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EXIDE TECHNOLOGIES AB

MÖLNLYCKE

556162-8792

ÅRSREDOVISNING FÖR PERIODEN

2022-04-01 – 2023-03-31

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 25 september 2023.
Bolagsstämman beslöt tillika godkänna styrelsens förslag till vinstdisposition i moderbolaget.

Mölnlycke 2023-09-25

Christina Jahn

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ÅRSREDOVISNING FÖR EXIDE TECHNOLOGIES AB

FÖRVALTNINGSBERÄTTELSE

Styrelsen och verkställande direktören för Exide Technologies AB får härmed avge årsredovisning för verksamheten under räkenskapsåret 2022-04-01—2023-03-31. Bolaget är helägt dotterbolag till Exide Technologies BV, med säte i Holland, som ingår i Energy Technologies Holdings LLC.

Verksamheten och väsentliga händelser under räkenskapsåret

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 omfattar original- och ersättningsutrustning för bilar, tunga lastfordon, jordbruksmaskiner, marin utrustning och nya teknologier för hybridfordon. Exide Industrial 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 och rörelseresultatet för räkenskapsåret är ungefär i paritet med föregående år och är i paritet med företagets förväntningar.

Flerårsöversikt (tkr)

	2022/23	2021/22	2020/21	2019/20
Nettoomsättning	1 071 539	1 011 562	890 559	913 095
Resultat efter finansiella poster	34 813	29 037	13 276	33 328
Rörelsemarginal	2,3%	2,5%	2,3%	3,0%
Avkastning på eget kapital	22%	19%	8%	22%
Balansomslutning	319 506	311 471	301 010	318 714
Soliditet	53%	51%	50%	52%
Antal anställda	59	64	68	69

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.

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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.

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HÅLLBARHETSRAPPORT

Affärsmodell

Exide's övergripande affärsidé och vision är följande:

"Exide Technologies is committed to providing world-class stored energy solutions that lead the industry in quality and performance, drive customer results and make a difference in people's lives. Exide will stand for safety, innovation and partnership while providing a rewarding workplace for our employees"

I övrigt hänvisas till vad som sägs i Förvaltningsberättelsen under "Verksamheten och väsentliga händelser under räkenskapsåret".

Miljö

TILLVERKNING MED GRÖNT SAMVETE

Miljöfrågorna har sedan länge stått i fokus vid tillverkning och hantering av blybatterier. Detta har varit särskilt viktigt eftersom blybatterier innehåller ämnen, i form av bly, bly-föreningar och svavelsyra, som släpps ut till omgivningen och har negativ påverkan på miljön. Att minimera blybatteriernas miljöpåverkan är därför en naturlig och angelägen uppgift för oss som batteriproducenter.

De viktigaste åtgärderna har dels varit att så långt som möjligt begränsa utsläppen från fabrikerna i samband med tillverkningen, och dels att skapa ett effektivt system för insamling av förbrukade batterier. Genom återvinningen av batterier kan man utnyttja dem som råvaruresurs och samtidigt förhindra att de hamnar som skrot i naturen. Tillverkningen av blybatterier sker idag under strängt miljöansvar som bland annat kännetecknas av att:

- Merparten av det bly som används i produktionen är återvunnet från gamla batterier
- Noggrann utsläppskontroll med en omfattande rening av luft och processvatten.

Emissionsnivåerna registreras kontinuerligt för att säkerställa att gränsvärden innehålls. Alla Exide Technologies fabriker arbetar efter miljöledningssystem som är certifierade enligt ISO 14001 eller motsvarande.

ÖVER 95 PROCENT ÅTERVINNING

Idag finns ett väl fungerande system för återvinning av blybatterier. Återvinningsgraden är i Sverige så hög som c:a 95 %, vilket innebär att i stort sett alla förbrukade batterier går till återvinning. Det svenska systemet för insamling av startbatterier infördes 1988. På samma gång infördes också en miljöavgift på startbatterier.

Den 1 januari 2009 trädde ett nytt EU-direktiv i kraft, med påföljande producentansvar för producenter och importörer. Batteribranschen har samlats till att bilda ett gemensamt bolag för detta, BlyBatteriRetur i Sverige AB. Detta bolag är batteribranschens sätt att tillsammans skapa ett riksomfattande och mycket kostnadseffektivt system som lever upp till lagens alla krav och riktlinjer. Exide Technologies AB är anslutna till BlyBatteriRetur (BBR).

Bolaget bedriver ingen tillståndspliktig verksamhet enligt miljöbalken.

Genom vad som beskrivs ovan hanteras de risker som finns inom området Miljö. En central resultatindikator är att våra produkter lever upp till de vid var tid gällande miljökrav och att bolaget genom sin tillhörighet till BBR verkar för en så hög insamlingsnivå som möjligt.

Sociala Förhållanden och Personal

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Bolaget har en arbetsmiljöpolicy och bedriver ett systematiskt arbetsmiljöarbete.

Stor vikt läggs vid hälsa och säkerhet på arbetsplatsen, då hanteringen av blybatterier innebär en viss risk. Varje medarbetare som hanterar batterier genomgår en utbildning av företagets säkerhetsföreskrifter som en del i företagets introduktionsplan.

Inom bolaget lägger vi också stor vikt vid den anställdes fysiska och mentala hälsa då vi ser ett tydligt samband mellan välmående och prestation. Bolaget genomför årligen medarbetarsamtal samt har en kontinuerlig process för medarbetarundersökningar och hälsokontroller.

Centrala resultatindikatorer inom området Sociala Förhållande och Personal är antalet rapporterade tillbud och en låg sjukfrånvaro.

Respekt för mänskliga rättigheter & Motverkande av korruption

Exide Technologies (koncernen) har också etablerat Etikregler om god affärssed ("Normen") i syfte att säkerställa att företaget bedriver sin affärsverksamhet på ärligt sätt, med integritet och enligt lagen. Denna Norm utgör företagets åtagande av dessa fundamentala principer och tillhandahåller rutiner som ska tillförsäkra att företagets standarder med avseende på integritet och etiskt uppträdande upprätthålls på ett konsekvent och effektivt sätt.

Denna Norm gäller alla anställda på Exide, oavsett deras befattning inom företaget. Exide och dess anställda måste också kräva att tredjepart som representerar Exide – exempelvis agenter, säljare och distributörer – samtycker till att följa denna Norm och annan gällande företagspolicy när de agerar å Exides vägnar. Varje tjänsteman inom bolaget måste årligen också signera "Normen" om Etikregler och god affärssed.

Exides Norm om Etikregler och god affärssed innefattar också vissa lagar och etiska principer som är av speciell betydelse för företaget och vars innehåll och riktlinjer måste följas av Exide Technologies AB. Exempel på sådana lagar och principer är:

- Antitrust- och handelslagar
- Intressekonflikter
- Värdepapperslagar: handel och avslöjande av konfidentiell information
- Arbets- och anställningslag:
    - Anställningsmöjlighet på jämställda villkor, utan trakasseri och diskriminering
    - Nepotism och andra förhållanden
- Felaktiga eller ej registrerade betalningar, alltför stora gåvor
- Regeringskontrakt
- Annonsering/ Reklam
- Intellektuell egendom
- Hälsa och Säkerhet
- Falska uttalanden och planer på bedrägeri
- Stöld av företagsegendom
- Redovisning/ Bokföring
- Besvara förfrågningar från regering, press och allmänheten
- Politiska aktiviteter och bidrag
- Internationell affärsverksamhet

Anställda måste strikt följa alla lagar i alla länder som de bedriver verksamhet i och måste följa alla USA:s lagar som styr utländsk verksamhet (exempelvis Foreign Corrupt Practices Act, lagar som förbjuder samarbete med utländska bojkotter och som kräver åtlydnad av landspecifika embargon och exportkontrollagar). Anställda måste också respektera och vara toleranta avseende de värderingar och sedvänjor som finns i de samhällen och länder som företaget bedriver affärsverksamhet i.

Bolagets tjänstemän genomgår kontinuerligt internetbaserade utbildningsprogram i "compliance" efterlevnad inom berörda områden, t ex:

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- Exides uppförandekod och affärsetik
- Intressekonflikter
- Finansiell integritet
- Antikorruptionsarbete
- Global konkurrens
- Att arbeta med ombud och tredje man
- Dokumenthantering
- Ömsesidig respekt
- Ledarskap vad gäller säkerhetsfrågor

Normens utveckling och uppfyllande kontrolleras av en uppfyllande kommitté inom Exide koncernen.

Bolaget har genom sin koncern tillhörighet bra rutiner och processer inom detta område och ser inga bolagsspecifika risker. En central resultatindikator är antalet rapporterade/ identifierade "non-compliance"

Förändring i eget kapital under året

	Aktie-Kapital	Reserv-Fond	Fritt eget kapital
Belopp vid årets ingång	31 000	6 290	80 205
Utdelning	-	-	-22 000
Årets resultat	-	-	30 808
BELOPP VID ÅRETS UTGÅNG	31 000	6 290	89 013

Förslag till behandling av vinstmedel:

Till årsstämmans förfogande står:

Balanserade vinstmedel	58 205 336
Årets resultat	30 807 522
Summa	89 012 858

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

Till aktieägarna utdelas 96,77kr per aktie (antal aktier 310 000)	30 000 000
I ny räkning överförs	59 012 858
Summa	89 012 858

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	2022-04-01 – 2023-03-31	2021-04-01 – 2022-03-31
Nettoomsättning	3	1 071 539	1 011 562
Kostnad för sålda varor		-982 058	-918 959
Bruttoresultat		**89 481**	**92 603**
Försäljningskostnader		-54 934	-57 184
Administrationskostnader		-9 976	-10 048
Övriga rörelseintäkter		0	0
Övriga rörelsekostnader		0	-125
Rörelseresultat	2,3,4,5	**24 571**	**25 246**
Resultat från finansiella investeringar			
Resultat från andelar i koncernföretag	6	0	0
Ränteintäkter och liknande resultatposter	7	10 735	6 413
Räntekostnader och liknande resultatposter	8	-493	-2 621
Resultat efter finansiella poster		**34 813**	**29 037**
Bokslutsdispositioner	9	0	0
Skatt på årets resultat	10	-4 006	- 6 166
ÅRETS RESULTAT		30 808	22 871

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BALANSRÄKNING (tkr)

TILLGÅNGAR	Not	2023-03-31	2022-03-31
Anläggningstillgångar			
Materiella anläggningstillgångar	11		
Byggnader och mark		44	44
Maskiner och andra tekniska anläggningar		3 445	4 230
Inventarier, verktyg och installationer		448	611
Summa materiella anläggningstillgångar		3 937	4 885
Finansiella anläggningstillgångar			
Andelar i dotterföretag	12	26 869	26 869
Andelar i intresseföretag	13	20	20
Fordringar hos koncernföretag	14	9 252	56 441
Andra långfristiga fordringar	15	597	447
Summa finansiella anläggningstillgångar		36 738	83 777
Omsättningstillgångar			
Varulager m m			
Färdiga varor och handelsvaror		88 663	84 090
Summa varulager m m		88 663	84 090
Kortfristiga fordringar			
Kundfordringar		133 777	100 556
Fordringar hos koncernföretag		27 056	21 653
Skattefordran		2 030	1 357
Uppskjuten skattefordran	16	329	768
Förutbetalda kostnader och upplupna intäkter	17	2 562	3 068
Övriga fordringar		113	2
Summa kortfristiga fordringar		165 867	127 404
Kassa och bank	18	24 303	11 314
SUMMA TILLGÅNGAR		319 506	311 470

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BALANSRÄKNING (tkr)

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EGET KAPITAL OCH SKULDER	Not	2023-03-31	2022-03-31
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		58 205	57 335
Årets resultat		30 808	22 871
Summa fritt eget kapital		**89 013**	**80 206**
Summa eget kapital		**126 303**	**117 496**
Obeskattade reserver			
Periodiseringsfonder	9	54 500	54 500
Summar Obeskattade reserver		**54 500**	**54 500**
Avsättningar för pensioner och liknande förpliktelser	21	22 603	21 989
Övriga avsättningar	22	5 223	5 379
Summa avsättningar		27 826	27 368
Långfristiga skulder			
Checkräkningskredit	23	0	0
Summa långfristiga skulder		**0**	**0**
Kortfristiga skulder			
Förskott från kunder		5 129	5 439
Leverantörsskulder		18 534	20 268
Skulder till koncernföretag		37 370	43 301
Övriga skulder		28 679	14 544
Upplupna kostnader och förutbetalda intäkter	24	21 166	28 554
Summa kortfristiga skulder		**110 878**	**112 107**
SUMMA EGET KAPITAL OCH SKULDER		**319 507**	**311 470**

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KASSAFLÖDESANALYS

	Not	2022-04-01 – 2023-03-31	2021-04-01 – 2022-03-31
Den löpande verksamheten			
Rörelseresultat före finansiella poster		24 571	25 246
Icke likviditetspåverkande poster		1 050	1 100
Erhållen ränta		10 735	6 413
Erhållen utdelning		0	0
Erlagd ränta		-3 491	-3 587
Betald inkomstskatt		-5 938	-6 122
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**26 927**	**23 049**
Kassaflöde från förändringar i rörelsekapital i den löpande verksamheten			
Ökning (-)/minskning (+) av varulager		-4 573	-25 265
Ökning (-)/minskning (+) av kundfordringar		-33 221	8 719
Ökning (-)/minskning (+) av övriga kortfristiga fordringar		-5 679	17 090
Ökning (+)/minskning (-) av leverantörsskulder		-1 734	8 760
Ökning (+)/minskning (-) av övriga kortfristiga skulder		2 437	-8 544
Ökning (+)/minskning (-) av avsättningar		896	795
Kassaflöde från den löpande verksamheten		**-14 947**	**24 605**
Investeringsverksamheten			
Förvärv (-)/försäljning (+) av dotterbolag		0	0
Förvärv (-)/försäljning (+) av materiella anläggningstillgångar		-102	-748
Ökning (-)/minskning (+) av långfristiga fordringar		-150	26
Kassaflöde från investeringsverksamheten		**-252**	**-722**
Finansieringsverksamheten			
Utlåning/Inlåning		50 187	446
Återbetald/Upptagen checkkredit		0	0
Utbetald utdelning		-22 000	-14 000
Kassaflöde från finansieringsverksamheten		**28 187**	**-13 554**
ÅRETS KASSAFLÖDE		**12 988**	**10 329**
LIKVIDA MEDEL VID ÅRETS BÖRJAN		**11 314**	**985**
KURSDIFFERENS I LIKVIDA MEDEL		**-**	**-**
LIKVIDA MEDEL VID ÅRETS SLUT		**24 303**	**11 314**

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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.

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 93 (92) procent av inköpen och 31 (30) procent av försäljningen andra företag inom den företagsgrupp (Exide Europe) som bolaget tillhör avseende moderbolaget.

Not 3. Nettoomsättning fördelad på geografiska marknader

	2022-04-01 – 2023-03-31	2021-04-01 – 2022-03-31
Sverige	696 505	679 457
Övriga Norden	334 707	292 906
Övriga Europa	40 255	39 190
Övriga länder	72	8
Summa	**1 071 539**	**1 011 562**

Not 4. Operationella leasingavtal

	2022-04-01 – 2023-03-31	2021-04-01 – 2022-03-31
Kostnadsförda leasingavgifter avseende operationella leasingavtal	9 606	9 512
Framtida minimileaseavgifter avseende ej uppsägningsbara operationella leasingavtal:		
Ska betalas inom 1 år	9 267	8 819
Ska betalas från 1 till 5 år	26 885	13 883

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Not 5. Personal

MEDELANTALET ANSTÄLLDA	2022-04-01 – 2023-03-31 Antal Anställda	2022-04-01 – 2023-03-31 Antal Män	2021-04-01 – 2022-03-31 Antal Anställda	2021-04-01 – 2022-03-31 Antal Män
	59	46	64	49

LÖNER OCH ANDRA ERSÄTTNINGAR	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	2021-04-01 – 2022-03-31 Styrelse och verkställande direktör 1)	2021-04-01 – 2022-03-31 Varav tantiem och därmed jämställd ersättning 1)	2021-04-01 – 2022-03-31 Övriga anställda
	1 388	0	30 891	1 221	0	35 437

LÖNER OCH ANDRA ERSÄTTNINGAR	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	2021-04-01 – 2022-03-31 Löner och andra ersättningar	2021-04-01 – 2022-03-31 Sociala kostnader	2021-04-01 – 2022-03-31 Varav pensions-kostnader
	32 280	13 144	7 486	36 658	14 550	5 339

1) Inkluderar nuvarande och tidigare styrelseledamöter och deras suppleanter samt nuvarande verkställande direktör. Av bolagets pensionskostnader ex löneskatt avser 378 (402) kkr styrelse och verkställande direktör och tidigare verkställande direktör.

Not 6. Resultat från andelar i koncernföretag

	2022-04-01 – 2023-03-31	2021-04-01 – 2022-03-31
Utdelning	0	0
Nedskrivning aktier	0	0
Summa	**0**	**0**

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Not 7. Ränteintäkter och liknande resultatposter

	2022-04-01 – 2023-03-31	2021-04-01 – 2022-03-31
Räntor	1 901	2 968
Kursdifferenser	8 834	3 445
Summa	**10 735**	**6 413**

Ränteintäkter från koncernföretag uppgår i bolaget till 2 964 (2 438) kkr.

Not 8. Räntekostnader och liknande resultatposter

	2022-04-01 – 2023-03-31	2021-04-01 – 2022-03-31
Räntor	493	882
Kursdifferenser	0	1 739
Summa	**493**	**2 621**

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

Not 9. Bokslutsdispositioner och obeskattade reserver

	2022-04-01 – 2023-03-31	2021-04-01 – 2022-03-31
Bokslutsdispositioner		
Förändring av periodiseringsfond	0	0
Summa	**0**	**0**
Obeskattade reserver		
Periodiseringsfond 2016/17, beskattningsår 17	-	10 000
Periodiseringsfond 2017/18, beskattningsår 18	13 000	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 22	7 000	7 000
Periodiseringsfond 2022/23, beskattningsår 23	10 000	-
Summa	**54 500**	**54 500**

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Not 10. Skatter

Skatt på årets resultat

	2022-04-01 – 2023-03-31	2021-04-01 – 2022-03-31
Beräknad skatt på årets resultat	-7 117	-6 549
Justering skatt hänförlig till tidigare år	3 550	0
Uppskjuten skatt avseende temporära skillnader	-439	383
Summa skatt på årets resultat	-4 006	-6 166

Skillnad mellan redovisad skattekostnad och skattekostnad baserad på gällande skattesats

	2022-04-01 – 2023-03-31	2021-04-01 – 2022-03-31
Redovisat resultat före skatt	34 813	29 037
Skatt enligt gällande skattesats [1)]	-7 172	- 5 982
Skatteeffekt av ej avdragsgilla kostnader	-519	-841
Skatteeffekt av ej skattepliktiga intäkter	791	329
Skatteeffekt av schablonränta på periodiseringsfond	-218	-56
Skatteeffekt av ändringar avseende tidigare år	3 550	0
Skatteeffekt av uppskjuten skatt avseende temporära skillnader	-439	383
Skatt på årets resultat enligt resultaträkningen	**- 4 006**	**- 6 166**
Effektiv skattesats	11,5%	21,2%

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	9 281	2 066	11 391
Årets anskaffningar		59	43	102
Årets avyttringar		-345	0	-345
Utgående anskaffningsvärden	**44**	**8 995**	**2 109**	**11 148**
Ingående avskrivningar		-5 050	- 1 455	-6 505
Årets avyttringar		345	0	345
Årets avskrivningar	-	-844	-206	-1 050
Utgående ackumulerade avskrivningar	**-**	**-5 550**	**-1 661**	**-7 210**
REDOVISAT VÄRDE	**44**	**3 445**	**448**	**3 937**

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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**

	2023-03-31	2022-03-31
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**

	2023-03-31	2022-03-31
Ingående anskaffningsvärden	20	20
Årets anskaffningar	-	-
Försäljningar	-	-
Nedskrivningar	-	-
REDOVISAT VÄRDE VID ÅRETS SLUT	20	20

Not 14. Fordringar hos koncernföretag

	2023-03-31	2022-03-31
Ingående saldo	56 441	55 921
Återbetalda fordringar/Upptagna fordringar	- 47 189	520
REDOVISAT VÄRDE VID ÅRETS SLUT	9 252	56 441

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Not 15. Andra långfristiga fordringar

	2023-03-31	2022-03-31
Anskaffningsvärde	447	472
Årets förändring	150	-25
REDOVISAT VÄRDE VID ÅRETS SLUT	597	447

Not 16. Uppskjuten skattefordran

2022-03-31

	Redovisat Värde	Skattemässigt Värde	Temporär Skillnad
Kostnadsreservation miljö	141	1 739	1 599
Garantiavsättning	0	2 129	2 129
	141	3 868	3 728

	Uppskjuten Skattefordran	Uppskjuten Skatteskuld	Netto
Kostnadsreservation miljö	329	0	329
Garantiavsättning	439	0	439
	768	0	768

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

Not 17. Förutbetalda kostnader och upplupna intäkter

	2023-03-31	2022-03-31
Upplupna intäkter	0	0
Förutbetalda hyreskostnader	1 953	1 795
Förutbetalda försäkringspremier	133	373
Övriga förutbetalda kostnader	475	900
Summa	**2 562**	**3 068**

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Not 18. Kassa och bank

	2023-03-31	2022-03-31
Kassamedel	24 303	11 314
Disponibla tillgodohavanden hos banker och andra kreditinstitut	-	-
Kortfristiga likvida placeringar	-	-
Summa	**24 303**	**11 314**

Not 19. Information om aktiekapital

	2023-03-31	2022-03-31
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	58 205 336
Årets resultat	30 807 522
Summa	89 012 858

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

Till aktieägarna utdelas 96,77 kr per aktie (total 310 000 aktier)	30 000 000
I ny räkning överförs	59 012 858
Summa	89 012 858

Not 21. Avsättningar för pensioner och liknande förpliktelser

	2023-03-31	2022-03-31
Belopp vid årets ingång	21 989	22 400
Årets avsättningar	2 534	1 483
Under året ianspråktagna belopp	- 1920	- 1 894
Under året återförda outnyttjade belopp		-
Summa	**22 603**	**21 989**

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Not 22. Övriga avsättningar

	2023-03-31	2022-03-31
Omstruktureringsreserv	1 599	1 599
Garantiåtaganden	3 624	3 780
Summa	5 223	5 379

Not 23. Skulder till kreditinstitut

	2023-03-31 Utnyttjat Belopp	2022-03-31 Utnyttjat Belopp	2023-03-31 Beviljat Belopp	2022-03-31 Beviljat Belopp
Checkräkningskrediter	0	0	35 000	35 000
Summa	**0**	**0**	**35 000**	**35 000**

Not 24. Upplupna kostnader och förutbetalda intäkter

	2023-03-31	2022-03-31
Semesterlöneskuld [1)]	5 777	6 131
Övriga upplupna kostnader	15 389	22 423
Summa	**21 166**	**28 554**

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

Not 25. Arvode till revisionsfirma

	2022-04-01 – 2023-03-31	2021-04-01 – 2022-03-31
KPMG		
Revisionsuppdrag	300	260
Revisionsverksamhet utöver revisionsuppdraget	0	0
Skatterådgivning	0	-
Andra uppdrag	25	20
Summa	**325**	**280**

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

	2022-04-01 – 2023-03-31	2021-04-01 – 2022-03-31
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

	2023-03-31	2022-03-31
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 25 september 2023

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Stefan Stübing
Styrelseordförande

DocuSigned by:
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Christina Jahn
Verkställande direktör

DocuSigned by:
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Michael Geiger

DocuSigned by:
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Sharon Cottam

Vår revisionsberättelse har avgivits den
KPMG AB

DocuSigned by:
AE4D95251CBB4AC...
Jan Malm
Auktoriserad revisor

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Auktoriserad revisor

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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 2022-04-01—2023-03-31.

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 2023 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.

20230927051756

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 2022-04-01—2023-03-31 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 styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Göteborg 2023-09-25

KPMG AB

DocuSigned by:
Jan Malm
AE4D95251CBB4AC...
Jan Malm
Auktoriserad revisor

DocuSigned by:
Marina Pääkkö
B1043BF86CAC451...
Marina Pääkkö
Auktoriserad revisor

DocuSign

Certificate Of Completion

Envelope Id: B1C275F8245045D9B2F4FA4C3C68A211
Status: Completed

Subject: Complete with DocuSign: Exide Technologies AB årsredovisning 2023.pdf

Source Envelope:

Document Pages: 29 Signatures: 14
Certificate Pages: 7 Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna

Envelope Originator:
Filip Engelholm
PO Box 50768
Malmö, SE -202 71
filip.engelholm@kpmg.se
IP Address: 83.241.133.193

Record Tracking

Status: Original
9/25/2023 9:23:10 AM

Holder: Filip Engelholm
filip.engelholm@kpmg.se

Location: DocuSign

Signer Events

Christina Jahn
christina.jahn@exidegroup.com
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:
F0C7E519BA7D438...

Signature Adoption: Drawn on Device
Using IP Address: 195.212.25.122

Timestamp

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Viewed: 9/25/2023 9:36:33 AM
Signed: 9/25/2023 9:37:59 AM

Authentication Details
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Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 0681c223-6d30-5e36-9f0b-f9da43544a43
Country or Region of ID: SE
Result: Passed
Performed: 9/25/2023 9:35:55 AM

Electronic Record and Signature Disclosure:
Accepted: 9/25/2023 9:36:33 AM
ID: 152c4d76-dd8b-4b08-98c6-6e801fac8e05

Michael Robert GEIGER
michael.geiger@exidegroup.com
Security Level: Email, Account Authentication (None)

DocuSigned by:
4F867385EAE04D6...

Signature Adoption: Pre-selected Style
Using IP Address: 195.212.111.146

Sent: 9/25/2023 9:31:33 AM
Resent: 9/25/2023 4:39:57 PM
Viewed: 9/25/2023 7:29:37 PM
Signed: 9/25/2023 7:29:55 PM

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Government Issued Id Document
Type of Document: Photo ID
Identification Level: ID Only
Transaction Unique ID: 075d8ff9-7c5d-5b08-bca3-53b03e94cb12
Country or Region of ID: DE
Result: Failed - incorrect signer name
Performed: 9/25/2023 3:37:34 PM

20230927051747

Signer Events	Signature	Timestamp

Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Government Issued Id Document
Type of Document: Photo ID
Identification Level: ID Only
Transaction Unique ID: 29cbab1e-083e-5a5a-a46b-8b85468cab58
Country or Region of ID: DE
Result: Passed
Performed: 9/25/2023 7:29:09 PM

Electronic Record and Signature Disclosure:
Accepted: 9/25/2023 7:29:37 PM
ID: 7b4167dd-4778-4703-bb49-851a149f2d01

Sharon Cottam
sharon.cottam@exidegroup.com
GNB Industrial Power UK Ltd
Security Level: Email, Account Authentication (None)

DocuSigned by:
S. Cottam
E98A86FB9DEF461...

Signature Adoption: Uploaded Signature Image
Using IP Address: 92.40.180.0

Sent: 9/25/2023 9:31:34 AM
Viewed: 9/25/2023 2:17:15 PM
Signed: 9/25/2023 2:17:39 PM

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Government Issued Id Document
Type of Document: Passport
Identification Level: ID Only
Transaction Unique ID: 4241adc7-c224-5cb9-998a-3fbf665cf784
Country or Region of ID: GB
Result: Failed
Performed: 9/25/2023 2:07:04 PM

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Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Government Issued Id Document
Type of Document: Passport
Identification Level: ID Only
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Country or Region of ID: GB
Result: Failed
Performed: 9/25/2023 2:09:07 PM

Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Government Issued Id Document
Type of Document: Photo ID
Identification Level: ID Only
Transaction Unique ID: 4241adc7-c224-5cb9-998a-3fbf665cf784
Country or Region of ID: GB
Result: Passed
Performed: 9/25/2023 2:16:54 PM

Electronic Record and Signature Disclosure:
Accepted: 9/25/2023 2:17:15 PM
ID: b9c3f6c0-6417-4d6a-b87b-087619379a03

Stefan Stuebing
stefan.stuebing@exidegroup.com
Security Level: Email, Account Authentication (None)

DocuSigned by:
85643DA3DD91438...

Signature Adoption: Drawn on Device
Using IP Address: 82.121.220.14
Signed using mobile

Sent: 9/25/2023 9:31:35 AM
Viewed: 9/25/2023 11:12:27 AM
Signed: 9/25/2023 11:12:49 AM

Authentication Details

20230927057178

20230927051179

Signer Events	Signature	Timestamp

Identity Verification Details:
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Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Government Issued Id Document
Type of Document: Photo ID
Identification Level: ID Only
Transaction Unique ID: 006aa625-ecd6-515d-8814-2bc3d2f5cbc7
Country or Region of ID: DE
Result: Passed
Performed: 9/25/2023 11:12:05 AM

Electronic Record and Signature Disclosure:
Accepted: 9/25/2023 11:12:27 AM
ID: e2b40ff9-17b0-4d99-bf6d-a256ae1f7f6a

Jan Malm
jan.malm@kpmg.se
Security Level: Email, Account Authentication (None)

DocuSigned by:
Jan Malm
AE4D95251CBB4AC...

Signature Adoption: Pre-selected Style
Using IP Address: 83.248.69.111
Signed using mobile

Sent: 9/25/2023 7:30:04 PM
Viewed: 9/25/2023 9:41:43 PM
Signed: 9/25/2023 9:41:53 PM

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: c0cc5c26-49b3-5be8-b8cc-4da4ed3fcebb
Country or Region of ID: SE
Result: Passed
Performed: 9/25/2023 9:41:28 PM

Electronic Record and Signature Disclosure:
Accepted: 9/25/2023 9:41:43 PM
ID: 0b56f00b-7215-4466-a1a9-65ef9add62ac

Marina Pääkkö
marina.paakko@kpmg.se
KPMG AB
Security Level: Email, Account Authentication (None)

DocuSigned by:
Marina Pääkkö
B1043BF86CAC451...

Signature Adoption: Pre-selected Style
Using IP Address: 83.248.100.41

Sent: 9/25/2023 7:30:05 PM
Viewed: 9/25/2023 7:31:32 PM
Signed: 9/25/2023 7:42:48 PM

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 25149d56-d93c-5d57-9348-8fcfe2420980
Country or Region of ID: SE
Result: Passed
Performed: 9/25/2023 7:31:19 PM

Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 25149d56-d93c-5d57-9348-8fcfe2420980
Country or Region of ID: SE
Result: Passed
Performed: 9/25/2023 7:42:10 PM

Signer Events	Signature	Timestamp

Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 25149d56-d93c-5d57-9348-8fcfe2420980
Country or Region of ID: SE
Result: Passed
Performed: 9/25/2023 9:09:52 PM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Witness Events	**Signature**	**Timestamp**
Notary Events	**Signature**	**Timestamp**
Envelope Summary Events	**Status**	**Timestamps**
Envelope Sent	Hashed/Encrypted	9/25/2023 9:31:35 AM
Envelope Updated	Security Checked	9/25/2023 4:39:57 PM
Envelope Updated	Security Checked	9/25/2023 4:39:57 PM
Certified Delivered	Security Checked	9/25/2023 7:31:32 PM
Signing Complete	Security Checked	9/25/2023 7:42:48 PM
Completed	Security Checked	9/25/2023 9:41:53 PM
Payment Events	**Status**	**Timestamps**
Electronic Record and Signature Disclosure		

20230927051811

ENERGY TECHNOLOGIES HOLDINGS, LLC

AND SUBSIDIARIES

Consolidated Financial Statements

for the fiscal period ended March 31, 2023

(With Independent Auditors' Report Thereon)

20230927051182

ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

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CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS	6
CONSOLIDATED BALANCE SHEET	7
CONSOLIDATED STATEMENT OF EQUITY	8
CONSOLIDATED STATEMENT OF CASH FLOWS	9
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	10

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Telefax: +33 (0)1 55 68 73 00
Internet: www.kpmg.fr

20230027051183

Independent Auditors' Report

The Board of Directors of Energy Technologies Holdings LLC

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

KPMG S.A.,
a French audit and accounting limited liability company registered with the Paris Association of Chartered Accountants under n° 14-30080101 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

20230927051184

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Paris, France
June 15, 2023

KPMG S.A.

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

Alexandra Saastamoinen
Partner

20230027051185

ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

(In thousands)

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

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

20230027052 28-JUL-2023

ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

(In thousands)

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

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

20230927051187

ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(In thousands)

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

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)

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

(1) During the fiscal period ended March 31, 2022, Company issued 98.56 common units to the beneficiaries of the US Equity Incentive Plan, that as of July 1, 2022, were held for more than 6 months, and as a result were reclassified from Liability to Equity. Please refer to Note 18 for further details

(2) Change related to shares vested under EU Equity Incentive Plan

(3) Change related to removal of mandatory redemption mechanism in LLCA starting from November 23, 2022. Please refer to Note 9 for further details

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

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ENERGY TECHNOLOGIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands)

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

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

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

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

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

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

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

Nature of Operations

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

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

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

Foreign Currency Translation

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

Cash Equivalents and Restricted Cash

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

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

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

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

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

Allowance for Doubtful Accounts

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

Inventories

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

Property, Plant, and Equipment

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

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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, 2023, and 2022 amounted to €13.6 million and €16.0 million, respectively.

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

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

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

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

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

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

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

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

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

Advertising

The Company expenses advertising costs as they are incurred.

Fair Value

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

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

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Stock based compensation

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

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

Use of Estimates in the Preparation of Consolidated Financial Statements

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

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

Recently Adopted Accounting Pronouncements

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

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

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

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

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

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

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

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

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Upon adoption, the Company recorded Right-of-use ("ROU") assets and lease liabilities of €32.0 million and €32.0 million, respectively for operating leases. In addition, capital lease assets amounting to €15.9 million and liabilities amounting to €28.5 million are now classified as finance lease right-of-use assets and continue to be presented as component of debt.

Apart from the aforementioned changes, the adoption of this standard did not have a significant impact on the Company's operating results, financial position or cash flows. 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.

(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, 2023	March 31, 2022
		(In thousands)	
Currency forwards	Prepaid expenses and other	€ 339	€ 931
Interest rate swap	Prepaid expenses and other	1,933	474
Commodity swaps / forwards	Accrued expenses	648	—
Interest rate swap	Accrued expenses	—	—

		For the Fiscal Period Ended	
	Statements of Operations	March 31, 2023	March 31, 2022
		(In thousands)	
Currency forwards - (gain)/loss	Other (income) expense, net	€ 592	€ (2,539)
Commodity swaps / forwards – loss	Cost of sales	(165)	(1,144)
Interest rate swap – gain	Interest (income) expense, net	(1,458)	(474)

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(4) INTANGIBLE ASSETS

Intangible assets, net consisted of the following:

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

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

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

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

(5) CURRENT RECEIVABLES AND CONTRACT ASSETS

Current receivables and contract assets consisted of the following:

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

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

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

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

(6) INVENTORIES

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

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

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

(7) PROPERTY, PLANT AND EQUIPMENT, NET

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

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

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

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

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(8) OTHER NONCURRENT ASSETS

Other noncurrent assets consisted of the following:

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

(9) DEBT

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

Total long-term debt consisted of the following:

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

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

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

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

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

European Financing with PKO

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

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

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

Preferred Units

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

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

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

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

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

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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, 2023, and 2022, respectively:

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

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

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

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

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

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

Net Periodic Benefit Cost

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

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

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

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

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

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

Pension Plan Investment Strategy

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

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

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

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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, 2023:			
Cash and cash equivalents	€ 6,359	€ 6,359	€ —
Buy-in contract (a)	89,182	—	89,182
Total	€ 95,542	€ 4,988	€ 89,182
As of March 31, 2022:			
Cash and cash equivalents	€ 4,988	€ 4,988	€ —
Buy-in contract (a)	137,163	—	137,163
Total	€ 142,151	€ 4,988	€ 137,163

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

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

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

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

Plan Contributions

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

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

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(11) OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities consisted of the following:

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

(12) LEASES

The following table presents lease assets and liabilities:

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

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

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

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

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

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

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

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

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

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

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

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

(13) INCOME TAXES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(14) COMMITMENTS AND CONTINGENCIES

Regulatory Matters

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

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

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

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Environmental Matters

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

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

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

Environmental Liabilities

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

Asset Retirement Obligation

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

The following summarizes ARO activity:

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

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Other Litigation and Claims

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

Guarantees

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

(15) RESTRUCTURING AND IMPAIRMENTS, NET

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

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

The following summarizes restructuring reserve activity:

	Severance Costs	Closure Costs	Total Restructuring
		(In thousands)	
At March 31, 2021	€ 3,335	€ 207	€ 3,542
Expenses	8,387	273	8,660
Payments	(7,928)	(70)	(7,998)
Change in currency translation	63	(34)	29
At March 31, 2022	€ 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

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(16) OTHER (INCOME) EXPENSE, NET

Other (income) expense, net consisted of the following

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

(17) FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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

(18) STOCK BASED COMPENSATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(19) ACQUISITIONS

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

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

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

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

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

(1) Contingent consideration arrangements consist of earn-out payment subject to conditions that the management believes are probable to be achieved; this consideration component is expected to be paid in October 2023, hence it is not part of current Consolidated Cash Flow Statement

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

(3) The fair value of inventory is presented in net of expected obsolescence. Furthermore, the fair value of inventory was determined with a distinction made between finished goods (€1,249 thousand), work in progress (€346 thousand) and raw materials (€13 thousand).

(4) Accrued expenses consist, among others, of deferred revenue (€672 thousand), accruals (€452 thousand) and taxes and social securities (€527 thousand)

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

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

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

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(20) RELATED PARTIES TRANSACTIONS

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