överförs	90 522 500
Summa	90 522 500

Resultatet av bolagets verksamhet samt ställningen vid räkenskapsårets utgång framgår av efterföljande resultat- och balansräkningar, kassaflödesanalyser jämte där tillhörande bokslutskommentar. Samtliga siffror är i tkr om ej annat anges.

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RESULTATRÄKNING (tkr)

	Not	2023-04-01 – 2024-03-31	2022-04-01 – 2023-03-31
Nettoomsättning	3	1 208 655	1 071 539
Kostnad för sålda varor		-1 111 807	-982 058
Bruttoresultat		**96 848**	**89 481**
Försäljningskostnader		-60 221	-54 934
Administrationskostnader		-10 615	-9 976
Övriga rörelseintäkter		0	0
Övriga rörelsekostnader		0	0
Rörelseresultat	2,3,4,5	**26 012**	**24 571**
Resultat från finansiella investeringar			
Resultat från andelar i koncernföretag	6	5 895	0
Ränteintäkter och liknande resultatposter	7	3 938	10 735
Räntekostnader och liknande resultatposter	8	-24	-493
Resultat efter finansiella poster		**35 820**	**34 813**
Bokslutsdispositioner	9	3 000	0
Skatt på årets resultat	10	-7 311	-4 006
ÅRETS RESULTAT		**31 510**	**30 808**

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BALANSRÄKNING (tkr)

TILLGÅNGAR	Not	2024-03-31	2023-03-31
Anläggningstillgångar			
Materiella anläggningstillgångar	11		
Byggnader och mark		44	44
Maskiner och andra tekniska anläggningar		2 667	3 445
Inventarier, verktyg och installationer		577	448
Summa materiella anläggningstillgångar		3 287	3 937
Finansiella anläggningstillgångar			
Andelar i dotterföretag	12	26 869	26 869
Andelar i intresseföretag	13	20	20
Fordringar hos koncernföretag	14	27 920	9 252
Andra långfristiga fordringar	15	704	597
Summa finansiella anläggningstillgångar		**55 513**	**36 738**
Omsättningstillgångar			
Varulager m m			
Färdiga varor och handelsvaror		91 241	88 663
Summa varulager m m		**91 241**	**88 663**
Kortfristiga fordringar			
Kundfordringar		112 001	133 777
Fordringar hos koncernföretag		37 692	27 056
Skattefordran		525	2 030
Uppskjuten skattefordran	16	401	329
Förutbetalda kostnader och upplupna intäkter	17	2 860	2 562
Övriga fordringar		2	113
Summa kortfristiga fordringar		**153 482**	**165 867**
Kassa och bank	18	**23 512**	**24 303**
SUMMA TILLGÅNGAR		**327 035**	**319 506**

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BALANSRÄKNING (tkr)

EGET KAPITAL OCH SKULDER	Not	2024-03-31	2023-03-31
Eget kapital			
Bundet eget kapital			
Aktiekapital	19	31 000	31 000
Reservfond		6 290	6 290
Summa bundet eget kapital		**37 290**	**37 290**
Fritt eget kapital	20		
Balanserad vinst		59 013	58 205
Årets resultat		31 510	30 808
Summa fritt eget kapital		**90 523**	**89 013**
Summa eget kapital		**127 813**	**126 303**
Obeskattade reserver			
Periodiseringsfonder	9	51 500	54 500
Summar Obeskattade reserver		**51 500**	**54 500**
Avsättningar för pensioner och liknande förpliktelser	21	22 243	22 603
Övriga avsättningar	22	4 491	5 223
Summa avsättningar		**26 733**	**27 826**
Långfristiga skulder			
Checkräkningskredit	23	0	0
Summa långfristiga skulder		**0**	**0**
Kortfristiga skulder			
Förskott från kunder		2 205	5 129
Leverantörsskulder		19 885	18 534
Skulder till koncernföretag		53 585	37 370
Övriga skulder		16 028	28 679
Upplupna kostnader och förutbetalda intäkter	24	29 286	21 166
Summa kortfristiga skulder		**120 989**	**110 878**
SUMMA EGET KAPITAL OCH SKULDER		**327 035**	**319 507**

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KASSAFLÖDESANALYS

	Not	2023-04-01 – 2024-03-31	2022-04-01 – 2023-03-31
Den löpande verksamheten			
Rörelseresultat före finansiella poster		26 012	24 571
Icke likviditetspåverkande poster		956	1 050
Erhållen ränta		3 938	10 735
Erhållen utdelning		5 895	0
Erlagd ränta		-427	-3 491
Betald inkomstskatt		-7 907	-5 938
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**28 467**	**26 927**
Kassaflöde från förändringar i rörelsekapital i den löpande verksamheten			
Ökning (-)/minskning (+) av varulager		-2 579	-4 573
Ökning (-)/minskning (+) av kundfordringar		21 776	-33 221
Ökning (-)/minskning (+) av övriga kortfristiga fordringar		-9 320	-5 679
Ökning (+)/minskning (-) av leverantörsskulder		1 351	-1 734
Ökning (+)/minskning (-) av övriga kortfristiga skulder		9 356	2 437
Ökning (+)/minskning (-) av avsättningar		-1 164	896
Kassaflöde från den löpande verksamheten		**47 888**	**-14 947**
Investeringsverksamheten			
Förvärv (-)/försäljning (+) av dotterbolag		0	0
Förvärv (-)/försäljning (+) av materiella anläggningstillgångar		-307	-102
Ökning (-)/minskning (+) av långfristiga fordringar		-107	-150
Kassaflöde från investeringsverksamheten		**-414**	**-252**
Finansieringsverksamheten			
Utlåning/Inlåning		-18 265	50 187
Återbetald/Upptagen checkkredit		0	0
Utbetald utdelning		-30 000	-22 000
Kassaflöde från finansieringsverksamheten		**-48 265**	**28 187**
ÅRETS KASSAFLÖDE		**-791**	**12 988**
LIKVIDA MEDEL VID ÅRETS BÖRJAN		**24 303**	**11 314**
KURSDIFFERENS I LIKVIDA MEDEL		**-**	**-**
LIKVIDA MEDEL VID ÅRETS SLUT		**23 512**	**24 303**

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NOTER

Not 1. Redovisnings- och värderingsprinciper

Utformning av resultaträkning, balansräkning och noter

Årsredovisningen har upprättats i enlighet med årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Bedömningar och uppskattningar

Följande av styrelsens bedömningar har en betydande effekt på redovisat belopp i årsredovisningen:

Lager: Risken för inkurans i lagret bedöms begränsad. Bedömningen är beaktad i det redovisade lagervärdet.

Kundfordringar: Individuella bedömningar har gjorts för företagets utestående kundfordringar och fordringar som bedömts osäkra har reserverats för.

Värderingsprinciper mm

Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Varulager

Varulagret har värderats till det lägsta av anskaffningsvärdet enligt först-in, först-ut principen (FIFO) respektive nettoförsäljningsvärde. I varulagret ingår, förutom direkta tillverkningskostnader, i förekommande fall, en därtill hänförlig andel av indirekta kostnader. Beaktande har skett av inkurans.

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivningar enligt plan

Avskrivningar enligt plan är baserade på tillgångars anskaffningsvärden och beräknade ekonomiska livslängder. Avskrivningar sker linjärt över den beräknade nyttjandeperioden. Avskrivningen redovisas som en kostnad i resultaträkningen.

Följande procentsatser för avskrivningar har använts:

- byggnader och markanläggningar	2-5%
- transportmedel	20%
- datautrustning	33%
- övriga maskiner och inventarier	20-33%
- immateriella tillgångar	10%

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Skattemässiga avskrivningar beräknas i enlighet med de lagar och regler som gäller i varje enskilt land. Skattemässiga avskrivningar utöver avskrivningar enligt plan betraktas som överavskrivningar vilka utgör en obeskattad reserv.

Finansiella tillgångar och skulder

Redovisning i och borttagande från balansräkningen

En finansiell tillgång eller finansiell skuld tas upp i balansräkningen när företaget blir part i instrumentets avtalsmässiga villkor. En finansiell tillgång tas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången har upphört eller reglerats. Detsamma gäller när de risker och fördelar som är förknippade med innehavet i allt väsentligt överförts till annan part och företaget inte längre har någon kontroll över den finansiella tillgången. En finansiell skuld tas bort från balansräkningen när den avtalade förpliktelsen fullgjorts eller upphört.

Värdering av finansiella tillgångar

Finansiella tillgångar värderas vid första redovisningstillfället till anskaffningsvärde, inklusive eventuella transaktionsutgifter som är direkt hänförliga till förvärvet av tillgången.

Finansiella omsättningstillgångar värderas efter första redovisningstillfället till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Kundfordringar och övriga fordringar som utgör omsättningstillgångar värderas individuellt till det belopp som förväntas inflyta.

Finansiella anläggningstillgångar värderas efter första redovisningstillfället till anskaffningsvärde med avdrag för eventuella nedskrivningar och med tillägg för eventuella uppskrivningar.

Värdering av finansiella skulder

Finansiella skulder värderas till upplupet anskaffningsvärde. Utgifter som är direkt hänförliga till upptagande av lån korrigerar lånets anskaffningsvärde och periodiseras enligt effektivräntemetoden.

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Redovisning av leasingavtal

Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Garantireserv

En avsättning redovisas i balansräkning när företag har en legal eller informell förpliktelse till följd av en inträffad händelse och sannolikt utflöde av resurser.

Garantiavsättningen är beräknad utifrån tidigare års garantiutgifter och en beräkning av framtida garantirisk. Beräkningen utgår från den bästa uppskattningen vid varje balansdag.

Pensioner

Alla pensionsutfästelser som inte övertagits av försäkringsbolag eller på annat sätt säkerställts genom fondering hos extern part skuldförs i balansräkningen. I företaget finns såväl avgiftsbestämda som förmånsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser att betala något ytterligare, utöver dessa avgifter. Övriga planer klassificeras som förmånsbestämda och beräknas samt redovisas i enlighet med förenklingsreglerna i BFNAR 2012:1 (K3).

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Ersättningar vid uppsägning

Ersättningar vid uppsägningar, i den omfattning ersättningen inte ger företaget några framtida ekonomiska fördelar, redovisas endast som en skuld och en kostnad när företaget har en legal eller informell förpliktelse att antingen
a) avsluta en anställds eller en grupp av anställdas anställning före den normala tidpunkten för anställningens upphörande, eller
b) lämna ersättningar vid uppsägning genom erbjudande för att uppmuntra frivillig avgång.
Ersättningar vid uppsägningar redovisas endast när företaget har en detaljerad plan för uppsägningen och samtidigt inte har en realistisk möjlighet att annullera planen.

Eventualförpliktelser

En eventualförpliktelse är:
- En möjlig förpliktelse som till följd av inträffade händelser och vars förekomst endast kommer att bekräftas av en eller flera osäkra framtida händelser, som inte helt ligger inom företagets kontroll, inträffar eller uteblir, eller
- En befintlig förpliktelse till följd av inträffade händelser, men som inte redovisas som skuld eller avsättning eftersom det inte är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen eller förpliktelsens storlek inte kan beräknas med tillräcklig tillförlitlighet.

Eventualförpliktelser är en sammanfattande beteckning för sådana garantier, ekonomiska åtaganden och eventuella förpliktelser som inte tas upp i balansräkningen.

Utländska valutor

Fordringar och skulder i utländsk valuta

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs och orealiserade kursvinster och kursförluster ingår i resultatet.

Kursdifferenser på rörelsefordringar och rörelseskulder ingår i rörelseresultatet, medan differenser på finansiella fordringar och skulder redovisas bland finansiella poster.

Redovisning av intäkter

Som inkomst redovisar bolaget det verkliga värdet av vad som erhållits eller kommer att erhållas.

Bolaget redovisar därför inkomst till nominellt värde (fakturabelopp) om bolaget får ersättningen i likvida medel direkt vid leverans. Avdrag görs för lämnade rabatter. Inkomsten från bolagets försäljning av varor redovisas som intäkt när följande villkor är uppfyllda; de väsentliga risker och förmåner som är förknippade med varornas ägande har överförts till köparen, bolaget behåller inte något engagemang i den löpande förvaltningen och utövar inte heller någon reell kontroll över de varor som sålts, inkomsten kan beräknas på ett tillförlitligt sätt, det är sannolikt att de ekonomiska fördelar som bolaget ska få av transaktionen kommer att tillfalla bolaget, och de utgifter som uppkommit eller som förväntas uppkomma till följd av transaktionen kan beräknas på ett tillförlitligt sätt.

Ränta och utdelning redovisas som intäkt när det är sannolikt att bolaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen samt att inkomsten kan beräknas

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på ett tillförlitligt sätt. Ränteintäkten redovisas med tillämpning av den räntesats som ger en jämn avkastning för tillgången i fråga. Utdelningsintäkt redovisas när aktieägarens rätt att få utdelning bedöms som säker.

Skatt

Skatt på årets resultat utgörs av aktuell skatt och uppskjuten skatt.

Aktuell skatt (tidigare kallad Betald skatt) är skatt som skall betalas eller erhållas avseende aktuellt år. Hit hör även justering av aktuell skatt hänförlig till tidigare perioder. Obeskattade reserver redovisas inklusive uppskjuten skatteskuld.

Koncernredovisning

Med hänvisning till Årsredovisningslagen 7:2 upprättas ingen koncernredovisning. Exide Technologies är ett helägt dotterbolag till Exide Technologies Holding BV, med säte i Holland, som ingår i Exide Global Holding Netherlands C.V. med säte i Holland som i sin tur ingår i Energy Technologies Holding LLC. Energy Technologies Holding LLC upprättar koncernredovisning för den koncern vari Exide Technologies AB med dotterbolag ingår i.

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Not 2. Inköp och försäljning mellan koncernföretag

Av årets totala inköp och försäljning avser 95 (93) procent av inköpen och 31 (31) procent av försäljningen andra företag inom den företagsgrupp (Exide Europe) som bolaget tillhör avseende moderbolaget.

Not 3. Nettoomsättning fördelad på geografiska marknader

	2023-04-01 – 2024-03-31	2022-04-01 – 2023-03-31
Sverige	801 547	696 505
Övriga Norden	363 970	334 707
Övriga Europa	43 121	40 255
Övriga länder	17	72
Summa	**1 208 655**	**1 071 539**

Not 4. Operationella leasingavtal

	2023-04-01 – 2024-03-31	2022-04-01 – 2023-03-31
Kostnadsförda leasingavgifter avseende operationella leasingavtal	10 873	9 606
Framtida minimileaseavgifter avseende ej uppsägningsbara operationella leasingavtal:		
Ska betalas inom 1 år	10 081	9 267
Ska betalas från 1 till 5 år	33 355	26 885

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Not 5. Personal

MEDELANTALET ANSTÄLLDA	2023-04-01 – 2024-03-31 Antal Anställda	2023-04-01 – 2024-03-31 Antal Män	2022-04-01 – 2023-03-31 Antal Anställda	2022-04-01 – 2023-03-31 Antal Män
	58	43	59	46

LÖNER OCH ANDRA ERSÄTTNINGAR	2023-04-01 – 2024-03-31 Styrelse och verkställande direktör 1)	2023-04-01 – 2024-03-31 Varav tantiem och därmed jämställd ersättning 1)	2023-04-01 – 20-03-31 Övriga anställda	2022-04-01 – 2023-03-31 Styrelse och verkställande direktör 1)	2022-04-01 – 2023-03-31 Varav tantiem och därmed jämställd ersättning 1)	2022-04-01 – 2023-03-31 Övriga anställda
	1 374	0	35 545	1 388	0	30 891

LÖNER OCH ANDRA ERSÄTTNINGAR	2023-04-01 – 2024-03-31 Löner och andra ersättningar	2023-04-01 – 2024-03-31 Sociala kostnader	2023-04-01 – 2024-03-31 Varav pensions-kostnader	2022-04-01 – 2023-03-31 Löner och andra ersättningar	2022-04-01 – 2023-03-31 Sociala kostnader	2022-04-01 – 2023-03-31 Varav pensions-kostnader
	36 919	14 224	6 374	32 280	13 144	7 486

1) Inkluderar nuvarande och tidigare styrelseledamöter och deras suppleanter samt nuvarande verkställande direktör. Av bolagets pensionskostnader ex löneskatt avser 480 (378) kkr styrelse och verkställande direktör och tidigare verkställande direktör.

Not 6. Resultat från andelar i koncernföretag

	2023-04-01 – 2024-03-31	2022-04-01 – 2023-03-31
Utdelning	5 895	0
Nedskrivning aktier	0	0
Summa	**5 895**	**0**

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Not 7. Ränteintäkter och liknande resultatposter

	2023-04-01 – 2024-03-31	2022-04-01 – 2023-03-31
Räntor	2 086	1 901
Kursdifferenser	1 852	8 834
Summa	**3 938**	**10 735**

Ränteintäkter från koncernföretag uppgår i bolaget till 1 801 (1 761) kkr.

Not 8. Räntekostnader och liknande resultatposter

	2023-04-01 – 2024-03-31	2022-04-01 – 2023-03-31
Räntor	24	493
Kursdifferenser	0	0
Summa	**24**	**493**

Räntekostnader till koncernföretag uppgår i bolaget till 0 (0) kkr.

Not 9. Bokslutsdispositioner och obeskattade reserver

	2023-04-01 – 2024-03-31	2022-04-01 – 2023-03-31
Bokslutsdispositioner		
Förändring av periodiseringsfond	0	0
Summa	**0**	**0**
Obeskattade reserver		
Periodiseringsfond 2017/18, beskattningsår 18	0	13 000
Periodiseringsfond 2018/19, beskattningsår 19	10 000	10 000
Periodiseringsfond 2019/20, beskattningsår 20	8 000	8 000
Periodiseringsfond 2020/21, beskattningsår 21	6 500	6 500
Periodiseringsfond 2021/22, beskattningsår 21	7 000	7 000
Periodiseringsfond 2022/23, beskattningsår 22	10 000	10 000
Periodiseringsfond 2023/24, beskattningsår 23	10 000	0
Summa	**51 500**	**54 500**

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Not 10. Skatter

Skatt på årets resultat

	2023-04-01 – 2024-03-31	2022-04-01 – 2023-03-31
Beräknad skatt på årets resultat	-7 382	-7 117
Justering skatt hänförlig till tidigare år	0	3 550
Uppskjuten skatt avseende temporära skillnader	72	-439
Summa skatt på årets resultat	**-7 310**	**-4 006**

Skillnad mellan redovisad skattekostnad och skattekostnad baserad på gällande skattesats

	2023-04-01 – 2024-03-31	2022-04-01 – 2023-03-31
Redovisat resultat före skatt	38 820	34 813
Skatt enligt gällande skattesats [1]	-7 997	-7 172
Skatteeffekt av ej avdragsgilla kostnader	579	-519
Skatteeffekt av ej skattepliktiga intäkter	330	791
Skatteeffekt av schablonränta på periodiseringsfond	-294	-218
Skatteeffekt av ändringar avseende tidigare år	0	3 550
Skatteeffekt av uppskjuten skatt avseende temporära skillnader	72	-439
Skatt på årets resultat enligt resultaträkningen	**- 7 310**	**- 4 006**
Effektiv skattesats	18,8%	11,5%

1) Den gällande skattesatsen är 20,6 %.

Not 11. Materiella anläggningstillgångar

	Byggnader och mark	Maskiner och andra Tekniska Anläggningar	Inventarier, Verktyg och Installationer	Totalt
Ingående anskaffningsvärden	44	8 995	2 109	11 148
Årets anskaffningar		43	264	307
Årets avyttringar		0	0	0
Utgående anskaffningsvärden	**44**	**9 038**	**2 373**	**11 454**
Ingående avskrivningar		-5 550	- 1 661	-7 210
Årets avyttringar		0	0	0
Årets avskrivningar	-	-821	-136	-956
Utgående ackumulerade avskrivningar	**-**	**-6 370**	**-1 796**	**-8 166**
REDOVISAT VÄRDE	**44**	**2 667**	**577**	**3 288**

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Not 12. Aktier i dotterföretag

	Organisationsnr.	Säte	Kapital-Andel	Bokfört Värde
Exide Technologies A/S	175.281	Skovlunde	100%	21 972
Exide Batteriwerke Gmb H	FN 52993 g	Brunn am Gebirge	70%	4 897
Summa				**26 869**

	2024-03-31	2023-03-31
Ingående anskaffningsvärden	26 869	26 869
Årets anskaffningar	-	-
Utgående anskaffningsvärde	**26 869**	**26 869**
Ingående nedskrivningar	-	-
Årets nedskrivningar	-	-
REDOVISAT VÄRDE VID ÅRETS SLUT	**26 869**	**26 869**

Not 13. Andelar i intresseföretag

	Organisationsnr.	Säte	Kapital-Andel	Bokfört Värde
BlyBatteriRetur i Sverige AB	556739-7301	Stockholm	16,7%	20
Summa				**20**

	2024-03-31	2023-03-31
Ingående anskaffningsvärden	20	20
Årets anskaffningar	-	-
Försäljningar	-	-
Nedskrivningar	-	-
REDOVISAT VÄRDE VID ÅRETS SLUT	**20**	**20**

Not 14. Fordringar hos koncernföretag

	2024-03-31	2023-03-31
Ingående saldo	9 252	56 441
Återbetalda fordringar/Upptagna fordringar	18 668	- 47 189
REDOVISAT VÄRDE VID ÅRETS SLUT	**27 920**	**9 252**

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Not 15. Andra långfristiga fordringar

	2024-03-31	2023-03-31
Anskaffningsvärde	597	447
Årets förändring	107	150
REDOVISAT VÄRDE VID ÅRETS SLUT	**704**	**597**

Not 16. Uppskjuten skattefordran

2023-03-31	Redovisat Värde	Skattemässigt Värde	Temporär Skillnad
Kostnadsreservation miljö	141	1 739	1 599
Garantiavsättning	0	0	0
	141	1 739	1 599

	Uppskjuten Skattefordran	Uppskjuten Skatteskuld	Netto
Kostnadsreservation miljö	329	0	329
Garantiavsättning	0	0	0
	329	0	329

2024-03-31	Redovisat Värde	Skattemässigt Värde	Temporär Skillnad
Kostnadsreservation miljö	141	1 739	1 599
Garantiavsättning	0	0	0
	141	1 739	1 599

	Uppskjuten Skattefordran	Uppskjuten Skatteskuld	Netto
Kostnadsreservation miljö	329	0	329
Garantiavsättning	0	0	0
	329	0	329

Not 17. Förutbetalda kostnader och upplupna intäkter

	2024-03-31	2023-03-31
Upplupna intäkter	0	0
Förutbetalda hyreskostnader	2 120	1 953
Förutbetalda försäkringspremier	146	133
Övriga förutbetalda kostnader	594	475
Summa	**2 861**	**2 562**

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Not 18. Kassa och bank

	2024-03-31	2023-03-31
Kassamedel	23 512	24 303
Disponibla tillgodohavanden hos banker och andra kreditinstitut	-	-
Kortfristiga likvida placeringar	-	-
Summa	**23 512**	**24 303**

Not 19. Information om aktiekapital

	2024-03-31	2023-03-31
Aktiekapital (tsek)	*31 000*	*31 000*
Antal Aktier	310 000	310 000
Kvotvärde	100	100

Not 20. Förslag till behandling av vinstmedel

Till årsstämmans förfogande står:

Balanserade vinstmedel	59 012 858
Årets resultat	31 509 644
Summa	90 522 502

Styrelsen och verkställande direktören föreslår att vinstmedlen disponeras på följande sätt:

Till aktieägarna utdelas 96,77 kr per aktie (total 310 000 aktier)	
I ny räkning överförs	90 522 502
Summa	90 522 502

Not 21. Avsättningar för pensioner och liknande förpliktelser

	2024-03-31	2023-03-31
Belopp vid årets ingång	22 603	21 989
Årets avsättningar	1 513	2 534
Under året ianspråktagna belopp	-1 873	- 1920
Under året återförda outnyttjade belopp		-
Summa	**22 243**	**22 603**

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Not 22. Övriga avsättningar

	2024-03-31	2023-03-31
Omstruktureringsreserv	1 599	1 599
Garantiåtaganden	2 892	3 624
Summa	**4 491**	**5 223**

Not 23. Skulder till kreditinstitut

	2024-03-31 Utnyttjat Belopp	2023-03-31 Utnyttjat Belopp	2024-03-31 Beviljat Belopp	2023-03-31 Beviljat Belopp
Checkräkningskrediter	0	0	80 000	35 000
Summa	**0**	**0**	**80 000**	**35 000**

Not 24. Upplupna kostnader och förutbetalda intäkter

	2024-03-31	2023-03-31
Semesterlöneskuld [1)]	6 212	5 777
Övriga upplupna kostnader	23 074	15 389
Summa	**29 286**	**21 166**

1) Varav sociala avgifter 1 803 (1 926) kkr.

Not 25. Arvode till revisionsfirma

	2023-04-01 – 2024-03-31	2022-04-01 – 2023-03-31
KPMG		
Revisionsuppdrag	325	300
Revisionsverksamhet utöver revisionsuppdraget	0	0
Skatterådgivning	0	0
Andra uppdrag	0	25
Summa	**325**	**325**

Med revisionsuppdrag avses lagstadgad revision av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning samt revision och annan granskning utförd i enlighet med överenskommelse eller avtal.

Detta inkluderar övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

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Not 26. Styrelseledamöter och andra ledande befattningshavare

	2023-04-01 – 2024-03-31	2022-04-01 – 2023-03-31
Styrelseledamöter, antal på balansdagen,	4	4
varav män	75%	75%
Verkställande direktör och andra ledande befattningshavare på balansdagen,	1	1
varav män	0%	0%

Not 27. Nyckeltalsdefinitioner

Rörelsemarginal
Rörelseresultat i procent av nettoomsättningen

Justerat eget kapital
Eget kapital med tillägg för obeskattade reserver som reducerats med uppskjuten skatt

Avkastning på eget kapital
Resultat efter finansiella poster i procent av genomsnittligt justerat eget kapital

Soliditet
Justerat eget kapital i procent av balansomslutning

Not 28. Ställda säkerheter och eventualförpliktelser

	2024-03-31	2023-03-31
Ställda säkerheter		
Företagsinteckningar	91 000	91 000
Eventualförpliktelser		
Övriga eventualförpliktelser	1 776	1 776
Summa ställda säkerheter och eventualförpliktelser	**92 776**	**92 776**

Not 29. Väsentliga händelser efter räkenskapsårets utgång

Det har inte varit några väsentliga händelser efter räkenskapsårets utgång.

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Mölnlycke, den dag som framgår av elektronisk signatur

Stefan Stübing
Styrelseordförande

Christina Jahn
Verkställande direktör

Michael Geiger

Sharon Cottam

Vår revisionsberättelse har avgivits den dag som framgår av elektronisk signatur

KPMG AB

Marina Pääkkö
Auktoriserad revisor

20241011101586

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20241031101587

Revisionsberättelse

Till bolagsstämman i EXIDE TECHNOLOGIES AB, org. nr 556162-8792

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för EXIDE TECHNOLOGIES AB för räkenskapsåret 2023-04-01—2024-03-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av EXIDE TECHNOLOGIES ABs finansiella ställning per den 31 mars 2024 och av dess finansiella resultat och kassaflöde för räkenskapsåret enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till EXIDE TECHNOLOGIES AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för EXIDE TECHNOLOGIES AB för räkenskapsåret 2023-04-01—2024-03-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till EXIDE TECHNOLOGIES AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.
Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Göteborg den dag som framgår av elektronisk signatur

KPMG AB

Marina Pääkkö
Auktoriserad revisor

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"Med min signatur bekräftar jag innehållet och alla datum i detta dokumentet."

20241031101589

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ENERGY TECHNOLOGIES HOLDINGS, LLC

AND SUBSIDIARIES

Management's Discussion and Analysis

of Financial Condition and Results of Operations

&

Audited Consolidated Financial Statements

for the fiscal period ended March 31, 2024

20241011101592

ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

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ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

(In thousands)

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provide information which management believes is relevant to an assessment and understanding of the Company's consolidated results of operations and financial condition. This discussion should be read in conjunction with Consolidated Financial Statements for the Fiscal Period Ended March 31, 2024.

Unless the context indicates otherwise, the "Company," "Exide," "we," "our," or "us" refers to Energy Technologies Holdings LLC and its subsidiaries.

Business

Exide (www.exidegroup.com) is a leading provider of innovative and sustainable battery storage solutions for automotive and industrial applications. With 135 years of experience, Exide has developed and globally marketed innovative batteries and systems, contributing to the energy transition, and driving a cleaner future. Exide's comprehensive range of lead-acid and lithium-ion solutions serves various applications, including 12V batteries for combustion and electric vehicles, traction batteries for material handling and robotics, stationary batteries for uninterruptible power supply, telecommunication, utility in front-of and behind-the-meter energy storage and propulsion batteries for submarines and more. The Company culture and strategy are centered around recycling, sustainability, and environmental responsibility, reflecting the commitment to being a responsible corporate citizen. The Company has 10 manufacturing and 3 recycling facilities across Europe, ensuring resilience and a low CO2 footprint with a local supply chain.

The Company reports its financial results through five principal business segments: **Automotive, Motion, Energy Solutions, Recycling and APAC**. The Company's five reportable segments are determined based upon the nature of the markets served. The Company's chief operating decision-maker monitors and manages the financial performance of these five business groups. Certain **corporate** costs are not allocated or charged to the business segments.

The **Automotive** Division is a leading developer and manufacturer of 12V automotive batteries that are designed to facilitate the transition of internal combustion vehicles to full electric powertrains. Batteries serve as 12V energy sources in a range of applications, including electric vehicles, hybrids, start-stop, and internal combustion powertrains.

The **Motion** Division is a renowned developer and manufacturer of top-quality traction batteries and chargers that facilitate the transition from combustion engines to fully electric vehicles, with a particular focus on optimizing energy efficiency for customers. Innovative battery technologies are built on both lead-acid and lithium-ion and are engineered to deliver the energy required for electric propulsion in material-handling vehicles like forklifts, as well as in robotics like automated guided vehicles, medical equipment, and cleaning.

Exide's **Energy Solutions** division is a leader in developing and manufacturing advanced stationary energy storage solutions that function as essential backup power or energy management systems and seamlessly integrate renewable energies. Its innovative battery technologies are based on both lead-acid and lithium-ion and are thoroughly engineered to provide tailor-made solutions for backup power and in-front-of- and behind-the-meter applications. Exide caters to a diverse range of industries, including UPS, telecommunication, utility production, datacenters, emergency, railway, medical and many more.

The Company operates three state-of-the-art lead-acid battery **recycling** centers. The company is committed to sustainability and ensures that all materials and components used in batteries are fully recycled and processed for reuse. All the lead recovered is reused to manufacture new batteries.

APAC division concentrates on sales and added-value services with a strong focus on Energy Solutions & Motion in the Asia Pacific region.

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Key elements of the Company's underlying business plans and strategies include:

- Drive profitable revenue growth by focusing on targeted segments and key customers where the Company can deliver differentiated value including continued growth in AGM and EFB products
- Capital investments focused on improvements in manufacturing processes, select capacity additions, cost reductions, quality enhancements and Environment, Health & Safety (EHS) projects.
- Continue to strengthen the Company's liquidity and operation cash flow by securing incremental credit facilities, working capital reduction plans and minimizing and/or eliminating the cash carrying costs related to legacy non-operating sites
- Continue to invest in research, development and engineering with the objective of developing enhanced lead-acid products as well as products utilizing alternative chemistries including lithium
- Focus on further increasing the software and electrical system engineering capabilities to support complete energy storage solution selling

Factors Which Affect the Company's Financial Performance

Lead and other Raw Materials

Lead represented approximately 47.7% and 47.1% of the Company's cost of goods sold during the twelve months ended March 31, 2024, and 2023, respectively. The market price of lead fluctuates. The average price of lead as quoted on the London Metals Exchange ("LME") during the fiscal year ended March 31, 2024, has decreased 3.3% to 1.956€ per metric ton as compared to 2.020€ per metric ton during the fiscal period ended March 31, 2023.

Lead represented approximately 40.1% and 50.9% of the Company's cost of goods sold during the three months ended March 31, 2024, and 2023, respectively. The average price of lead as quoted on the London Metals Exchange ("LME") during the three months period ended March 31, 2024, has decreased 4.3% to 1.913€ per metric ton as compared to 1.995€ per metric ton during the three months period ended March 31, 2023.

Generally, when lead prices decrease, customers may seek disproportionate price reductions from the Company, and when lead prices increase, customers may resist price increases. Either of these situations may cause customer demand for the Company's products to be reduced and the Company's net sales and gross margins to decline.

The Company's lead requirements are mainly fulfilled by third-party suppliers; however, a portion of its lead requirements is also obtained from recycling in Exide's own facilities. Because of the Company's exposure to the historically volatile lead market prices in Europe, the Company has implemented several measures to offset changes in lead prices, including selective pricing actions and lead price escalators. The Company has automatic lead price escalators with virtually all OEM customers. The company's recycling business also acts as a natural hedge for lead pricing volatility.

The Company expects that volatility in lead and other commodity costs, which affect all business segments, will continue to impact the Company's financial performance. However, as mentioned above, selective pricing actions, including lead price escalators in certain contracts, have been implemented to help mitigate these risks. The implementation of selective pricing actions and price escalators generally lag the rise in the market prices of lead and other commodities unfavorably impacting Company's results; at the same time in case of decreasing lead prices the lag in applying price escalators acts in Company's favor.

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While lead price escalators and other commodity surcharges, such as fuel surcharges, are defined by contracts and routinely enforced, additional pricing actions may not be accepted by our customers. Additionally, if the price of lead or other commodity not subject to an escalator or surcharge decreases, our customers may seek disproportionate price reductions. To the extent that lead, commodity or energy prices continue to be volatile, and the Company is unable to pass higher material costs on to the customers if prices were to rise or if customers seek disproportionate price reductions if prices of lead, commodity or energy decrease, the Company's financial performance will be adversely impacted.

Energy Costs

The Company relies on various sources of energy to support its manufacturing and distribution processes, principally natural gas for its recycling facilities, electricity at its battery manufacturing facilities, and diesel fuel for distribution of its products. The Company seeks to recoup increases in energy costs through price increases or surcharges. To the extent the Company is unable to pass on higher energy costs to its customers, its financial performance will be adversely impacted.

Exchange Rates

The majority of Company's sales are generated by the entities operating in the euro area ("eurozone"). The Company is, however, exposed to foreign currency risk in Poland, the United Kingdom ("U.K."), Sweden, the People's Republic of China ("China"), Australia, Norway and the United States of America. Fluctuations in exchange rates can result in variations in the euro value of non-eurozone net sales, expenses, assets, and liabilities. In some instances, gains in one currency may be offset by losses in another.

Markets

The global transportation and industrial energy battery markets are highly competitive. Competition has continued to intensify and has affected the Company's ability to pass along price increases to keep pace with rising production costs. In certain markets, the effects of local competition have been exacerbated by excess manufacturing capacity.

The Company is also subject to concentrations of customers and sales in a few geographic locations and is dependent on customers in certain industries, including the automotive, communications, data and material handling markets. Economic difficulties experienced in these markets and geographic locations impact the Company's financial results. OE volumes in the Automotive and Motion channels can be impacted by cyclical demand caused by changes in global economic conditions. In addition, dramatic changes in capital spending levels by major customers in our Energy Solutions' channels can also significantly impact sales levels.

Seasonality and Weather

The Company sells a disproportionate share of its transportation aftermarket batteries during the fall and early winter (the Company's third and a portion of its fourth fiscal quarters). Retailers and distributors buy automotive batteries during these periods so they will have sufficient inventory for cold weather periods. The impact of seasonality on sales has the effect of increasing the Company's working capital requirements and also makes the Company more sensitive to fluctuations in the availability of liquidity.

Unusually cold winters or hot summers may accelerate battery failure and increase demand for automotive aftermarket batteries. Mild winters and cool summers may have the opposite effect. As a result, if the Company's sales are reduced by an unusually warm winter or cool summer, it is not possible for the Company to recover these sales in later periods. Further, if the Company's sales are adversely affected by the weather, the Company cannot make offsetting costs reductions to protect its liquidity and operating profits in the short-term because a large portion of the Company's manufacturing and distribution costs are fixed.

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Results of Operations

Results of Operations versus prior year

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") is a metric used by the Company as a key measure of its operational financial performance. In addition, Adjusted EBITDA is frequently used by the financial community to provide insight into an organization's operating trends as well as facilitating comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA may also provide a useful metric to allow investors to better compare the current period results of the Company to prior period results. Adjusted EBITDA can also be a useful measure of a company's ability to service debt and is one of the measures used for determining our debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. The Company's Adjusted EBITDA definition also adjusts earnings for the effect of restructuring and impairment charges, loss (gain) of asset sales or disposals, ARO accretion expense, non-operating other (income) expense, unrealized hedging losses (gains) until realized, certain noncash environmental remediation cost incurred until paid, non-controlling interests, discontinued operations and stock compensation expense. While the Company believes that Adjusted EBITDA is useful supplemental information, such adjusted results are not intended to replace the Company's GAAP financial results and should be read in conjunction with those GAAP results. Below are reconciliations of the Company's segment income (loss) to Adjusted EBITDA.

Reconciliation of segment income (loss) to Adjusted EBITDA for the three months period ended March 31, 2024 and comparable period of 2023 consisted of the following:

	Three Months Ended	
	March 31, 2024 (actuals) (In thousands)	March 31, 2023 (actuals) (In thousands)
Operating income	€ 4,470	€ 14,790
Restructuring and impairments, net	5,375	(1,178)
Depreciation/amortization	6,973	7,165
Environmental	—	200
ERP implementation costs	390	358
Mergers & Acquisition activity expenses	155	20
Other	1,466	439
Unrealized hedging	239	(502)
Discontinued operations[1]	9	49
Adjusted EBITDA	€ 19,077	€ 21,342

(1) The Company has shown the exit of certain non-strategic business as "discontinued operations". As these amounts do not meet the GAAP criteria to qualify as discontinued operations, the GAAP financials have not been restated to exclude the impact of discontinued operations. Therefore, the impact of discontinued operations has been treated as an addback for Adjusted EBITDA purposes.

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Adjusted EBITDA for the three months ended March 31, 2024 was €2.3 million lower than the corresponding period of previous year. The negative sales evolution impact is being partly offset by the favorable commodities and energy prices evolution as well as better sales and product mix, resulting in a Gross Profit margin increase compared to previous year from11.6% to 12.3% for the quarter.

Reconciliation of segment income (loss) to Adjusted EBITDA for the twelve months period ended March 31, 2024 and comparable period of 2023 consisted of the following:

	Twelve Months Ended	
	March 31, 2024 (actuals)	March 31, 2023 (actuals)
	(In thousands)	(In thousands)
Operating income	€ 5,555	€ 13,406
Restructuring and impairments, net	6,401	8,761
Depreciation/amortization	28,194	27,373
Legal proceedings provision [1]	26,300	—
Environmental	83	200
ERP implementation costs	1,407	1,080
Mergers & Acquisition activity expenses	291	120
Other	3,713	3,822
Unrealized hedging	1,154	(648)
Discontinued operations [2]	90	218
Adjusted EBITDA	€ 73,188	€ 54,331

(1) €26.3 million represents provision that is the Company's current best estimate of the outcome of the proceedings regarding an investigation by the European Commission described in Note 14 to the Financial Statements. The impact of the legal proceedings provision has been treated as an addback for Adjusted EBITDA purposes.

(2) The Company has shown the exit of certain non-strategic business as "discontinued operations". As these amounts do not meet the GAAP criteria to qualify as discontinued operations, the GAAP financials have not been restated to exclude the impact of discontinued operations. Therefore, the impact of discontinued operations has been treated as an addback for Adjusted EBITDA purposes.

Adjusted EBITDA for the twelve months ended March 31, 2024 was €18.8 million higher than the previous year. Lower reported sales were offset by favorable commodities and energy prices' evolution as well as better product and customer mix (increased sales of premium products e.g. AGM in Automotive and Pure Power AGM in Energy Solutions) which resulted in a Gross Profit margin increase compared to the previous year from 9.7% to 12.1%.

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Operating Expenses

Selling and administrative expenses amounted to €40.8 million for the three months period ended March 31, 2024, compared to €35.1 million for the fiscal period ended March 31, 2023. The increase of €5.7 million was primarily caused by employee bonus accrual and higher salary-related costs.

Restructuring charges for the three months period ended March 31, 2024 of €5.4 million represented primarily severance.

Selling and administrative expenses amounted to €173.3 million for the fiscal period ended March 31, 2024, compared to €127.6 million for the fiscal period ended March 31, 2023. The increase of €45.8 million was primarily caused by provision of €26.3 million that is the Company's best estimate of the outcome of the proceedings regarding an investigation by the European Commission described in Note 14 to the Financial Statements, as well as higher employee bonus accrual and salary-related costs.

Restructuring charges for the twelve months period ended March 31, 2024 of €6.4 million represented primarily severance.

Net Loss to EBITDA reconciliation

Reconciliation of Net Loss to EBITDA for the three months ended March 31, 2024, is presented in the table below.

	Three Months Ended March 31, 2024 (In thousands)
Net Loss	€ (583)
Legal proceedings provision Add-Back	—
Other Add-Backs	2,259
Net Income – net of Add-Backs	€ 1,675
Depreciation and amortization	6,973
Restructuring and impairment	5,375
Other income (expense)	(2,332)
Interest expense	5,469
Tax charges	1,916
Adjusted EBITDA	€ 19,077

Main drivers impacting net result, outside of standard definition of EBITDA and normal course of business were EBITDA Addbacks amounting to €2.3 million. EBITDA Addbacks for three months period ended March 31, 2024, consist mainly of costs related to unrealized hedging of €0.2 million, ERP implementation cost of €0.4 million and other EBITDA Add-Backs amounting to €1.5 million (mainly legal fees, mergers & acquisitions costs, environmental reversal and discontinued operations).

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Reconciliation of Net Loss to EBITDA for the twelve months ended March 31, 2024, is presented in the table below.

	Twelve Months Ended March 31, 2024 (In thousands)
Net Loss	€ (25,474)
Legal proceedings provision Add-Back	26,300
Other Add-Backs	6,738
Net Income – net of Add-Backs	€ 7,563
Depreciation and amortization	28,194
Restructuring and impairment	6,401
Other income (expense)	2,964
Interest expense	20,317
Tax charges	7,748
Adjusted EBITDA	€ 73,188

Main drivers impacting net result, outside of standard definition of EBITDA and normal course of business were EBITDA Addbacks amounting to €33.0million. EBITDA Addbacks for twelve months period ended March 31, 2024, consist mainly of provision of €26.3 million that is the Company's best estimate of the outcome of the proceedings regarding an investigation by the European Commission as described in Note 14 to the Financial Statements as well as costs related to unrealized hedging of €1.2 million, ERP implementation cost of €1.4 million and other EBITDA Add-Backs amounting to €4.1 million (mainly legal fees, mergers & acquisition costs, environmental reversal and discontinued operations).

Results of Operations versus Budget

Net Sales

Net sales were €409.7 million for the three months period ended March 31, 2024, compared to budgeted €422.9 million for the same period. Net sales lower than Budget by €12.9 million, mainly driven by lower volumes sold, unfavorable mix and FX impact, partly offset by favorable pricing and lead escalator impact. The favorable pricing was less positive due to lower energy and commodity prices that increased pressure on price reductions.

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ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

(In thousands)

Net sales for the three months period by operating segment (actuals and budget) are presented below:

	Three Months Ended	
	March 31, 2024 (actuals) (In thousands)	March 31, 2024 (budget) (In thousands)
Sales		
Automotive	€ 241,501	€ 231,926
Motion	80,078	97,590
Energy Solutions	66,389	72,197
Recycling	6,667	663
APAC	15,330	20,561
Corporate	—	—
Total	€ 409,965	€ 422,936

Automotive net sales were €9.6 million (4.1%) above budget. This was driven by higher volumes and favorable lead escalator impact, partly offset by unfavorable pricing (mainly due to increased price pressure following energy and commodity prices evolution), unfavorable mix impact and FX.

Motion net sales were €17.5 million (17.9%) below budget due to lower volumes and FX. The result was partly offset by price recovery actions and favorable lead escalator impact.

Energy Solutions' net sales were €5.8 million (8.0%) below budget driven mainly by lower volumes, partly offset by favorable pricing actions and mix.

Recycling net sales were €6.0 million above budget as a result of higher volumes.

APAC net sales were below budget by €5.2 million (25.1%). This was driven by lower volumes and FX, partly offset by favorable mix impact.

Net sales for the twelve months period by operating segment (actuals and budget) are presented below:

	Twelve Months Ended	
	March 31, 2024 (actuals) (In thousands)	March 31, 2024 (budget) (In thousands)
Sales		
Automotive	€ 866,698	€ 902,697
Motion	307,580	348,183
Energy Solutions	276,693	285,711
Recycling	10,160	2,380
APAC	63,807	79,984
Corporate	—	—
Total	€ 1,524,938	€ 1,618,955

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Automotive net sales were €36.0 million (4.0%) below budget. This was driven by lower volumes, unfavorable pricing (mainly due to increased price pressure following energy and commodity prices evolution) and FX, partly offset by favorable mix and lead escalator impact.

Motion net sales were €40.6 million (11.7%) below budget due to lower volumes, unfavorable mix and FX. The result was partly offset by favorable price recovery actions.

Energy Solutions' net sales were €9.0 million (3.2%) below budget driven mainly by lower volumes and FX, partly offset by favorable pricing and mix.

Recycling net sales were €7.8million above budget as a result of higher volumes.

APAC net sales were below budget by €16.2 million (20.2%). This was driven by lower volumes and unfavorable FX, partly offset by favorable mix and pricing impact.

Gross Profit

Gross profit was €50.6 million for the three months ended March 31, 2024, compared to budgeted €46.8 million for the same period. The increase of €3.8 million was mainly driven by unfavorable logistic and manufacturing results, lower volumes, FX, unfavorable mix partly offset by lower commodity costs, favorable pricing and favorable lead escalator impact. Gross profit margin increased to 12.3% of net sales in the current period from 11.1% budgeted. Refer to the operating income section below for further operating segment discussion.

Gross profit was €185.3 million for the fiscal year ended March 31, 2024, compared to budgeted €171.9 million for the same period. The increase of €13.3 million was mainly driven by lower commodity costs, favorable lead escalator impact and favorable pricing impact partly offset by unfavorable logistic and manufacturing result, lower volumes, FX and unfavorable mix impact. Gross profit margin increased to 12.1% of net sales in the current period from 10.6% budgeted. Refer to the operating income section below for further operating segment discussion.

Operating Expenses

Selling and administrative expenses amounted to €40.8 million for the three months period ended March 31, 2024, compared to budgeted €36.1 million. The increase of €4.7 million was primarily caused by employee bonus accrual and higher salary related costs.

Restructuring charges for the three months period ended March 31, 2024 of €5.4 million represented primarily severance.

Selling and administrative expenses amounted to €173.3 million for the fiscal period ended March 31, 2024, compared to budgeted €142.3 million. The increase of €31.0 million was primarily caused by provision of €26.3 million that is the Company's best estimate of the outcome of the proceedings regarding an investigation by the European Commission described in Note 14 to the Financial Statements.

Restructuring charges for the twelve months period ended March 31, 2024 of €6.4 million represented primarily severance.

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Operating Income (Loss)

Operating Income amounted to €4.5 million for the three months period ended March 31, 2024, compared to budgeted Operating Income amounting to €10.6 million. Operating income (loss) by segment (actuals and budget) is presented in the tables below:

	Three Months Ended	
	March 31, 2024 (actuals)	March 31, 2024 (budget)
	(In thousands)	(In thousands)
Operating income		
Automotive	€ 12,456	€ 4,944
Motion	(9,974)	(942)
Energy Solutions	5,114	5,616
Recycling	4,060	4,864
APAC	(1,449)	1,007
Corporate	(5,737)	(4,878)
Total	€ 4,470	€ 10,612

Automotive operating result was €7.5 million higher compared than budgeted, mainly driven by lower commodity costs, favorable lead escalator impact, favorable logistic and manufacturing result and higher volumes, partly offset by unfavorable mix and pricing impact, FX and higher SG&A.

Motion operating loss was below budget by €9.0 million due to unfavorable mix impact, lower volumes, unfavorable logistic and manufacturing result, restructuring provision posted, higher SG&A and FX partly offset by favorable pricing impact, lower commodity costs and favorable lead escalator impact.

Energy Solutions operating income was below budget by €0.5 million, mainly driven by unfavorable logistic and manufacturing result, lower volumes, higher SG&A and FX, partly offset by favorable pricing and mix impact, lower commodity costs and favorable lead escalator.

Recycling operating income was unfavorable versus budget by €0.8 million, mainly driven by unfavorable logistic and manufacturing result, unfavorable mix impact, unfavorable lead escalator impact and higher SG&A partly offset by lower commodity costs and higher volumes.

APAC operating result was below budget by €2.5 million, mainly driven by unfavorable mix impact, lower volumes, higher SG&A and unfavorable logistic and manufacturing results partly offset by favorable pricing impact and lower commodity costs.

Corporate operating income was unfavorable versus budget by €0.9 million driven by higher SG&A costs.

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ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

(In thousands)

Operating income for the twelve months period by operating segment (actuals and budget) are presented below:

	Twelve Months Ended March 31, 2024 (actuals) (In thousands)	Twelve Months Ended March 31, 2024 (budget) (In thousands)
Operating income		
Automotive	€ 22,153	€ 16,494
Motion	(17,945)	(7,901)
Energy Solutions	23,590	22,266
Recycling	25,181	13,384
APAC	(1,643)	3,179
Corporate	(45,780)	(17,932)
Total	€ 5,555	€ 29,491

Automotive operating result was €5.7 million higher than budgeted, mainly driven by lower commodity costs, favorable lead escalator impact and lower SG&A partly offset by unfavorable logistic and manufacturing result, FX, unfavorable pricing impact (mainly due to increased price pressure following energy and commodity prices evolution), lower volumes and unfavorable mix impact.

Motion operating loss was below budget by €10.0 million due to unfavorable mix impact, lower volumes, unfavorable logistic and manufacturing result, higher SG&A and FX partly offset by lower commodity costs, favorable pricing and favorable lead escalator impact.

Energy Solutions operating income was above budget by €1.3 million, driven by favorable pricing and mix impact, lower commodity costs and favorable lead escalator impact partly offset by unfavorable logistic and manufacturing result, lower volumes, higher SG&A and FX.

Recycling operating income was favorable versus budget by €11.8 million, mainly driven by lower commodity costs, favorable logistic and manufacturing result and higher volumes, partly offset by unfavorable mix impact and unfavorable lead escalator impact.

APAC operating result was below budget by €4.8 million, mainly driven by lower volumes, unfavorable mix impact, unfavorable logistic and manufacturing result, higher SG&A and FX partly offset by lower commodity costs and favorable pricing impact.

Corporate operating income was unfavorable versus budget by €27.8 million driven by €26.3 million regarding provision that is the Company's current best estimate of the outcome of the proceedings regarding an investigation by the European Commission described in Note 14 to the Financial Statements.

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Adjusted EBITDA

Reconciliation of segment income (loss) to Adjusted EBITDA for the three months period ended March 31, 2024 (actuals and budget) consisted of the following:

	Three Months Ended	
	March 31, 2024 (actuals) (In thousands)	March 31, 2024 (budget) (In thousands)
Operating income	€ 4,470	€ 10,612
Restructuring and impairments, net	5,375	54
Depreciation/amortization	6,973	7,151
Environmental	—	149
ERP implementation costs	390	305
Mergers & Acquisition activity expenses	155	55
Other	1,466	845
Unrealized hedging	239	—
Discontinued operations[1]	9	—
Adjusted EBITDA	€ 19,077	€ 19,171

(1) The Company has shown the exit of certain non-strategic business as "discontinued operations". As these amounts do not meet the GAAP criteria to qualify as discontinued operations, the GAAP financials have not been restated to exclude the impact of discontinued operations. Therefore, the impact of discontinued operations has been treated as an addback for Adjusted EBITDA purposes.

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Reconciliation of segment income (loss) to Adjusted EBITDA for the twelve months period ended March 31, 2024 (actuals and budget) consisted of the following:

	Twelve Months Ended	
	March 31, 2024 (actuals)	March 31, 2024 (budget)
	(In thousands)	(In thousands)
Operating income	€ 5,555	€ 29,491
Restructuring and impairments, net	6,401	184
Depreciation/amortization	28,194	28,758
Legal proceedings provision[1]	26,300	—
Environmental	83	594
ERP implementation costs	1,407	1,228
Mergers & Acquisition activity expenses	291	221
Other	3,713	3,227
Unrealized hedging	1,154	—
Discontinued operations[2]	90	—
Adjusted EBITDA	€ 73,188	€ 63,703

(1) €26.3 million represents provision that is the Company's current best estimate of the outcome of the proceedings regarding an investigation by the European Commission described in Note 14 to the Financial Statements. The impact of the legal proceedings provision has been treated as an addback for Adjusted EBITDA purposes.

(2) The Company has shown the exit of certain non-strategic business as "discontinued operations". As these amounts do not meet the GAAP criteria to qualify as discontinued operations, the GAAP financials have not been restated to exclude the impact of discontinued operations. Therefore, the impact of discontinued operations has been treated as an addback for Adjusted EBITDA purposes.

Adjusted EBITDA by operating segment (actuals and budget) for the three-month period consisted of the following:

	Three Months Ended	
	March 31, 2024 (actuals)	March 31, 2024 (budget)
	(In thousands)	(In thousands)
Adjusted EBITDA		
Automotive	€ 16,571	€ 8,728
Motion	(3,192)	1,164
Energy Solutions	6,305	6,465
Recycling	4,445	5,125
APAC	(1,363)	947
Corporate	(3,689)	(3,258)
Total	€ 19,077	€ 19,171

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Automotive Adjusted EBITDA was €7.8 million above budget, driven by lower commodity costs, favorable lead escalator impact, favorable logistic and manufacturing result and higher volumes partly offset by FX and unfavorable mix and unfavorable pricing impact (mainly due to increased price pressure following energy and commodity prices evolution).

Motion Adjusted EBITDA was below budget by €4.4 million driven mainly by unfavorable mix impact and lower volumes partly offset by favorable pricing impact and lower commodity costs.

Energy Solutions Adjusted EBITDA was €0.2 million unfavorable versus budget driven by lower volumes, unfavorable logistic and manufacturing result, and higher SG&A partly offset by favorable pricing and mix impact, lower commodity costs and favorable lead escalator impact.

Recycling Adjusted EBITDA was below budget by €0.7 million driven by unfavorable logistic and manufacturing results, unfavorable Mix impact partly offset by lower Commodity costs and higher volumes.

APAC Adjusted EBITDA was unfavorable versus budget by €2.3 million. Main drivers include unfavorable mix impact, lower volumes and higher SG&A partly offset by favorable pricing impact and lower commodity costs.

Adjusted EBITDA by operating segment (actuals and budget) for the twelve-month period consisted of the following:

	Twelve Months Ended	
	March 31, 20234 (actuals)	March 31, 2024 (budget)
	(In thousands)	(In thousands)
Adjusted EBITDA		
Automotive	€ 39,062	€ 31,727
Motion	(4,373)	303
Energy Solutions	27,351	25,738
Recycling	26,325	14,404
APAC	(1,452)	2,915
Corporate	(13,725)	(11,383)
Total	€ 73,188	€ 63,703

Automotive Adjusted EBITDA was €7.3 million above budget driven by lower commodity costs and favorable lead escalator impact partly offset by unfavorable logistic and manufacturing result, FX, unfavorable pricing impact (mainly due to increased price pressure following energy and commodity prices evolution), lower volumes and unfavorable mix impact.

Motion Adjusted EBITDA was unfavorable versus budget by €4.7 million due to unfavorable mix impact, lower volumes, unfavorable logistic and manufacturing result and higher SG&A partly offset by lower commodity costs, favorable pricing impact and favorable lead escalator impact.

Energy Solutions Adjusted EBITDA was €1.6 million above budget as a result of favorable pricing and mix impact, lower commodity costs and favorable lead escalator impact partly offset by unfavorable logistic and manufacturing result, lower volumes and higher SG&A.

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Recycling Adjusted EBITDA was above budget by €11.9 million, driven by lower commodity costs, favorable logistic and manufacturing result and higher volumes partly offset by unfavorable mix and unfavorable lead escalator impact.

APAC Adjusted EBITDA was unfavorable versus budget by €2.9 million. Main drivers include lower volumes, unfavorable mix impact, unfavorable logistic and manufacturing result, higher SG&A and FX partly offset by lower commodity costs and favorable pricing impact.

Corporate Adjusted EBITDA was unfavorable versus budget by €2.3 million driven by higher SG&A.

Liquidity and Capital Resources

On March 31, 2024, the Company had total liquidity of €123.0 million comprised of cash and cash equivalents of €72.1 million and availability under various European credit facilities of €50.8 million.

The company's liquidity requirements have been met historically through cash provided by operations, borrowed funds, and the proceeds of sales of accounts receivable in certain European subsidiaries.

The Company's liquidity needs arise primarily in the funding of working capital, obligations on indebtedness and capital expenditures. Because of the seasonality of the Company's business, more cash has typically been generated in the Company's third and fourth fiscal quarters than the first and second fiscal quarters. The greatest cash demands from operations have historically occurred during the months of April through October. Due to working capital needs already being high during this period, unexpected decreases in cash flows or unexpected increases in costs beyond predicted levels could adversely affect the Company's liquidity.

Going forward, the Company's principal sources of liquidity are expected to be cash on hand, cash from operations, borrowings under various European credit facilities.

Financial Instruments and Market Risk

From time to time, the Company has used financial instruments to economically hedge certain commodity price exposures, including lead. The financial instruments are entered into for periods consistent with the related underlying exposures and do not constitute positions independent of those exposures. The Company may increase the use of financial instruments, including fixed and variable rate debt as well as swaps, forwards and option contracts to hedge interest rate, foreign currency and certain commodity purchasing related risks in the future. The swaps, forwards, and option contracts would be entered into for periods consistent with the related underlying exposures and would not constitute positions independent of those exposures. The Company has not entered into, and does not intend to enter into, contracts for speculative purposes.

Accounts Receivable Nonrecourse Factoring Arrangements

The Company utilizes nonrecourse accounts receivable factoring arrangements in certain countries where programs of this type are typical. These arrangements do not contain recourse provisions against the Company for its customers' failure to pay. Under these arrangements, the Company may sell certain of its trade accounts receivable to financial institutions.

The Company sold approximately €142.3 million of accounts receivable without recourse that would be otherwise included in the balance sheet as of March 31, 2024. Changes in the level of receivables sold in the three months period ended March 31, 2024, are included in the change in current receivables and contract assets within cash flow from operations in the Condensed Consolidated Statements of Cash Flows.

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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, 2024 and 2023, and the related consolidated statements of operations, comprehensive loss, equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

KPMG S.A., a French audit and accounting limited liability company registered with the Paris Association of Chartered Accountants under n°14-30080101 and a member of the Regional Association of statutory auditors of Versailles and Centre.
A French company, member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a Private English company limited by guarantee.

Public limited company with board of directors
KPMG S.A.
Tour Eqho
2 avenue Gambetta
CS 60055
92066 Paris la Défense Cedex
Capital : 5 497 100 €.
775 726 417 RCS Nanterre

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KPMG

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 18, 2024

KPMG S.A.

Alexandra Saastamoinen

Signature numérique de Alexandra Saastamoinen
Date : 2024.06.18 10:10:23 +02'00'

Alexandra Saastamoinen

Partner

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ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

(In thousands)

		For the Fiscal Period Ended	
		March 31, 2024	March 31, 2023
Net sales		€ 1,524,938	€ 1,545,018
Cost of sales		1,339,661	1,395,283
Gross profit		185,277	149,735
Selling and administrative expenses		173,321	127,568
Restructuring and impairments, net	Note 15	6,401	8,761
Operating income		5,555	13,406
Other (income) expense, net	Note 16	2,964	4,525
Interest expense, net		20,317	19,344
Income (loss) before income taxes		(17,726)	(10,463)
Income tax provision	Note 13	7,748	4,813
Net loss		(25,474)	(15,276)
Net income attributable to noncontrolling interests		(55)	(5)
Net loss attributable to Energy Technologies Holdings LLC		€ (25,419)	€ (15,271)

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

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ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

(In thousands)

	For the Fiscal Period Ended March 31, 2024	For the Fiscal Period Ended March 31, 2023
Net loss	€ (25,474)	€ (15,276)
Other comprehensive loss:		
Foreign currency translation adjustment	5,749	(13,018)
Change in defined-benefit liabilities, net of tax	(2,996)	10,906
Total comprehensive loss	€ (22,721)	€ (17,387)

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

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ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(In thousands)

		March 31, 2024	March 31, 2023
ASSETS			
Current assets:			
Cash and cash equivalents	Note 2	€ 72,079	€ 54,835
Current receivables and contract assets	Note 5	210,492	231,621
Inventories	Note 6	242,081	274,764
Prepaid expenses and other current assets		13,576	17,616
Total current assets		538,228	578,836
Property, plant, and equipment, net	Note 7	245,934	239,394
Other assets:			
Intangibles, net	Note 4	28,719	30,301
Deferred income taxes	Note 13	46,382	45,915
Other noncurrent assets	Note 8	51,769	49,914
Total other assets		126,870	126,130
Total assets		€ 911,032	€ 944,360
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	Note 9	€ 95,920	€ 88,205
Current maturities of long-term debt	Note 9	28,505	32,881
Accounts payable		208,037	242,301
Accrued expenses		158,701	139,238
Total current liabilities		491,163	502,625
Long-term debt			
Long-term debt - Preferred Units	Note 9	25,235	25,087
Long-term debt - Other	Note 9	54,983	78,299
Total Long-term debt	Note 9	80,218	103,386
Noncurrent retirement obligations	Note 10	89,008	89,298
Deferred income taxes	Note 13	2,011	3,213
Other noncurrent liabilities	Note 11	83,218	45,063
Total liabilities		745,618	743,585
EQUITY			
Members' Equity		210,573	210,447
Retained earnings		(50,570)	(11,230)
Accumulated other comprehensive income		3,062	315
Total equity attributable to Energy Technologies Holdings LLC		163,065	199,532
Noncontrolling interests		2,350	1,242
Total equity		165,415	200,774
Total liabilities and equity		€ 911,032	€ 944,360

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

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ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF EQUITY

(In thousands)

	Members' capital	Retained earnings	Accumulated other comprehensive income (loss): Defined benefit plans	Accumulated other comprehensive income (loss): Cumulative translation adjustment	Non-controlling interest	Total equity
As of March 31, 2022	€ 59,277	€ 8,623	€ 9,083	€ (6,657)	€ 232	€ 70,558
Net loss	—	(15,271)	—	—	(5)	(15,276)
Defined-benefit plans, net of tax	—	—	10,906	—	—	10,906
Translation adjustment	—	—	—	(13,018)	—	(13,018)
Shares issued as part of Equity Incentive Plan	134	—	—	—	—	134
Minority interests change due to Equity Incentive Plan	—	—	—	—	1,015	1,015
Preferred Units reclassification	151,036	—	—	—	—	151,036
Preferred Return	—	(4,583)	—	—	—	(4,583)
As of March 31, 2023	€ 210,447	€ (11,230)	€ 19,990	€ (19,675)	€ 1,242	€ 200,774
Net loss	—	(25,420)	—	—	(55)	(25,475)
Defined benefit plans, net of tax	—	—	(2,996)	—	—	(2,996)
Translation adjustment	—	—	—	5,743	6	5,749
Shares issued as part of Equity Incentive Plan [1]	126	—	—	—	—	126
Minority interests change due to Equity Incentive Plan [2]	—	—	—	—	587	587
Minority interest change due to BE Power GmbH acquisition [3]	—	—	—	—	569	569
Preferred Return	—	(13,920)	—	—	—	(13,920)
As of March 31, 2024	€ 210,573	€ (50,570)	€ 16,994	€ (13,932)	€ 2,350	€ 165,415

(1) During the fiscal period ended March 31, 2023, the Company issued 88.64 common units to the beneficiaries of the US Equity Incentive Plan, that as of July 1, 2023, were held for more than 6 months, and as a result were reclassified from Liability to Equity. Please refer to Note 18 for further details

(2) Change related to shares vested under the EU Equity Incentive Plan (Tranche 3). Please refer to Note 18 for further details

(3) Change related to the acquisition of 74.9% of the shares in BE Power GmbH. Please refer to Note 19 for further details

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

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ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands)

		For the Fiscal Period Ended	
		March 31, 2024	March 31, 2023
Cash Flows From Operating Activities:			
Net loss		€ (25,474)	€ (15,276)
Adjustments to reconcile Net loss to cash provided by operating activities			
Depreciation and amortization	Note 4,7	28,194	27,373
(Gain) Loss on asset sales, impairments and ARO accretion		1,618	109
Deferred income taxes		(979)	3,677
Provision for doubtful accounts		586	(326)
Non-cash interest expense		1,060	6,849
Non-cash currency remeasurement gain (loss)		(2,653)	3,141
Changes in assets and liabilities:			
Current receivables and contract assets	Note 5	21,557	(41,549)
Inventories	Note 6	34,499	18,636
Other current assets		4,815	(4,591)
Accounts payable		(36,125)	7,815
Accrued expenses		19,194	(5,792)
Other noncurrent liabilities		37,131	(6,542)
Preferred return recorded as a reduction of Retained Earnings		(13,920)	(4,583)
Other, net		(260)	2,066
Net cash provided by operating activities		69,244	(8,993)
Cash Flows From Investing Activities:			
Capital expenditures		(29,461)	(28,030)
Acquisition of BE Power GmbH net of Cash acquired		(573)	—
Earn-Out payment regarding acquisition of Customized Energy Solution (previously: ATEPS)		(850)	—
Proceeds from assets sales		42	—
Net cash used in investing activities		(30,842)	(28,030)
Cash Flows From Financing Activities:			
Payments regarding PKO long term financing	Note 9	(6,667)	(6,667)
Proceeds from PKO overdraft	Note 9	1,522	7,622
Increase in short-term borrowings	Note 9	5,580	2,797
Increase (decrease) in other debt	Note 9	(21,671)	29,015
Net cash provided by (used in) financing activities		(21,236)	32,768
Effect of exchange rate changes on cash, cash equivalents and restricted cash		(90)	(1,130)
Net increase (decrease) in cash, cash equivalents and restricted cash		17,076	(5,385)
Cash, cash equivalents and restricted cash, beginning of period		57,016	62,401
Cash, cash equivalents and restricted cash, end of period	Note 2	74,092	€ 57,016
Supplemental Disclosures of Cash Flow Information:			
Cash paid during the period:			
Interest		€ 19,013	€ 11,570
Income taxes (net of refunds)		3,804	8,722

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

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(1) BASIS OF PRESENTATION

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

As of March 31, 2024, the Company is owned by various institutional investors, all of which have non-controlling stakes in the Company. Members' Equity consists of 70,280.25 Common Units in the total principal value of $70.4 million (which translates to €59.7 million) and 155,945 Preferred Units in the total principal value of $155.95 million (which translates to €151.0 million). Please note that 93.05 units, amounting to €0.1 million, that were issued in connection with Equity Incentive Plan as of December 31, 2023, are presented in Liabilities. Furthermore, during the fiscal period ended March 31, 2023, the Company issued 88.64 common units to the beneficiaries of the US Plan, that as of July 1, 2023, were held for more than 6 months, and as a result were reclassified from Liability to Equity. Details of such classification are described in *Note 18 Stock Based Compensation.*

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 17, 2024, 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 2024" refers to the period beginning April 1, 2023, and ending March 31, 2024).

(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.

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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 OEMs. No single customer accounted for more than 10.0% of consolidated net sales during the fiscal period presented. As of March 31, 2024, no entity represented 10.0% or more of total accounts receivable balance.

Foreign Currency Translation

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

Cash Equivalents and Restricted Cash

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

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

	March 31, 2024	March 31, 2023
	(In thousands)	
Cash and cash equivalents	€ 72,079	€ 54,835
Restricted cash included in prepaid expenses and other current assets	386	376
Restricted cash included in other noncurrent assets	1,627	1,805
Total cash, cash equivalents, and restricted cash shown in the Consolidated Statements of Cash Flows	€ 74,092	€ 57,016

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.

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Accounts Receivable Factoring Arrangements

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

The Company sold approximately €142.3 million and €126.2 million of accounts receivable without recourse that would be otherwise included in the balance sheet as at March 31, 2024 and March 31, 2023, 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 flows from operating activities in the Consolidated Statements of Cash Flows.

Allowance for Doubtful Accounts

The Company maintains allowances for doubtful accounts for estimated probable losses resulting from the inability of the Company's customers to make the required payments. The Company continues to assess the adequacy of the reserves for doubtful accounts based on the financial condition of the Company's customers and other external factors that may impact collectability. The majority of the Company's accounts receivable are due from trade customers. Credit is extended based on an evaluation of the Company's customers' financial condition and generally collateral is not required. Payment terms vary, and accounts receivable are stated in the Consolidated Financial Statements in amounts due from customers net of an allowance for doubtful accounts. The Company reviews its allowance for doubtful accounts monthly. The Company considers a number of factors in determining the allowance for doubtful accounts, including the length of time trade accounts receivable are past due, the customers' current ability to pay their obligations to the Company, the Company's previous loss history, and the condition of the general economy and the industry as a whole. The Company writes off accounts receivable when they are deemed uncollectible. The Company's accounts receivable balance on March 31, 2024, and 2023 reflects an allowance for doubtful accounts of €1.8 million and €1.1 million, respectively.

Inventories

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

Property, Plant, and Equipment

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

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Deferred Financing Costs

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

Long-Lived Assets

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

Sales Returns and Allowances

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

Income Taxes

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

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Revenue Recognition

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

The Company determines revenue recognition by applying the following steps:

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

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

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

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

Service revenue related to the work performed for the Company's customers by its maintenance technicians generally represents a separate and distinct performance obligation. Control of these services passes to the customer as the services are performed. Service revenue for the fiscal period ending March 31, 2024, and 2023 amounted to €13.6 million and €13.6 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, 2024, and 2023 amounted to €18.7 million and €8.5 million, respectively.

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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, 2024, and 2023, contract liabilities were €17.1 million and €12.0 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, 2024 will be recognized as revenue in fiscal year 2025. 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, 2024 were €14.6 million, compared to €7.9 million as of March 31, 2023.

The following table presents the Company's revenue disaggregated by reporting segment during fiscal period ending March 31, 2024.

	Fiscal Period Ended March 31, 2024 (In thousands)
Sales	
Automotive	€ 866,698
Motion	307,580
Energy Solution	276,693
Recycling	10,160
APAC	63,807
Corporate	—
Total	€ 1,524,938

Advertising

The Company expenses advertising costs as they are incurred.

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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 expenses from the Equity Incentive Plan in accordance with ASC Topic 718 Compensation – Stock Compensation. Liability classified awards are measured at the grant date fair value and are remeasured at each reporting date until settlement of the award or reclassified as equity classified awards. Compensation expenses related to Equity Incentive Plan for the fiscal period ending March 31, 2024 and 2023 amounted to €1.7 million and €2.2 million, respectively.

The plan includes repurchase features that allow the company, in the event of a termination, to buy back the awards that have been vested as of the termination date within 6 months of vesting based on a formula representative of fair value. Hence, for the restricted shares and the phantom shares the Company's obligations as at March 31, 2024 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.

Leases

Effective April 1, 2022, the Company adopted the new standard (ASC Topic 842, *Leases)* under the modified retrospective approach, which resulted in no adjustment to the April 1, 2022, beginning Retained Earnings. The Company has elected the following optional practical expedients and policy elections:

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

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

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

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

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

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

The discount rates used to calculate the ROU assets and lease liabilities as of the effective date were based on the remaining lease terms as of the effective date. See Note *12 Leases* for additional disclosures.

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.

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.

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Recently Issued Accounting Pronouncements

Significant accounting policies applied by the Company in these consolidated financial statements are consistent with those explained in the Group's annual consolidated financial statements for the year 2023. Standards amendments and interpretations effective for annual periods beginning on or after 1 April 2023 had no material effect on the consolidated financial statements and accounting policies applied by Exide.

(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:

	Balance Sheet	March 31, 2024	March 31, 2023
		(In thousands)	
Currency forwards	Prepaid expenses and other	€ 415	€ 339
Interest rate swap	Prepaid expenses and other	1040	1,933
Commodity swaps / forwards	Prepaid expenses and other / (Accrued expenses)	(506)	648
Interest rate swap	(Accrued expenses)	—	—

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	Statements of Operations	For the Fiscal Period Ended March 31, 2024	March 31, 2023
		(In thousands)	
Currency forwards - (gain)/loss	Other (income) expense, net	€ (76)	€ 592
Commodity swaps / forwards – loss	Cost of sales	1,154	(648)
Interest rate swap – gain	Interest (income) expense, net	893	(1,458)

(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, 2024				
Gross amount	€ 5,875	€ 18,032	€ 15,455	€ 39,362
Accumulated amortization	(1,089)	(4,273)	(5,281)	(10,643)
Total	€ 4,786	€ 13,759	€ 10,174	€ 28,719
As of March 31, 2023				
Gross amount	€ 4,187	€ 18,032	€ 15,493	€ 37,712
Accumulated amortization	(628)	(3,023)	(3,760)	(7,411)
Total	€ 3,559	€ 15,009	€ 11,733	€ 30,301

Excluding goodwill, amortization of intangible assets amounted to €2.8 million for the fiscal period ended March 31, 2024 and €2.8 million for the fiscal period ended March 31, 2023.

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 €0.5 million for the fiscal period ended March 31, 2024 and €0.4 million for the fiscal period ended March 31, 2023.

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 €3.4 million. Weighted average amortization period is approximately 14 years and 5 months for Trademarks and Tradenames, 10 years for Technology and 10 years for Goodwill as indicated above.

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(5) CURRENT RECEIVABLES AND CONTRACT ASSETS

Current receivables and contract assets consisted of the following:

	March 31, 2024 (In thousands)	March 31, 2023 (In thousands)
Accounts Receivable from 3rd parties – gross	€ 182,575	€ 202,271
Unbilled trade receivables [1]	17,129	7,853
Other receivables	12,541	22,646
Allowance for doubtful accounts	(1,752)	(1,149)
Total	€ 210,492	€ 231,621

(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 €0.6 million and offsetting foreign exchange effect of €1.1 million.

Trade receivables due after March 31, 2025, amount to €2.3 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:

	March 31, 2024 (In thousands)	March 31, 2023 (In thousands)
Raw materials	€ 57,354	€ 73,239
Work-in-process	44,182	39,157
Finished goods	140,545	162,368
Total	€ 242,081	€ 274,764

The change of Inventories in the Consolidated Statement of Cash Flows is presented net of increase of provision for obsolete stock of €1.1 million offset by foreign exchange effect of €2.9 million.

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(7) PROPERTY, PLANT AND EQUIPMENT, NET

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

	March 31, 2024 (In thousands)	March 31, 2023 (In thousands)
Land	€ 70,908	€ 70,521
Buildings and improvements	34,463	29,075
Machinery and equipment	202,237	167,842
Construction in progress	18,223	26,929
Total Gross Value	325,831	294,367
Accumulated depreciation	(79,897)	(54,974)
Property, plant and equipment, net	€ 245,934	€ 239,394

Depreciation expense was €24.4 million for the fiscal period ended March 31, 2024, and €23.6 million for the fiscal period ended March 31, 2023.

Finance lease assets amounting to €13.9 million as of March 31, 2024 and €15.9 million as of March 31, 2023, are classified as finance lease right-of-use assets and presented as a part of property, plant and equipment. For further details please refer to Note 12 Leases.

(8) OTHER NONCURRENT ASSETS

Other noncurrent assets consisted of the following:

	March 31, 2024 (In thousands)	March 31, 2023 (In thousands)
Right-of-use assets (operating leases)	€ 30,160	€ 31,805
Capitalized software, net	8,879	4,236
Retirement plans	4,877	5,091
Deposits	3,013	3,799
NC trade receivables	2,340	2,208
NC restricted cash	1,627	1,805
Other	873	970
Total	€ 51,769	€ 49,914

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(9) DEBT

At March 31, 2024 and 2023 short-term borrowings of €95.9 million and €88.2 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 or three years, and generally bear interest at current local market rates. The weighted average interest rate on short-term borrowings was 5.8% as at March 31, 2024 and 5.02% as at March 31, 2023.

Total long-term debt consisted of the following:

	March 31, 2024	March 31, 2023
	(In thousands)	
Accrued preferred return	€ 25,235	€ 25,087
Term loans due at various maturities thru 2028 with weighted average interest rate at 3.8% [1]	31,555	49,752
European Financing with PKO	26,667	33,333
Capital leases due at various maturities thru 2038 with weighted average interest rate at 4.1%	25,563	28,501
Subtotal	109,020	136,673
Unamortized debt issuance costs / discounts	(297)	(406)
Current debt maturities	(28,505)	(32,881)
Total long-term debt	€ 80,218	€ 103,386

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

Annual principal payments required under long-term debt obligations at March 31, 2024 are as follows (in thousands):

2025	€ 28,505
2026	20,850
2027	15,909
2028	5,832
2029	2,929
Thereafter	34,996
Total	€ 109,020

Total debt, including short-term borrowings, at March 31, 2024 and 2023 was €204.6 million and €224.5 million, respectively.

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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 June 29, 2023, the Company signed an amendment to the credit facility agreement, temporarily increasing the size of the €35.0 million overdraft facility to €55.9 million. On April 24, 2024 second amendment was signed that rendered the temporary increase a permanent one.

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

The PKO Term Loan is repaid in equal quarterly installments starting September 30, 2022 and shall be fully repaid on November 30, 2026. Proceeds and repayments from the overdraft facility as well as term loan with PKO are presented as separate line of financing activity in Consolidated Statement of Cash Flows.

Preferred Units

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

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

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

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

The Company maintains several defined-benefit plans that were historically offered to the employees. For defined-benefit plans, charges to expense are based upon underlying assumptions established by the Company in consultation with its actuaries. In most cases, the defined-benefit plans are not required to be funded. The Company also has defined-contribution plans with related expenses of €2.4 million in the fiscal period ended March 31, 2024, and €3.0 million in the fiscal period ended March 31, 2023.

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The following tables set forth the plans' funded status and the amounts recognized in the Company's Consolidated Financial Statements on March 31, 2024, and 2023, respectively:

Pension Benefits:	March 31, 2024	March 31, 2023
	(In thousands)	
Change in benefit obligation:		
Benefit obligation at beginning of period	€ 185,898	€ 251,402
Acquired benefit obligations	—	—
Service cost	593	727
Interest cost	7,407	3,815
Actuarial loss (gain)	(1,599)	(32,157)
Benefits paid	(13,104)	(12,137)
Changes in financial assumptions	2,907	(20,848)
Currency translation	2,628	(4,626)
Settlements and other	(371)	(279)
Benefit obligation at end of period	€ 184,359	€ 185,898
Change in plan assets:		
Fair value of plan assets at beginning of period	€ 94,576	€ 142,151
Acquired plan assets	—	—
Actual return on plan assets	2,717	(36,416)
Employer contributions	6,653	6,621
Benefits paid	(13,045)	(12,619)
Currency translation	2,628	(4,657)
Settlements and other	(345)	(504)
Fair value of plan assets at end of period	€ 93,184	€ 94,576
Reconciliation of funded status:		
Benefit obligation at end of period	€ 184,359	€ 185,917
Fair value of plan assets at end of period	93,184	94,576
Funded status over (under)	€ (91,175)	€ (91,341)
Amounts recognized in the Consolidated Balance Sheets:		
Other noncurrent assets	€ 4,877	€ 5,091
Accrued expenses	(7,044)	(7,137)
Noncurrent retirement obligations	(89,008)	(89,298)
Net amount recognized at end of period	€ (91,175)	€ (91,341)
Amounts recognized in accumulated other comprehensive income:		
Prior service cost (credit)	€ 161	€ 172
Net actuarial gain - cumulative	(23,068)	(27,120)
Net amount recognized at end of period before taxes	(22,907)	(26,948)
Tax impact	5,914	6,958
Net amount recognized at end of period	€ (16,994)	€ (19,990)

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	Pension Benefits	
Weighted-average assumptions at period end:	March 31, 2024	March 31, 2023
Discount rate	4.1 %	3.9 %
Rate of compensation increase	2.7 %	2.7 %

	Pension Benefits/ Expense	
Weighted-average expense assumptions:	FY24	FY23
Discount rate	4.1 %	2.8 %
Expected return on plan assets	2.7 %	2.6 %
Rate of compensation increase	0.9 %	2.9 %

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, 2024 are as follows:

	Pension Benefits
Net gain arising during the period	€ 4,093
Net prior service cost during the period	(11)
Exchange rate change during the period	(43)
Total	€ 4,039

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, 2024	March 31, 2023
	(In thousands)	
Components of net periodic benefit cost:		
Service cost	€ 593	€ 746
Interest cost	7,407	3,815
Expected return on plan assets	(3,529)	(1,581)
Amortization of:		
Prior service cost (credit)	11	—
Actuarial gain	(1,896)	(285)
Net periodic benefit cost	€ 2,586	€ 2,694

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The above excludes the impact of settlement and curtailment net loss (gain) of €101 thousand in the fiscal period ended March 31, 2024, and €57 thousand in the fiscal period ended March 31, 2023.

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, 2024, and 2023 were €96.1 million and €96.4 million, respectively.

The accumulated benefit obligation for the Company's pension plans was €93.9 million as of March 31, 2024. Expected future benefit payments are as follows:

	Expected future benefit payments	Expected future benefit payments covered by Buy-In policy	Net expected future benefit payments
		(In thousands)	
Fiscal Year			
2025	€ 13,068	€ 5,999	€ 7,068
2026	13,483	6,128	7,355
2027	13,487	6,257	7,231
2028	13,600	6,385	7,215
2029	13,011	6,526	6,485
Thereafter	67,464	34,405	33,058

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.

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

	Total Fair Value Measurement	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
As of March 31, 2024:			
Cash and cash equivalents	€ 5,176	€ 5,176	€ —
Buy-in contract [1]	88,015	—	88,015
Total	€ 93,192	€ 5,176	€ 88,015
As of March 31, 2023:			
Cash and cash equivalents	€ 6,359	€ 6,359	€ —
Buy-in contract [1]	89,182	—	89,182
Total	€ 95,542	€ 6,359	€ 89,182

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

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

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

	Percentage of Plan Assets at Period End	
	March 31, 2024	March 31, 2023
Cash and cash equivalents	5.6%	6.7%
Buy-in contract	94.4%	93.3%
Total	100.0%	100.0%

Plan Contributions

The estimated fiscal 2025 pension plan contributions are €7.1 million. Cash contributions to the Company's pension plans are generally made in accordance with minimum regulatory requirements and are accounted for on an accrual basis.

The Company expects that cumulative contributions to its pension plans will total approximately €33.0 million from fiscal 2025 through fiscal 2029.

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(11) OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities consisted of the following:

	March 31, 2024	March 31, 2023
	(In thousands)	(In thousands)
NC provisions for legal proceedings [1]	€ 26,300	€ —
NC operating lease liabilities	22,261	23,000
Accrued preferred return	18,440	4,493
Assets retirement obligation	6,504	6,044
NC long service bonus accrual	3,414	5,703
NC sales returns and allowances	3,319	3,430
Other	1,609	901
Uncertain tax positions	1,371	1,491
Total	€ 83,218	€ 45,063

(1) For more details, please refer to Note 14 Commitments and contingencies

(12) LEASES

The following table presents lease assets and liabilities:

	Classification	March 31, 2024	March 31, 2023
		(In thousands)	
Operating leases			
Right-of-use assets	Other noncurrent assets	€ 30,160	€ 31,805
Operating lease current liabilities	Accrued expenses	8,323	8,805
Operating lease non-current liabilities	Other noncurrent liabilities	22,261	23,000
Accretion expense	Cost of sales	424	—
Finance leases			
Right-of-use assets	Property, plant, and equipment, net	€ 13,869	€ 15,936
Finance lease current liabilities	Current maturities of long-term debt	3,458	3,748
Finance lease non-current liabilities	Long-term debt - Other	22,105	24,752

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The component of lease expense are as follows:

	Classification	For the Fiscal Period Ended March 31, 2024	March 31, 2023
		(In thousands)	
Operating leases			
Operating lease cost [1]	Operating expenses	€ 13,947	€ 13,046
Finance leases			
Depreciation	Operating expenses	€ 2,860	€ 2,901
Interest expense	Interest expense	1,595	801

(1) Total operating lease cost include €3.3 million regarding variable lease payments and short-term lease for the fiscal period ended March 31, 2024

The following table presents the weighted average lease term and discount rates for leases:

	March 31, 2024	March 31, 2023
Operating leases		
Weighted average remaining lease term (years)	7.5 years	7.5 years
Weighted average discount rate	2.9%	3.0%
Finance leases		
Weighted average remaining lease term (years)	7.6 years	7.9 years
Weighted average discount rate	4.1%	4.2%

The following table presents future payments due under operating leases reconciled to lease liabilities as of March 31, 2024:

Fiscal Period	Operating Leases
2025	€ 9,072
2026	7,005
2027	5,102
2028	2,980
2029	1,924
Thereafter	7,630
Total discontinued lease payments	33,712
Present value discount	(3,128)
Total liability	€ 30,584

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The following table presents future payments due under finance leases reconciled to lease liabilities as of March 31, 2024:

Fiscal Period	Finance Leases
2025	€ 3,458
2026	3,329
2027	3,200
2028	2,887
2029	2,929
Thereafter	9,760
Total liability	€ 25,563

The following table presents supplemental disclosures of cash flow information related to leases:

	March 31, 2024	March 31, 2023
	(In thousands)	
Cash paid for amounts included in the measurement of lease liability		
Operating cash flows from finance leases	1,595	801
Operating cash flows from operating leases	10,642	13,046
Financing cash flow from finance leases	3,472	2,126
Supplemental non-cash information on lease liabilities arising from right-of-use assets:		
Right-of-use assets obtained in exchange for new finance lease liabilities	537	—
Right-of-use assets obtained in exchange for new operating lease liabilities	6,797	—

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(13) INCOME TAXES

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

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

	For the Fiscal Period Ended	
	March 31, 2024	March 31, 2023
	(In thousands)	
Income (loss) before income taxes:		
United States	€ (2,649)	€ (11,962)
Foreign	(15,077)	1,498
	€ (17,726)	€ (10,464)
Income tax provision (benefit):		
Current		
United States	€ —	€ —
Foreign	7,698	4,438
	€ 7,698	€ 4,438
Deferred		
United States	€ —	€ —
Foreign	50	375
Total income tax provision (benefit)	€ 7,748	€ 4,813

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

	For the Fiscal Period Ended	
	March 31, 2024	March 31, 2023
United States federal statutory rate	21.0%	21.0%
Local and provincial taxes	-8.8%	-2.7%
Legal provision	-37.1%	—
Rate differences on foreign subsidiaries	-1.0%	-42.0%
Disallowed Interest Expense	-7.3%	-8.0%
Nondeductible expenses	-4.2%	-8.8%
Tax-exempt income	1.1%	—
Tax credits	-2.8%	-1.7%
Permanent PTRs	-1.9%	-4.2%
Foreign exchange	3.6%	-10.8%
NOL and Capital Loss Carryover Adjustments	2.0%	57.0%
Change in valuation allowance	-8.3%	-61.0%
Change in Uncertain tax positions	-0.6%	6.4%
MAP settlement	—	3.6%
Other, net	0.6%	5.2%
Effective tax rate	-43.7%	-46.0%

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

	March 31, 2024	March 31, 2023
	(In thousands)	
Deferred tax assets:		
Operating loss and tax credit carryforwards	€ 159,148	€ 155,097
Accrued Other Liabilities	2,733	1,233
Inventory	3,340	3,050
Compensation reserves	11,890	13,594
Environmental reserves	521	520
Sales returns	1,630	2,463
Property, plant, and equipment	—	1,116
Restructuring	499	336
Capitalized R&D	2,410	2,150
Other	5,428	3,240
Valuation allowance	(140,637)	(137,793)
Total	€ 46,961	€ 45,007
Deferred tax liabilities:		
Property, plant, and equipment	(962)	—
Intangible assets	(1,629)	(2,305)
Total	€ (2,591)	€ (2,305)
Net deferred tax assets	€ 44,370	€ 42,702

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

	March 31, 2024	March 31, 2023
	(In thousands)	
Noncurrent asset	€ 46,382	€ 45,915
Noncurrent liability	(2,011)	(3,213)
Total	€ 44,370	€ 42,702

At March 31, 2024, the Company had tax effected net operating losses ("NOLs") for income tax purposes and tax credit carryovers of approximately €159.1 million. Some of these are indefinite lived and some expire at various dates between 2025 and 2032.

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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, 2024, 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 €140.6 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, 2018. 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, 2024	March 31, 2023
	(In thousands)	
Beginning of the fiscal period	€ 15,652	€ 17,381
Acquired unrecognized tax benefit	—	—
Increases (decreases) for income tax positions taken during current period	(43)	(1,636)
Increases (decreases) for income tax positions taken during prior period	(128)	—
Increases (decreases) for currency fluctuation on tax positions	10	35
Decreases for settlements with taxing authorities	—	(128)
Decreases for lapse of the applicable statute of limitations	—	—
End of the fiscal period	€ 15,490	€ 15,652

The amount of unrecognized tax benefit, if recognized, that would affect the Company's effective tax rate at March 31, 2024 and 2023 is €0.1 million and €2.0 million, effectively. The decrease in unrecognized tax benefits in the period ended March 31, 2023, was primarily driven by the settlement of uncertain tax positions in Italy, the end of pending processes from 1990 and 1992 in Portugal, risk expiration in Spain and due to tax rate decreased from 26.5% to 25% in France.

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The Company classifies interest and penalties on uncertain tax benefits as income tax expense. At March 31, 2024 and 2023, before any tax benefits, the Company had €21 thousand and €33 thousand, respectively, of accrued interest and penalties on unrecognized tax benefits.

(14) COMMITMENTS AND CONTINGENCIES

Regulatory Matters

In December 2015, the national competition authorities in Spain commenced an investigation into suspected price fixing in the local Spanish market in relation to purchases of spent batteries. On January 26, 2017, the Company's Spanish subsidiary and an intermediate European holding company were advised that they were targets of the investigation. On July 18, 2018, Exide Technologies, S.L.U. was advised by the competition Council of the Spanish competition authority that it had been fined 2.0 million euros for violations of Spanish antitrust laws. The fine was conditionally paid in full subject to an appeal filed by Exide Technologies, S.L.U. on January 25, 2019. On May 9, 2024, the Court ruled in the Company's favor, cancelling the imposed fine of €2.0 million. The Company is currently awaiting for the ruling to become final after exhaustion of appeal possibilities by the Spanish competition authorities.

In 2018, one of the Company's French subsidiaries received notice of an investigation by the European Commission ("EC") of alleged historical anti-competitive behavior relating to automotive lead-acid batteries. Between 2018 and 2023, the same French subsidiary received and responded to several additional requests for information from the EC. On November 30, 2023, the EC issued a Statement of Objections ("SO") to certain subsidiaries of the Company, including the same French subsidiary, outlining the EC's preliminary views that certain subsidiaries of the Company had infringed competition. The investigation does not concern the current business activities of the Company, which are unaffected by it. The Company will maintain its constructive approach and regular contacts with the EC, and present its arguments to the EC. The Company submitted its response to the SO on April 15, 2024. To cover the risk, the Company decided to create a provision of 26.3m€ that is the Company's best current estimate of the outcome of the proceedings.

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.

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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, 2024, the amount of such liabilities on the Company's Consolidated Balance Sheets was approximately €2.0 million. Environmental costs are classified as an operating item in the Consolidated Statements of Operations under the caption cost of sales. Because environmental liabilities are not accrued until a liability is determined to be probable and reasonably estimable, not all potential future environmental liabilities have been included in the Company's environmental liabilities. Therefore, changes in estimates or future findings could have a material adverse effect on the Company's financial condition, cash flows, or results of operations.

Asset Retirement Obligation

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

The following summarizes ARO activity:

	March 31, 2024	March 31, 2023
	(in thousands)	
Beginning of the fiscal period	€ 6,044	€ 5,958
Accretion expense	465	214
Payments	(13)	(112)
Change in currency translation	€ 8	€ (17)
End of the fiscal period	€ 6,504	€ 6,044

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, 2024 and 2023, bank guarantees with an aggregate face value of €13.7 million and €9.7 million, respectively were outstanding.

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(15) RESTRUCTURING AND IMPAIRMENTS, NET

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

During fiscal period 2024 and 2023, the Company recorded restructuring and impairment charges of €6.4 million and €8.8 million, respectively. Restructuring charges for the fiscal period 2024 and 2023 of €5.9 million and of €8.5 million, respectively represented primarily severance. The impairment expense for fiscal period 2024 of €0.5 million included €0.1 million of Fixed assets impairment, €0.5 million of asset retirement obligation accretion expense and €0.1 million of gain on asset sales. The impairment expense for fiscal period 2023 of €0.3 million included €0.2 million of Fixed assets impairment, €0.2 million of asset retirement obligation accretion expense and €0.1 million of gain on asset sales.

The following summarizes restructuring reserve activity:

	Severance Costs	Closure Costs	Total Restructuring
		(In thousands)	
At March 31, 2022	€ 3,857	€ 375	€ 4,232
Expenses	8,347	79	8,427
Payments	(4,847)	(253)	(5,100)
Change in currency translation	(64)	28	(36)
At March 31, 2023	€ 7,292	€ 230	€ 7,522
Expenses	5,725	149	5,873
Payments	(6,812)	(197)	(7,009)
Change in currency translation	(134)	54	(80)
At March 31, 2024	€ 6,071	€ 235	€ 6,306

(16) OTHER (INCOME) EXPENSE, NET

Other (income) expense, net consisted of the following

	For the Fiscal Period Ended	
	March 31, 2024	March 31, 2023
	(In thousands)	
Net periodic benefit cost (credit) excluding the service cost component	€ 3,438	€ 2,637
(Gain) loss on derivatives transactions	(76)	592
Currency remeasurement (gain) loss	(188)	1,431
Other	€ (210)	€ (135)
Total	€ 2,964	€ 4,525

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(17) FAIR VALUE MEASUREMENTS

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

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

	March 31, 2024		March 31, 2023	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	(In thousands)			
Asset (liability):				
Currency forwards [1]	€ 415	€ 415	€ 339	€ 339
Commodity swap / forward [1]	(506)	(506)	648	648
Interest rate swap [1]	1,040	1,040	1,933	1,933

(1) 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, 2024:				
Currency forwards	€ 415	€ —	€ 415	€ —
Commodity swap/forward	(506)	—	(506)	—
Interest rate swap	1,040	—	1,040	—
As of March 31, 2023:				
Currency forwards	339	—	339	—
Commodity swap/forward	648	—	648	—
Interest rate swap	1,933	—	1,933	—

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

(18) STOCK BASED COMPENSATION

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 Members. The 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 2021 Plan"). On February 20, 2023, the Company entered into a new sub-plan that covers beneficiaries based in the European Union ("EU 2023 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 EU 2021 and EU 2023 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 a 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.

Sub-plan for beneficiaries based in the European Union ("EU 2021 Plan"):

The performance condition will be met if, on December 31, 2024, the Fair Market Value of ETH LLC meets the target set out in the plan. Shares and units granted based on a presence condition will vest ratably, in four tranches, from the grant date till December 31, 2024. Shares and units based on the performance condition will fully vest altogether on December 31, 2024.

Sub-plan for beneficiaries based in the European Union ("EU 2023 Plan"):

The performance condition will be met if, on December 31, 2025, the Fair Market Value of ETH LLC meets the target set out in the plan. Shares and units granted based on a presence condition will vest ratably, in two tranches, from the grant date till December 31, 2025. Shares and units based on the performance condition will fully vest altogether on December 31, 2025.

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.

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During the fiscal period ended March 31, 2023, Company issued 88.64 common units to the beneficiaries of the US Plan, that as of July 1, 2023, were held for more than 6 months, and as a result were reclassified from Liability to Equity.

During the current fiscal period 155.56 units were vested in regards of the US Plan. Since the beneficiaries decided to net settle, they effectively received 93.05 common units. These units, at the value of €115 thousand, are currently presented as liabilities and are planned to be reclassified to Equity after being held for more than 6 months.

During the current fiscal period 305,764 shares were vested in regards of the EU 2021Plan. Since the beneficiaries decided to net settle, they effectively received 245,047 shares.

The following tables summarizes the Company's vested and non-vested awards as of March 31, 2024 and March 31, 2023:

	Number of shares			
	"EU 2021 Plan" Restricted Shares granted on Presence condition	"EU 2021 Plan" Restricted Shares granted on Presence & Performance condition	"EU 2023 Plan" Restricted Shares granted on Presence condition	"EU 2023 Plan" Restricted Shares granted on Presence & Performance condition
	(In thousands)			
Non-vested awards as of March 31, 2022	1,352,785	1,352,785	—	—
Granted	8,950	12,203	—	—
Vested	423,472	—	—	—
Forfeitures – net settlement	109,184	—	—	—
Forfeitures – change in a beneficiary's structure	216,446	216,446	—	—
Non-vested awards as of March 31, 2023	612,633	1,148,543	—	—
Granted	29,415	55,147	249,753	265,136
Vested	(245,047)	—	—	—
Forfeitures – net settlement	(60,717)	—	—	—
Forfeitures – other	(23,981)	(32,698)	—	—
Non-vested awards as of March 31, 2024	312,303	1,170,991	249,753	265,136

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	Number of shares	
	"US Plan" Common Units granted on Presence condition	"US Plan" Profit Interest Units granted on Presence & Performance condition
	(In thousands)	
Non-vested awards as of March 31, 2022	467	583
Vested	89	—
Forfeitures – net settlement	67	—
Non-vested awards as of March 31, 2023	311	583
Vested	(93)	—
Forfeitures – net settlement	(63)	—
Non-vested awards as of March 31, 2024	156	583

	Weighted average fair value of the awards			
	"EU 2021 Plan" Restricted Shares granted on Presence condition	"EU 2021 Plan" Restricted Shares granted on Presence & Performance condition	"EU 2023 Plan" Restricted Shares granted on Presence condition	"EU 2023 Plan" Restricted Shares granted on Presence & Performance condition
	(In thousands)			
Non-vested awards as of March 31, 2022	€ 2.6	€ 2.6	€ —	€ —
Granted	2.5	2.5	—	—
Vested	2.8	—	—	—
Forfeitures – net settlement	2.8	—	—	—
Forfeitures – change in a beneficiary's structure	3.1	3.1	—	—
Non-vested awards as of March 31, 2023	2.5	2.5	—	—
Granted	2.04	2.04	2.3	2.5
Vested	2.03	—	—	—
Forfeitures – net settlement	2.03	—	—	—
Forfeitures – other	2.5	2.5	—	—
Non-vested awards as of March 31, 2024	2.04	2.04	2.04	2.04

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	Weighted average fair value of the awards	
	"US Plan" Common Units granted on Presence condition	"US Plan" Profit Interest Units granted on Presence & Performance condition
	(In thousands)	
Non-vested awards as of March 31, 2022	€ 1,046.4	€ 956.6
Vested	1,451.1	—
Forfeitures – net settlement	1,451.1	—
Non-vested awards as of March 31, 2023	1,438.9	1,438.9
Vested	1,241.1	—
Forfeitures – net settlement	1,241.1	—
Non-vested awards as of March 31, 2024	1,241.1	1,241.1

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 the fair value of the awards granted. Such election was made for each of the vesting that occurred to date: as of December 31, 2021, as of August 11, 2022 as of December 31, 2022 and as of December 31, 2023. For the purpose of the accrual calculation, the last valuation performed by the appraiser was utilized.

Compensation expense of €1.7 million for the fiscal period ended March 31, 2024, related to Equity Incentive Plans was recorded. Non-cash compensation expenses are presented in lines: "Accrued Expenses" in the Consolidated Statement of Cash Flows. There was €0.1 million cash-flow impact in the fiscal period ended March 31, 2024 related to social security and net settlement payment.

(19) ACQUISITIONS

On January 10, 2024 Exide Stationary Systems Holding B.V. acquired 74.9 percent of the shares of BE Power GmbH (referred to as "BE Power"). BE Power is a Lithium Ion based systems provider with its own BMS development. As a result of the acquisition, Exide will increase its footprint in the battery energy storage systems' market based on Lithium-Ion technology. The remaining 25.1 percent of shares will be purchased in 6 months from the first closing date as outlined in the Share Purchase Agreement.

The goodwill of €1.7 million gross arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of Exide and BE Power.

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

202410110164S

	January 10, 2024
Consideration	**(In thousands)**
Purchase price [1]	1,575
Contingent consideration payments [2]	500
Additional considerations [3]	193
Fair value of consideration transferred	1,698
Fair value of non-controlling interest	569
Recognized identifiable assets acquired, and liabilities assumed at fair value	
Cash and cash equivalents	127
Current receivables and contract assets [4]	425
Inventories [5]	909
Property, plant and equipment, net	86
Prepaid expenses	20
Accounts payable	(316)
Accrued expenses	(238)
Other liabilities	(139)
Short-term borrowings	(250)
Total identifiable net assets	580
Goodwill	**€ 1,688**

(1) €700 thousand was paid at closing, hence it is part of the current Consolidated Cash Flow Statement. €475 thousand will be paid 6-month post-closing and €400 thousand 24-months post-closing

(2) Contingent consideration arrangements consist of earn-out payment subject to conditions that the management believes are probable to be achieved, hence it is not part of current Consolidated Cash Flow Statement

(3) Additional considerations relate to the obligation of continuance of employment of certain employees after closing date

(4) Current receivables and contract assets are presented at fair value

(5) The fair value of inventory is presented net of expected obsolescence

20241011101649

BE Power generated €1.3 million revenue and incurred a €6 thousand net loss for the fiscal period ended March 31, 2024.

The Company incurred acquisition related costs of €20 thousand that are included in the consolidated statement of operations for the fiscal period ended March 31, 2024.

The acquisition of BE Power GmbH net of cash acquired line in the Consolidated Statement of Cash Flows for fiscal period ended March 31, 2024, that amounts to €0.6 million consists of consideration paid in cash of €0.7 million, offset by cash available in acquired company of €0.1 million.

(20) RELATED PARTIES TRANSACTIONS

Energy Technologies Holdings LLC is the Parent Company of the group. During the fiscal period ended March 31, 2024 no related party transactions occurred that would not have been eliminated on a consolidated level. For the intercompany transactions every effort is made to approximate an arm's length fee for services provided or goods sold, however because of the relationship between the subsidiaries and the Parent Company, it is possible that the terms and costs of the services provided are not the same as those that would result from transactions among wholly unrelated parties.

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ESG Report 2024

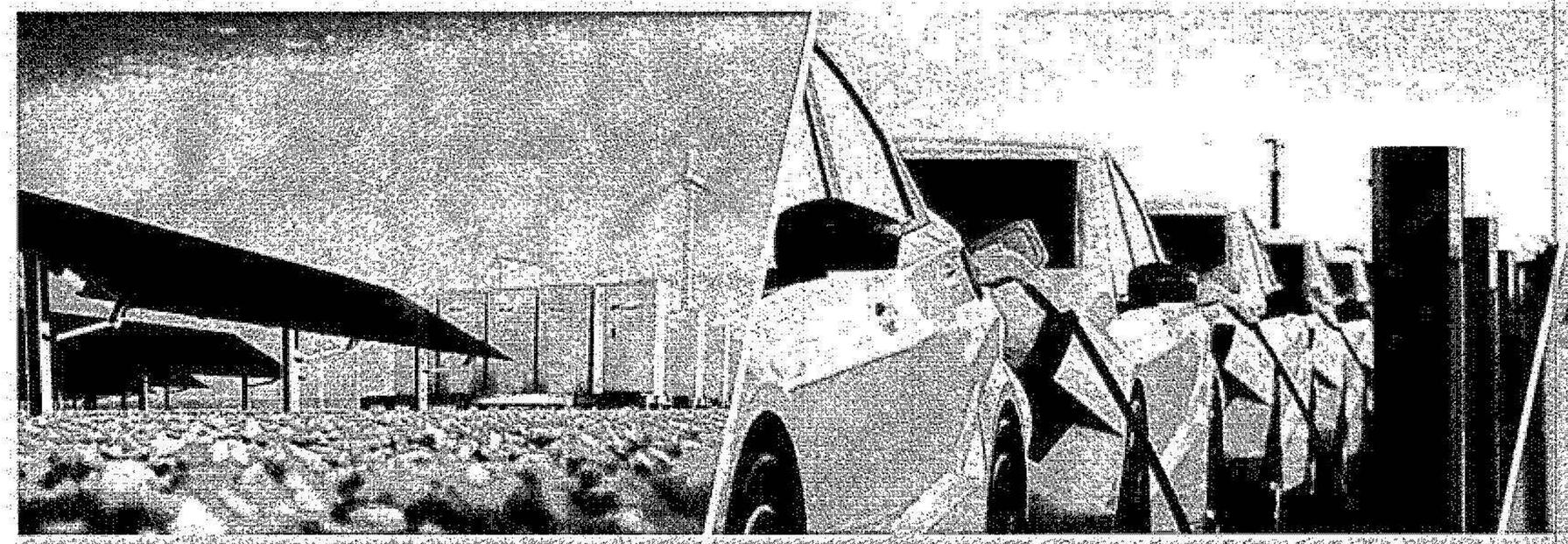


ENERGIZING
A NEW
WORLD

EXIDE
TECHNOLOGIES

exidegroup.com

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1. Introduction

Letter from the CEO



As we reflect on recent years, it is clear that our commitment to sustainability is more vital and impactful than ever. Our proactive efforts to address climate change have never been more crucial, as we witness its effects through frequent and intense droughts, floods, storms, and heat waves across all regions. Together, we face these challenges with a united resolve to create a resilient and sustainable future for our global community.

At Exide Technologies, we believe in energizing a new world and a sustainable future; one where innovative battery and energy storage solutions drive progress and environmental stewardship. Our journey, rooted in over 135 years of experience, is firmly focused on the future - a future where our products, systems, and technologies contribute to a cleaner, greener world.

Our vision and mission, „Energizing a new world," is more than a claim – it is a call to action. We aspire to create a more sustainable future for all.

At Exide, we recognize the critical role we play in the global energy transition and the importance of responsible business practices.

This is why we are presenting today our first ESG report, underscoring our unwavering commitment to sustainability. It highlights our strides in developing sustainable battery storage solutions, our dedication to reducing environmental impact, and our efforts to enhance the well-being of our communities.

Within the report, you will find our strategic initiatives, significant achievements, and the roadmap we have adopted to ensure that sustainability is integrated into every facet of our operations. We understand that sustainability goes beyond mere compliance and regulatory fulfillment. It represents a distinct opportunity to drive innovation, enhance efficieacy, and forge a resilient and environmentally friendly future for all.

From advanced battery storage solutions that support the energy transition to our comprehensive recycling programs embodying circular economy principles, Exide Technologies is committed to making a positive impact on the environment and society.

The future demands that we not only adapt but lead. Our 2024-2030 Sustainability Strategy, corresponding to the recent European legislation, sets the course for our long-term environmental stewardship and social responsibility. This strategy is not just a plan; it is our pledge to operate with the highest respect for the planet while fostering positive societal impacts. Our commitment to the planet - Batteries for greener future, our commitment to people - Employer of choice and our commitment to business - Sustainable and ethical growth are paving the way and guiding our plans and actions toward a more sustainable and resilient future.

Yes, we understand that our work is never complete. Sustainability is an ongoing journey, and we pledge to evolve and improve continuously. While we don't have all the answers today, we persevere in achieving our goals and exploring strategies beyond 2030. As we look ahead, we remain steadfast in our mission to transform the energy storage landscape.

I am grateful to our employees, partners, and stakeholders for their relentless support and commitment to our shared goals. Together, we will continue to push boundaries, fostering a sustainable future for generations to come.

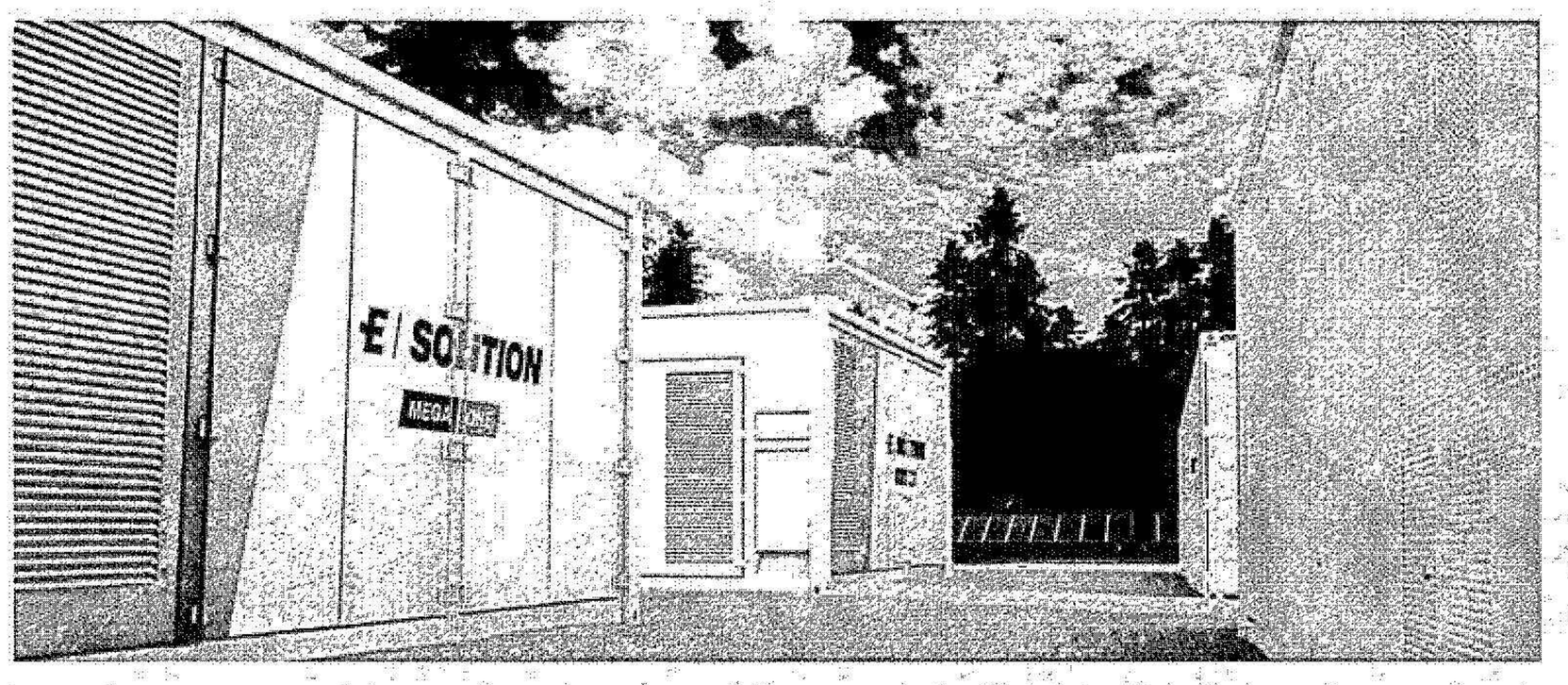
Thank you for your trust and partnership in this vital journey.



Stefan Stübing, CEO & President

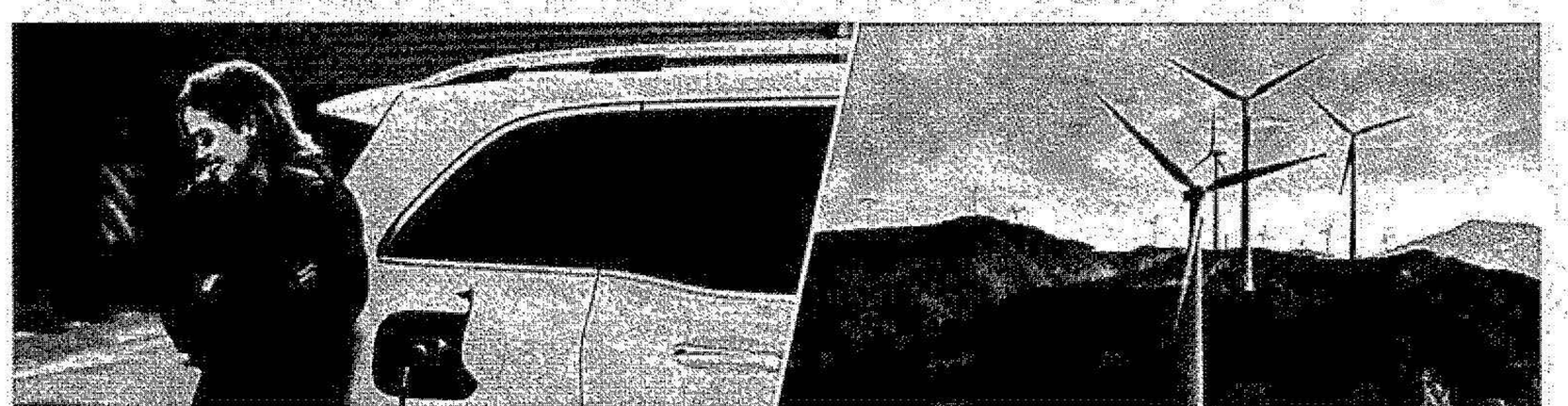
About Exide

Exide Technologies is a leading provider of innovative and sustainable battery storage solutions for automotive and industrial applications. With a rich legacy spanning for over 135 years, Exide has developed and marketed innovative batteries and systems, contributing to the energy transition, and driving a cleaner future. Exide's comprehensive range of lead-acid and lithium-ion solutions serve various applications, including 12V batteries for combustion and electric vehicles, traction batteries for material handling and robotics, stationary batteries for uninterruptible power supply, telecommunication, utility in-front-of and behind-the-meter energy storage as well as propulsion batteries for submarines and more.



Empowering Net-Zero Emissions

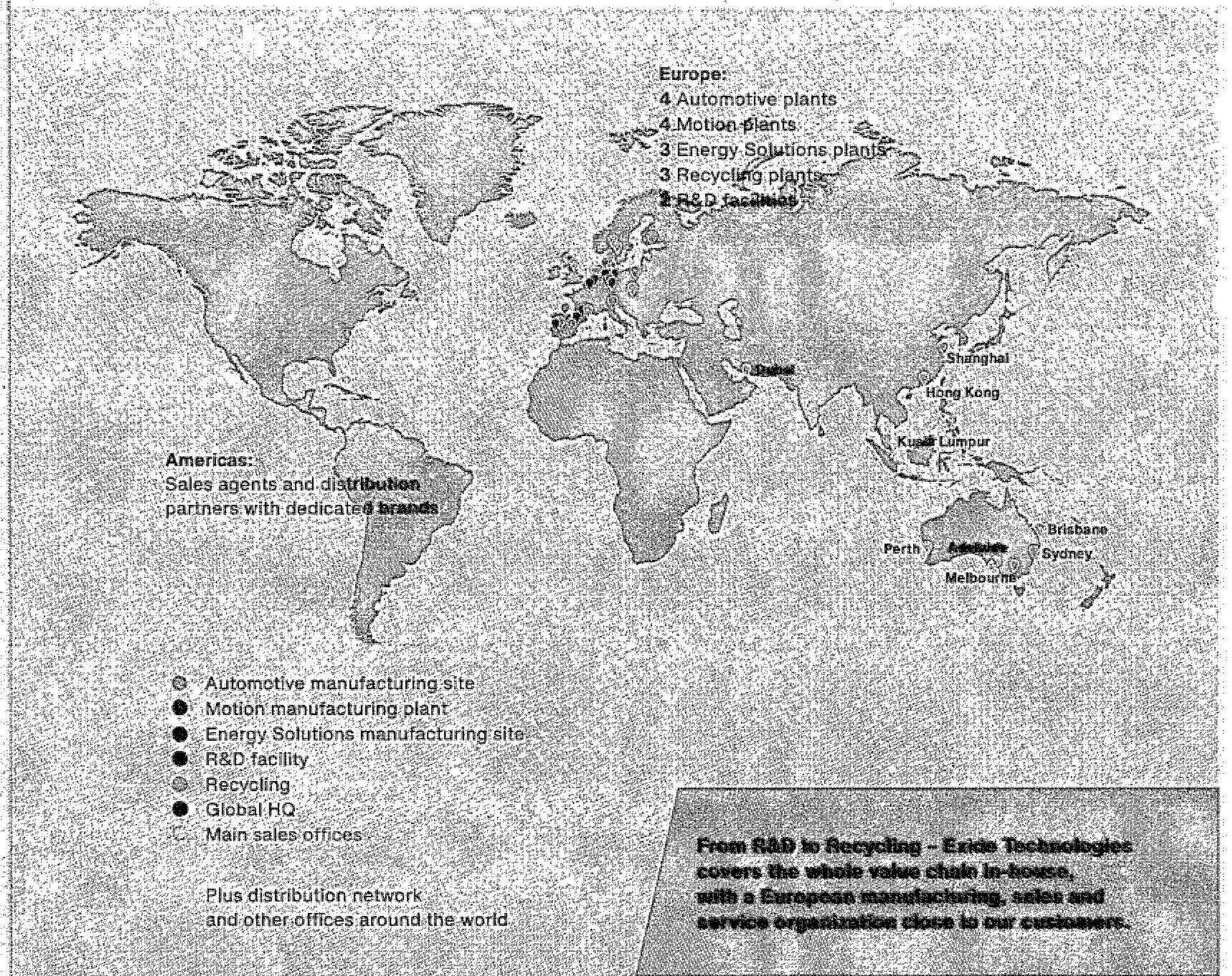
We are committed to being the preferred choice for customers seeking innovative, reliable, and environmentally responsible energy storage solutions around the world. We aspire to be the driving force behind the seamless integration of renewable energy, empowering our customers on their journey to net-zero emissions. Therefore, Exide Technologies' culture and strategy are centered around the global energy transition, recycling, sustainability, and environmental responsibility, reflecting a commitment to being a responsible corporate citizen.



Operational Footprint

The company operates eleven manufacturing and three recycling facilities across Europe. With a team of about 5,000 employees, Exide Technologies provides €1.6 billion worth of energy storage solutions and services to customers worldwide annually.

Our manufacturing and recycling plants operate under a formal EHS Management System and Quality Management Systems which include permitting and licensing schemes and management of various legal and other requirements. In addition, we have implemented a management systems approach that conforms to ISO requirements.



From R&D to Recycling – Exide Technologies covers the whole value chain in-house, with a European manufacturing, sales and service organization close to our customers.

Exide's sustainability journey

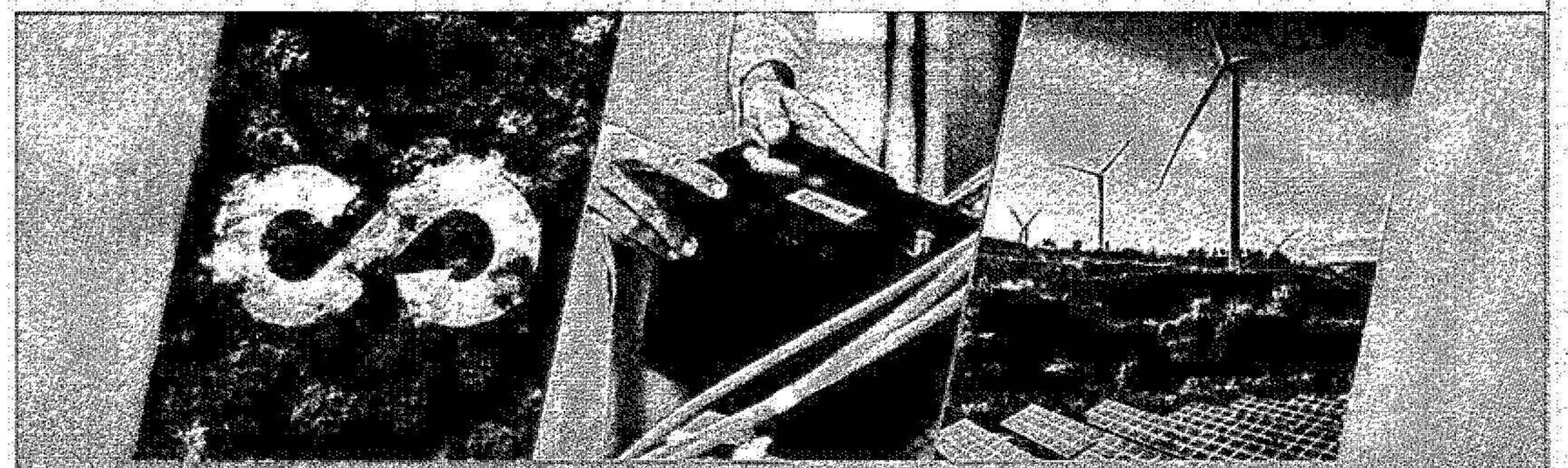
Energizing a new world

Our sustainability journey is encapsulated in our vision: Exide Technologies transforms the future of energy storage. Our corporate claim is Energizing a new world.

This commitment involves continuously improving sustainable practices. Exide Technologies provides battery and energy storage solutions that offer efficient, reliable, and sustainable energy across various industries, businesses, and applications. We play an essential role in a world that increasingly requires more energy while managing resources responsibly. By pushing the boundaries of technology, we deliver innovative, high-performance, and eco-conscious energy storage solutions for vehicles, networks, and industries.

Exide Technologies transforms the energy storage landscape by leveraging cutting-edge technologies and sustainable practices.

Sustainability in action



Circular Economy:
We design, manufacture, and deliver advanced battery storage solutions and energy storage systems that exemplify a circular economy, reduce carbon footprints, and enhance community well-being.

Responsible Recycling:
With three dedicated recycling facilities, we ensure the responsible and efficient closed-loop recycling of batteries & materials, supporting our commitment to a sustainable future.

Enabling Climate Neutrality:
We aspire to be the driving force behind the seamless integration of renewable energy, empowering our customers on their journey to net-zero emissions.

We are making significant steps toward our 2050 climate neutrality with a target of achieving 38% reduction in our Scope 1 and Scope 2 emissions by 2030, using FY22 as our baseline*.

* 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., "FY22" refers to the period beginning April 1, 2021 and ending March 31, 2022)

Where we are going

Sustainability Strategy: Navigating the Path Ahead

Our commitment to sustainability is an ongoing journey — one that shapes our actions. With an eye toward the future, in May 2024, we embarked on a new chapter by adopting an overarching 2024-2030 Exide Technologies Sustainability Strategy that reflects the principles of the recent sustainability-related European legislation. This strategically designed roadmap is our assurance that Exide operates with the utmost respect for the environment while fostering positive societal impacts.

Governance structure

Our governance structure for sustainability management reflects our proactive approach to integrating sustainability into our core business operations. At the helm of this structure is a dedicated Sustainability Committee comprising of three board directors including the Chief Executive, which was established by the Board of Directors in March 2023. This committee serves as the strategic overseer, indicating priorities and directions of action in line with our strategic objectives in the sustainability area. Our Steering Committee, comprised of cross-functional leaders and led by our CEO, is responsible for the execution of our sustainability strategy. Under the guidance of the Steering Committee, the Sustainability Head and Project Leaders champion individual initiatives, driving progress and fostering a sense of ownership throughout the organization. We have also embarked on a comprehensive training program for the Steering Committee and the Board of Directors.

Sustainability is a shared commitment

Our sustainability journey involves active participation from every level, spanning from the boardroom to the factory floor. This collaborative teamwork drives our progress. Embracing sustainability is not the responsibility of a single department — our collective efforts across the organization create a ripple effect. We also believe in knowledge-sharing. Regular training sessions and awareness campaigns empower employees to make sustainable choices both at work and in their personal lives.

Accountability and Transparency

We acknowledge that sustainable growth is extremely important to us as a company, just as it is to our clients, suppliers, and other stakeholders.

In our unwavering pursuit of accountability and transparency in all our sustainability endeavors, we submit comprehensive documentation for analysis by organizations such as CDP (formerly known as the 'Carbon Disclosure Project') and EcoVadis. By engaging with these agencies and striving to engage actively in conversation with our stakeholders we demonstrate our commitment to public disclosure and our dedication to fostering an open dialogue around environmental and social impact and stewardship.

At Exide Technologies, we are energizing a new world with our products. We know our work can greatly affect the environment and people around us. Therefore we focus on being responsible in our operations, especially when it comes to people and the environment. This commitment drives us to adopt sustainable practices built on three primary pillars comprising seven sub-pillars:



Our commitment to the planet: Batteries for a greener future			Our commitment to people: Employer of choice		Our commitment to business: Sustainable and ethical growth	
Climate	**Pollution**	**Resource usage**	**Safe and stable workplace**	**Inclusive and skilled workforce**	**Healthy value chain**	**Healthy business**
We are taking steps to ensure our resilience and proactive response to the climate changes.	We focus on reducing pollutants emitted and responsible use of substances of concern.	We aim to use resources responsibly and promote sustainable product design.	We strive to create a stable and safe workplace open to dialogue.	We create an inclusive workplace and opportunities for development.	We are promoting ethical and safe practices through our value chain.	In our actions we are guided not only by the law, but also by ethics.

Double materiality assessment and basis of preparation

At the end of 2023, we conducted a Materiality Assessment to determine the scope of Exide Technologies' reporting obligations under the Corporate Sustainability Reporting Directive (CSRD). The assessment followed double materiality principles defined in the CSRD and European Sustainability Reporting Standards (ESRS).

As part of the process, we have conducted an extensive stakeholder survey asking stakeholders to identify material ESG topics for Exide Technologies. We have thoroughly analyzed the responses given by 487 stakeholders (employees, suppliers, customers, financial institutions, local communities, local authorities, management, works council and union bodies, and others) and we have additionally conducted in-depth interviews with some of the internal stakeholders.

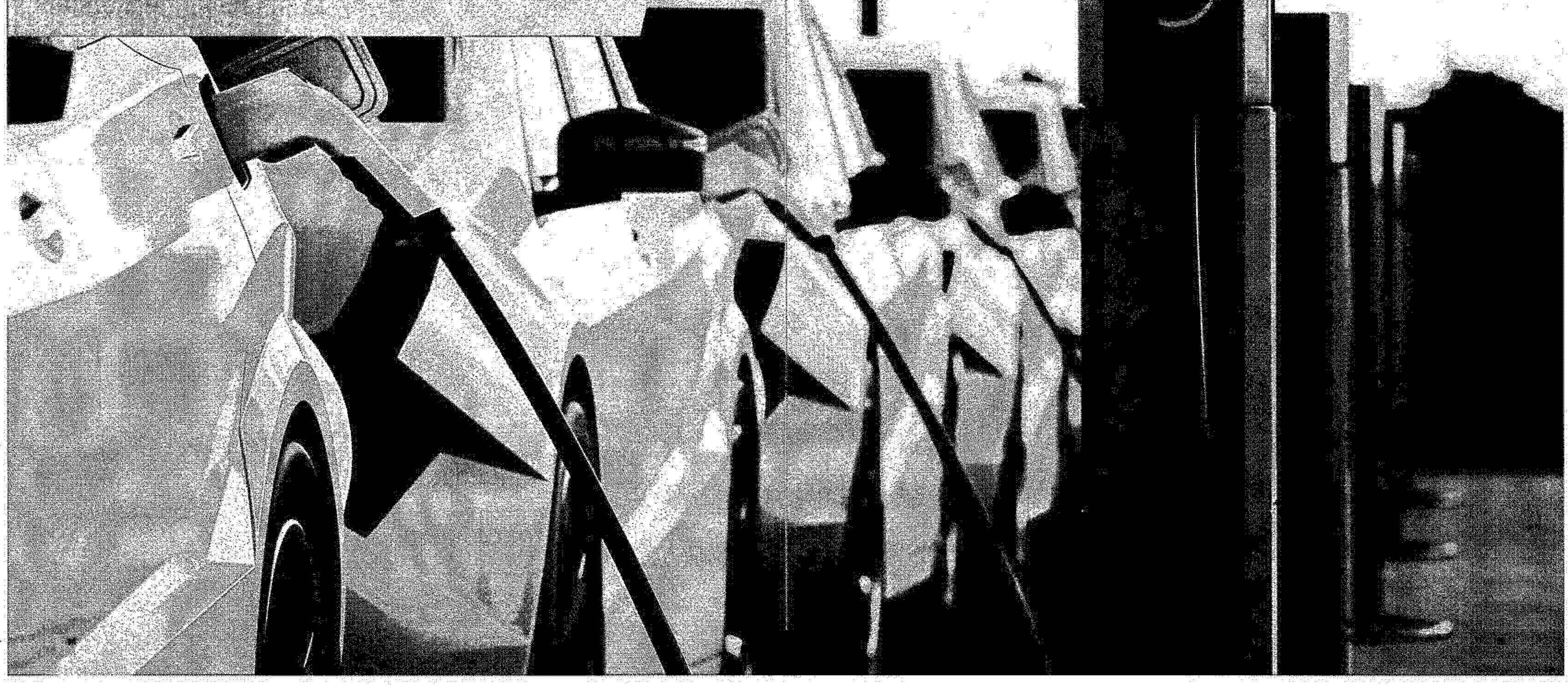
The analysis identified 25 ESG topics as material for Exide Technologies (focusing on European operations). Twelve topics pertain to the Environmental pillar, focusing on aspects such as GHG emissions, climate risks and management, energy, pollution, and circular economy. The Social pillar yielded nine material topics related to workforce health and safety, well-being, skills development, as well as workers in the value chain. Furthermore, three topics from the Governance pillar concerning business conduct, were also identified as material. Additionally, sustainable product development and sustainable innovation were highlighted as material as well. A detailed list of these material topics and their integration into our strategic pillars is presented above.

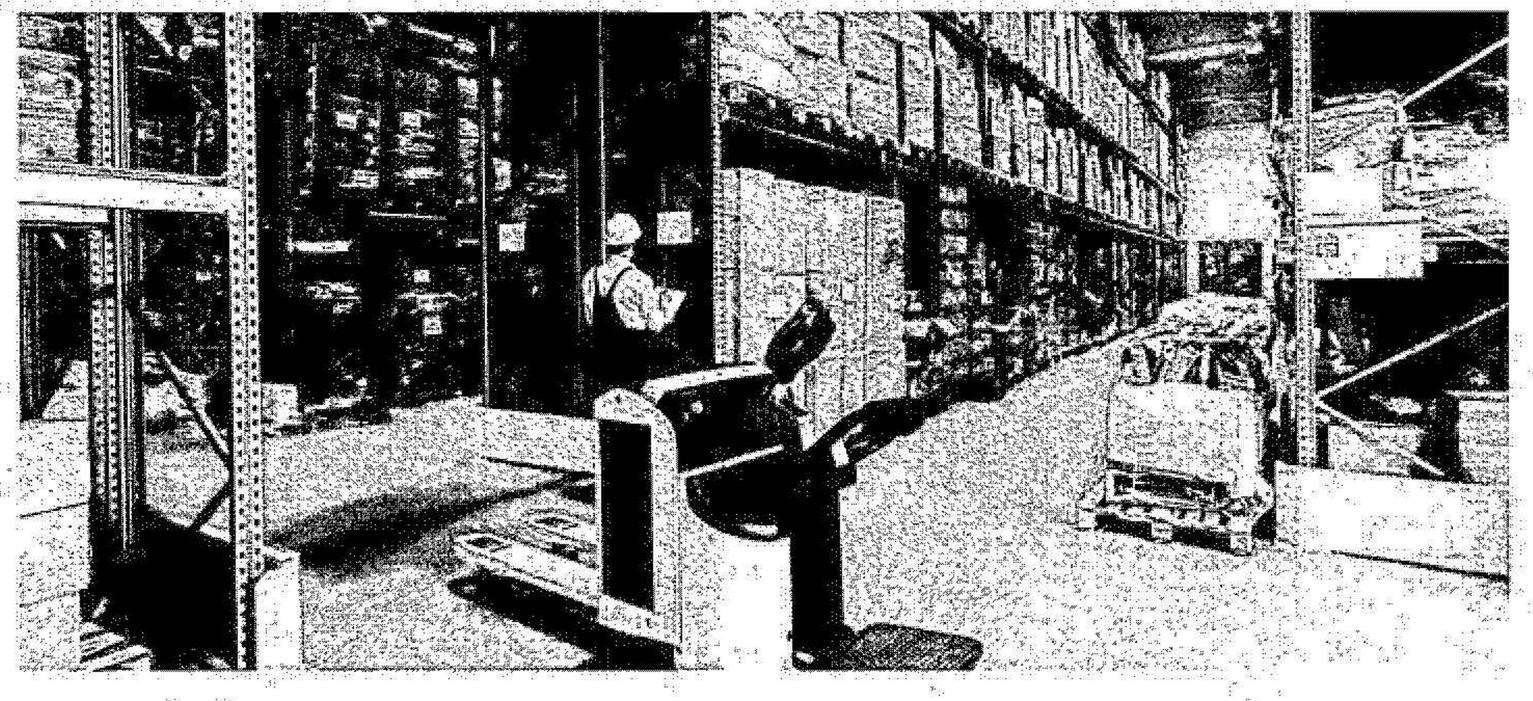
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Climate change adaptation	(ESRS E1)	1. Climate
Climate change mitigation		
Energy		
Pollution of air	(ESRS E2)	2. Pollution
Pollution of water		
Pollution of soil		
Substances of concern		
Substances of very high concern		
Water consumption	(ESRS E3)	3. Resource usage
Sustainable product design/ sustainable innovation	(Additional topic)	
Resource inflows, including resource use	(ESRS E5)	
Resource outflows related to products and services		
Waste		
Secure employment	(ESRS S1)	4. Stable and safe workplace
Adequate wages		
Social dialogue		
Health and safety		
Gender equality and equal pay for work of equal value	(ESRS S1)	5. Inclusive and skilled workforce
Training and skills development		
Diversity		
Employment and inclusion of persons with disabilities		
Health and safety	(ESRS S2)	6. Healthy value chain
Management of relationships with suppliers including payment practices	(ESRS G1)	
Corporate culture	(ESRS G1)	7. Healthy business
Prevention and detection of bribery and corruption including training		

These are the top issues that have the greatest impact on Exide Technologies, and where Exide Technologies has the greatest impact on society and the environment. With clearly defined targets and actionable plans in place, we assure our stakeholders of our unwavering commitment to delivering on our promises, while transparently reporting on our progress.

2.
Our commitment to the planet:
Batteries for a greener future





Exide Technologies plays a critical role in advancing the low-carbon economy through our strategic product offerings. Our portfolio, which includes batteries for vehicles, high-quality traction batteries, chargers, and smart customized energy storage solutions, is engineered to enhance energy efficiency and to seamlessly integrate sustainable energy storage. These products are essential in propelling the shift toward more environmentally friendly energy and transportation solutions, reflecting our dedication to contributing to a greener future.

Automotive	Motion	Energy Solutions	Recycling
• **12V batteries** designed to facilitate the transition of internal combustion vehicles to full electric powertrains • Innovative battery technology based on lead-acid (**AGM, EFB, Gel, Vented**) and **lithium-ion** for a wide range of vehicles • Trusted supplier of **OEMs** and the independent **Aftermarket**	• High-quality **traction batteries** (lead-acid and lithium-ion), **chargers & smart solutions** for material handling and robotics • Focus on optimizing energy efficiency & **TCO** for customers **Defense:** Safe & reliable lead-acid batteries for critical military missions on land & sea, incl. submarine propulsion	• Advanced stationary **energy storage solutions** (lead-acid and lithium-ion) that function as essential backup power or energy management systems for the **seamless integration of renewable energies** • Based on both lead-acid and lithium-ion; thoroughly engineered to provide modular solutions. Before- and behind-the-meter applications	• Closed loop operations & circular economy with **three state-of-the art lead-acid recycling facilities** in Europe • Committed to sustainable practices, using energy and resources responsibly to minimize the environmental impact while ensuring the highest level of **security**

In response to the growing global environmental concerns and our commitment to sustainability, we are taking deliberate steps to further integrate environmentally responsible practices into every facet of our business. Understanding the heightened focus from our stakeholders on the company's environmental impact, we have embraced our desire to make meaningful changes. This has led us to proactively define a comprehensive set of targets and actions to mitigate our environmental impact, which we outline in greater detail within this chapter.

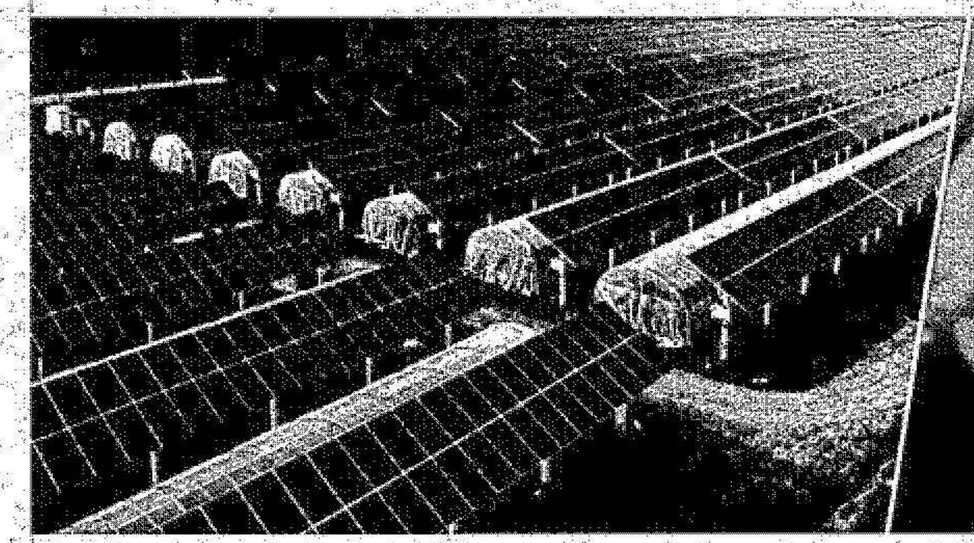
Where we are

CLIMATE

In our pursuit of environmental responsibility, we have launched a strategic initiative focused on reducing our direct emissions (Scope 1) and emissions from purchased energy (Scope 2). As part of our long-term ESG objectives, we are committed to achieving a 30% reduction in our Scope 1 and Scope 2 emissions by the end of 2030, compared to FY22 as the baseline year. This effort is a significant step toward aligning with the European Union's climate neutrality goals for 2050, as we actively work to mitigate our contribution to climate change. We intend to achieve our goals by constantly improving our energy efficiency, reducing natural gas consumption, and increasing the utilization of renewable energy.

Despite a minor rise in Scope 1 emissions during FY24 due to increased production levels compared to the previous year, we remain firmly on course to meet our emission reduction goals. This commitment is supported by an actual 13% reduction overall from the baseline year for Scope 1 and a substantial 19% decrease in Scope 2 emissions. Our efforts demonstrate that we are making significant strides toward our sustainability objectives.

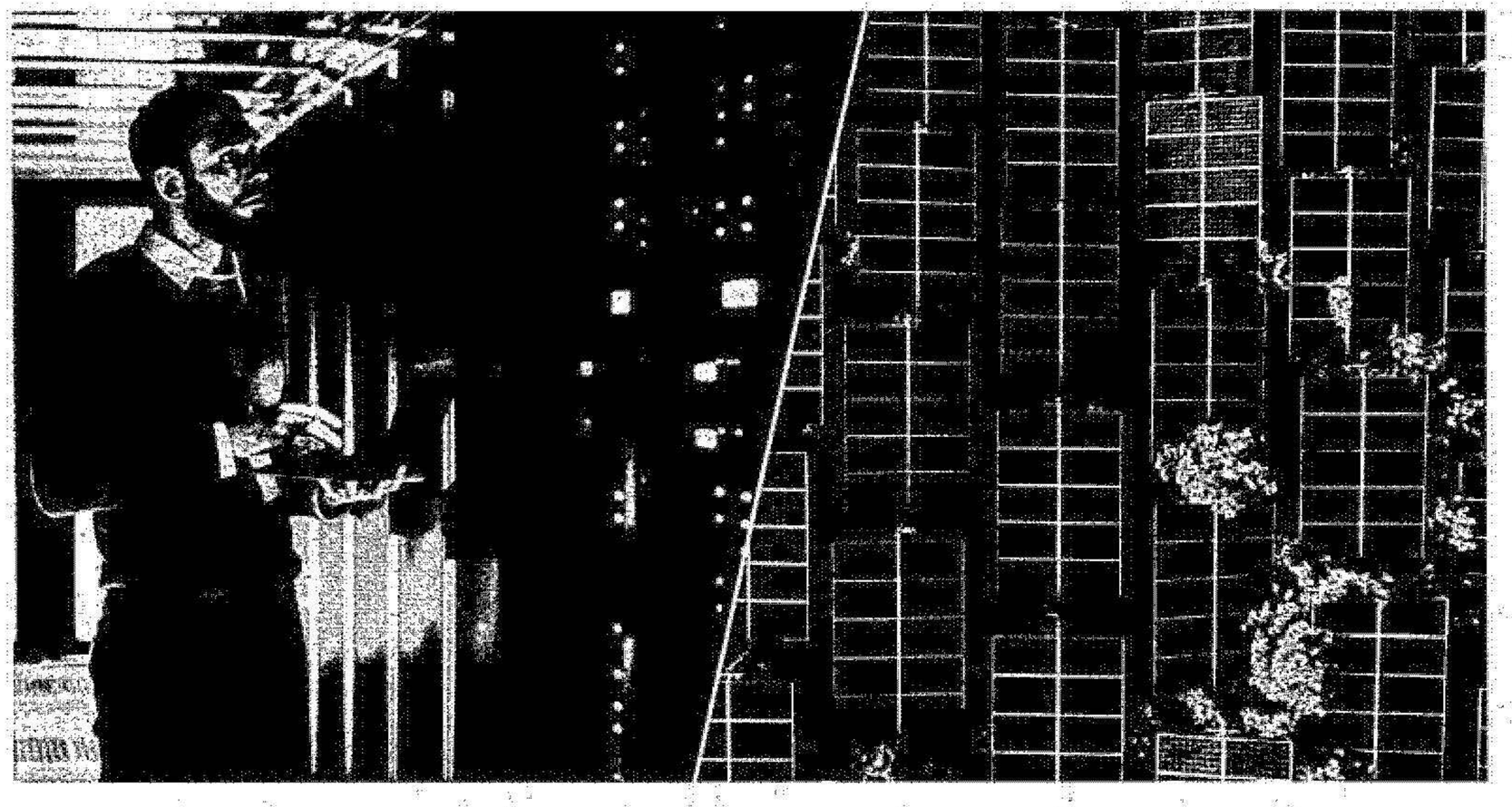
Gross GHG emissions [tCO_2e]				
	FY22 (baseline)	FY23	FY24	FY24 change from baseline
Scope 1	53,337	46,231	46,531	-13%
Scope 2	134,383	111,041	108,386	-19%





In our ongoing efforts to address the broader impacts of our operations, we are committed to conducting a comprehensive analysis of emissions data in our value chain followed by setting the Scope 3 emission reduction target by the end of FY26. This analysis will inform our strategic approach and ensure our targets are both ambitious and achievable.

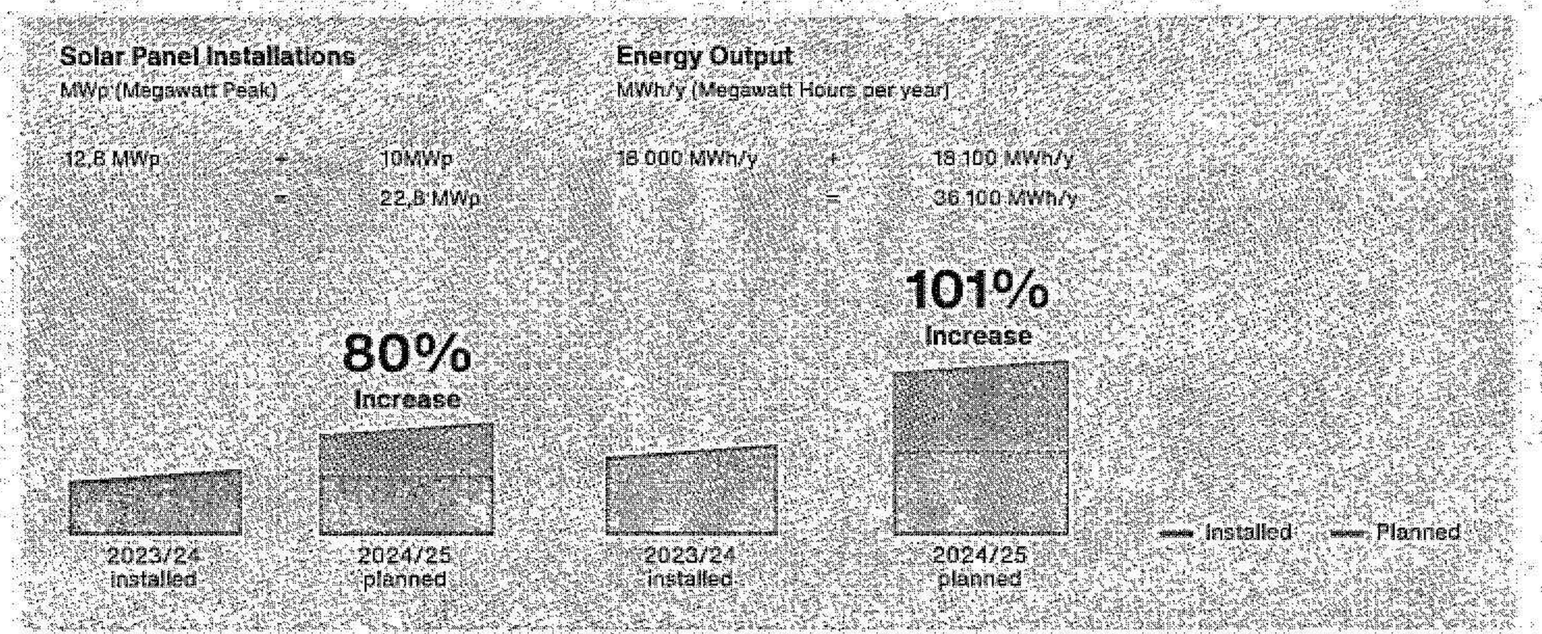
As part of our proactive approach, we are working on the deployment of a carbon pricing scheme to internalize the cost of carbon emissions within our projects and investment decision-making. This initiative will incentivize emission reductions and drive sustainable practices across our organization.



Renewable energy

In alignment with our strategic ESG goals, we have set an ambitious target to ensure that, by 2030, at least 20% of our energy consumption, is sourced from renewable energy generated by us or on our behalf onsite or adjacent to our sites. This target underscores our commitment to increasing the use of renewable energy within our operations. To this end, we are exploring the expansion of photovoltaic systems and other renewable sources of energy across our facilities.

As of FY24, the Exide group operates five photovoltaic installations with a combined capacity of 12.8 MWp across our battery plants in Castanheira de Ribatejo (Portugal), Azuqueca de Henares (Spain), La Cartuja (Zaragoza, Spain), and our recycling plants in Azambuja (Portugal) and San Esteban de Gormaz (Spain). The installations include approximately 20,000 solar panels in Spain and 11,250 solar panels in Portugal. We are pioneering projects that integrate photovoltaic plants with a battery energy storage system (BESS). This innovative approach not only reduces carbon emissions but also paves the way for manufacturing products with a minimal CO_2 footprint. The BESS enhances the utilization of renewable energy by providing power stability during nighttime and periods of low sunlight, furthering our journey toward sustainable energy independence.



Monitoring energy consumption

Reflecting on our energy consumption from the baseline year of FY22 to FY24, we have achieved a 12% reduction in energy usage. This significant decrease underscores our commitment to energy efficiency and aligns with our strategic sustainability goals. The specific energy use per ton of technical lead (EnPI) has been reduced by 2.7% during the last 2 years. We optimize energy efficiency through continuous improvement methodologies, technology upgrades, and consumption control.

Total energy consumption (MWh)	FY22	FY23	FY24
	640,599	548,059	565,241

We have certified all our European plants to the ISO 50001 energy management standard. As part of our energy excellence program, we rigorously monitor our energy consumption mix. Refer to the table below for a breakdown of energy sources used across our facilities.

Energy consumption and energy mix in FY24*	
Energy consumption and mix	Value (MWh)
Fuel consumption from coal and coal products	76,155
Fuel consumption from crude oil and petroleum products	2,004
Fuel consumption from natural gas	56,207 (electricity generation mix) 230,351 (gas consumption)
Fuel consumption from other fossil sources	8,571
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	9,796
Total fossil energy consumption	383,084
Share of fossil sources in total energy consumption	68%
Consumption from nuclear sources	33,853
Share of consumption from nuclear sources in total energy consumption	6%
Fuel consumption for renewable sources, including biomass	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	131,529
The consumption of self-generated non-fuel renewable energy	16,775
Total renewable energy consumption	148,304
Share of renewable sources in total energy consumption	26%
Total energy consumption	565,241

* Data based on the energy invoices and internal energy reporting (meters)

Exide's sustainability journey

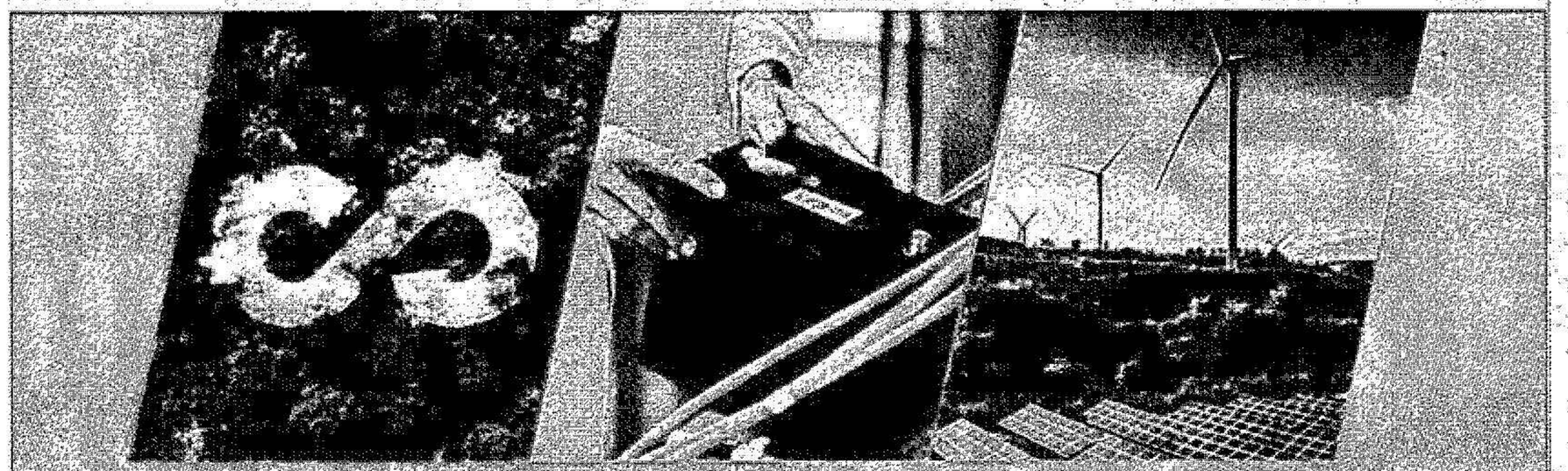
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Sustainability in action



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Where we are going

Sustainability Strategy: Navigating the Path Ahead

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Accountability and Transparency

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In our unwavering pursuit of accountability and transparency in all our sustainability endeavors, we submit comprehensive documentation for analysis by organizations such as CDP (formerly known as the 'Carbon Disclosure Project') and EcoVadis. By engaging with these agencies and striving to engage actively in conversation with our stakeholders we demonstrate our commitment to public disclosure and our dedication to fostering an open dialogue around environmental and social impact and stewardship.

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Our commitment to the planet: Batteries for a greener future			Our commitment to people: Employer of choice		Our commitment to business: Sustainable and ethical growth	
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We are taking steps to ensure our resilience and proactive response to the climate changes.	We focus on reducing pollutants emitted and responsible use of substances of concern.	We aim to use resources responsibly and promote sustainable product design.	We strive to create a stable and safe workplace open to dialogue.	We create an inclusive workplace and opportunities for development.	We are promoting ethical and safe practices through our value chain.	In our actions we are guided not only by the law, but also by ethics.

Double materiality assessment and basis of preparation

At the end of 2023, we conducted a Materiality Assessment to determine the scope of Exide Technologies' reporting obligations under the Corporate Sustainability Reporting Directive (CSRD). The assessment followed double materiality principles defined in the CSRD and European Sustainability Reporting Standards (ESRS).

As part of the process, we have conducted an extensive stakeholder survey asking stakeholders to identify material ESG topics for Exide Technologies. We have thoroughly analyzed the responses given by 487 stakeholders (employees, suppliers, customers, financial institutions, local communities, local authorities, management, works council and union bodies, and others) and we have additionally conducted in-depth interviews with some of the internal stakeholders.

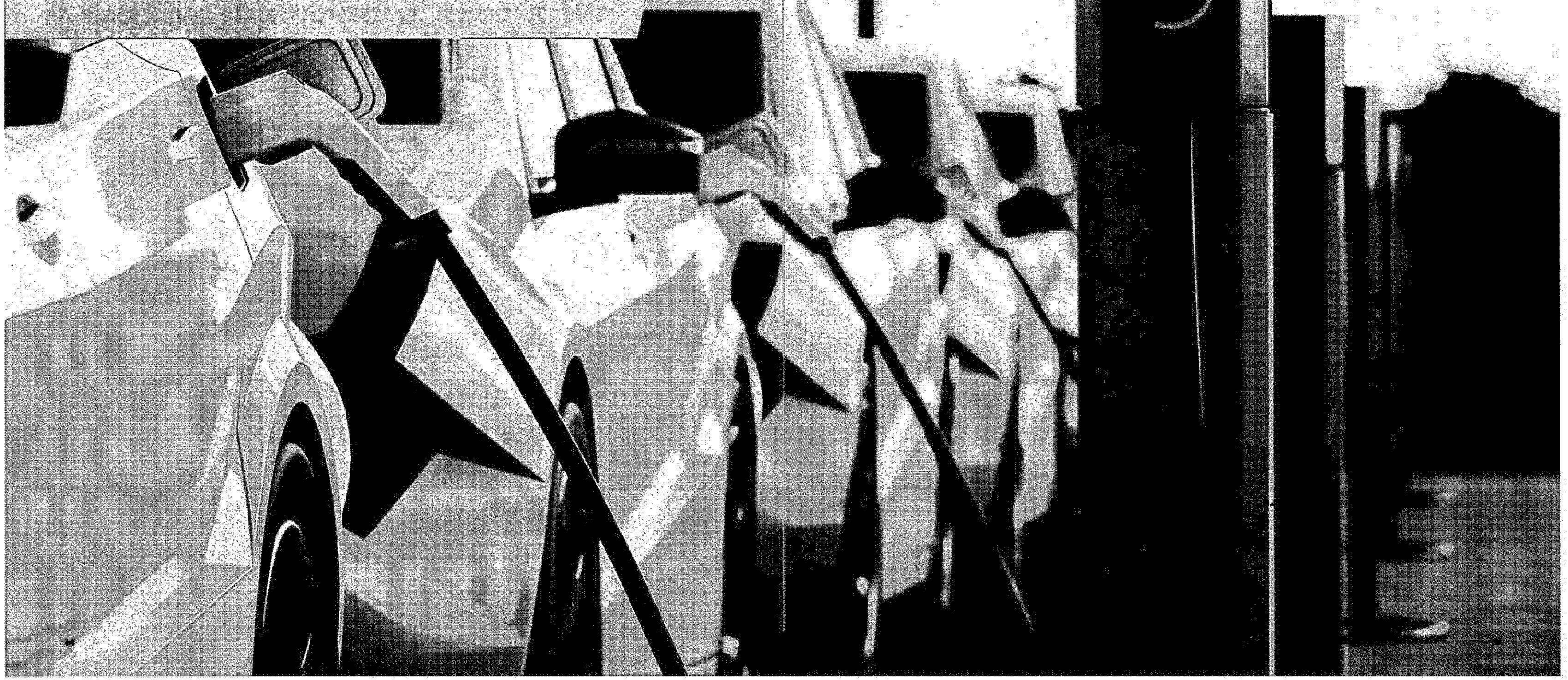
The analysis identified 25 ESG topics as material for Exide Technologies (focusing on European operations). Twelve topics pertain to the Environmental pillar, focusing on aspects such as GHG emissions, climate risks and management, energy, pollution, and circular economy. The Social pillar yielded nine material topics related to workforce health and safety, well-being, skills development, as well as workers in the value chain. Furthermore, three topics from the Governance pillar concerning business conduct, were also identified as material. Additionally, sustainable product development and sustainable innovation were highlighted as material as well. A detailed list of these material topics and their integration into our strategic pillars is presented above.

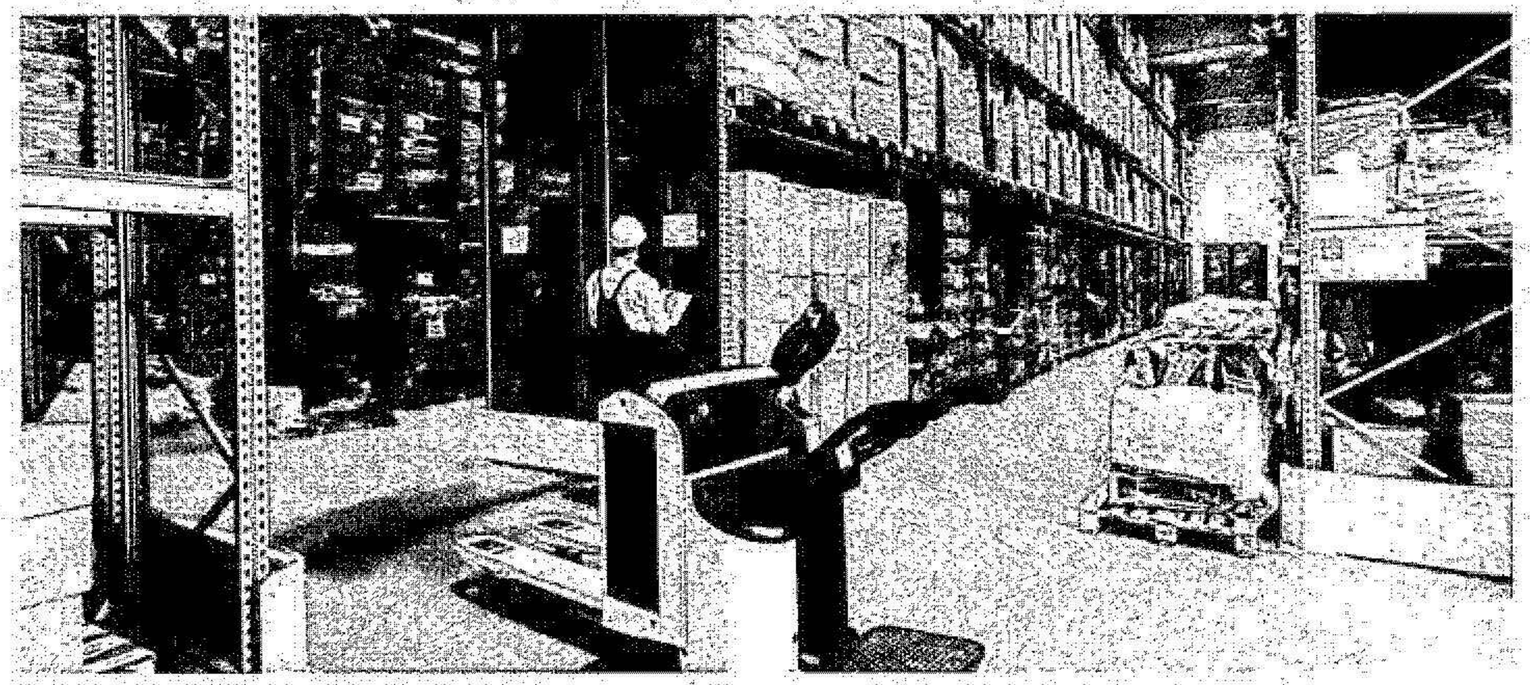
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Climate change adaptation		**1. Climate**
Climate change mitigation	(ESRS E1)	
Energy		
Pollution of air		**2. Pollution**
Pollution of water		
Pollution of soil	(ESRS E2)	
Substances of concern		
Substances of very high concern		
Water consumption	(ESRS E3)	**3. Resource usage**
Sustainable product design/ sustainable innovation	(Additional topic)	
Resource inflows, including resource use		
Resource outflows related to products and services	(ESRS E5)	
Waste		
Secure employment		**4. Stable and safe workplace**
Adequate wages	(ESRS S1)	
Social dialogue		
Health and safety		
Gender equality and equal pay for work of equal value		**5. Inclusive and skilled workforce**
Training and skills development	(ESRS S1)	
Diversity		
Employment and inclusion of persons with disabilities		
Health and safety	(ESRS S2)	**6. Healthy value chain**
Management of relationships with suppliers including payment practices	(ESRS G1)	
Corporate culture	(ESRS G1)	**7. Healthy business**
Prevention and detection of bribery and corruption including training		

These are the top issues that have the greatest impact on Exide Technologies, and where Exide Technologies has the greatest impact on society and the environment. With clearly defined targets and actionable plans in place, we assure our stakeholders of our unwavering commitment to delivering on our promises, while transparently reporting on our progress.

2.
Our commitment to the planet:
Batteries for a greener future





Exide Technologies plays a critical role in advancing the low-carbon economy through our strategic product offerings. Our portfolio, which includes batteries for vehicles, high-quality traction batteries, chargers, and smart customized energy storage solutions, is engineered to enhance energy efficiency and to seamlessly integrate sustainable energy storage. These products are essential in propelling the shift toward more environmentally friendly energy and transportation solutions, reflecting our dedication to contributing to a greener future.

Automotive	Motion	Energy Solutions	Recycling
• **12V batteries** designed to facilitate the transition of internal combustion vehicles to full electric powertrains • Innovative battery technology based on lead-acid (**AGM, EFB, Gel, Vented**) and **lithium-ion** for a wide range of vehicles • Trusted supplier of **OEMs** and the independent **Aftermarket**	• High-quality **traction batteries** (lead-acid and lithium-ion), **chargers & smart solutions** for material handling and robotics • Focus on optimizing energy efficiency & **TCO** for customers **Defense:** Safe & reliable lead-acid batteries for critical military missions on land & sea, incl. submarine propulsion	• Advanced stationary **energy storage solutions** (lead-acid and lithium-ion) that function as essential backup power or energy management systems for the **seamless integration of renewable energies** • Based on both lead-acid and lithium-ion; thoroughly engineered to provide modular solutions. Before- and behind-the-meter applications	• Closed loop operations & circular economy with **three state-of-the art lead-acid recycling facilities** in Europe • Committed to sustainable practices, using energy and resources responsibly to minimize the environmental impact while ensuring the highest level of **security**

In response to the growing global environmental concerns and our commitment to sustainability, we are taking deliberate steps to further integrate environmentally responsible practices into every facet of our business. Understanding the heightened focus from our stakeholders on the company's environmental impact, we have embraced our desire to make meaningful changes. This has led us to proactively define a comprehensive set of targets and actions to mitigate our environmental impact, which we outline in greater detail within this chapter.

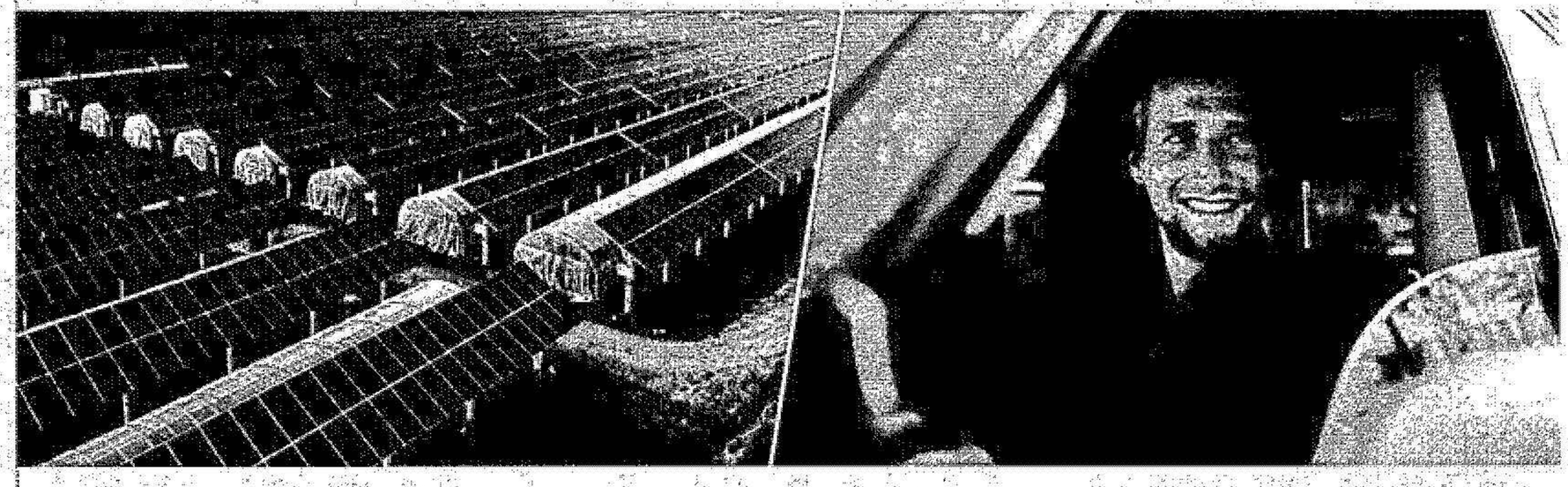
Where we are

CLIMATE

In our pursuit of environmental responsibility, we have launched a strategic initiative focused on reducing our direct emissions (Scope 1) and emissions from purchased energy (Scope 2). As part of our long-term ESG objectives, we are committed to achieving a 30% reduction in our Scope 1 and Scope 2 emissions by the end of 2030, compared to FY22 as the baseline year. This effort is a significant step toward aligning with the European Union's climate neutrality goals for 2050, as we actively work to mitigate our contribution to climate change. We intend to achieve our goals by constantly improving our energy efficiency, reducing natural gas consumption, and increasing the utilization of renewable energy.

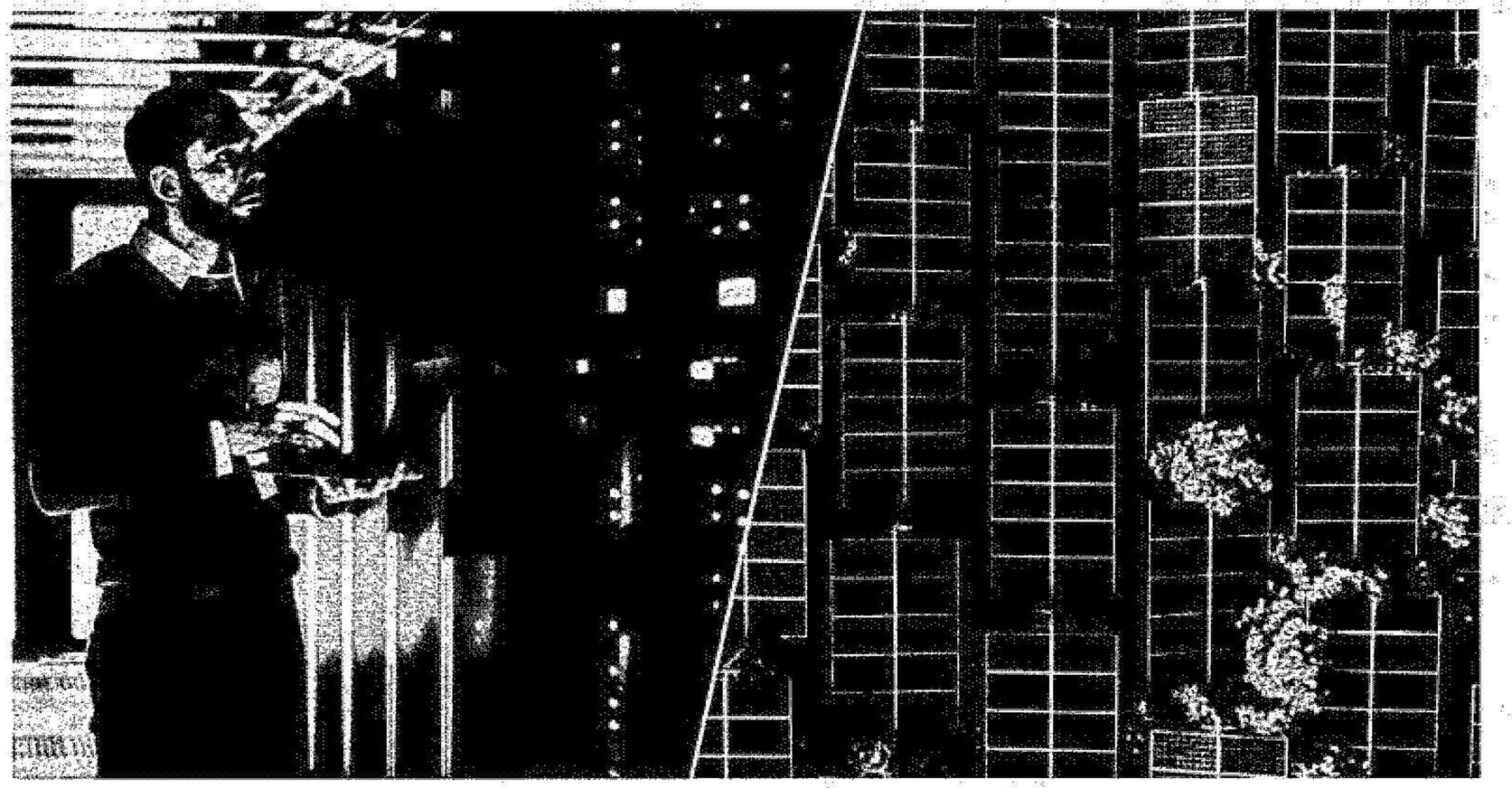
Despite a minor rise in Scope 1 emissions during FY24 due to increased production levels compared to the previous year, we remain firmly on course to meet our emission reduction goals. This commitment is supported by an actual 13% reduction overall from the baseline year for Scope 1 and a substantial 19% decrease in Scope 2 emissions. Our efforts demonstrate that we are making significant strides toward our sustainability objectives.

Gross GHG emissions [tCO_2e]				
	FY22 (baseline)	FY23	FY24	FY24 change from baseline
Scope 1	53,337	48,231	46,531	-13%
Scope 2	134,383	111,041	108,386	-19%



In our ongoing efforts to address the broader impacts of our operations, we are committed to conducting a comprehensive analysis of emissions data in our value chain followed by setting the Scope 3 emission reduction target by the end of FY26. This analysis will inform our strategic approach and ensure our targets are both ambitious and achievable.

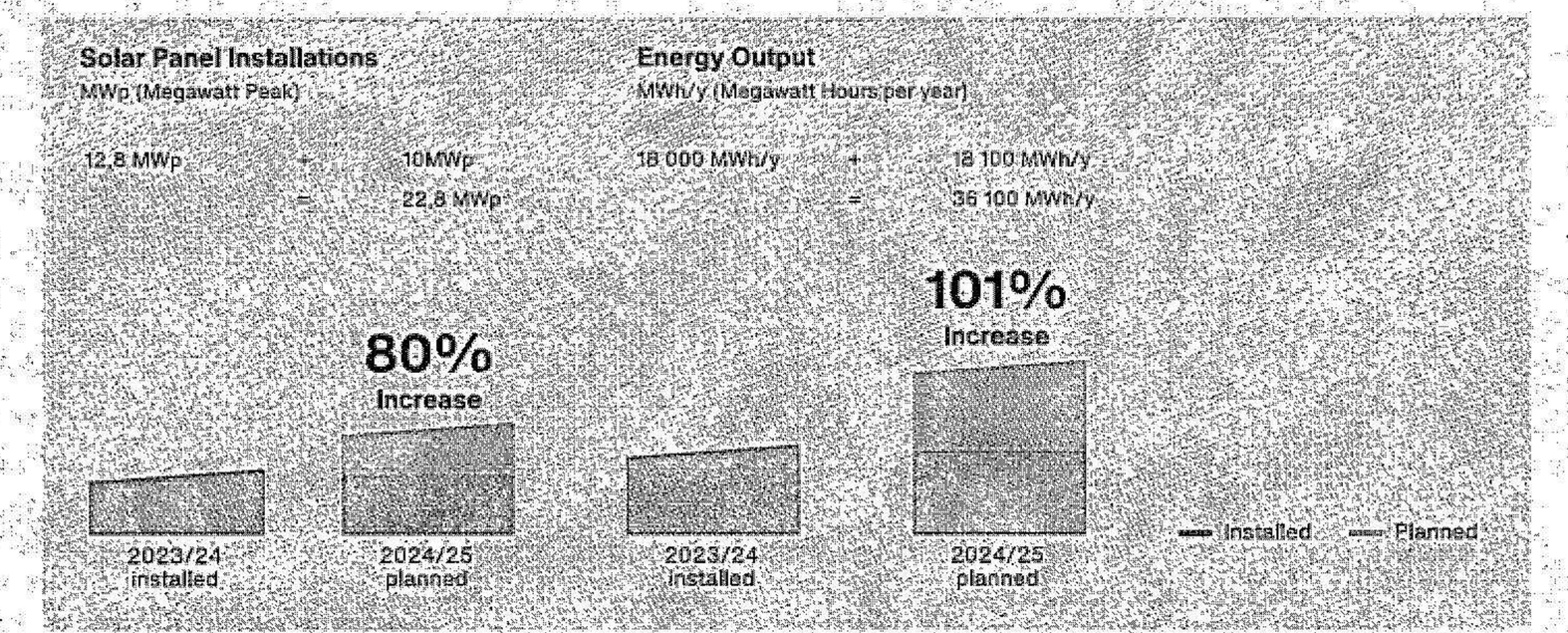
As part of our proactive approach, we are working on the deployment of a carbon pricing scheme to internalize the cost of carbon emissions within our projects and investment decision-making. This initiative will incentivize emission reductions and drive sustainable practices across our organization.



Renewable energy

In alignment with our strategic ESG goals, we have set an ambitious target to ensure that, by 2030, at least 20% of our energy consumption, is sourced from renewable energy generated by us or on our behalf onsite or adjacent to our sites. This target underscores our commitment to increasing the use of renewable energy within our operations. To this end, we are exploring the expansion of photovoltaic systems and other renewable sources of energy across our facilities.

As of FY24, the Exide group operates five photovoltaic installations with a combined capacity of 12.8 MWp across our battery plants in Castanheira de Ribatejo (Portugal), Azuqueca de Henares (Spain), La Cartuja (Zaragoza, Spain), and our recycling plants in Azambuja (Portugal) and San Esteban de Gormaz (Spain). The installations include approximately 20,000 solar panels in Spain and 11,250 solar panels in Portugal. We are pioneering projects that integrate photovoltaic plants with a battery energy storage system (BESS). This innovative approach not only reduces carbon emissions but also paves the way for manufacturing products with a minimal CO_2 footprint. The BESS enhances the utilization of renewable energy by providing power stability during nighttime and periods of low sunlight, furthering our journey toward sustainable energy independence.



Monitoring energy consumption

Reflecting on our energy consumption from the baseline year of FY22 to FY24, we have achieved a 12% reduction in energy usage. This significant decrease underscores our commitment to energy efficiency and aligns with our strategic sustainability goals. The specific energy use per ton of technical lead (EnPI) has been reduced by 2.7% during the last 2 years. We optimize energy efficiency through continuous improvement methodologies, technology upgrades, and consumption control.

Total energy consumption (MWh)	FY22	FY23	FY24
	640,599	548,059	565,241

We have certified all our European plants to the ISO 50001 energy management standard. As part of our energy excellence program, we rigorously monitor our energy consumption mix. Refer to the table below for a breakdown of energy sources used across our facilities.

Energy consumption and energy mix in FY24*	
Energy consumption grid mix	Value (MWh)
Fuel consumption from coal and coal products	76,155
Fuel consumption from crude oil and petroleum products	2,004
Fuel consumption from natural gas	56,207 (electricity generation mix) 230,351 (gas consumption)
Fuel consumption from other fossil sources	8,571
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	9,796
Total fossil energy consumption	383,084
Share of fossil sources in total energy consumption	68%
Consumption from nuclear sources	33,853
Share of consumption from nuclear sources in total energy consumption	6%
Fuel consumption for renewable sources, including biomass	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	131,529
The consumption of self-generated non-fuel renewable energy	16,775
Total renewable energy consumption	148,304
Share of renewable sources in total energy consumption	26%
Total energy consumption	565,241

* Data based on the energy invoices and internal energy reporting (meters)

POLLUTION

At Exide, we are committed to environmental stewardship and are taking decisive steps to manage pollution across our operations. We are in the process of developing a comprehensive Pollution Management Policy for pollution reduction with plans to have it fully established by the end of FY25 and implemented by the end of FY26. This policy will guide the establishment of enhanced operational control procedures to ensure compliance with our environmental standards. In addition, we are creating a robust reporting and data collection system. This system will enhance our ability to analyze data and make informed decisions, supporting our efforts to establish targets for reducing emissions of lead and sulfate.

To track our progress and ensure the effectiveness of our implementation program, we are improving the procedure for performance monitoring. Additionally, we are creating a multidisciplinary team of experts tasked with identifying and applying the best available technologies for water and air treatment in our plants, in line with our investment plan.

RESOURCE USAGE

We are dedicated to minimizing our environmental impact through meticulous resource control, including water consumption and waste management. In FY24, our operations utilized over 2 million m3 of water. Recognizing the scarcity of this vital resource, we are actively analyzing our water consumption practices.

We have generated a total waste output of 44,546 tons, with 38,393 tons classified as hazardous waste and 6,153 tons as non-hazardous waste. All our waste undergoes safe disposal procedures to protect human health and comply with regulations.

Our resource usage in numbers:

Water consumption in FY2024	
	Water consumption
In total	2,188,197 m3

Waste generated in FY2024	
	Waste generated
In total	44,546t
Percentage of hazardous waste	86%
Percentage of non-hazardous waste	14%



Battery Recycling

Through our lead-acid battery recycling efforts, we play a key role in reducing waste and preserving natural resources. Exide Technologies operates three state-of-the-art lead-acid battery recycling centers. As a company committed to sustainability, we ensure that materials and components used in our batteries are recyclable and processed for reuse. In FY24, we recovered 96,066 tons of lead from batteries and other lead materials in our smelters. All the lead recovered is reused to manufacture new batteries.

On average, 75% of total lead and alloys we purchase at Exide for manufacturing new batteries is of secondary (recycled) origin.

Exide Technologies has implemented a battery collection system as an initiative to support the recycling and sustainability of our products. This system exemplifies our commitment to efficient and responsible end-of-life management of our products, ensuring that we contribute to a circular economy and minimize environmental impact.

Good Practice

In Italy, Exide Technologies' New Life program features an online platform designed to facilitate the efficient collection and recycling of spent batteries, serving as a model for responsible end-of-life battery management.

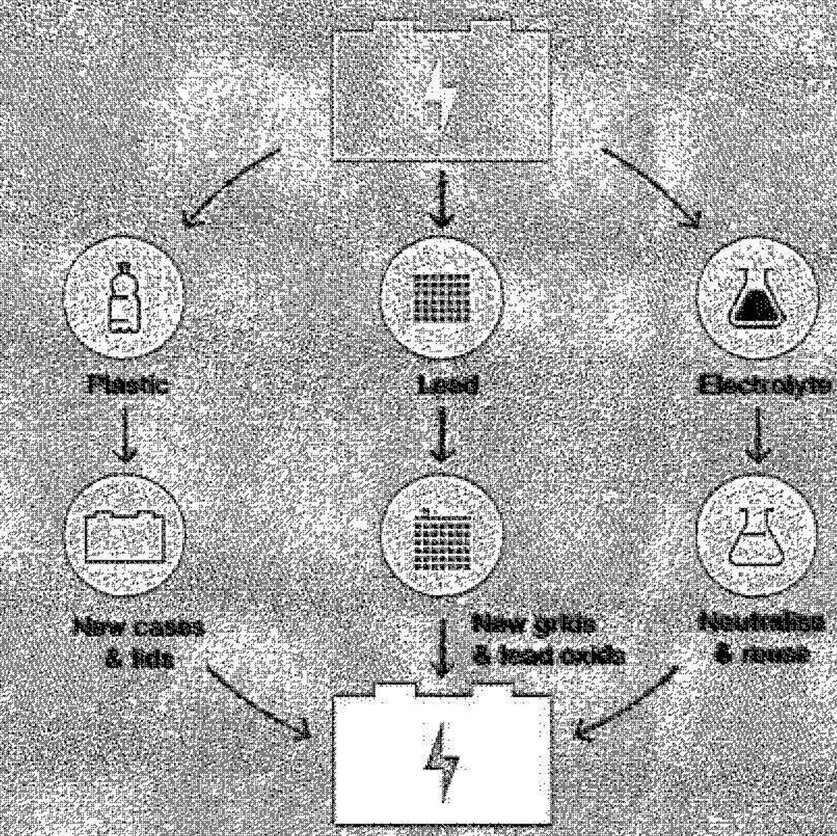
We are a role model for the circular economy. Recycling competence in-house.

100%
of a lead battery can be recycled

99%
of all automotive lead batteries are recycled in Europe

3
Exide recycling facilities in Europe

140
employees in Exide recycling facilities





Adopting circular approaches minimizes waste and optimizes resource utilization. Through battery recycling, we lessen the demand for raw materials and mitigate environmental impact.

Where we are going

Exide Technologies is actively working toward a more sustainable future, striving to optimize the environmental performance of our battery products while ensuring the long-term sustainability of our operations. Our ESG strategy includes a range of initiatives aimed at reinforcing our commitment to these goals.

We are in the process of formulating a Global Circular Economy Policy, which we plan to roll out across all Business Units. This policy will shape our approach to resource use, waste management, and the adoption of circular economy principles. Alongside this, we are developing a standard for sustainable product design, which we aim to finalize by the end of FY26, ensuring that our products are designed with sustainability and circularity at their core.

To support these efforts, we plan to establish a task force to create circularity maps for Exide plants, identifying opportunities for resource recovery and recycling. Furthermore, we have prioritized the Life Cycle Assessments for selected products to quantify their environmental impact and to allow us to identify areas for improvement, optimize resource use, and make informed decisions that align with our sustainability goals.

We are committed to embedding sustainability and circularity principles into Exide's product design process. By doing so, we aim to create products with reduced environmental impact throughout their lifecycle.

As part of our circular economy approach, we aspire to further increase the utilization of secondary lead. This strategic shift will not only reduce our reliance on virgin materials but also contribute to a more sustainable supply chain.

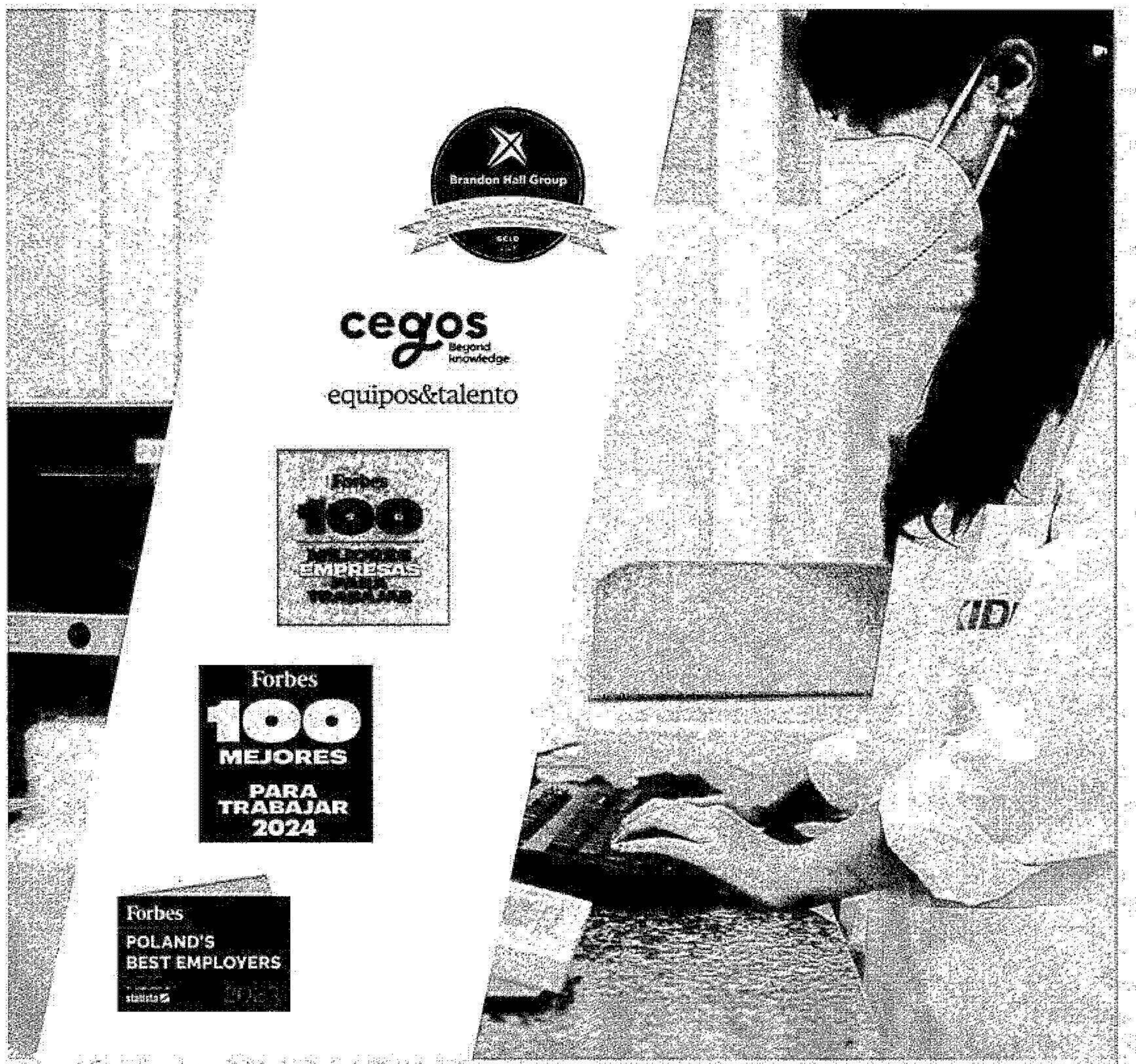
Achieving these goals requires collaboration with internal teams, suppliers, and industry partners. We actively engage stakeholders to drive meaningful change and foster a culture of sustainability. As one of the initiatives we are planning to provide all employees with training on climate change adaptation and mitigation by the end of FY26.

We will strategically evaluate investments in infrastructure and technology to strengthen our resilience against climate change impacts based on the results of location-specific climate risk analysis.

The planned initiatives represent Exide Technologies' purposeful stride toward a greener future. By integrating renewable energy sources, optimizing our manufacturing processes, and minimizing waste, we are shaping a legacy of environmental responsibility.

3.
Our commitment to people:
Employer of choice





At Exide Technologies, the commitment to our people is fundamental to our identity as an employer of choice. We prioritize creating a safe and stable workplace where every employee feels valued and empowered. Our dedication extends to fostering an inclusive and skilled workforce, ensuring that diversity, professional development, and well-being are at the heart of our corporate culture.

In recognition of these efforts, our innovative Frontline Supervisor Program was honored with the Brandon Hall Award 2023 in the „Best Development Program for Frontline Leaders" category. The program also received recognition from CEGOS and Equipos & Talento. Further affirming our commitment to excellence in the workplace, Forbes included Exide Spain in its list of the best 100 companies to work for in Spain for five consecutive years, including the recent award for 2024. Exide Poland was selected by Forbes Poland as one of the best 300 companies to work for, highlighting our position as a leading employer in the industry.

Where we are



Here, we provide an in-depth statistical analysis of the workforce demographics at Exide Technologies. The provided tables offer insights into the average for FY24 and total number of employees at the end of FY24.

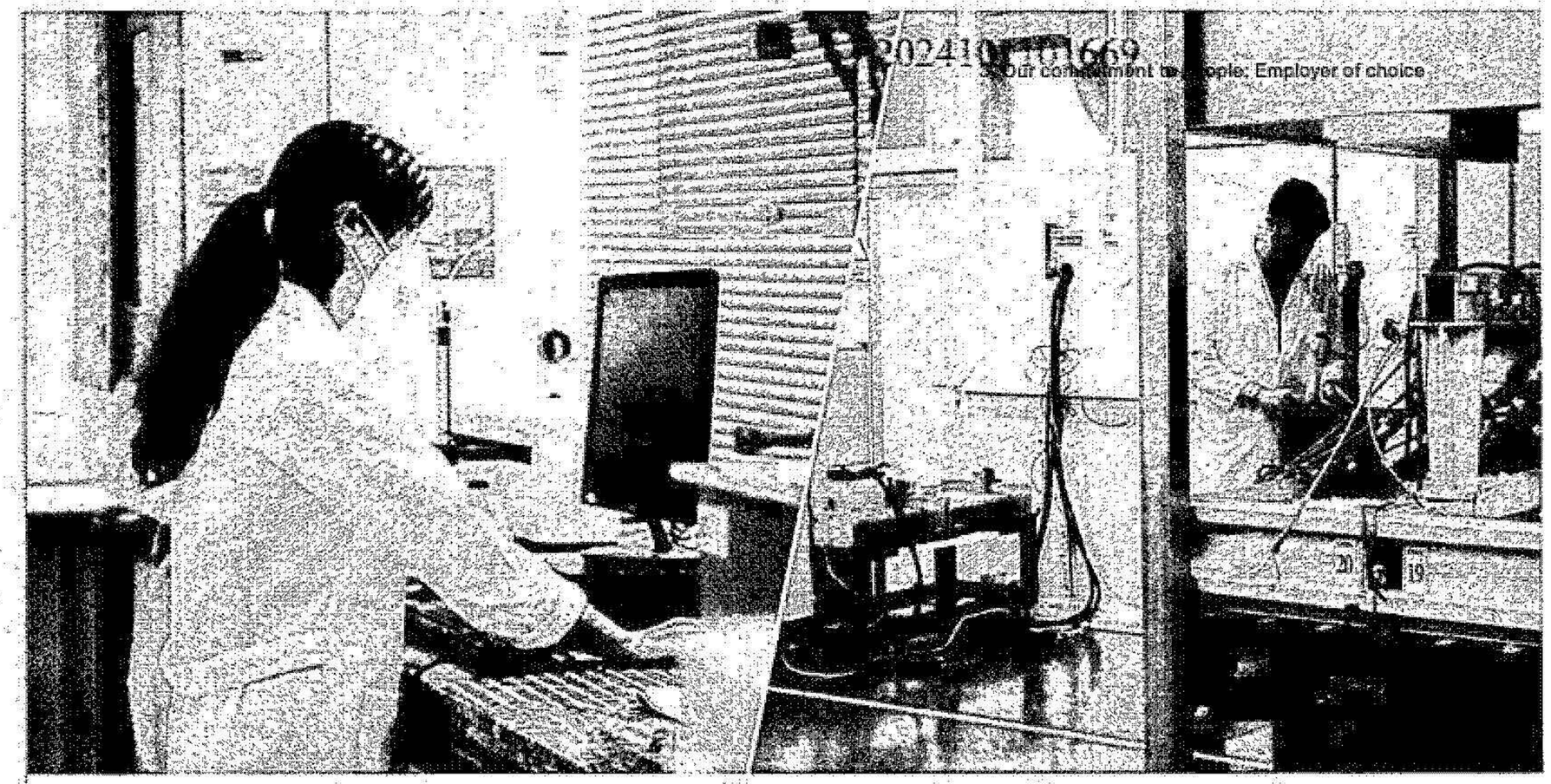
Total and average number of employees		
Gender	Total number of employees at the end of FY24	Average number of employees in FY24
Female	621	609
Male	4,127	4,239
Other (gender decided by individual)	0	0
Not disclosed	0	0
Total employees including:	4,748	4,848
Top Management	111	109
Managers	443	439
Professionals	738	738
Administrative staff	381	387
Hourly employees	3,020	3,116
Others	55	59

Furthermore, we provide an analysis that delves into the various types of employment, gender distribution, and age group composition among our employees.

Average headcount by type of employment and breakdown by gender				
FY24				
Female	Male	Other (gender decided by individual)	Not disclosed	Total (average)
Total number of employees				
609	4,239	0	0	4,848
Number of permanent employees				
533	3,874	0	0	4,407
Number of temporary employees				
76	365	0	0	441
Number of full-time employees				
550	4,095	0	0	4,645
Number of part-time employees				
59	144	0	0	203

Distribution of employees by age group in FY24		
	Average number of employees	% share
<20	17	0.4%
20-29	407	8.4%
30-39	1,022	21.1%
40-49	1,477	30.5%
50-59	1,378	28.4%
60-69	543	11.2%
70-80	4	-
Total Average	4,848	100.0%

These statistics serve as a compelling testament to our diverse and dynamic team, reflecting the breadth of talent and experience that drives our company forward.



SAFE AND STABLE WORKPLACE

At Exide, occupational health and safety are of utmost importance. We are committed to fostering a strong safety culture striving for zero harm in all operations, benefiting not only our employees but also our suppliers, customers, stakeholders, and society at large. Comprehensive health and safety policies, supported by a proactive approach of preventing occupational risks, ensure adherence to the regulations of each country we operate in. Our manufacturing sites are predominantly ISO 45001 certified, reflecting our robust occupational health and safety culture and the proactive risk mitigation.

We are dedicated to continuous improvement in our practices, aligning with global standards and excelling in the management of occupational risk prevention. Exide recognizes the importance of respecting employees' fundamental rights to safety and health, which include the right to information and training, the right to refuse or suspend work in dangerous conditions, and the right to participate in health and safety discussions and committees.

Lead in blood

We are aware of the health and safety concerns associated with lead exposure. Lead in blood levels are a critical health indicator for employees working in environments where lead is present. Consequently, we have pledged a strong commitment to reducing blood lead levels and are supporting the lead in blood reduction initiatives of EUROBAT, BCI, and ILA. As part of the action plan, our plants have set more stringent targets compared to the current EU limits.

Exide is advancing toward further reducing lead in blood levels in recycling and battery manufacturing facilities. Consistently, we have sharpened our lead in blood management procedures to systematically minimize lead exposure, ensuring the health and safety of our workforce through capital expenditure and continuous improvement initiatives and adherence to rigorous action plans for each workplace.

Health safety & environment metrics

Exide Technologies closely monitors workplace safety through key metrics such as the Lost Time Injury Frequency Rate (LTIFR), which is calculated using the formula LTI*1,000,000/Working Hours. Our current rate stands at 15.4, reflecting our ongoing commitment to employee safety and health.

We are proud to be able to report that for FY24, Exide Technologies had zero fatalities across all our operations.

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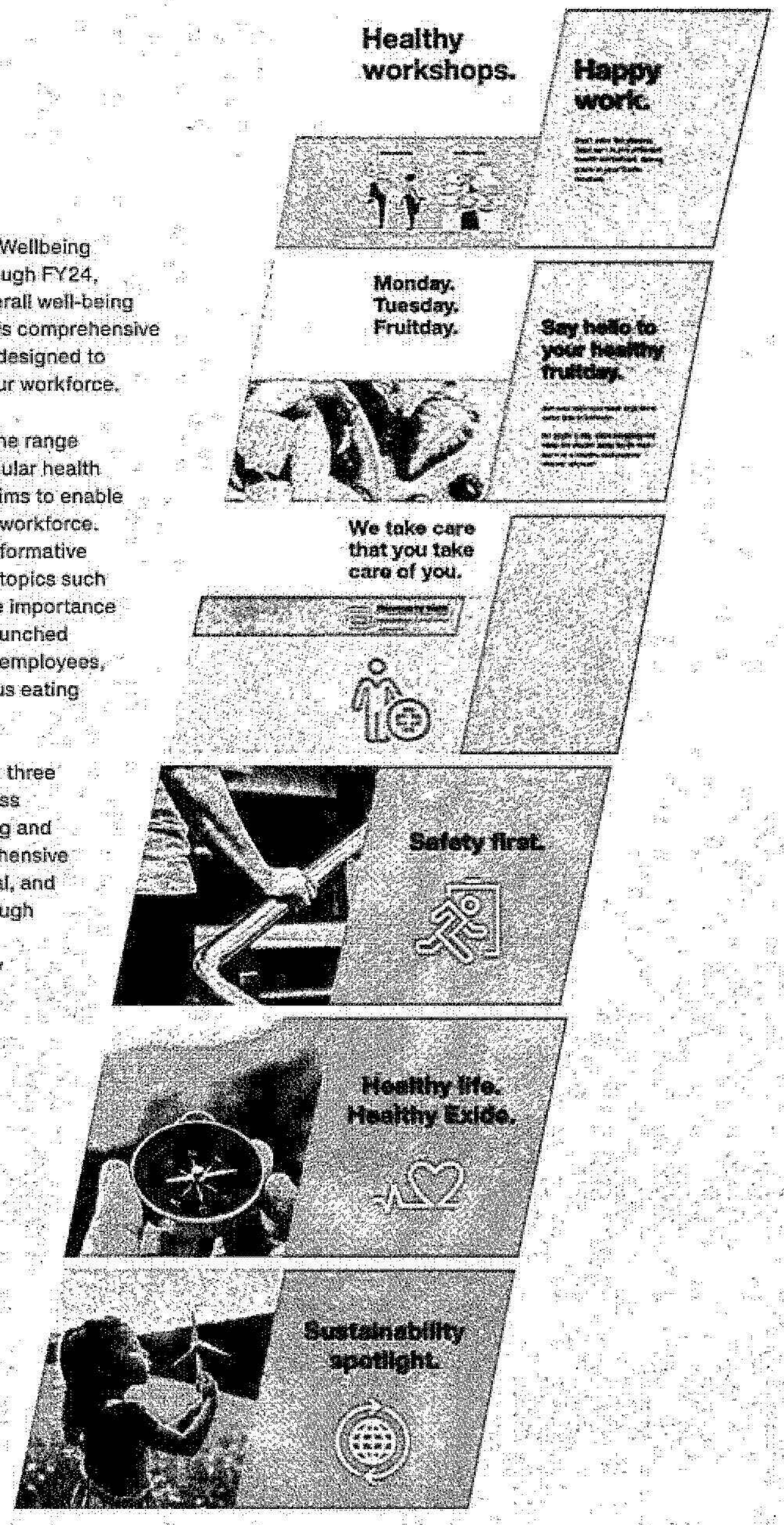
Health & Wellbeing program

In FY23, we introduced our global Health & Wellbeing Program, which we diligently continued through FY24, aiming to enhance the quality of life and overall well-being of our employees at Exide Technologies. This comprehensive initiative encompasses a suite of measures designed to support the physical and mental health of our workforce.

To support our commitment, we expanded the range of medical parameters monitored during regular health checks for our employees. This expansion aims to enable the detection of certain diseases within our workforce. Additionally, we introduced engaging and informative health workshops each quarter, addressing topics such as back health, stress management, and the importance of daily physical activity. Furthermore, we launched a ‚Fruit Day,' where we offer free fruit to our employees, a tangible step toward encouraging nutritious eating habits at work.

With this approach, we seek to embrace the three fundamental pillars of our health and wellness program: Healthy Workshops, Healthy Eating and Health Care. These pillars sustain a comprehensive approach that promotes the physical, mental, and emotional wellbeing of our employees. Through our Healthy Workshops, we educate and encourage active, healthy lifestyles. Healthy Eating focuses on nourishing the body with energizing and healing foods, while Health Care emphasizes the disease prevention and management, equipping everyone with the necessary tools to care for their overall wellbeing.

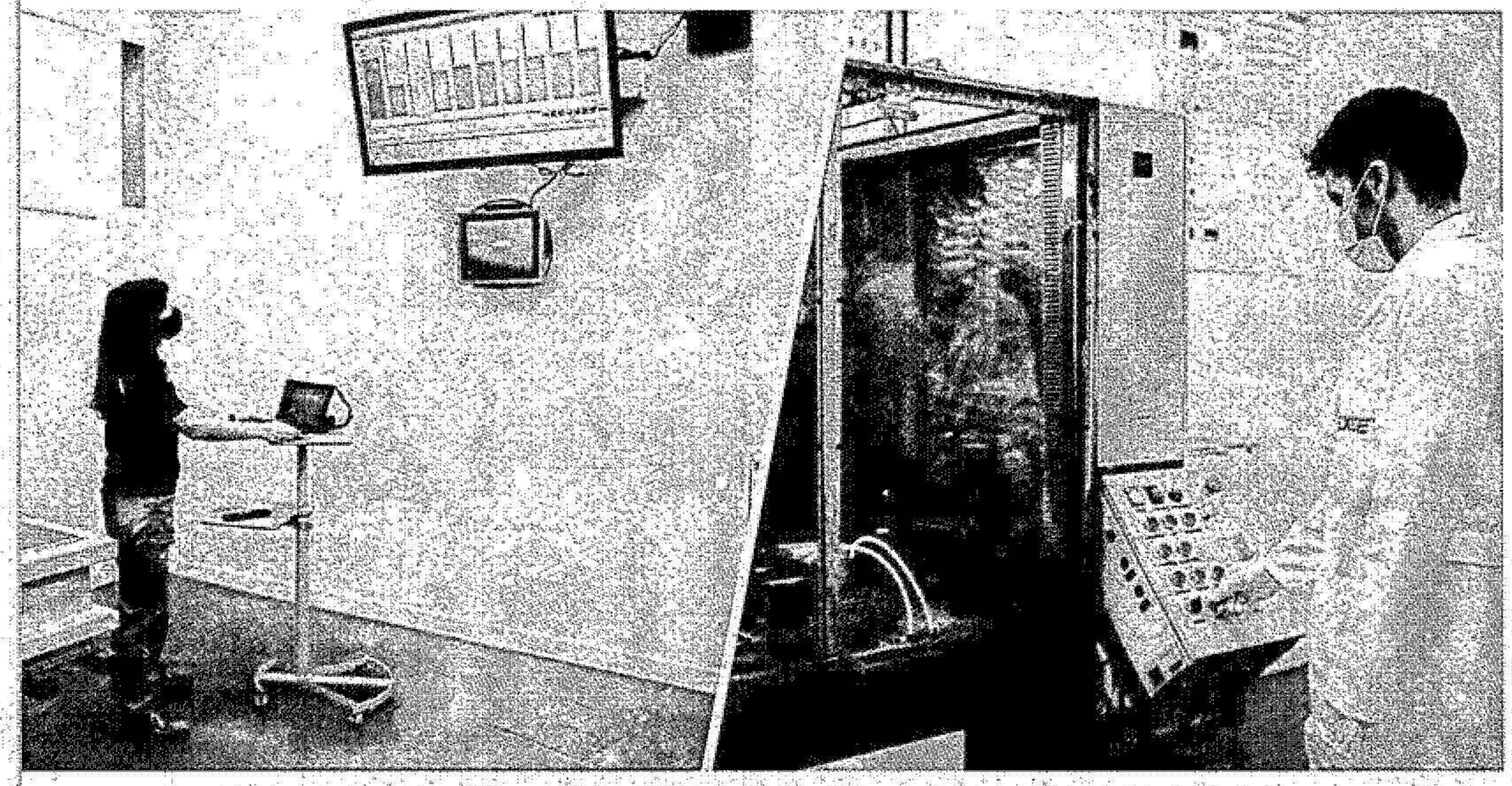
In addition to our Health & Wellbeing Program, we carried forward three communication campaigns, focusing on the health of our employees: „Healthy Life Healthy Exide," which focuses on communicating and promoting healthy lifestyle choices; „Lead in Blood: The Least, the Best," aimed at reducing lead exposure within our plants; and "Safety first" designed to improve safety conditions across all Exide locations.



As a fourth pillar of our program, we implemented a pilot project at our Spanish plants, encouraging employees to quit smoking with support from the company and our medical services. In our Romano plant in Italy, we made the location a non-smoking facility.

Global human right and social responsibility commitment statement

At the start of 2024, we adopted a Global Human Rights and Social Responsibility Commitment Statement. This declaration solidifies our commitment to conducting business with a profound respect for human rights as outlined in the United Nations Universal Declaration of Human Rights. Additionally, we engage in practices that support the UN Sustainable Development Goals. Our dedication extends to adhering to the International Labor Organization's standards, ensuring that our global workforce is treated with fairness and dignity. Through this commitment, Exide Technologies affirms its role in promoting sustainable economic development and contributing positively to the global community.



Social dialogue

At Exide Technologies, we uphold the democratic principles that empower our workforce to engage with interest groups and select their representatives autonomously, without any undue influence from the company. We firmly support our employees' rights to participate in free and fair social dialogue, which demonstrates our commitment to maintaining an open and respectful workplace. While we reserve the right to manage and operate the company, we are careful not to interfere with or impede the organization of trade unions. Our dedication to social dialogue is evident through the significant number of our employees that are union members. We have a global European Works Council involving representatives from the local union, works councils and management with regular meetings held. This ensures that the employees' voices are heard, and their interests are well-represented in our joint efforts to cultivate a positive and inclusive work environment.

Close to 80% of our employees are covered under collective bargaining arrangements.

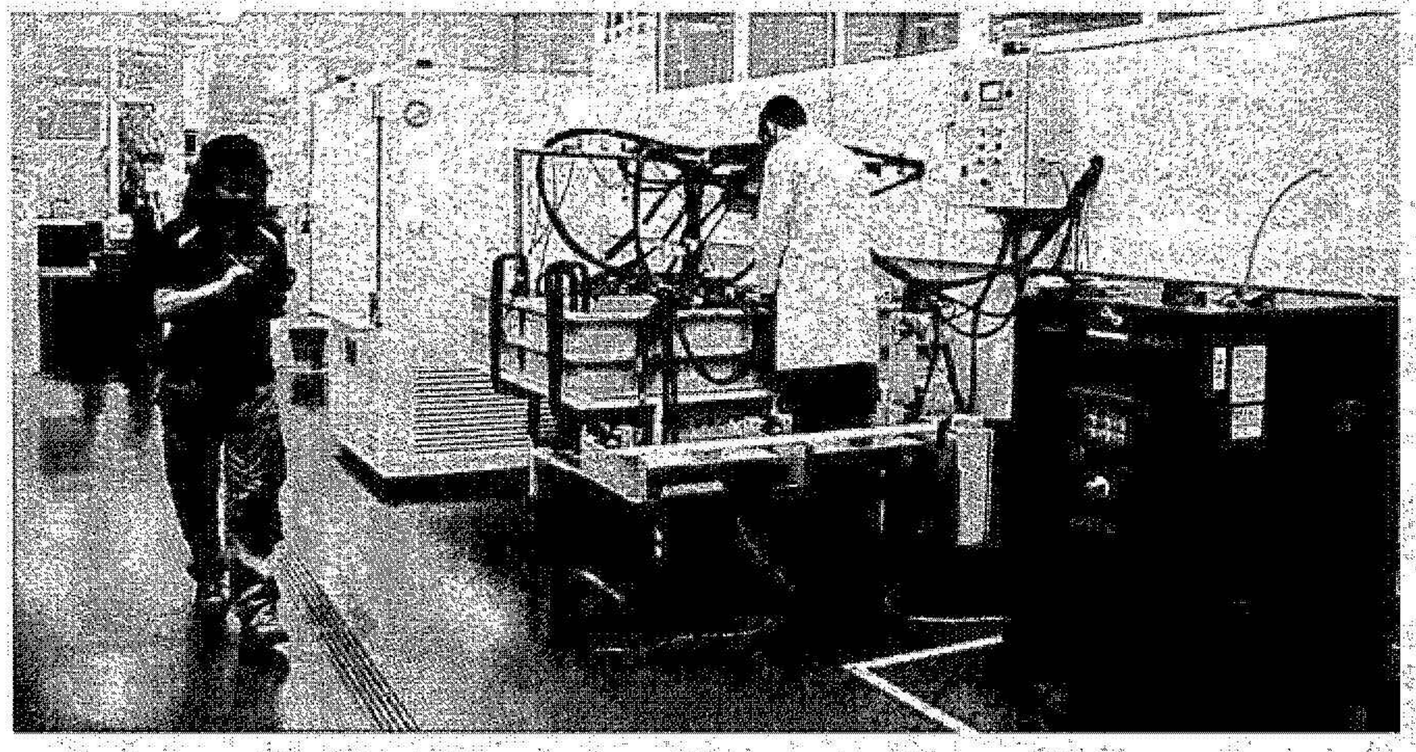
INCLUSIVE AND SKILLED WORKFORCE

Diversity at Exide
Exide Technologies, along with its subsidiaries, is dedicated to promoting equality, diversity, and inclusion within our workforce. We are committed to fostering a workplace culture that values and respects individual differences, ensuring that all employees feel accepted and respected. Our goal is to have a workforce that reflects the diversity of society and our customer base, enabling each employee to perform at their best.

We have adopted a Global Equality, Diversity and Inclusion Policy that aims to ensure equality, fairness, and respect for all employees, whether they are temporary, part-time, or full-time. We are committed to eliminating unlawful discrimination based on age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation, gender identity and expression, serological and health status, political opinion, social status, or union membership.

At Exide Technologies, we strive to achieve a balanced representation across all levels of our organization and uphold a commitment to fostering equal opportunity across all stages of employment, including selection, hiring, advancement, and promotion of our employees.

Gender distribution at the top management level at the end of FY24		
	Number of employees	Percentage of employees
Female	21	19%
Male	90	81%





Training opportunities
We understand that comprehensive training is essential for empowering our employees, enhancing their skills, and ensuring a safe working environment. We are committed to providing extensive training opportunities that cover occupational health and safety, as well as professional development, to every member of our team. We also annually execute a robust talent management program ensuring that we identify our key talents that are able to fill our succession plans short, medium, and longer term.

Our approach to training includes a dynamic and state-of-the-art education platform, Gamelearn, which offers a variety of learning modules, including monthly recommended training, functional career development itineraries, and specialized courses tailored to specific roles. Additionally, the Human Resources Department facilitates face-to-face training sessions, enriching the learning experience with direct interaction and engagement. This multifaceted training strategy has resulted in an average of 7.6 hours of training per employee in FY24, reflecting our investment in the growth and well-being of our workforce. We have dedicated close to 3,300 hours of training to sustainability and compliance related subjects.

Number of training hours in FY24 by employee category	
	Total number of training hours
Salaried employees	24,129
Hourly employees	12,666
Total	36,795

Where we are going

Looking ahead, Exide Technologies is planning initiatives to reinforce its reputation as an employer of choice by focusing on the well-being and professional growth of employees.

The Health & Wellbeing program remains a key element of our strategy to enhance employee health and satisfaction. We have already defined the key strategies for this program to ensure its ongoing success.

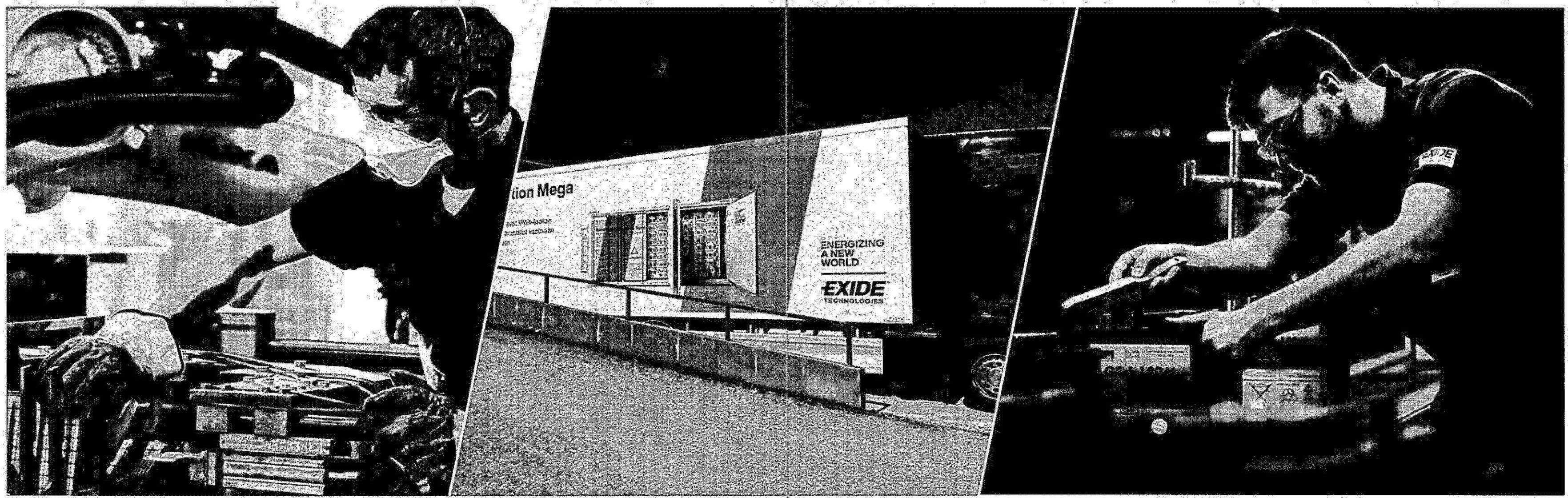
Our aim is to achieve an employee satisfaction level of 75% by the end of FY26, with the goal of reaching 80% by the end of FY28. This ambitious goal reflects our confidence that our talent management programs, career development plans, and mentoring initiatives will continue to be highly valued by our workforce. Development plans will be in place for 80% of salaried employees by the end of FY26, with a goal of 100% by the end of FY28.

We will enhance professional skills training for all employees, aiming to increase the number of training hours per person by the end of fiscal year 2025 and progressively more in the following years.

Our ongoing commitment to inclusivity includes setting targets for disability representation and gender balance in salaried positions. By the end of calendar year 2028, we aim for a 40% female to male ratio and 25% women in management, with further increases in female representation planned.

Our goal is to enhance our common management system by the end of FY26 to unify the Environmental, Health, and Safety (EHS) processes. Additionally, we are seeking to improve our Lost Time Injury Frequency Rate (LTIFR) by 5% annually from the FY24 baseline. To achieve this, we continue to focus on preventive measures, safety training, incident investigations, and promoting a safety culture.

As part of our dedication to the social pillar, these planned actions underscore our commitment to fostering a vibrant, diverse, and skilled workforce, ensuring that Exide Technologies remains at the forefront of employee satisfaction and professional development.



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4.
Our commitment to business:
Sustainable and ethical growth





Sustainable and ethical growth is not just a tagline - it is our compass, guiding us toward a future where prosperity aligns harmoniously with planetary well-being. At Exide, we recognize that our responsibility extends beyond our own operations to encompass the entire value chain. This encapsulates the essence of our commitment to responsible business practices while fostering a positive impact.

Where we are

We uphold integrity, transparency, and ethics in all our interactions. Our governance practices adhere to the highest standards. We maintain transparency, robust risk management, and accountability at every level.

Enterprise Risk Management

Exide views Enterprise Risk Management (ERM) as a strategic approach that identifies and manages critical risks to achieve organizational objectives. ERM enhances value by effectively addressing uncertainty, balancing risks, and opportunities, and optimizing processes.
In recognition of the heightened significance and impact of the ESG factors, including impacts, risks, and opportunities, a dedicated process within the ERM framework has been established to comprehensively address these critical considerations.

By providing a clear and detailed roadmap, the ERM framework aims to fortify organizational resilience and responsiveness in the face of evolving ESG challenges. The establishment of this dedicated practice reflects Exide's proactive approach toward integrating sustainability and responsible business practices into the risk management, thereby enhancing overall corporate governance, and contributing to long-term value creation.

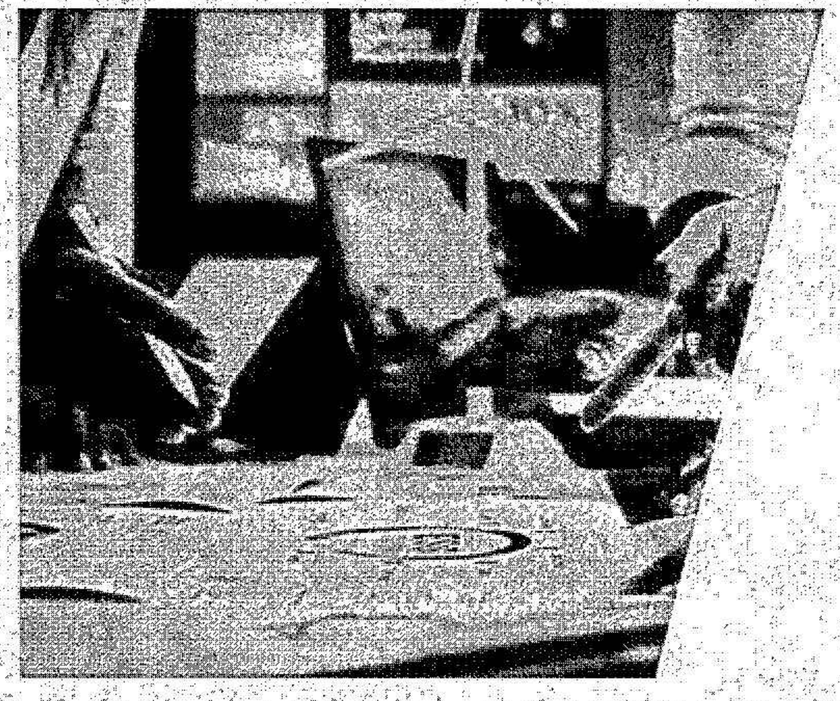
HEALTHY VALUE CHAIN

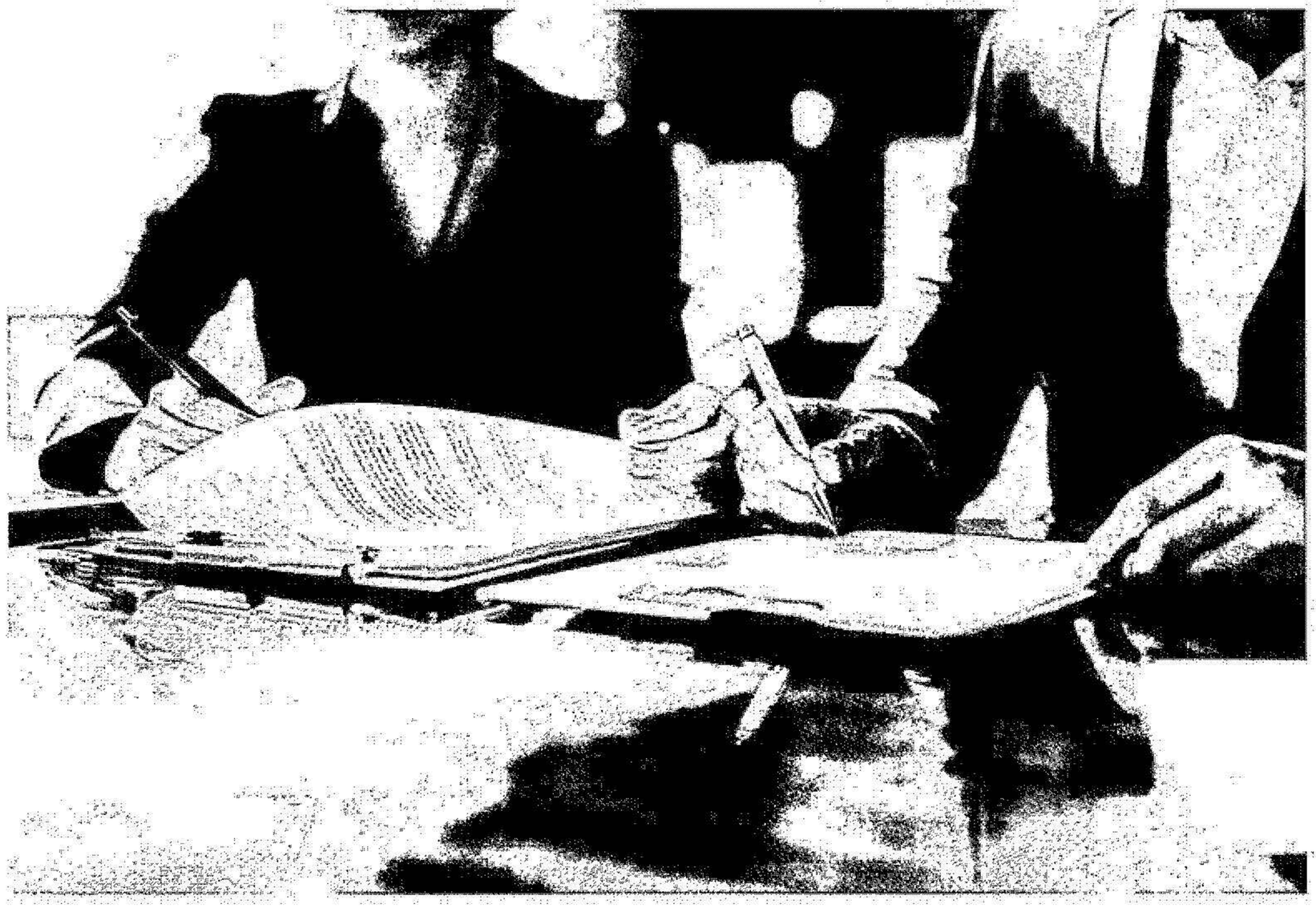
We hold a deep respect for ethical business conduct and passionately believe in operating with integrity and transparency. Our operations are guided by a Code of Ethics and Business Conduct that embodies our core values of integrity, honesty, respect for human dignity, openness, and non-discrimination regardless of religion, ideology, gender, or ethnicity across the entire value chain. Also, we closely monitor our value chain to ensure compliance with our stringent Supplier Code of Conduct, which covers labor rights, health and safety, environmental stewardship, and business ethics.

Lead Battery 360 program

We share the mission of the Lead Battery 360° initiative established in collaboration with industry associations to address and improve practices within the supply chain.

This material stewardship initiative is built on seven principles that aim to enhance trust through a shared commitment to continuous improvement in environmental, health, and safety (EHS) performance, knowledge sharing, and transparent reporting. The program specifically targets the manufacturing and recycling of lead-based batteries, driving EHS excellence, responsible sourcing, and sustainable recycling practices, particularly in developing and transitioning countries.





Sustainable Procurement

In alignment with our overarching commitment to sustainability, Exide has implemented a Sustainable Purchasing Policy. This policy underscores our responsibility to consider environmental, social, and economic factors in our sourcing decisions, reflecting our dedication to sustainable and responsible consumption by encompassing a set of stringent criteria designed to ensure that our supply chain operations adhere to the highest standards of sustainability and ethics.

Good Practice

ESG-related supplier assessment questions are important part of the overall supplier assessment process in Exide. We also collaborate with suppliers who align with our core environmental, social, and governance principles.

We also ask our suppliers to complete an ESG supplier self-assessment questionnaire to validate their understanding of sustainability principles and evaluate their conduct beyond mere transactions.

Conflict Minerals Policy

Exide has implemented a conflict minerals policy that reflects our responsibility to source materials in a manner that respects human rights and avoids contributing to conflict. Our Conflict Minerals Policy aligns with the Dodd-Frank Act and Regulation 2017/821, emphasizing due diligence, transparency, and collaboration with suppliers to uphold responsible sourcing practices.

We expect our suppliers to meet industry standards for due diligence and provide necessary certifications regarding the origins of minerals.

HEALTHY BUSINESS

Exide's Code of Ethics and Business Conduct is the cornerstone of our commitment to fostering a healthy business environment. By establishing clear guidelines for honesty, integrity, and legal compliance, the Code ensures that all business dealings are conducted ethically and responsibly. It applies universally to our directors, officers, and employees, setting the standard for behavior that promotes trust and respect within the company and in our interactions with partners and communities. The Code also extends to third parties representing Exide, requiring adherence to these principles to maintain the integrity of our operations. This commitment to ethical conduct is integral to creating a workplace that prioritizes fair employment practices, conflict of interest avoidance, and a culture of safety and environmental stewardship. In essence, the Code is not just a set of rules but a blueprint for building a sustainable and reputable business that positively impacts all stakeholders.

We stand firmly against corruption and bribery. Our company has established comprehensive policies and procedures to ensure transparency, integrity in trade, responsible leadership, and accountability. Our Code of Ethics and Business Conduct is publicly available on our website, demonstrating our pledge to uphold these standards in every aspect of our business operations.

Central to our compliance infrastructure is our Whistleblowing policy, which provides diverse communication channels available 24/7 in various countries. This system allows both employees and external parties to anonymously report potential violations of our codes or the law. All reports are processed through the Whistleblower external provider system and assigned to a designated company investigator in accordance with our company policies.

These reports are taken seriously and investigated with the utmost confidentiality under the supervision of Exide's Group Compliance Committee, which reports quarterly to the Audit Committee of the Board of Directors.

As part of our commitment to ensuring a well-informed workforce, we conduct comprehensive training on compliance-related topics for our salaried employees. These training sessions cover a wide array of subjects, including Anti-Bribery Principles, Antitrust Laws, Cybersecurity, Data Protection and Privacy, Mutual Respect, and Safety Leadership. This educational initiative is designed to reinforce our values and principles, ensuring that our employees are equipped to uphold the highest standards of ethical conduct in their daily operations.

Reminder

In 2023, we achieved our third year of EcoVadis ranking and were awarded a Silver Sustainability Rating Medal. This recognition reflects our concrete actions and tangible efforts in areas such as environmental impact reduction, social responsibility, and ethical governance.

Furthermore, in 2023, at the forefront of accountability and transparency, we submitted documentation for analysis by CDP. This submission demonstratesour significant commitment to public disclosure and active engagement in the dialogue around environmental impact and stewardship.

Where we are going

HEALTHY VALUE CHAIN

As Exide moves forward with our ESG strategy, we are focusing on strengthening the foundation of our supply chain to ensure it reflects our commitment to sustainability and ethical practices. By the end of FY25*, we plan to enhance the supplier evaluation process, making it even more robust. This will allow us to better assess and manage the sustainability performance of our suppliers, ensuring that our high standards are met consistently.

To support these initiatives, we are deploying advanced software that will enable comprehensive screening of our suppliers. This technology will provide deeper insights and control over our supply chain, ensuring that we can quickly identify and address any areas of concern.

Moreover, we are in the process of designing and implementing sustainability metrics specific to our value chain. These metrics will serve as key indicators of our progress and will help us measure and communicate the impact of our sustainability efforts effectively.

Finally, we are committed to monitoring and ensuring the implementation of action plans designed to improve compliance with lead in blood standards in our value chain. By the end of FY26, we aim to have these action plans fully operational, demonstrating our proactive approach to responsible sourcing and our dedication to continuous improvement.

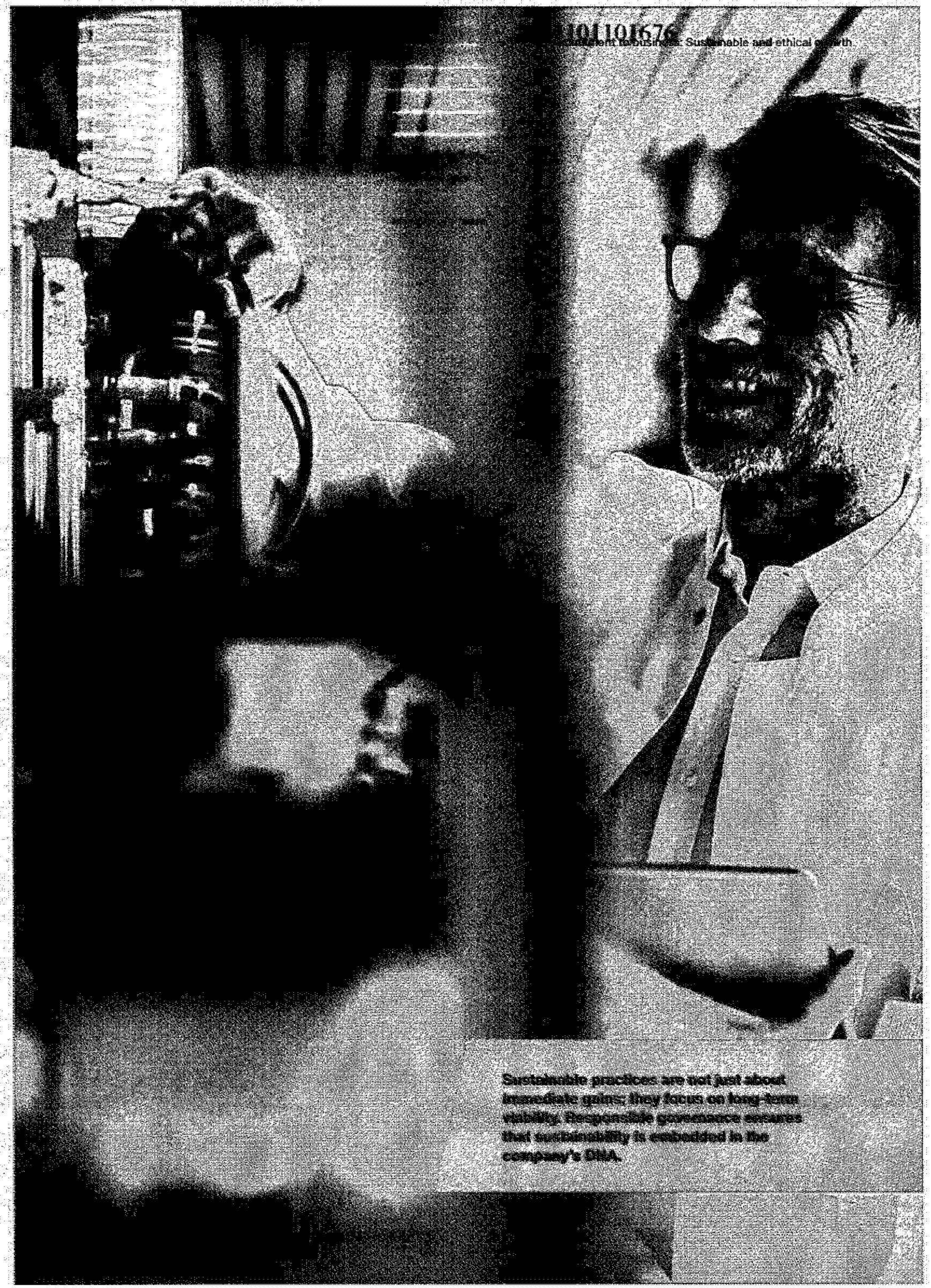
HEALTHY BUSINESS

Parallel to our value chain initiatives, Exide is taking significant strides in our internal operations to embody the principles of a Healthy Business.

We are engaging in internal assessments and improvements on ESG performance indicators. We aim to maximize our scoring potential and demonstrate our unwavering commitment to ESG excellence.

To maintain our high standards, we periodically refresh our selected trainings for employees. This ongoing education ensures that our team is equipped with the latest knowledge and tools to navigate the complexities of compliance and ethics in our industry.

Through these comprehensive efforts in both our value chain and business operations, Exide is dedicated to paving a path of sustainable growth and ethical leadership



Let's stay in touch

If you would like to share your reflections, comments or ideas with us, feel free to contact us: sustainability@exidegroup.com



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