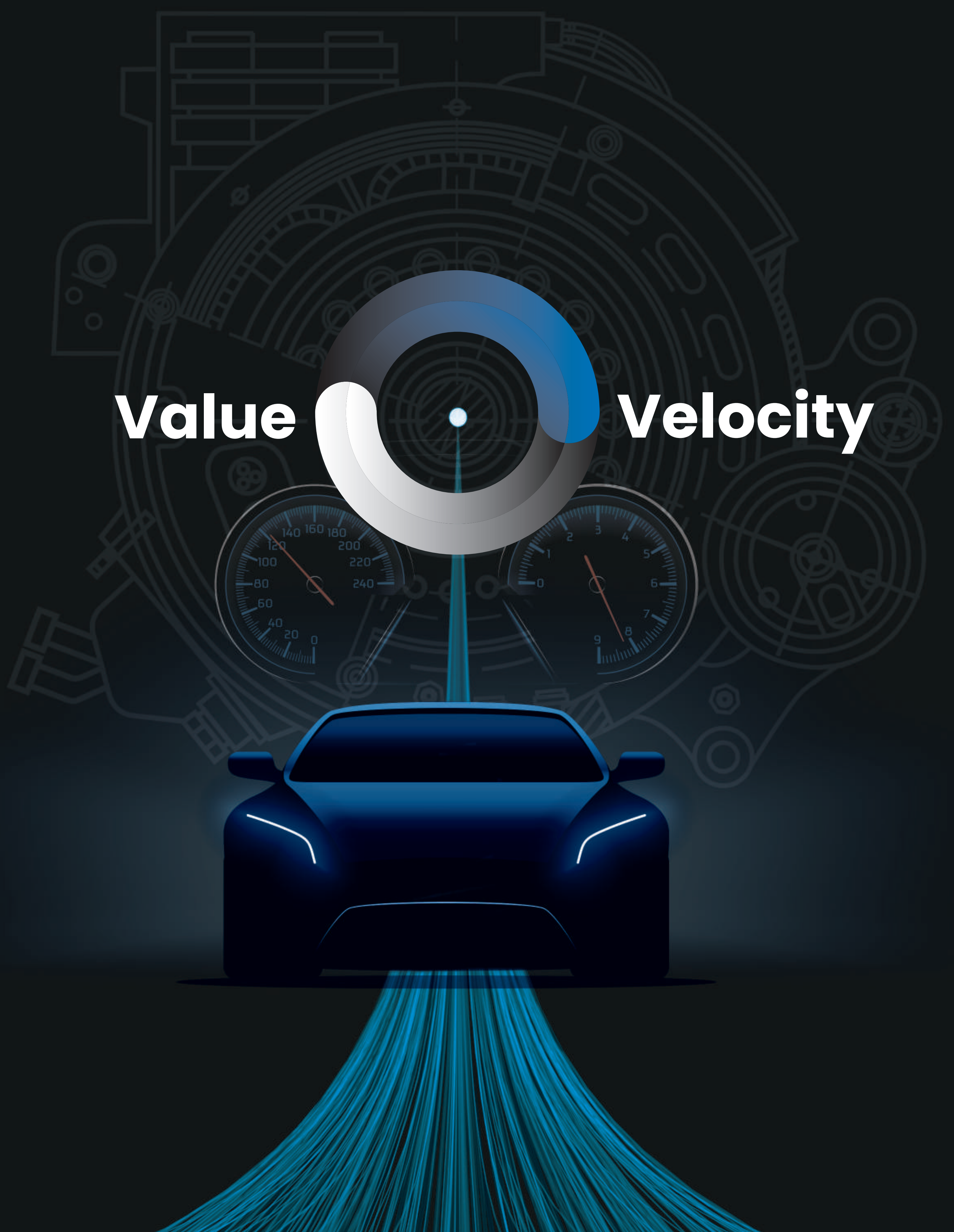
Endurance Technologies Limited
Annual Report of Subsidiary Companies 2023-24

ENDURANCE
Complete Solutions

Value Velocity



CONTENTS

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Endurance GmbH
Massenbachhausen/Germany

"Testatsexemplar"

i.e. audited management report
and annual financial statements
for the financial year
from 1 April 2023 to 31 March 2024
plus corresponding independent auditor's report

TRANSLATION
– German version prevails –

Contents

Endurance GmbH, Massenbachhausen/Germany

Management report for the financial year 2023/2024

General business conditions and environment

Endurance GmbH, Massenbachhausen/Germany, produces, machines and delivers aluminium pressure die casting parts. It also develops and manufactures related moulds. Its main clientele includes the automotive industry itself and automotive component suppliers. The primary sales market is Germany. The products are manufactured on own and leased plant-site land at the Massenbachhausen/Germany site.

In 2023, the German economy recorded a decline in gross domestic product of 0.3% (prior year: growth of +1.8%) and the automotive market recorded an increase in new registrations of 7.3% (prior year: 1.1%).

Business trend and financial performance

In the financial year 2023/2024, the revenue of the Company was at kEUR 55,209, which is a 10.1% growth from the prior year. This is mainly due to revenue from moulds in connection with pending orders that increased from kEUR 3,391 to kEUR 8,870.

The cost of raw materials, consumables and supplies measured in relation to the Company's performance (sales revenues plus changes in inventories of finished goods and work in progress) increased by 4.8% due to the increased purchase of moulds and castings from our fellow subsidiary in Italy. The increase in purchased services is related to the increase in revenue from moulds.

Personnel expenses as measured in relation to the Company's performance fell by 4.7% compared to the financial year 2022/2023. This is caused by the discontinuation of financial support provided to the employees in the financial year 2022/2023 as part of the increased inflation.

On account of numerous investments, depreciation increased by an absolute 15.5% at the end of the prior financial year and in the current financial year. The depreciation rate as measured in relation to the Company's performance remained almost constant compared to the financial year 2022/2023.

The increase in other operating expenses primarily results from higher repair and maintenance costs and is related to the higher business volume.

The operating result (EBIT) amounts to kEUR 987 compared to EBIT of kEUR 1,380 in the prior year. Having taken into account interest expense and income land as well as income taxes, the profit for the financial year 2023/2024 totals kEUR 690 compared to a profit for the prior year of kEUR 1,389.

The EBIT return on revenue slightly declined to 1.8% compared to a return on revenue of 2.8% in the prior year.

The revenue as well as the cost of materials to revenue and the personnel expenses to revenue ratio slightly exceeded the plan. Due to additional maintenance expenses, the planned EBIT was not achieved. In this respect, the business development was not satisfactory. The Company continues to focus on improving quality and cost control and on effective management of inventory levels of raw materials and finished goods.

Assets, liabilities and financial position

Due to the increased property, plant and equipment, the balance sheet total rose to kEUR 61,792 (prior year: kEUR 60,198). Therefore, the property, plant and equipment to total assets ratio slightly rose to 53.2% (prior year: 52.4%). Overall, the structure of the balance sheet remained constant. The Company's cash position in the financial year 2023/2024 was satisfactory.

Inventories of raw materials, consumables and supplies slightly decreased.
Due to subdued demand in March 2024, inventories of die casting products in progress and finished went up. Furthermore, finished goods increased due to pending releases of tools manufactured for customers.

The increase in trade receivables results from tools invoiced in March 2024. The total lack of receivables from affiliated companies is based on the repayment of the cash pool, which had been required for self-financing of capital expenditure and for pre-financing of tools manufactured for customers.

Equity increased for earnings-related reasons. Prior-year profit for the year (kEUR 1,389) was fully allocated to other revenue reserves. Because of the increased balance sheet total, the equity ratio went slightly down to 70.5% (prior year: 71.2%).

Other provisions decreased mainly because they were utilized.

Loan liabilities were repaid on schedule. The Company was able to fully meet its payment obligations.

The increase in liabilities to affiliated companies results from the capital investment volume financed from own funds and via the cash pool.

Trade payables slightly increased compared to the prior year.

Capital investments and financing

This financial year, the Company invested kEUR 4,882 in property, plant and equipment (prior year: kEUR 5,882). The investments primarily concerned equipment in the mechanical production and foundry functions.

The leasing expenses for machinery and motor vehicles incurred in the financial year 2023/2024 amounted to kEUR 88 (prior year: kEUR 99). The Company is financed through own funds and through long and short-term bank loans as well as the cash pool.

Number of employees

In the reporting year, the permanent workforce included an average of 232 employees. The number of apprentices was at 6 on the annual average.

In 2024/25, new staff is intended to be recruited in the mechanical production, quality assurance and foundry functions. The Company seeks to continuously raise productivity through internal and external staff training.

Risk report

Appropriate controlling and reporting instruments are used to timely identify, and take appropriate action to address, potential risks from the market environment characterised by increasing competition and technical change. The other risks in the finance and technical areas are addressed, among other things, by taking measures, such as:

- Permanent control of production processes
- Expansion of the production planning and production control system (PPS system)
- Product liability insurance
- Business interruption insurance

A major part of the Company's revenue is realised with a limited number of customers, which involves the risk that one of these partners will considerably reduce its sales volume or intensify the pricing pressure. To minimise this risk, the Company is continuing its efforts to broaden its customer and product base.

In order to improve its financial development, the Company continues to review systems and processes for further rationalisation potentials to be tapped. We address the persisting pricing and cost pressures through further productivity gains.

Liquidity is controlled within the framework of short and medium-term budgetary planning. Apart from unforeseeable circumstances, the entity anticipates that, based on the budgetary planning for 2024/2025, it will be able to finance budgeted capital investments of kEUR 5,816 through cash flows from operating activities.

Our Company is affected by normal price risks, especially in the areas of aluminium procurement and energy. There are energy price agreements for the calendar years 2024 and 2025. There are no currency hedges or other long-term supply contracts.

The Company seeks to mitigate default risks through corresponding receivables management, which consists of checking new customers, determining delivery limits by means of the collection agency Creditreform, regularly examining receivables from our customers outstanding, a strict dunning system, customer visits or similar.

The implementation of the current planning may be influenced by the global crises (Ukraine, Middle East, etc.). An impact on our financial position and financial performance.cannot be excluded but has not yet been on hand until the date of preparation of the annual financial statements.

Outlook

The German gross domestic product is expected to deteriorate further to 0.2% in the calendar year 2024. For 2025, a minor recovery of 1.3% compared to the prior year is expected, with growth of 2.8% being expected for the automotive market.

The product portfolio is continuously updated and expanded. In line with an improvement of production processes by introducing appropriate measures, this should lead to an earnings improvement in the medium term.

The cooperation with the Indian and above all the Italian Endurance Group plants is to be further expanded, which we expect to result in additional synergy and standardisation effects.

In 2024/2025, the Company plans for capital investments that will comprise the realisation of new product lines for the new customer projects but also an expansion of the foundry capacities of the larger locking force classes.

For the financial year 2024/2025, we expect volume-driven revenue growth of 9%. With a higher cost of materials to revenue ratio, a changed product mix and higher productivity, EBIT in the upcoming financial year is expected to be significantly better than in the prior year despite rising wage and energy costs.

Massenbachhausen/Germany, 3 May 2024

Endurance GmbH, Massenbachhausen/Germany

Balance sheet as at 31 March 2024

ASSETS	EUR	31 Mar. 2024 EUR	31 Mar. 2023 kEUR
A. Fixed assets			
I. Intangible fixed assets			
Software and licences acquired for a consideration		168,169.00	159
II. Property, plant and equipment			
1. Land and buildings including buildings on third-party land	9,643,737.58		9,944
2. Technical equipment and machinery	16,470,070.00		13,704
3. Other equipment, operating and office equipment	1,944,801.00		1,778
4. Prepayments and assets under construction	4,807,963.83		6,100
		32,866,572.41	31,526
III. Long-term financial assets			
Shares in affiliated companies		4,616,000.00	4,616
B. Current assets			
I. Inventories			
1. Raw materials, consumables and supplies	5,758,956.97		5,887
2. Work in progress	2,384,038.24		2,018
3. Finished goods and merchandise	3,815,174.13		3,270
4. Prepayments made	1,164,829.88		820
		13,122,999.22	11,995
II. Receivables and other current assets			
1. Trade receivables	8,575,200.61		6,443
2. Receivables from affiliated companies	0.00		2,790
- of which cash pool account: EUR 0 (prior year: kEUR 2,785)			
3. Other assets	1,197,997.75		695
		9,773,198.36	9,927
III. Cash-in-hand and bank balances		1,042,394.12	1,766
C. Prepaid expenses		202,982.74	210
		61,792,315.85	60,198

EQUITY AND LIABILITIES	EUR	31 Mar. 2024 EUR	31 Mar. 2023 kEUR
A. Equity			
I. Subscribed capital			
1. Share capital	12,527,580.00		
2. Treasury shares acquired	770,928.00		
		11,756,652.00	11,757
II. Capital reserves		4,179,062.31	4,179
III. Revenue reserves			
Other revenue reserves		26,916,756.55	25,528
IV. Profit for the year		689,503.49	1,389
		43,541,974.35	42,852
B. Provisions			
Other provisions		6,422,318.43	7,960
C. Liabilities			
1. Liabilities to banks	2,728,559.00		3,614
2. Trade payables	5,414,660.98		4,903
3. Liabilities to affiliated companies	2,964,868.87		100
- of which cash pool account: EUR 2,462,213			
4. Other liabilities	719,934.22		769
- of which taxes: EUR 477,529.33 (prior year: kEUR 469)			
- of which relating to social security and similar obligations: EUR 12,934.37 (prior year: kEUR 28)			
		11,828,023.07	9,386
		61,792,315.85	60,198

Endurance GmbH, Massenbachhausen/Germany

Statement of profit and loss
for the period from 1 April 2023 to 31 March 2024

		2023/2024 EUR	2023/2024 EUR	2022/23 kEUR
1.	Revenue	55,208,675.51		50,137
2.	Increase or decrease (-) in finished goods inventories and work in progress	529,782.45		-1,300
3.	Other operating income	101,527.25		217
			55,839,985.21	49,053
4.	Cost of materials			
	a) cost of raw materials, consumables and supplies and of purchased merchandise	28,901,773.72		22,966
	b) Cost of purchased services	5,491,591.36		4,137
			34,393,365.08	27,103
5.	Personnel expenses			
	a) Wages and salaries	9,730,951.04		10,601
	b) Social security, post-employment and other employee benefit costs	2,038,193.57	11,769,144.61	2,064 12,665
	- of which post-employment costs: EUR 16,691.93 (prior year: kEUR 18)			
6.	Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of property, plant and equipment		3,600,366.83	3,116
7.	Other operating expenses		5,058,656.37	4,757
8.	Other interest and similar income - of which from affiliated companies: EUR 34,213.42 (prior year: kEUR 42)		34,235.51	141
9.	Interest and similar expenses		56,424.78	58
			996,263.05	1,496
10.	Income taxes		275,626.26	75
11.	Earnings after taxes		720,636.79	1,420
12.	Other taxes		31,133.30	31
13.	Profit for the year		689,503.49	1,389

Endurance GmbH, Massenbachhausen/Germany
Registration court: Stuttgart/Germany HRB 108298

Notes to the financial statements for the financial year 2023/2024

General information

The annual financial statements on hand have been prepared according to Secs. 242 et seq. and Secs. 264 et seq. German Commercial Code (HGB) as well as according to the relevant regulations of the German Limited Liability Companies Act (GmbHG). The regulations for large corporations apply.

The nature of expense format has been applied to the statement of profit and loss.

To enhance the clarity of presentation, the disclosures on the allocation to several balance sheet items and part of the separate line items for subtotals were included in the notes to the financial statements.

Accounting and valuation principles

The following accounting and valuation principles were again applied to prepare the annual financial statements.

Intangible fixed assets acquired for a consideration are recognised at acquisition cost and amortised on a straight-line basis over the useful life, which is derived from the tax amortisation tables published by the German tax authorities.

Property, plant and equipment are recognised at acquisition cost, with depreciable assets being depreciated. Items of property, plant and equipment are depreciated on a straight-line basis over their expected useful life, which is derived from the German tax depreciation tables. Assets with an individual net value of up to EUR 800.00 are fully depreciated in the year of acquisition. Additions to property, plant and equipment are depreciated on a pro rata basis. As a result of the present conditions, the useful life of newer production machines was extended in the financial year. This did not have a material effect on the annual financial statements.

Shares in affiliated companies are recognised at acquisition cost. Write-downs are only made in case of an expected permanent impairment.

Inventories are recognised at the lower of acquisition or production cost and current value.

Inventories of **raw materials, consumables and supplies** have been capitalised at the lower of average cost price or current value as at the reporting date.

In measuring **work in progress** and **finished goods**, appropriate portions of production overhead and indirect material as well as depreciation have, in addition to direct material, direct labour and special direct production cost, also been taken into account to the extent that they result from production.

For prepayments on moulds, the respective stage of completion has been taken into account. Moulds purchased from third parties have been accounted for at the lower of acquisition cost or market price.

Adequate provisions have been made for all potential losses, i.e. deductions for expected costs incurred have been made from anticipated sales prices.

Appropriate allowances have been made for all identifiable inventory risks which result from an above-average storage period, reduced usability and lower replacement costs.

Apart from customary retentions of title, inventories are free from third-party rights.

Receivables and other current assets are recognised at nominal value. All risk items have been taken into account by making appropriate specific allowances; the general credit risk has been covered by making general allowances.

Cash-in-hand and bank balances were stated at nominal value. **Prepaid expenses** were recorded for costs before the balance sheet date that constitute expenses for a certain period of time after that date.

Treasury shares have been openly deducted from issued capital in accordance with Sec. 272 (1a) HGB.

Other provisions cover all contingent liabilities. They have been stated at necessary settlement value according to sound business judgement (i.e. including future costs and price increases).

Liabilities have been recognised at settlement value.

Differences between the amounts recognised under German commercial law and tax law are recognised under provisions. This results in deferred tax assets. They are determined using the specific tax rates of the Company. The Company did not exercise the option conferred by Sec. 274 HGB.

Notes to the balance sheet

Fixed assets

The movements in the individual fixed asset items are presented in the statement of movements in fixed assets, stating amortisation, depreciation and write-downs of the reporting year (appendix to the notes).

Receivables and other current assets

As in the prior year, all trade receivables and other assets have a residual term of up to one year. Receivables from affiliated companies totalling kEUR 2,790 as at 31 December 2023 were settled in the financial year 2023/2024.

Equity

The subscribed capital of the Company amounts to kEUR 12,528 (prior year: kEUR 12,528). The shareholder is Endurance Technologies Ltd., Aurangabad/India. It holds shares with a nominal value of kEUR 11,757 (prior year: kEUR 11,757). Shares with a nominal value of kEUR 771 (prior year: kEUR 771) are held by the Company itself.

Under Sec. 272 (1a) HGB, the nominal value of the treasury shares of kEUR 771 (prior year: kEUR 771) was deducted from subscribed capital.

Other provisions

Provisions primarily comprise warranty risks (kEUR 211), credit notes to be issued and tool cost allowances (kEUR 3,407) as well as outstanding invoices (kEUR 1,727).

Liabilities

The residual terms of liabilities are specified in the statement of changes in liabilities.

Liabilities	**31 March 2024**				**31 March 2023**			
	Residual term of up to 1 year	Residual term of more than 1 year	of which residual term of more than 5 years	Total	Residual term of up to 1 year	Residual term of more than 1 year	of which residual term of more than 5 years	Total
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
1. Liabilities to banks	1,085.7	1,642.8	500.0	2,728.6	1,085.7	2,528.6	785.7	3,614.3
2. Trade payables	5,414.7			5,414.7	4,902.6			4,902.6
3. Liabilities to affiliated companies	2,964.9			2,964.9	99.6			99.6
4. Other liabilities	719.9			719.9	769.2			769.2
- of which from taxes	477.5			477.5	468.9			468.9
- of which within the scope of social security	12.9			12.9	28.0			28.0

There are the following collaterals for liabilities to banks:

- the respective machines financed.
- a kEUR 4,000 land charge registered for the plant located Daimler-Straße 31.

Trade payables have been collateralised through suppliers' customary retention of title. Liabilities to affiliated companies result from trade (kEUR 503; prior year: kEUR 100) and the cash pool (kEUR 2,462; prior year: receivable of kEUR 2,785).

Other financial commitments as at 31 March 2024:

		31 March 2024		
amounts stated in EUR	Total	Residual term of up to 1 year	Residual term of more than 1 year	of which residual term of more than 5 years
Tenancy agreements and leases	209,687	119,813	89,874	-

Notes to off-balance-sheet transactions

Operating lease	Purpose	Lowering of cash outflow on account of reduction in capital investment volume
	Risks	Charge of rentals during the contract term of up to 5 years
	Advantages	Modernisation of machinery and office equipment without appropriating investment funds
Consignment stock agreements	Purpose	Optimum handling of sales transactions
	Risks	None
	Advantages	Increase in customer satisfaction
Outsourcing of operational functions (legal function)	Purpose	Optimised addressing of imminent litigation
	Risks	Timely availability of external legal advice by lawyers ensured
	Advantages	Cost saving in comparison with maintenance of internal legal function

Overall, the financial effects are immaterial.

Notes to the statement of profit and loss

Revenue	2023/2024	2022/2023
	kEUR	kEUR
Aluminium die casting	-45,301	45,648
Zinc die casting	-337	337
Moulds	-8,870	3,391
Other	-744	808
	-55,253	50,185
Sales deductions	44	-48
	-55,209	**50,137**

Revenue is almost exclusively realised in Germany.

Other revenue mainly relates to income from scrap sales.

Other disclosures

Number of employees

The average headcount during the reporting year was:

	2023/2024	2022/2023
Industrial workers	180	184
Salaried employees	52	50
	232	234
Apprentices	6	7
	238	**241**

Management

In the reporting year, management functions were performed by:

- Mr Rinze Dijkstra

- Mr Massimo Venuti (Managing Director Endurance Overseas Srl., Italy)

In accordance with Sec. 286 (4) HGB, the Company did not disclose the remuneration of the managing directors.

Advisory board

The advisory board is composed of:

- Mr Anurang Jain – Managing Director Endurance Technologies Limited, Aurangabad/India

The total remuneration paid to the advisory board for the financial year 2023/2024 amounted to kEUR 0.

Audit and consulting fees

The total fees charged by the auditors of the annual financial statements for the reporting year amount to:

	kEUR
Audit services	35
Other assurance services	34
Tax consultancy	8
Total	77

Related party transactions

Apart from the usual trade relationships, there have been no further related party transactions.

Group affiliation

The Company is included in the consolidated financial statements of Endurance Technologies Limited, Aurangabad/India, which prepares the consolidated financial statements for the smallest and largest group of consolidated entities. These consolidated financial statements are disclosed at the place of the parent company.

Subsequent events

There were no major post-balance-sheet-date events which have been taken into account neither in the statement of profit and loss nor in the balance sheet.

Proposed appropriation of profits

The General Management proposes (in conformity with the advisory board) to carry forward the profit for the year of EUR 689,503.49 onto new account.

Massenbachhausen/Germany, 3 May 2024

– The General Management –

Rinze Dijkstra Massimo Venuti

Endurance GmbH, Massenbachhausen/Germany 31 March 2023

Movements in fixed assets in EUR

	Acquisition cost 1 Apr. 2023	Addition	Reclassifications	Disposal	Acquisition cost 31 Mar. 2024	Accumulated amortisation/ depreciation/ write-downs 1 Apr. 2023	Addition	Disposal	Accumulated amortisation/ depreciation/ write-downs 31 Mar. 2024	Book value 31 Mar. 2024	Book value 31 Mar. 2023
I. Intangible fixed assets											
Software and licences acquired for a consideration	453,540.87	81,083.59	0.00	0.00	534,624.46	294,919.87	71,535.59	0.00	366,455.46	168,169.00	158,621.00
	453,540.87	81,083.59	0.00	0.00	534,624.46	294,919.87	71,535.59	0.00	366,455.46	168,169.00	158,621.00
II. Property, plant and equipment											
1. Land and buildings including buildings on third-party land	12,426,761.20	19,652.72	0.00	0.00	12,446,413.92	2,483,196.62	319,479.72	0.00	2,802,676.34	9,643,737.58	9,943,564.58
2. Technical equipment and machinery	37,548,522.66	4,146,184.00	1,292,430.16	1,375,310.58	41,611,826.24	23,844,763.66	2,671,803.16	1,374,810.58	25,141,756.24	16,470,070.00	13,703,759.00
3. Other equipment, operating and office equipment	6,043,390.23	716,401.36	0.00	124,138.08	6,635,653.51	4,265,393.23	537,548.36	112,089.08	4,690,852.51	1,944,801.00	1,777,997.00
4. Prepayments and assets under construction	6,100,393.99	0.00	-1,292,430.16	0.00	4,807,963.83	0.00	0.00	0.00	0.00	4,807,963.83	6,100,393.99
	62,119,068.08	4,882,238.08	0.00	1,499,448.66	65,501,857.50	30,593,353.51	3,528,831.24	1,486,899.66	32,635,285.09	32,866,572.41	31,525,714.57
III. Long-term financial assets											
Shares in affiliated companies	4,616,000.00	0.00	0.00	0.00	4,616,000.00	0.00	0.00	0.00	0.00	4,616,000.00	4,616,000.00
	4,616,000.00	0.00	0.00	0.00	4,616,000.00	0.00	0.00	0.00	0.00	4,616,000.00	4,616,000.00
	67,188,608.95	4,963,321.67	0.00	1,499,448.66	70,652,481.96	30,888,273.38	3,600,366.83	1,486,899.66	33,001,740.55	37,650,741.41	36,300,335.57

INDEPENDENT AUDITOR'S REPORT

To Endurance GmbH, Massenbachhausen/Germany

Audit Opinions

We have audited the annual financial statements of Endurance GmbH, Massenbachhausen/Germany, which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss for the financial year from 1 April 2023 to 31 March 2024, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Endurance GmbH, Massenbachhausen/Germany, for the financial year from 1 April 2023 to 31 March 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2024 and of its financial performance for the financial year from 1 April 2023 to 31 March 2024 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mannheim/Germany, 10 May 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
Steffen Schmidt
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Michael Harst
Wirtschaftsprüfer
(German Public Auditor)

ENDURANCE OVERSEAS S.r.l.

Head office: VIA DEL BOSCHETTO 2/43 – LOMBARDORE (TURIN)

Tax Code, Turin Chamber of Commerce and Turin Companies Register No. 05754620960

Turin Business Register (REA) no. TO 1101893

Quota capital: Euro 16,105,263.00 subscribed and fully paid

VAT number: 05754620960

Management control and coordination: ENDURANCE TECHNOLOGIES LIMITED

Report on operations

Financial statements at 31/03/2024

Quotaholders,
The explanatory notes provide disclosures on the financial statements for the year ended 31/03/2024; this document provides information on the Company's situation and performance in compliance with art. 2428 of the Italian Civil Code. The report, prepared with amounts shown in Euros, is presented as an accompaniment to the financial statements and provides information on the Company's earnings, financial position and operations, together, where possible, with historical facts and an indication of the future outlook.

Matters concerning the economy in general and the results of operations

The general economic situation is still heavily conditioned by the persistently high inflationary pressures which have induced the main Central Banks to keep interest rates high. Although the prices of energy factors (electricity and gas) have fallen considerably compared with the average levels for the last two years, inflation continues to remain high and, in any case, higher than the targets set by the Central Banks. International tensions continue to be an obstacle for supply chains, favouring the maintenance of commodity prices above historical averages (even if, in many cases, they are below the highs of the previous two years).
The substantial budget deficits financed by higher government debt, subsequently monetised, have fuelled the injection of liquidity into the various economic systems, but without generating significant economic growth in Europe.
According to the figures released by the International Monetary Fund (IMF), world economy growth in 2023 was 3.2%, but that of the Eurozone was only 0.4%. Germany was in moderate recession (-0.3%), Italy and France in

moderate growth (+0.9%) with Spain at +2.5%. Outside of the Eurozone, the United States grew by 2.5%, Japan by 1.9%, China by 5.2% and India by 7.8%.

For 2024, the International Monetary Fund forecasts world economic growth of 3.2%, which drops to 2.7% for the USA and 0.8% for the Eurozone (including +0.2% for Germany and +0.7% for France and Italy).

In the calendar year 2023, according to the figures published by ACEA (European Automobile Manufacturers' Association), registrations of new vehicles in the world grew by 9.7% compared with the previous year (72.5 million vehicles in 2023 compared with 66.1 million in 2022). Registrations went up by 13.9% in the European Union (10.5 million versus 9.3 million in 2022), by 15% in the USA (12.3 million versus 10.8 in 2022), by 4.5% in China (22.3 million versus 21.4 million the previous year) and 8.5% in India (with a market that went from 3.8 million vehicles to 4.2 million). In the European Union, battery electric vehicles (BEVs) achieved a market share of 14.6%, plug-in hybrids (PHEVs) 7.7% and HEV hybrids (including mild hybrids) 25.8%. Conversely, traditional internal combustion vehicles fell to a market share of 48.9% (of which petrol 35.3% and diesel 13.6%).

Registrations in the European Union for the same period as the Company's financial year (April '23 - March '24) achieved a significant growth of +10.3% (lower than that of the calendar year due to the lower growth in the quarter January-March 2024), recovering most of the gap suffered in previous years (as an effect of the pandemic and the subsequent difficulties in the supply chain of car manufacturers), but still almost 12% down on pre-pandemic annual volumes (2018/2019).

According to the results of S&P Global Mobility released by ACEA, world car production has increased by 10.2% with growth in the European Union (+11.3% to 12.1 million vehicles), USA (+8.5%, to 7.6 million vehicles), China (+9.1% to 25.3 million vehicles) and India (+6.8% to 4.7 million vehicles). Germany is still the leading car manufacturing country with 4.0 million vehicles, almost 33% of the European Union total output of cars and 18.7% up on the previous year.

In the calendar year 2023, the motorcycle market showed a very positive trend with growth of +10.5% after a flat prior year (+0.1%). New registrations reached 1,049,898 compared with 950,400 the previous year. The situation by country shows growth in all of the main countries, including Italy +18%, Spain +13.6%, Germany +7.2% and France +6.9%.

The positive performance by the automotive sector and the reduction in energy prices, which fell significantly for the material component compared with 2023 (electricity -60% and gas -69%), allowed Group Companies to boost their results. It is worth remembering, however, that despite the reductions compared with the peaks of previous years, prices have nevertheless levelled off, impacting performance, at levels that are significantly higher than in the past, with electricity on average 150%, and gas 180%, more expensive than before the crisis. Nonetheless, with the measures put in place, it was possible for the subsidiaries overall to achieve positive results, which are also improving.

Key events

No significant events occurred in the year just ended that need to be brought to your attention.

Management control and coordination activities

Pursuant to para. 5 of art. 2497-bis of the Italian Civil Code, it is confirmed that the Company belongs to the ENDURANCE Group (India) and is subject to management and coordination by ENDURANCE TECHNOLOGIES LIMITED (India), whose shares have been listed on the National Stock Exchange of India (NSE) and the Bombay Stock Exchange (BSE) since October 2016.

The management control and coordination activities carried out have not had any particular impact on the Company's activities or its results. We can also confirm that no decisions were made under the influence of the Company that performs the management control and coordination activities, that might require an indication of the reasons and interests affecting them.

Financial position

A reclassified balance sheet is provided below to facilitate a better understanding of the Company's financial position.

Balance Sheet - Assets

Item	31/03/2024	%	31/03/2023	%	Change	% Change
WORKING CAPITAL	**43,169,470**	**39.82%**	**25,548,631**	**27.56%**	**17,620,838**	**68.97%**
Immediate liquidity	**12,246,247**	**11.30%**	**4,459,716**	**4.81%**	**7,786,531**	**174.60%**
Cash and cash equivalents	12,246,247	11.30%	4,459,716	4.81%	7,786,531	174.60%
Deferred liquidity	**30,923,223**	**28.52%**	**21,088,915**	**22.75%**	**9,834,308**	**46.63%**
Current receivables included in working capital	7,211,166	6.65%	5,214,973	5.63%	1,996,192	38.28%
Current portion of non-current receivables	600,000	0.55%	-		600,000	#DIV/0!
Financial assets	22,713,481	20.95%	15,650,381	16.89%	7,063,100	45.13%
Accrued income and prepaid expenses	398,576	0.37%	223,561	0.24%	175,015	78.29%
FIXED ASSETS	**65,247,434**	**60.18%**	**67,136,697**	**72.44%**	**(1,889,263)**	**-2.81%**
Intangible assets	1,142,500	1.05%	2,305,000	2.49%	(1,162,500)	-50.43%
Tangible assets	10,781	0.01%	12,643	0.01%	(1,862)	-14.72%
Long-term financial assets	62,306,275	57.47%	62,306,275	67.22%	(0)	0.00%
Non-current portion of receivables included in working capital	1,787,877	1.65%	2,512,779	2.71%	(724,902)	-28.85%
CAPITAL EMPLOYED	**108,416,904**	**100.00%**	**92,685,328**	**100.00%**	**15,731,575**	**16.97%**

Balance Sheet - Liabilities and Equity

Item	31/03/2024	%	31/03/2023	%	Change	% Change
MINORITY INTEREST	**49,025,267**	**45.22%**	**41,625,782**	**44.91%**	**7,399,484**	**17.78%**
Current liabilities	**48,691,150**	**44.91%**	**41,382,885**	**44.65%**	**7,308,264**	**17.66%**
Current payables	48,674,425	44.90%	41,341,433	44.60%	7,332,991	17.74%
Accrued expenses and deferred income	16,726	0.02%	41,452	0.04%	(24,726)	-59.65%
Non-current liabilities	**334,116**	**0.31%**	**242,897**	**0.26%**	**91,219**	**37.55%**
Provision for risks and charges	294,766	0.27%	202,969	0.22%	91,797	45.23%
Employee termination indemnities	39,350	0.04%	39,928	0.04%	(578)	-1.45%
EQUITY	**59,391,637**	**54.78%**	**51,059,546**	**55.09%**	**8,332,091**	**16.32%**
Quota capital	16,105,263	14.85%	16,105,263	17.38%	-	0.00%
Reserves	8,117,595	7.49%	7,314,183	7.89%	803,412	10.98%
Retained earnings (accumulated losses)	26,836,688	24.75%	11,571,851	12.49%	15,264,837	131.91%
Net income (loss) for the year	8,332,091	7.69%	16,068,249	17.34%	(7,736,158)	-48.15%
SOURCES OF FINANCE	**108,416,904**	**100.00%**	**92,685,328**	**100.00%**	**15,731,575**	**16.97%**

Key indicators of financial position

On the basis of the above reclassification, the following economic indicators have been determined:

RATIO	FY 2023/2024	FY 2022/2023	% Change
Fixed asset coverage	92.71%	79.01%	17.34%
Debt ratio	0.83	0.82	1.25%
Financial debt ratio	0.74	0.72	2.74%
Equity/Capital employed	54.78%	55.09%	-0.56%
Financial charges/Turnover	13.93%	2.06%	576.16%
Current ratio	87.43%	62.65%	39.56%
Fixed assets/Equity	(4,667,919)	(13,564,372)	-65.59%
Primary coverage ratio	0.93	0.79	17.34%
(Equity + non current liabilities) - Fixed assets	(4,333,803)	(13,321,475)	-67.47%
Secondary coverage ratio	0.93	0.79	17.44%
Net working capital	(6,121,680)	(15,457,603)	-60.40%
Acid test margin	(6,121,680)	(15,457,603)	-60.40%
Acid test ratio	87.43%	62.65%	39.56%

Results

A reclassified income statement is provided below to facilitate a better understanding of the Company's results.

Income Statement

Item	FY 2023/2024	%	FY 2022/2023	%	Change	% Change
VALUE OF PRODUCTION	**8,473,969**	**100.00%**	**10,211,866**	**100.00%**	**(1,737,897)**	**-17.02%**
- Consumption of raw materials	44,630	0.53%	42,513	0.42%	2,117	4.98%
- General expenses	1,446,544	17.07%	1,204,426	11.79%	242,118	20.10%
VALUE ADDED	**6,982,796**	**82.40%**	**8,964,927**	**87.79%**	**(1,982,131)**	**-22.11%**
- Payroll costs	5,933,805	70.02%	5,182,936	50.75%	750,869	14.49%
- Provisions	-	-	-	-	-	-
GROSS OPERATING MARGIN	**1,048,991**	**12.38%**	**3,781,991**	**37.04%**	**(2,733,000)**	**-72.26%**
- Depreciation, amortisation and writedowns	1,167,831	13.78%	2,023,301	19.81%	(855,470)	(42.28) %
- Other operating expenses	83,331	0.98%	273,440	2.68%	(190,110)	(69.53) %
INCOME BEFORE FINANCIAL ITEMS (EBIT)	**(202,170)**	**-2.39%**	**1,485,250**	**14.54%**	**(1,687,420)**	**(113.61) %**
+ Financial items	8,849,304	104.43%	14,641,456	143.38%	(5,792,152)	-39.56%
INCOME BEFORE TAX	**8,647,134**	**102.04%**	**16,126,706**	**157.92%**	**(7,479,572)**	**-46.38%**
- Taxation	315,042	3.72%	58,457	0.57%	256,585	438.93%
NET INCOME	**8,332,091**	**98.33%**	**16,068,249**	**157.35%**	**(7,736,158)**	**-48.15%**
EBITDA	**965,660**	**11.40%**	**3,508,551**	**34.36%**	**(2,542,891)**	**-72.48%**

Key performance indicators

The following ratios have been calculated on the basis of the above reclassified figures:

RATIO	FY 2024	FY 2023	% Change
R.O.E.	14.03%	31.47%	(55.42) %
R.O.I.	(0.38) %	2.47%	(115.44) %
R.O.S.	(2.39) %	14.54%	(116.40) %
R.O.A.	(0.19) %	1.60%	(111.64) %

Information required by art. 2428 of the Italian Civil Code

The detailed information specifically required by art. 2428 of the Italian Civil Code is presented below.

Main risks and uncertainties that the Company is exposed to

As required by the first paragraph of Art. 2428 of the Italian Civil Code, a description of the main risks and uncertainties to which the Company is exposed is set out below, taking into account its nature as a provider of services and investment holding company that operates in the automotive sector:

RISKS RELATED TO THE GENERAL STATE OF THE ECONOMY: the Company's results are influenced by trends in the national and international economy. Developments regarding GDP, the cost of raw materials, the unemployment rate, interest rates and the level of confidence shown by consumers and businesses can condition the sales performance of end customers and, thus, the Company's sales performance. There are also further elements of uncertainty linked to geopolitical tensions, in particular due to the current crisis between Russia and Ukraine, as well as the possible emergence of new variants of Covid-19. Furthermore, the tightening of international sanctions is affecting uncertainties about the prices of energy commodities, basic materials (metals in particular) and agricultural products with repercussions on consumer prices and the growth prospects for the Euro area. These elements of uncertainty could lead to an alteration of normal market dynamics and, more generally, of business conditions.

RISKS RELATED TO THE SECTOR IN WHICH THE COMPANY OPERATES: the metal alloys and metal parts machining sector, in which the Company and its subsidiaries operate, is characterised by heated competition that is partly attributable to the sales trends in the automotive market. As much as the Group has taken action deemed necessary to improve its level of flexibility, a significant fall in end customers' needs and consequent further pressure on prices caused by heated competition could adversely impact the company's results and financial position.

RISKS RELATED TO THE ABILITY TO CREATE INNOVATIVE PRODUCTS: the automotive components sector is characterised by continuous product development needed to satisfy the product performance required by car manufacturers and by environmental legislation (governing emissions). Future investment by the Group will seek to develop the portfolio of products and diversify the types of production, thereby increasing the ability to meet the needs of customers. Failure to develop products and meet needs in terms of price, quality and the functionality imposed by end customers could adversely impact the prospects for the Group's operations.

FINANCIAL RISKS: The Company is exposed to the following financial risks in the conduct of its operations:

- credit risk in relation to normal commercial transactions with customers of subsidiaries;

- liquidity risk, with particular reference to the availability of financial resources and access to the market for credit and financial instruments in general;
- market risk, mainly relating to changes in interest rates and, to a lesser extent, exchange rates.

The Company constantly monitors the financial risks that it is exposed to, in order to evaluate in advance any potential negative effects and to take appropriate action to mitigate them.

Credit risk

Given the main industrial activity of its subsidiaries - the production of components for car makers - the receivables of the Company are structurally concentrated, as the customers of the Group comprise a limited number of industrial groups. The Company monitors receivables constantly and regularly adjusts the related allowances for collection risks.

Liquidity risk

The two main factors that determine the Company's liquidity position are, on one hand, the resources generated or absorbed by operations and by investments and, on the other hand, the timing of the repayment and renewal of debt and of the liquidity of financial investments.

The Company seeks the most appropriate sources of finance bearing in mind the current and prospective financial position. Any difficulties encountered in obtaining financing needed to meet the needs of current operations and needs relating to investments could negatively impact the Company's results and financial position.

Management believes that funds currently available, as well as funds generated from operating activities, will allow the Company to meet the needs of investing activities, of working capital management and for the repayment of debt as it falls due.

Market risk

In the conduct of its activities, the Company is exposed to various market risks, particularly the risk of fluctuations in interest rates and, to a lesser extent, exchange rates.

Risks relating to changes in interest rates

The Company could have recourse to financial resources made available by the banking sector in the form of debt and use the funds to finance operations as well as investment and development initiatives. The Company can also factor its trade receivables. Changes in market interest rates impact the cost of various types of financing and factoring, which in turn affect the level of the Company's financial charges.

To cope with these risks, the Company strives to maintain a suitable relationship between its financing structure and its capital employed, in line with the opportunities on offer and actual market conditions.

Lastly, where considered appropriate, the Company could make use of rate derivatives (interest rate swaps and caps) with the aim of hedging such risks.

Risks relating to changes in exchange rates

The functional currency used by the Company for the majority of its transactions (the Euro) does not currently appear to be subject to significant risks relating to exchange rate fluctuations.

Key non-financial indicators

Pursuant to Art. 2428 of the Italian Civil Code, we can confirm that, due to the specific activities performed and for a better understanding of the Company's results and financial position, it is not considered meaningful to present non-financial indicators.

Information on the environment

We can confirm that the Company has not applied any particular environmental policies because they are not necessary for our type of business.

Personnel

The workforce amounted to 12 employees at the end of the year.
During the year, the main training activities involved specialisation courses for Supervisory Managers pursuant to Legislative Decree 231/01 and training courses for sustainability reporting and refresher courses for the various professional roles.

Research and development

Pursuant to art. 2428, paragraph 3, point 1 of the Italian Civil Code, we certify that research and development activities were carried out during the financial year in collaboration with our subsidiaries.

TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES, PARENT COMPANIES AND FELLOW SUBSIDIARIES

The Company has had dealings with other Group companies as referred to in paragraph 3.2 of art. 2428 of the Italian Civil Code. Specifically, they refer to the interest-bearing loan granted to the parent company New Fren Srl in January 2024 as part of the process of optimising the group's conditions.

Receivables from affiliates classified as long-term financial assets

Description	31/03/2024	31/03/2023	Change
from subsidiaries	600,000	-	600,000
Total	**600,000**	**-**	**600,000**

This item concerns interest-bearing loans granted to New Fren Srl during the year in order to support the development of the subsidiary's activities.

Receivables from affiliates classified as current assets

Description	31/03/2024	31/03/2023	Change
due from subsidiaries	2,567,160	1,440,409	1,126,751
due from parent companies	301,025	301,025	-
due from fellow subsidiaries	-	169,000	(169,000)
Total	**2,868,185**	**1,910,434**	**957,751**

Receivables due from subsidiaries: €2,567,160, of which €2,149,727 refers to trade receivables due from subsidiaries in relation to operational and financial services provided by the Company to investees within the Group's management structure, and for the rest to amounts due from the subsidiary Endurance Engineering S.r.l. as part of the tax consolidation pursuant to arts. 117-129 of the Consolidated Income Tax Act (CITA).
Receivables due from parent companies: €301,025 for trade receivables due from the parent company Endurance Technologies Ltd in relation to the sub-licensing of the patents and know-how acquired from Endurance Adler S.p.A. for the production of clutches and braking systems for motorcycles.

Payables to and loans from affiliates

Description	31/03/2024	31/03/2023	Change
payables due to subsidiaries	43,617,550	33,739,613	9,877,937
due to fellow subsidiaries	38,734	2,789,752	(2,751,018)
Total	**43,656,284**	**36,529,365**	**7,126,919**

Due to subsidiaries within one year (€43,617,550) as analysed below:

a. €3,000,000 for the loan received from Endurance S.p.A. (classified as a current liability because the contractual conditions envisage repayment on demand);
b. €38,155,732 for the amount due related to the cash pooling arrangement, of which
   - €29,349,439 to Endurance S.p.A.

- €3,433,315 to Endurance Castings S.p.A.
- €3,439,372 to Endurance Engineering S.r.l.
- €323,350 to Endurance Adler S.p.A.
- €1,610,256 to Veicoli S.r.l.

c. the balance of €2,461,818 to relationships as part of the tax consolidation for €1,515,048 and to trade relationships for the rest (€946,770);

Payables due to fellow subsidiaries: €38,734 relating to trade relationships with the foreign subsidiary Endurance GmbH.

Treasury shares

Pursuant to Arts. 2435-bis and 2428 of the Italian Civil Code, we can confirm that the Company did not hold any treasury shares at the year end.

Shares/quotas in the parent company

In accordance with paragraphs 3.3 and 3.4 of Art. 2435-bis and Art. 2428 of the Italian Civil Code, it is hereby confirmed that the Company did not hold any shares or quotas in the parent company during the year.

Business outlook

In accordance with art. 2428, paragraph 3, point 6 of the Italian Civil Code, we would like to point out that the results of the first few months of the current year 2024/2025 are looking positive, continuing the trend recorded in the period just ended.

It is worth mentioning that the Company does not operate directly on either the Russian or the Ukrainian market, so it is not suffering direct consequences from the war, except for the impact of the increase in cost of raw materials, including energy and gas, like everyone else. The Company is monitoring how the situation is evolving, making every effort to mitigate these effects. Due to the medium-term effects of the loss of purchasing power suffered by the majority of consumers, the reintroduction of public budget constraints in the European Union (after their suspension during the Covid period) and the restoration of maximum ceilings on deficits and the parameters for reducing excessive debt, it is reasonable to presume that high inflation can be definitively eliminated (at least for the domestic portion). This should leave room for a reduction in interest rates, which could in turn encourage private borrowing again as a source of fuel for growth. However, alternative scenarios could be one of recession, if the central banks' intervention is tardy, even one of stagflation if externally generated inflation continues. These are prospects characterised by a high level of uncertainty, difficult to imagine due to the complexities of current phenomena; also due to the conditions that could arise from the implementation of European initiatives of a strategic nature (such as Carbon Neutrality 2050) and the dramatic prolongation of the various wars that afflict the international scene.

For the time being, there is still a general sense of uncertainty which makes it hard to imagine how the various scenarios could affect the fate of the world economy and what the repercussions might be for the automotive sector.

Even though the macroeconomic situation shows various fragilities (trends in the real estate market, consumption, interest rates and inflation), the automotive sector has just been through a year of sustained growth (registrations +13.9% in 2023) and the forecasts for next year are looking good. According to estimates released by ACEA (the European Automobile Manufacturers' Association) in February 2024, registrations for the year are expected to grow by a further 2.5% compared with 2023 (with 10.7 million new registrations expected).

It is more difficult to outline the trend in registrations of battery electric vehicles (BEV) and plug-in hybrid vehicles (PHEV). Registrations of such vehicles as a proportion of total registrations has grown significantly over the years, in line with car manufacturers' efforts to introduce new ranges of models and innovative solutions. However, price is an important factor in consumers' choice. Given the higher cost of this type of vehicle, suspending government contributions (e.g. Germany from January 2024) was enough to lower the proportion of registrations in the first quarter of 2024 compared with the average for 2023. In addition to the existing regulatory constraints, with the intermediate milestone in 2030 (55% reduction in emissions) and then stopping the production of new internal combustion vehicles from 2035, considering the huge investments already made by car manufacturers, the automotive sector remains strongly committed to developing this type of vehicle. The decisive forces for their definitive affirmation will be consolidated when economies of scale and promising technological innovations manage to reduce the purchase cost of EVs and the charging times of their battery systems. In this regard, ACEA also predicts that of the 10.5 million new vehicles registered in 2024, 20% should be BEVs.

The marketing carried out by the company during 2023-24 was positive, even if lower than previous years due to the commitments deriving from the important projects that group companies are already implementing, making it possible to acquire new and important orders which once up and running will generate around €27 million of revenue per year. These new orders mainly concern components for VW, Mercedes and IVECO and refer to traditional, hybrid and, above all, pure electric applications which will go into production from FY 2025-26. Based on current forecasts and taking into account the above, management is of the opinion that the Group Companies, and therefore also the parent company Endurance Overseas Srl, will be able to achieve positive results.

The use of financial instruments that should be taken into account when assessing the results and financial position

In accordance with art. 2428, paragraph 3, point 6-bis of the Civil Code, we can attest that the Company has not undertaken any particular policies of financial risk management, as not considered relevant to our circumstances.

Secondary locations

In accordance with Art. 2428 of the Italian Civil Code, details are provided below of the secondary locations used by the Company:

Address	Location
VIA REGIONE POZZO 26	CHIVASSO
VIA ARSENALE 33	TURIN

Conclusion

In light of the considerations set out above and of disclosures made in the explanatory notes, we invite the quotaholders:

- to approve the financial statements at 31/03/2024 together with the explanatory notes and this report on operations that accompany them;
- to allocate the result for the year in accordance with the proposal made in the notes.

Lombardore, 10/05/2024

For the Board of Directors
The Managing Director

Massimo Venuti

General information on the company

Company data

Name:	ENDURANCE OVERSEAS SRL
Registered office:	VIA DEL BOSCHETTO 2/43 – LOMBARDORE (TURIN)
Quota capital :	16,105,263.00
Quota capital fully paid in:	yes
Chamber of Commerce:	TO
VAT Number:	05754620960
Tax code:	05754620960
REA Number:	1101893
Legal form:	LIMITED LIABILITY COMPANY
Core business (ATECO):	642000
Company in liquidation:	no
Company with sole quotaholder:	no
Company subject to management control and coordination:	yes
Name of the company or entity that exercises management control and coordination:	ENDURANCE TECHNOLOGIES LIMITED
Belonging to a Group:	yes
Name of the parent company:	ENDURANCE TECHNOLOGIES LIMITED
Country of the parent company:	INDIA
Cooperatives register number:	n/a

Financial statements at 31/03/2024

Balance sheet

	31/03/2024	31/03/2023
Assets		
B) Fixed assets		
I - Intangible assets	-	-
4) Concessions, licences, trademarks and similar rights	1,142,500	2,305,000
Total intangible assets	*1,142,500*	*2,305,000*
II - Tangible assets	-	-
4) Other assets	10,781	12,643
Total tangible fixed assets	*10,781*	*12,643*

	31/03/2024	31/03/2023
III - Long-term financial assets	-	-
1) Equity investments in	-	-
a) subsidiaries	62,306,275	62,306,275
Total equity investments	*62,306,275*	*62,306,275*
2) Receivables	-	-
a) from subsidiaries	600,000	-
due within one year	600,000	-
Total receivables	*600,000*	*-*
Total long-term financial assets	*62,906,275*	*62,306,275*
Total fixed assets (B)	*64,059,556*	*64,623,918*
C) Current assets		
II - Receivables	-	-
2) from subsidiaries	2,567,160	1,440,409
due within one year	2,567,160	1,440,409
4) from parent companies	301,025	301,025
due within one year	301,025	301,025
5) from fellow subsidiaries	-	169,000
due within one year	-	169,000
5-bis) tax receivables	3,555,727	3,291,364
due within one year	3,555,727	3,291,364
5-ter) deferred tax assets	2,135,958	2,484,209
5-quater) from others	439,174	41,745
due within one year	410,604	13,175
due beyond one year	28,570	28,570
Total receivables	*8,999,044*	*7,727,752*
III - Current financial assets	-	-
6) other securities	20,251,260	15,650,381
treasury management assets	2,462,221	-
Total current financial assets	*22,713,481*	*15,650,381*
IV - Cash and cash equivalents	-	-
1) Bank and postal deposits	12,245,616	4,459,376
3) Cash on hand	631	340
Total cash and cash equivalents	*12,246,247*	*4,459,716*
Total current assets (C)	*43,958,772*	*27,837,849*

	31/03/2024	31/03/2023
D) Accrued income and prepaid expenses	**398,576**	**223,561**
Total assets	*108,416,904*	*92,685,328*
Liabilities and quotaholder's equity		
A) Quotaholders' equity	**59,391,637**	**51,059,546**
I - Quota capital	16,105,263	16,105,263
II - Share premium reserve	304,737	304,737
IV - Legal reserve	2,248,861	1,445,449
VI - Other reserves, shown separately	-	-
Extraordinary reserve	5,563,997	5,563,997
Total other reserves	*5,563,997*	*5,563,997*
VIII - Retained earnings (accumulated losses)	26,836,688	11,571,851
IX - Net income (loss) for the year	8,332,091	16,068,249
Total quotaholders' equity	59,391,637	51,059,546
B) Provision for risks and charges		
2) for current and deferred taxation	294,766	202,969
Total provisions for risks and charges	*294,766*	*202,969*
C) Employee termination indemnities	**39,350**	**39,928**
D) PAYABLES		
7) Trade payables	224,545	192,499
due within one year	224,545	192,499
9) Due to subsidiaries	43,617,550	33,739,613
due within one year	43,617,550	33,739,613
11-bis) Due to fellow subsidiaries	38,734	2,789,752
due within one year	38,734	2,789,752
12) Tax payables	647,972	953,760
due within one year	647,972	953,760
13) Due to pension and social security institutions	586,835	594,958
due within one year	586,835	594,958
14) Other payables	3,558,789	3,070,851
due within one year	3,558,789	3,070,851
Total payables	*48,674,425*	*41,341,433*
E) Accrued expenses and deferred income	**16,726**	**41,452**
Total liabilities and quotaholders' equity	*108,416,904*	*92,685,328*

Income statement

	FY 2023/2024	FY 2022/2023
A) Value of production		
1) Revenues from sales of goods and services	7,040,255	8,751,850
5) Other income and revenues	-	-
other	1,433,714	1,460,016
Total other income and revenues	*1,433,714*	*1,460,016*
Total value of production	*8,473,969*	*10,211,866*
B) Cost of production		
6) raw and ancillary materials, consumables and goods for resale	44,630	42,513
7) services	1,058,168	852,243
8) lease and rental charges	388,375	352,183
9) payroll	-	-
a) wages and salaries	5,075,757	4,232,009
b) social contributions	531,612	652,531
c) employee termination indemnities	296,205	279,598
e) other costs	30,231	18,798
Total payroll costs	*5,933,805*	*5,182,936*
10) depreciation, amortisation and write-downs	-	-
a) amortisation of intangible assets	1,162,500	1,244,660
b) depreciation of tangible assets	5,331	778,641
Total depreciation, amortisation and write-downs	*1,167,831*	*2,023,301*
14) other operating expenses	83,330	273,440
Total cost of production	*8,676,139*	*8,726,616*
Difference between value and cost of production (A - B)	**(202,170)**	**1,485,250**
C) Financial income and charges		
15) income from equity investments	-	-
from subsidiaries	9,000,000	15,000,000
Total income from equity investments	*9,000,000*	*15,000,000*
16) other financial income	-	-
d) income other than the above	-	-
from subsidiaries	6,151	73,411
from fellow subsidiaries	12,480	-
Other	929,887	293,485

	FY 2023/2024	FY 2022/2023
Total income other than the above	*948,518*	*366,896*
Total other financial income	*948,518*	*366,896*
17) interest and other financial charges	-	-
to subsidiaries	932,110	109,017
to fellow subsidiaries	34,213	42,376
other	14,411	28,915
Total interest and other financial charges	*980,734*	*180,308*
17-bis) exchange gains and losses	(150)	-
Total financial income and charges (15+16-17+-17-bis)	*8,967,634*	*15,186,588*
D) Adjustments to financial assets and liabilities		
18) revaluations	-	-
c) current financial assets excluding equity investments	67,423	-
Total revaluations	*67,423*	-
19) write-downs	-	-
a) equity investments	-	2,177
c) current financial assets excluding equity investments	185,754	542,955
Total write-downs	*185,754*	*545,132*
Total adjustments to financial assets and liabilities (18-19)	*(118,331)*	*(545,132)*
Income (loss) before taxes (A-B+-C+-D)	**8,647,133**	**16,126,706**
20) Income taxes for the year, current and deferred		
current taxation	-	55,281
deferred taxation	440,048	3,176
income (charges) from tax consolidation/tax transparency	125,006	-
Total income taxes for the year, current and deferred	*315,042*	*58,457*
21) Net income (loss) for the year	**8,332,091**	**16,068,249**

Statement of cash flows (indirect method)

	FY 2023/2024	FY 2022/2023
A) Cash flows from operating activities (indirect method)		
Net income (loss) for the year	8,332,091	16,068,249
Taxation	315,042	58,457
Interest expense/(interest income)	32,365	(186,588)
(Dividends)	(9,000,000)	(15,000,000)
1) Net income (loss) for the year before income taxes, interest, dividends and gains/losses from disposals	*(320,502)*	*940,118*
Adjustments for non-cash items that had no contra-entry in net working capital		
Provisions	106,550	13,261
Depreciation and amortisation of fixed assets	1,167,831	2,023,302
Other adjustments up or (down) for non-cash items		4,014
Total adjustments for non-cash items that had no contra-entry in net working capital	*1,274,381*	*2,040,577*
2) Cash flow before changes in net working capital	*953,879*	*2,980,695*
Change in net working capital		
Decrease/(Increase) in trade receivables	(957,751)	(494,231)
Increase/(Decrease) in trade payables	7,158,964	(2,395,028)
Decrease/(Increase) in accrued income and prepaid expenses	(175,015)	(94,129)
Increase/(Decrease) in accrued expenses and deferred income	(24,726)	(15,847)
Other decreases/(Other Increases) in net working capital	(7,517,655)	(11,334,523)
Total changes in net working capital	*(1,516,183)*	*(14,333,758)*
3) Cash flow after changes in net working capital	*(562,304)*	*(11,353,063)*
Other adjustments		
Interest collected/(paid)	(32,365)	186,588
(Income taxes paid)	-	(514,901)
Dividends received	9,000,000	15,000,000
(Use of provisions)	(15,331)	(255,424)
Total other adjustments	*8,952,304*	*14,416,263*
Cash flow from operating activities (A)	***8,390,000***	***3,063,200***
B) Cash flows from investing activities		
Tangible assets		
(Additions)	(3,469)	(4,445)
Long-term financial assets		
(Additions)	(600,000)	(6,956,994)

	FY 2023/2024	FY 2022/2023
Cash flow from investing activities (B)	***(603,469)***	***(6,961,439)***
C) Cash flows from financing activities		
Third-party funds		
(Repayment of loans)	-	(5,124,765)
Cash flow from financing activities (C)		***(5,124,765)***
Increase (decrease) in cash and cash equivalents (a ± b ± c)	***7,786,531***	***(9,023,004)***
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	4,459,376	13,482,508
Cash on hand	340	212
Total cash and cash equivalents at the beginning of the year	4,459,716	13,482,720
Cash and cash equivalents at the end of the year		
Bank and postal deposits	12,245,616	4,459,376
Cash on hand	631	340
Total cash and cash equivalents at the end of the year	12,246,247	4,459,716

Information on the statement of cash flows

The statement of cash flows for the year is presented on a comparative basis in accordance with OIC 10.
This statement was prepared using the indirect method, in order to identify the sources and applications of funds deriving from operating, financing and investing activities.

Explanatory notes - first part

Quotaholders,
These notes are an integral part of the financial statements for the year ended 31 March 2024.
These financial statements, which we submit for your approval, show net income of €8,332,091 after charging current and deferred taxes and adjustments from participation in the group tax consolidation, which produce a negative balance of €315,042, net of depreciation of €1,167,831.

Basis of preparation

Preparation of the financial statements

The financial statements for the year ended 31 March 2024 have been prepared in compliance with the Italian Civil Code, as interpreted and supplemented by the accounting standards issued by the OIC (Italian Accounting Board) and, if these are unavailable and to the extent not in conflict with Italian Accounting Standards, by those issued by the International Accounting Standards Board (IASB).
The financial statements have been prepared on a going concern basis, as there are no significant uncertainties in this regard.
The financial statements comprise the balance sheet, the income statement, the statement of cash flows (prepared in conformity with the respective requirements of arts. 2424 and 2424 bis of the Italian Civil Code (c.c.), arts. 2425 and 2425 bis c.c. and art. 2425 ter c.c.) and these notes.
The balance sheet, the income statement, the statement of cash flows and the accounting disclosures contained in these notes agree with the books of account, from which they have been directly prepared. The items preceded by Arabic numerals in the balance sheet and income statement have not been grouped together, which is optional under art. 2423 ter of the Italian Civil Code.
The accounting policies adopted for the various items comply with those specified in art. 2426 c.c. and the relevant accounting standards. These criteria are consistent with those applied for the preparation of the financial statements of the prior year, having regard for the changes in the relevant regulatory framework described below.
The financial statement items are stated in accordance with the prudence concept and on a going concern basis. Pursuant to art. 2423-bis, para. 1, point 1-bis of the Italian Civil Code, items are recognised and presented having regard for the substance of the operations or contracts concerned.
Pursuant to art. 2424 of the Civil Code, we can confirm that no asset or liability items have been allocated to more than one balance sheet line.
In the preparation of the financial statements, income and expenses are recorded on an accruals basis, regardless of the timing of collection and expenditure. Contingencies and losses relating to the year are recognised, even if they become known after the reporting date.
The purpose of the explanatory notes is to describe, analyse and, in some cases, supplement the data reported on the face of the financial statements. They contain the information required by arts. 2427 and 2427 bis c.c., other provisions of the civil code and other legislation. In addition, they provide all the complementary information deemed necessary in order to present the most transparent and complete view possible, even if such information is not required by specific legislation.
Amounts are stated in whole Euros, unless specified otherwise.
The financial statements comply with the requirements of article 2423 et seq. of the Italian Civil Code and with the Italian accounting standards issued by the OIC (Italian Accounting Board); they have therefore been prepared clearly and give a true and fair view of the Company's financial position and results of operations.

Basis of preparation

The items in the financial statements are measured in accordance with the prudence and materiality concepts on a going concern basis.
The information contained in this document is presented in the order in which the various items are indicated in the balance sheet and income statement.
With reference to the matter indicated in the introduction to the notes, we can confirm that, pursuant to paragraph 3 of Art. 2423 of the Civil Code, where the information required by legislative provisions is not sufficient to give a true and fair view of the company's situation, supplementary information is provided for this purpose.

Exceptional situations pursuant to paragraph 5 of art. 2423 of the Italian Civil Code

There are no exceptional situations that might have made it necessary to seek exemptions under paragraphs 4 and 5 of art. 2423 of the Italian Civil Code.

Changes in accounting policies

There are no exceptional situations that might have made it necessary to seek exemptions under paragraph 2 of art. 2423-bis of the Italian Civil Code.

Comparability and compliance

Pursuant to Art. 2423 ter of the Civil Code, we can confirm that all of the financial statement items are comparable with the prior year; no restatement of prior year items has been necessary.

Accounting policies

The financial statement items are stated in accordance with the prudence concept and on a going concern basis. Pursuant to art. 2423-bis, para. 1, point 1-bis of the Italian Civil Code, items are recognised and presented having regard for the substance of the operations or contracts concerned.
In the preparation of the financial statements, income and expenses are recorded on an accruals basis, regardless of the timing of collection and expenditure. Contingencies and losses relating to the year are recognised, even if they become known after the reporting date.

Preparation of the financial statements

The balance sheet, income statement and the accounting disclosures contained in these notes agree with the books of account from which they have been taken directly.
The items preceded by Arabic numerals in the balance sheet and income statement have not been grouped together, which is optional under art. 2423 ter of the Italian Civil Code.
The accounting policies adopted for the various items comply with those specified in art. 2426 c.c. and the relevant accounting standards. These criteria are consistent with those applied for the preparation of the financial statements of the prior year, having regard for the changes in the relevant regulatory framework described below.
Pursuant to Art. 2424 of the Civil Code, it is hereby confirmed that no balance sheet items have been allocated to more than one balance sheet line.

Accounting policies

The accounting policies applied for the preparation of these financial statements, described below, take account of the amendments, additions and new provisions included in the civil code by Decree 139/2015, which transposed Directive 34/2013/EU into Italian law. In particular, the domestic accounting standards were reformulated by the OIC in the latest version issued on 22 December 2016, inclusive of the amendments published on 29 December 2017.
The accounting policies applied for the measurement of financial statement items and for their adjustment comply with the provisions of the Italian Civil Code and with the indications included in the Italian accounting standards reformulated by the Italian Accounting Board. Pursuant to art. 2427 paragraph 1 no. 1 of the Italian Civil Code, we explain the more significant accounting policies applied in compliance with the provisions of art. 2426 of the Italian Civil Code, particularly for those items for which the legislator permits the use of options for measurement and adjustments or for which no specific accounting policy exists.

Intangible assets

When the established criteria are met, these are recorded at purchase or production cost, inclusive of direct costs and related charges, and amortised systematically each year on a straight-line basis. Intangible assets are recognised with the consent of the Board of Statutory Auditors where prescribed by law.
The book value is stated net of accumulated amortisation and write-downs.
Amortisation is applied as indicated below, in order to allocate the cost incurred over the useful life of the assets:

Intangible assets	Amortisation period
Start-up and expansion costs	5 years on a straight line basis
Industrial patents and intellectual property rights	3 years on a straight-line basis
Concessions, licences, trademarks and similar rights	5 years on a straight line basis
Goodwill	15 years on a straight line basis
Other intangible assets	5 years on a straight line basis

Start-up and expansion costs are recorded as a balance sheet asset, with the consent of the Board of Statutory Auditors, as they are prudently considered to be of future benefit; these costs are amortised over a period that does not exceed five years.
Advertising and research costs are expensed in full in the accounting period in which they are incurred.
Goodwill, comprising the extra value recognised on the acquisition of businesses and in relation to other corporate transactions, is amortised over its useful life. Useful life is estimated at the time of initial recognition and is not changed in subsequent years. If this estimate cannot be made, goodwill is amortised over 10 years.
In order to determine the useful life of goodwill, the Company applies the information available in order to estimate the likely duration of its economic benefits. Should the useful life of goodwill be found to exceed 10 years, specific analyses are carried out to support the value determined with reference to the longer useful life, as required by OIC 24.70.
Leasehold improvements are capitalised and classified as "other intangible assets" if they cannot be separated from the assets concerned (in which case they are recognised in the relevant category of "tangible assets"). They are amortised systematically over the period they are expected to benefit (prudently set at 5 years) or, if shorter, over the residual duration of the lease after taking account of any renewal period available at the discretion of the Company.
If permanent impairment is identified, the asset is written down accordingly, regardless of the amortisation already recorded; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs. This reinstatement does not apply to goodwill or the deferred charges referred to in point 5 of art. 2426 c.c.
Pursuant to art. 10 of Law 72 of 19 March 1983 and subsequent laws on the revaluation of assets, we confirm that the intangible assets recorded in the books have never been revalued.

Tangible assets

These are recorded at purchase or internal construction cost and stated net of the depreciation charged in the current and prior years. Costs comprise related charges and the direct and indirect expenses that can reasonably be allocated to assets during the construction period and until they become available for use. They also include any borrowing costs incurred to finance the construction work (whether internal or carried out by third parties) until the asset become available for use, without however exceeding its recoverable value. Tangible assets are only revalued if this is required or allowed by special laws.
Pursuant to Art. 10 of Law 72 of 19 March 1983 and subsequent laws on revaluations of assets, it is hereby confirmed that the tangible assets recorded in the books have never been revalued.
Assets purchased in foreign currencies are recorded at cost using the exchange rate in force on the transaction date, or using the lower rate applying on the reporting date if the reduction is deemed to be permanent.

Tangible assets are depreciated systematically each year on a straight-line basis using the following rates:

Tangible asset items	Depreciation rate
Buildings	3%
Buildings – allocation of merger deficit (*)	6.67%
Plant and machinery	10%
Industrial and commercial equipment	15%
Temporary constructions	10%
Alarm systems	30%
Telephone	20%
Motor cars	25%

(*) depreciation based on the estimated residual useful lives, 15 years, of the assets that were allocated additional value following the merger (the effective date of which was 1 January 2015).

When fixed assets enter into service during the year, their depreciation commences on a time-apportioned basis from the month after the one in which they become available and ready for use in the year of acquisition.

Depreciation is also charged on tangible assets that are temporarily out of use. Land is not depreciated, as its useful life is not finite.

If applicable, buildings held as a financial investment are not depreciated if their residual value is greater than or equal to their net carrying amount.

If permanent impairment is identified regardless of the depreciation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs.

Routine maintenance and repair costs are charged in full to the income statement. Improvement costs are allocated to the assets concerned and depreciated over their residual useful lives.

Costs incurred to expand, modernise or improve the structural elements of a tangible asset are capitalised if they significantly and measurably increase its productive capacity, safety or useful life. If the costs concerned do not have the above effect, they are treated as routine maintenance and charged to the income statement.

Start-up grants are recognised when it becomes reasonably certain that the conditions for their collection will be satisfied and the grants will be paid. They are deducted from cost indirectly, as they are credited to income statement caption A5 "other income and revenues" and then deferred for recognition on an accruals basis via classification as "deferred income".

Impairment (tangible and intangible assets)

At each reporting date, the Company determines if there is any evidence that the value of its tangible and intangible assets might be impaired. If such evidence is found, the Company estimates the recoverable value of each asset concerned and records an impairment write-down if it is lower than the corresponding net carrying amount.

Recoverable value is not determined if there is no evidence of possible impairment.

The recoverable value of tangible and intangible fixed assets is deemed to be their value in use (calculated by discounting their future cash flows) or, if greater, their fair value (being the amount obtainable at the reporting date, based on the best available information, from their sale in an arm's-length transaction between knowledgeable and willing parties, net of the related selling costs).

With regard to the above, the Company has looked for evidence that the value of its tangible and intangible assets might be impaired, but did not find any and, accordingly, has not determined the recoverable value of these assets.

Equity investments, securities and financial receivables (classified as long-term financial assets)

The equity investments and debt securities classified as non-current assets will be held by the Company over the long term. Equity investments are measured at cost, as adjusted for any impairment. The cost recorded in the financial statements is determined with reference to purchase or subscription price, inclusive of related expenses. If impairment is identified, the carrying amount of equity investments is reduced to their recoverable value, which is determined with reference to the future benefits that are expected to accrue to the Company. Should the Company be obliged or intend to cover the (non-permanent) losses incurred by an equity investment, a suitable provision is recorded to cover the liability to which the Company is exposed. If in future years the reasons for the write-down cease to apply, the equity investment is written back to its original carrying amount.

Intercompany loans

Intercompany loans with a duration of more than 12 months are usually governed by contracts arranged on market terms and conditions; interest-free intercompany loans and those arranged at significantly below market rates are recognised initially at the value of the related future cash flows, as discounted using the market rate (being the average funding rate of the Company or the Group). The difference with respect to the liquidity collected by the parent company is credited to quotaholders' equity.

Receivables

Receivables are stated at amortised cost, having regard for the time factor and their estimated realisable value. The amortised cost method is not applied when its effects are insignificant, being when the transaction costs, the commissions paid between the parties and all other difference between initial value and maturity value are immaterial or when the receivables are recoverable in the short term (within 12 months).
Trade receivables due beyond 12 months at the time of initial recognition, without the payment of interest or with interest that differs significantly from market rates, and the related revenues are recognised initially at the value of their future cash flows discounted using the market rate (being that applied by two independent parties when negotiating a loan transaction with similar terms and conditions). The difference between the amount of the receivable recognised initially and its maturity value is recognised as financial income in the income statement over the duration of the receivable, using the effective interest method.
The amount of receivables, as determined above, is adjusted when necessary by a specific allowance for doubtful accounts, which is deducted directly from their gross amount in order to report them at their estimated realisable value. The provision (which takes account of collection losses, returns and invoicing adjustments, discounts and allowances, interest not yet earned and other reasons for reduced recoverability) is charged to the income statement.
Receivables assigned to factors are only derecognised if they are sold without recourse and essentially all the related risks are transferred (the difference between the consideration received on the assignment and the carrying amount of the receivable is recognised in income statement caption C17). If the assignment does not involve

derecognition (for example, assignment with recourse), since not all the related risks are transferred, the receivable continues to be reported in the balance sheet and is measured in the manner described above. If advance consideration is received from the assignee, the amount is recognised as a financial payable.
Receivables taking the form of bank receipts that have not been assigned remain classified as receivables until final collection of the amounts concerned.
Receivables deriving from centralised treasury management activities are classified separately within current assets, if recoverable in the short term. If this is not the case, they are classified as financial fixed assets.

Equity investments and securities not held as fixed assets

This caption comprises the equity investments and debt securities that will not be held over the long term by the Company. They are recorded at specific cost or, if lower, at their market value that, for listed investments, is determined with reference to their market price on the reporting date, being 31 March 2024.
These equity investments are written down to their realisable value case by case, rather than on an overall basis. If the reasons for any adjustments cease to apply, in whole or in part, the adjustments are reversed without exceeding the original cost.

Cash and cash equivalents

Cash and cash equivalents at the reporting date are measured at their nominal value. Amounts denominated in foreign currencies are measured using the closing exchange rates.

Accruals and deferrals

Accruals and deferrals comprise costs and revenues relating to the year that will be formally recorded in future years, and costs and revenues recorded by the reporting date that relate to future years. The related amounts are determined on a time-apportioned basis.

Provisions for risks and charges

The provisions for risks and charges cover known or likely losses or liabilities, the timing or extent of which cannot be determined at the reporting date. These provisions, including those for deferred tax liabilities, which are classified in this caption, reflect the best possible estimates based on the information available. Risk that only might give rise to a liability are described in the notes on the provisions, without actually recording a provision. As required by OIC 31, new provisions for risks and charges are, where possible, classified in the relevant income statement classes (B, C or D). Whenever it is not possible to correlate a new provision with a caption in one of the above classes, it is classified in income statement caption B12 or B13.

Employee termination indemnities

Employee termination indemnities represent the total amount that would have been payable to all employees had they terminated their employment on the reporting date. The charge for the year, comprising the new provision and the revaluation of the accumulated provision (based on the change in the relevant ISTAT index), is determined in accordance with current regulations, having regard for the specific employment contracts and the professional categories concerned. Employee termination indemnities are classified in liability caption C, while the provision for the year is classified in income statement caption B9.

The changes made to the regulations governing termination indemnities by Law 296 dated 27 December 2006 (2007 Finance Law) and subsequent decrees and enabling regulations, amended the accounting for the indemnities earned by 31 December 2006 and those earned from 1 January 2007. In particular, following the creation of the INPS Treasury Fund to manage the termination indemnities of private sector employees, employers with more than 50 employees are obliged to pay the new provisions relating to them into the Treasury Fund, unless the persons concerned have specifically opted for their indemnities to be paid to a supplementary pension fund. The employee termination indemnities reported in the balance sheet are therefore stated net of the amounts paid to the above INPS Treasury Fund.

Payables

Payables are stated at amortised cost, as defined in art. 2426, para. 2 c.c., having regard for the time factor envisaged in art. 2426, para. 1, point 8 c.c. Payables are however stated at their nominal amount if application of the amortisation cost and/or discounting methods would not be significant for the purpose of providing a true and fair view of the financial position and results of operations. This situation arises in the case of payables due within twelve months or, with regard to the amortised cost method, if the transaction costs, commissions and all other differences between the initial value and the maturity value are insignificant or, again, with regard to the discounting method, if the interest rate inherent in the contractual conditions is not significantly different to the market rate of interest.

The amounts due to employees for untaken holidays and deferred payroll, including the related social security contributions, are accrued with reference to the amount that would have been payable had their employment ceased on the reporting date.

Finance leases

Finance leases are recognised using the "capital method", charging the instalments paid to the income statement on an accruals basis. A specific section of these explanatory notes contains the supplementary information required by the law on the effect of recognising these contracts using finance lease methodology.

Derivatives

Derivatives consist of financial assets and liabilities measured at fair value.

They are only classified as hedging instruments when, at the time of arrangement, there is a strict, documented correlation between the characteristics of the hedged item and those of the hedging instrument, and that hedging relationship is both formally documented and, based on periodic checks, highly effective.

When derivatives hedge the risk of changes in the fair value of the hedged instruments (fair value hedges), they are measured at fair value through profit or loss; for consistency, the carrying amounts of the hedged items are adjusted to reflect the changes in fair value associated with the hedged risk.

When derivatives hedge the risk of changes in future cash flows of the hedged instruments (cash flow hedges), the effective portion of the profits or losses on the derivative financial instrument is put into suspense in equity (under the Reserve for cash flow hedges, net of tax). The ineffective portion of the profits and losses associated with a hedge is recognised in the income statement. On completion of the transaction, the accumulated profits and losses, previously deferred to quotaholder's equity, are released to the income statement (to adjust the income statement items affected by the hedged cash flows).

When hedge accounting is used, the changes in the related fair value of the hedging derivatives are recognised:

- in income statement captions D18 or D19, in the case of a fair value hedge of a reported asset or liability, together with the changes in the fair value of the hedged items (if the change in the fair value of the hedged item is greater in absolute terms than the change in the fair value of the hedging instrument, the difference is recognised in the income statement caption affected by the hedged item);
- in a specific equity reserve (caption AVII "Reserve for cash flow hedges") in a way that offsets the effects of the hedged flows (the ineffective portion, like the change in the time value of options and forwards, is classified in captions D18 and D19).

The changes in the fair value of financial instruments that are classified as trading derivatives, either because they do not qualify for treatment as hedging derivatives or because they were not designated as hedges, even though they were arranged operationally to hedge the risk of changes in interest rates and/or exchange rates and/or commodity prices, are recorded in the balance sheet and recognised in income statement captions D18 or D19.

Any derivatives embedded in other financial instruments must also be measured at fair value. In particular, embedded instruments are only separated from the primary contract and recognised as derivatives if, and only if:

a) the economic characteristics and risks of the embedded derivative are not closely correlated with the economic characteristics and risks of the primary contract. Close correlation exists if hybrid contracts are arranged in accordance with market practice;

b) all the elements included in the definition of a derivative financial instrument specified in OIC 32.11 are satisfied.

Revenues

Revenues from the sale of goods are recognised when ownership passes in substance, rather than in formal terms, being when the related risks and benefits are transferred (which in practice coincides with the time of delivery or shipment of the goods).

Revenues from services are recognised upon completion and/or when earned.

Revenues from the sale of products, goods and services in the ordinary course of business are stated net of returns, discounts, allowances and rebates, as well as the direct taxes charged on the sale of products and services. Transactions with related parties take place on normal market terms and conditions.

Costs

Costs stated net of returns, discounts, allowances and rebates are recognised on an accruals basis in accordance with the matching principle, regardless of the date of collection or payment. Compliance with the matching principle requires an estimate to be made of the invoices to be received.

Dividends

Dividends are recognised in the year in which they are declared by the shareholders' meeting. Dividends are recognised as financial income, regardless of the nature of the reserves that are distributed.

Financial income and charges

Financial income and charges are recognised on an accruals basis. Costs relating to the disposal of receivables for whatever reason are charged to the income statement on an accruals basis.

Taxation

Income taxes are recognised with reference to an estimate of taxable income in compliance with current regulations, having regard for any applicable exemptions and tax credits.

Deferred tax assets and liabilities are calculated on the temporary differences between the reported carrying amount of assets and liabilities and their corresponding values for tax purposes. Their measurement takes account of the tax rates expected to be in force in the year in which such differences contribute to the formation of taxable income, being the rates in force or already communicated at the reporting date (24% for IRES and 3.9% for IRAP). They are classified respectively as deferred tax assets under current assets and as deferred tax liabilities under provisions for risks and charges.

In accordance with the concept of prudence, deferred tax assets are recognised on all deductible temporary differences if it is reasonably certain that taxable income in the years in which they reverse will not be less than the amount of the differences to be absorbed.

By contrast, deferred tax liabilities are recognised on all taxable temporary differences.

Deferred tax liabilities are not recognised in relation to reserves subject to the deferral of taxation if they are unlikely to be distributed to the quotaholder.

Also for the year in question, the Company maintained the national tax consolidation regime pursuant to art. 117/129 of the Consolidated Income Tax Act (TUIR), involving Endurance S.p.A., Endurance Engineering S.r.l. and, from 2021-22, Endurance Castings S.p.A. and Endurance Adler S.p.A..

The Company is the parent of this tax group and calculates just one taxable income for all member companies, with the benefit that taxable income can be offset against tax losses in a single tax declaration.

All members of the tax group transfer their taxable income (or loss) to the group parent, which records an amount receivable from them for the IRES to be paid (the consolidated companies record an amount payable to the tax group parent). Conversely, the group parent records an amount payable to the companies that transfer tax losses, representing the IRES actually offset at group level (the consolidated companies record an amount receivable from the tax group parent).

Translation of foreign currency items

Non-monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the exchange rates applying at the time of their acquisition, being their initial recognition cost.
Monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the spot exchange rates applying on the reporting date; the related exchange gains and losses are recognised in the income statement and any net unrealised gains are allocated to a non-distributable reserve until they have been realised.

Measurement of components denominated in foreign currency

As at the balance sheet date, the company does not have any assets or liabilities denominated in foreign currency.

Other information

Repurchase agreements

Pursuant to art. 2427 point 6-ter of the Italian Civil Code, the Company confirms that no repurchase agreements were arranged during the year.

Explanatory notes - assets

The assets recorded in the balance sheet are measured in accordance with art. 2426 c.c. and Italian accounting standards. The specific measurement criteria applied are indicated in the individual notes on each item.

Fixed assets

Intangible assets

After charging amortisation for the year of €1,162,500, the balance of intangible assets is €1,142,500.

Movements in intangible assets

The table shows the movements in fixed assets during the year.

	Start-up and expansion costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Other intangible assets	Total intangible assets
Balance at the beginning of the year					
Cost	52,430	33,452	5,250,000	1,345	5,337,227
Amortisation (Accumulated amortisation)	52,430	33,452	2,945,000	1,345	3,032,227
Carrying amount	**-**	**-**	**2,305,000**	**-**	**2,305,000**
Changes during the year					
Amortisation for the year	-	-	1,162,500	-	1,162,500
Total changes	-	-	*(1,162,500)*	-	*(1,162,500)*
Balance at the end of the year					
Cost	52,430	33,452	5,250,000	1,345	5,337,227
Amortisation (Accumulated amortisation)	52,430	33,452	4,107,500	1,345	4,194,727
Carrying amount	**-**	**-**	**1,142,500**	**-**	**1,142,500**

Industrial patents and intellectual property rights (€15,455 at 31 March 2024) relate to the licences for the management software used by the Company, which are amortised over 3 years.

The concessions, licences, trademarks and similar rights recognised in the financial statements at 31 March 2024 for €1,142,500 (€2,305,000 at 31 March 2023), refer to the licence for the exclusive exploitation of patents, know-how, trademarks and other intellectual property rights for the design, manufacture and marketing of innovative clutches, brake discs and braking systems for the motorcycle market. This licence was acquired in two stages: the first part of know-how was purchased from Adler SpA before this company joined the Endurance Group, whereas the second part was acquired in June 2021 and concerns patents and intellectual property rights, technology, know-how and the “G Grimeca” brand for the production and marketing of brake discs and braking systems.

Tangible assets

Tangible assets recorded in the financial statements at 31/03/2024 amounted to €10,781, net of accumulated depreciation of €184,754 and refer entirely to other tangible assets.

Movements in tangible assets

The following table shows the movements in tangible assets during the year.

	Other tangible assets	Total tangible assets
Balance at the beginning of the year		
Cost	192,066	192,066
Depreciation (Accumulated depreciation)	179,423	179,423
Carrying amount	**12,643**	**12,643**
Changes during the year		
Additions	3,469	3,469
Depreciation for the year	5,331	5,331
Total changes	*(1,862)*	*(1,862)*
Balance at the end of the year		
Cost	195,535	195,535
Depreciation (Accumulated depreciation)	184,754	184,754
Carrying amount	**10,781**	**10,781**

Finance leases

The Company is not party to any finance lease contracts at the balance sheet date.

Long-term financial assets

The item in question relates to the amount of the investments in subsidiaries held at the end of the financial year. The equity investments recorded in the financial statements are stated at cost, equal to the expense incurred for the purchase, regardless of the manner of payment, comprising any ancillary charges (commissions and bank charges, stamp duty, bank intermediary fees, etc.).

The following table provides details of equity investments in subsidiary companies as well as the additional disclosures required by Art 2427 of the Civil Code.

Name	City or Country	Capital	Result for FY 2023/24	Equity at 31/03/2024	Equity interest held (%)	Equity interest held (amount)	Carrying amount
ENDURANCE SPA	Chivasso (Turin)	5,000,000	10,078,994	86,504,945	100.00%	86,504,945	34,054,358
ENDURANCE ENGINEERING SRL	Turin	100,000	846,729	6,526,737	100.00%	6,526,737	2,000,000
ENDURANCE CASTINGS SPA	Bione (BS)	900,000	707,575	13,565,182	100.00%	13,565,182	8,182,200
ENDURANCE ADLER SPA	Rovereto (TN)	840,000	419,519	6,102,559	100.00%	6,102,559	8,581,868
VEICOLI SRL	Turin	500,000	224,923	2,092,307	100.00%	2,092,307	2,530,855
FRENOTECNICA SRL	Rovereto (TN)	120,000	409,537	1,471,110	100.00%	1,471,110	5,791,177
NEW FREN SRL	Ciriè (Turin)	120,000	58,593	1,025,484	100.00%	1,025,484	1,165,394
GDS SARL (*)	Sousse (Tunisia)	3,007	(2,170)	73,520	1.00%	735	423
Total							**62,306,275**

(*) The figures are expressed in Tunisian dinars converted into Euros at the exchange rate of 3.3758 prevailing on 31.03.2024 (source: Bank of Italy) or the average exchange rate for the period. The other stake in the company (99%) is held by the subsidiary New Fren S.r.l.

The absence of any evidence of impairment is confirmed by the five-year, economic-financial forecasts prepared by the management of each company, which indicate continued profitability over that period. The theoretical present value of the subsidiaries was calculated using the DCF method (impairment test). The outcome confirmed that the present value of each subsidiary is greater than the related carrying amount.

Changes in and maturity of non-current receivables

The following table shows the movements in long-term financial assets during the year.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Receivables due from subsidiaries	-	600,000	600,000	600,000	-
Total	**-**	**600,000**	**600,000**	**600,000**	**-**

This item concerns interest-bearing loans granted to New Fren Srl during the year in order to support the development of the subsidiary's activities.

Current assets

Current assets are measured in the manner described in paragraphs 8 to 11-bis of art. 2426 of the Civil Code. The accounting policies applied are explained in the notes on the respective financial statement items.

Current receivables

These total €8,999,044 at 31 March 2024, up by €1,271,292 since 31 March 2023 (€7,727,752).
The increase in current receivables is attributable to the increase in receivables due from subsidiaries, as detailed in the following table.
These receivables are stated at their estimated realisable value as application of the amortisation cost and/or discounting methods would not be significant for the purpose of providing a true and fair view of the financial position and results of operations.

Changes and maturities of current receivables

The following table shows the information related to changes in current receivables and, if material, their due date.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Receivables due from subsidiaries	1,440,409	1,126,751	2,567,160	2,567,160	-
Receivables due from parent companies	301,025	-	301,025	301,025	-
Receivables due from fellow subsidiaries	169,000	(169,000)	-	-	-
Tax receivables	3,291,364	264,363	3,555,727	3,555,727	-
Deferred tax assets	2,484,209	(348,251)	2,135,958	-	-
Other receivables	41,745	397,429	439,174	410,604	28,570
Total	**7,727,752**	**1,271,292**	**8,999,044**	**6,834,516**	**28,570**

Receivables due from subsidiaries: €2,567,160, of which €2,149,727 refers to trade receivables due from subsidiaries in relation to operational and financial services provided by the Company to investees within the Group's management structure, and for the rest to amounts due from the subsidiary Endurance Engineering S.r.l. as part of the tax consolidation pursuant to arts. 117-129 of the Consolidated Income Tax Act (CITA).
Receivables due from parent companies: €301,025 for trade receivables due from the parent company Endurance Technologies Ltd in relation to the sub-licensing of the patents and know-how acquired from Endurance Adler S.p.A. for the production of clutches and braking systems for motorcycles.
Tax receivables: The amount of €3,555,727 refers for €2,597,340 to the difference between the IRES (corporate income tax) charge for the year and the advances paid as part of the tax consolidation pursuant to arts. 117/129 of the CITA established with Endurance S.p.A., Endurance Engineering S.r.l., Endurance Castings S.p.A. and Endurance Adler S.p.A., for €304,854 as the difference between the IRAP (Regional Business Tax) charge for the year and the

advances paid, for €85,788 to recoverable VAT and for €515,585 to withholdings incurred on income generated abroad and for the balance to other tax credits.
Deferred tax assets: 2,135,958 is the effect due to the valuation of negative income components the deductibility of which is postponed to future years, whereas their recoverability is certain. For more details on this item, see the relevant section below.
Other receivables: €410,604 for various receivables of a non-commercial nature, of which €28,570 due beyond the following financial year as they relate to security deposits.

Breakdown of current receivables by geographical area

In terms of the geographical distribution of payables, the Company's counterparties are all Italian, except for the amounts due to Endurance Technologies Ltd (€301,025).

Current financial assets

Movements in current financial assets

The movements in current financial assets are analysed in the following table.

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
other securities	15,650,381	4,600,879	20,251,260
cash pooling assets	-	2,462,221	2,462,221
Total	*15,650,381*	*7,063,100*	*22,713,481*

Other securities comprise short-term investments of surplus cash: these include US government bonds, T-Bonds at a nominal rate of 4.5% maturing in 2036 (€4,774,214) and Treasuries at a nominal rate of 2.125% maturing in 2025 (€1,793,745), bank bonds maturing in 2027 (€6,763,840), Italian Treasury bills (CCTs) maturing in 2030 (€1,967,720) and time deposits maturing within 12 months (€4,952,040).
The cash pooling assets relate to the receivable due from the associate Endurance GmbH on the basis of the current cash pooling contract.

Cash and cash equivalents

The following table shows the changes in cash and cash equivalents.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
bank and postal deposits	4,459,376	7,786,240	12,245,616
cash on hand	340	291	631
Total	*4,459,716*	*7,786,531*	*12,246,247*

Cash and cash equivalents include own cash and the balance resulting from the cash pooling system. A receivable is recorded as the contra-entry in the event of a liability, or a payable in the case of an asset, by the other participants in the cash pooling system (Endurance Group companies). The amount increased during the year due to the expiry of some short-term investments close to the end of the financial year.

Accrued income and prepaid expenses

The following table shows the changes in accrued income and prepaid expenses.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Accrued income	94,621	91,547	186,168
Prepaid expenses	128,940	83,468	212,408
Total accrued income and prepaid expenses	**223,561**	**175,015**	**398,576**

Accrued income (€186,168 at 31 March 2024) mainly includes interest on securities in portfolio relating to the year, but not yet paid at the end of the year.
Prepaid expenses (€212,408 at 31 March 2024) mainly include amounts paid in advance by way of insurance premiums and costs pertaining to subsequent years.

Capitalised financial charges

All interest expense and other financial charges have been expensed during the year. In compliance with paragraph 1.8 of art. 2427 of the Italian Civil Code, we can confirm that no financial charges have been capitalised.

Explanatory notes, liabilities and quotaholders' equity

The movements in the individual balance sheet items are analysed in detail below, according to current law.

Equity

The components are stated at their carrying amount in accordance with accounting standard OIC 28.

Changes in quotaholder's equity items

With reference to the year just ended, the table below sets out changes in the components of quotaholders' equity, as well as details of other reserves, if any.

The changes in the Company's equity items in the year prior to the year under review (as of 31/03/2023) are as follows:

	Balance at the beginning of the year	Allocation of the prior year result - Other allocations	Other changes - Increases	Other changes - Decreases	Result for the year	Balance at the end of the year
Quota capital	16,105,263	-	-	-	-	16,105,263
Share premium reserve	304,737	-	-	-	-	304,737
Legal reserve	1,377,259	68,190	-	-	-	1,445,449
Extraordinary reserve	5,563,997	-	-	-	-	5,563,997
Cash flow hedging reserve	(4,014)	-	4,014	-	-	-
Retained earnings (accumulated losses)	22,786,577	1,295,614	-	(12,510,340)	-	11,571,851
Net income (loss) for the year	1,363,804	(1,363,804)	-	-	16,068,249	16,068,249
Total	**47,497,623**	**-**	**4,014**	**12,578,530**	**16,068,249**	**51,059,546**

The decreases in "Retained earnings (accumulated losses)" relate to the effect on equity of the partial demerger of which the subsidiary Endurance S.p.A. was the beneficiary.

The changes in the Company's equity items in the year ended 31/03/2024 are shown below:

	Balance at the beginning of the year	Allocation of the prior year result - Other allocations	Result for the year	Balance at the end of the year
Quota capital	16,105,263	-	-	16,105,263
Share premium reserve	304,737	-	-	304,737
Legal reserve	1,445,449	803,412	-	2,248,861
Extraordinary reserve	5,563,997	-	-	5,563,997
Retained earnings (accumulated losses)	11,571,851	15,264,837	-	26,836,688
Net income (loss) for the year	16,068,249	(16,068,249)	8,332,091	8,332,091
Total	**51,059,546**	**-**	**8,332,091**	**59,391,637**

Availability and use of quotaholder's equity

The following table provides details of the components of quotaholders' equity, including their origin, their potential utilisation and whether they are distributable, as well as the utilisation thereof in the prior three years.

Description	Amount	Origin/Nature	Potential utilisation	Amount available
Quota capital	16,105,263	Quota capital		-
Share premium reserve	304,737	Quota capital	A;B;C	30,737
Legal reserve	2,248,861	Revenue	B	-
Extraordinary reserve	5,563,997	Revenue	A;C	5,563,997
Retained earnings (accumulated losses)	26,836,688	Revenue	A;B;C	26,836,668
Total	**51,059,546**			**32,431,402**
Amount not distributable				3,108,150
Residual amount distributable				29,323,252
Key: A: for increase in capital; B: to cover losses; C: for distribution to the quotaholders; D: for other statutory requirements; E: other				

The non-distributable portion, determined in accordance with the provisions of art. 2426 ICC, refers to the credit for deferred tax assets which falls within the category of assets not yet realised and to the residual portion to be allocated to the legal reserve.

Provisions for risks and charges

The following table shows the changes in provisions for risks and charges.

	Balance at the beginning of the year	Changes during the year - Provision	Changes during the year - Total	Balance at the end of the year
Provision for current and deferred taxation	202,969	91,797	91,797	294,766
Total	**202,969**	**91,797**	**91,797**	**294,766**

Employee termination indemnities

Employee termination indemnities amount to €39,350 at 31 March 2024 (€39,928 at 31 March 2023). The changes during the year are summarised below:

	Balance at the beginning of the year	Changes during the year - Provision	Changes during the year - Utilisation	Changes during the year - Total	Balance at the end of the year
Provision for employee termination indemnities	39,928	14,912	15,490	(578)	39,350
Total	**39,928**	**14,912**	**15,490**	**(578)**	**39,350**

The item includes the portion of cost present in the financial statements relating to the termination indemnity not allocated to the treasury account with INPS, Previndai and Fondo Cometa.

Payables

Payables total €48,674,425 at 31 March 2024 (€41,341,433 al 31 March 2023).
Pursuant to art. 12, para. 2 of Legislative Decree 139/2015, the Company has elected to measure payables using the amortised cost method. This election was made on a prospective basis and, therefore, only applies to the payables that have arisen subsequent to 1 January 2016.

Changes and maturities of payables

The following table shows the changes in payables and any information on their maturities.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Trade payables	192,499	32,046	224,545	224,545	-
Payables due to subsidiaries	33,739,613	9,877,937	43,617,550	43,617,550	-
Payables due to fellow subsidiaries	2,789,752	(2,751,018)	38,734	38,734	-
Tax payables	953,760	(305,788)	647,972	647,972	-
Due to pension and social security institutions	594,958	(8,123)	586,835	586,835	-
Other payables	3,070,851	487,938	3,558,789	3,558,789	-
Total	**41,341,433**	**7,332,992**	**48,674,425**	**48,674,425**	**-**

- Trade payables: €224,545;
- Due to subsidiaries within one year, €43,617,550, as analysed below:
    a. €3,000,000 representing a loan from Endurance S.p.A. (classified as a current liability because the contractual conditions envisage repayment on demand);
    b. €38,155,732 for the amount due related to the cash pooling arrangement, of which
        - €29,349,439 to Endurance S.p.A.
        - €3,433,315 to Endurance Castings S.p.A.
        - €3,439,372 to Endurance Engineering S.r.l.
        - €323,350 to Endurance Adler S.p.A.
        - €1,610,256 to Veicoli S.r.l.
    c. the balance of €2,461,818 to relationships as part of the tax consolidation for €1,515,048 and to trade relationships for the rest (€946,770);
- Payables due to fellow subsidiaries: €38,734 relating to commercial relationships with the foreign associate Endurance GmbH;
- Tax payables: €647,972 refer to payroll withholdings for employees and co-workers for €647,422 and other tax payables for the difference;
- Due to pension institutions: €586,835, mainly payable to INPS and Previndai;
- Other payables within one year: €3,558,789 relates to the amounts due to employees for payroll accruals and miscellaneous payables.

Analysis of payables by geographical area

In terms of the geographical distribution of payables, the Company's counterparties are all Italian, except for the amounts due to Endurance GmbH (€38,734).

Debt secured by collateral on company assets

Pursuant to paragraph 1.6 of art. 2427 of the Italian Civil Code, we can confirm that there is no debt secured by collateral.

Loans from shareholders

The company has not received any loans from its quotaholders.

Accrued expenses and deferred income

The following table shows the changes in accrued expenses and deferred income.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Accrued expenses	41,452	(24,726)	16,726
Total accrued expenses and deferred income	**41,452**	**(24,726)**	**16,726**

This item pertains to accrued expenses calculated on charges pertaining to the year, but which will be paid after the end of the year.

Explanatory notes - income statement

The income statement reports the results for the year.
This statement presents the results of operations by summarising the positive and negative components of income that contributed to them. These positive and negative components of income, recognised pursuant to art. 2425-bis of the Italian Civil Code, can be broken down into the following categories: core business, ancillary activities and financial activities.
Core business activities include the components of income that were generated from continuing operations in the principal sector, and which identify and distinguish the economic activities carried out by the Company in the pursuit of its corporate objectives.
Financial activities comprise those operations that generate financial income and expense.
Ancillary activities comprise those residual operations that generate income in the ordinary course of business that cannot be classified as financial or core business activities.

Value of production

The Company has carried on its investment management activity, recording revenues related to the management and coordination services of the group's activities by charging back to the subsidiaries and fellow subsidiaries the costs of the management personnel employed by the Company.

Analysis of revenues from sales and services by category of activity

The following table analyses the operating costs incurred during FY 2023/2024 on a comparative basis:

Description	FY 2023/2024	FY 2022-2023	Change
Revenues from sales of goods and services	7,040,255	8,751,850	(1,711,595)
Other income and revenues	1,433,714	1,460,016	(26,302
Total	**8,473,969**	**10,211,866**	**(1,737,897)**

The reduction in revenues from sales and services is due to the fact that, following the partial demerger at the end of last year, Endurance SpA no longer pays rent on the buildings that it uses.
Other revenues and income include, among other things, an amount of €1,350,000 which is the share for the year of the proceeds from sub-licensing patents, trademarks, know-how and other intellectual property rights under a contract with the parent company Endurance Technologies Ltd.

Cost of production

The following table analyses the operating costs incurred during FY 2023/2024 on a comparative basis:

Description	FY 2023/2024	FY 2022-2023	Change
Cost of raw and ancillary materials, consumables and goods for resale	44,630	42,513	2,117
Cost of services	1,058,168	852,243	205,925
Lease and rental charges	388,375	352,183	36,192
Payroll costs			
- Wages and salaries	5,075,757	4,232,009	843,748
- Social contributions	531,612	652,531	(120,919)
- Employee termination indemnities and other costs	296,205	279,598	16,607
- Other costs	30,231	18,798	11,433
Amortisation of intangible assets	1,162,500	1,244,660	(82,160)
Depreciation of tangible assets	5,331	778,641	(773,310)
Other operating expenses	83,330	273,440	(190,110)
Total	**8,676,139**	**8,726,616**	**(50,477)**

Production costs are substantially in line with the previous year.
Payroll costs, which represent the bulk of the Company's costs, comprise the entire cost of employees, inclusive of merit increases, changes in labour category, holiday pay and accruals required by law and by collective labour agreements, cost for external collaborators, variable remuneration components, incentives to leave the company, as well as charges deriving from the management retention plan in favour of corporate management, which depends

on the economic-financial results achieved in Europe and the continued employment of the personnel concerned for a minimum pre-determined period.

Financial income and charges

The income from equity investments in 2023/24 (€9,000,000) consists of the dividends distributed by Endurance SpA during the year.
Financial income for 2023-2024 (€948,518) mainly consists of accrued interest and capital gains realised on financial instruments (government securities, bank bonds and time deposits) held during the year.
Financial charges (€980,734) mainly consist of interest due to subsidiaries and fellow subsidiaries on intercompany loans (€188,552), cash pooling deposits (€777,771) and bank loans (€14,411).

Adjustments to financial assets and liabilities

The revaluation (€67,423) and write-down (€185,754) of securities classified as current assets incorporates the adjustment to the market value of the different types of securities held by the company as an interest-bearing use of the liquidity recorded at the end of the financial year.

Amount and nature of revenues/costs of individual significance

During the current year, no revenues or other positive components deriving from exceptional events were recorded.
During the current year, no costs deriving from exceptional events were recorded.

Income taxes for the year, current and deferred

The company has accrued for taxation for the year based on the application of tax legislation in force. The tax charge for the year consists of current taxation, as resulting from the tax returns, of deferred taxation relating to positive or negative components of income, taxable or deductible, respectively, in fiscal years that differ from the year in which the item is accounted for statutory reporting purposes.

The composition of taxation for the year split between current taxation and the deferred tax asset item is provided in the following table:

	FY 20232024	FY 2022-2023
Income taxes	**315,042**	**58,457**
Current taxation		
of which: IRES for the year (current)	-	-
of which: IRAP for the year (current)	-	55,281
of which: Taxation relating to prior years		
Deferred tax (assets) liabilities	440,048	3,176
Consolidation income (charges)	125,006	

They are detailed in the following tables:

- a description of the temporary differences that have given rise to the recognition of deferred tax liabilities and assets, with details of the rate applied, changes in the year and the amounts credited or debited to the income statement or to equity;
- the amount of deferred tax assets recognised relating to losses for the year or prior years and the reasons for their recognition; the amount not yet recognised and the reasons for the non-recognition;
- the items excluded from the calculation and the reasons for their exclusion.

Recognition of deferred tax assets and liabilities and their impact

	IRES	IRAP
A) Temporary differences		
Total deductible temporary differences	1,799,912	1,350,000
Total taxable temporary differences	185,754	-
Net temporary differences	(1,614,158)	(1,350,000)
B) Tax effects		
Provision for deferred tax liabilities (assets) at the beginning of the year	(2,175,940)	(105,300)
Deferred tax liabilities (assets) of the year	387,398	52,650
Provision for deferred tax liabilities (assets) at the end of the year	(1,788,542)	(52,650)

Deferred tax assets and liabilities have been determined using the rates likely to be in force during the years when the temporary differences are expected to reverse.

The current rates have been used with specific regard to deferred tax assets, being IRES 24% and IRAP 5.57%. The rates applied when the provisions for deferred tax liabilities were made have also been used for their reversal (IRAP rate of 3.9%).

The balance of deferred tax assets shown in the table is the net of provisions for the year less the deferred tax assets and liabilities recognised in previous years and reversed during the period. Specifically, there was a reversal of deferred tax liabilities linked to the demerger and a simultaneous provision made for deferred tax assets.

The changes in deferred tax assets are summarised in the following table:

	Balance at the beginning of the year	Changes during the year - Provision	Changes during the year - Utilisation	Changes during the year - Total	Balance at the end of the year
Deferred tax assets	2,484,209	44,581	392,832	(348,251)	2,135,958
Total	**2,484,209**	**44,581**	**392,832**	**(348,251)**	**2,135,958**

The provisions mainly refer to deferred tax assets calculated on the temporary difference generated by the taxation of the securities write-down. The utilisations mainly concern the temporary differences that became effective during the year in relation to the income for the sub-licensing of patents and know-how that was fully taxed at the time of the sale.

Explanatory notes - other information

The additional disclosures required by the Italian Civil Code are presented below.

Employment data

The following table sets out average employee numbers by labour category computed on the basis of daily averages

	Executives	White collar	Total employees
Average number	10	4	14

The workforce at 31 March 2024 (only Company employees) consists of 14 people.

Fees, advances and loans granted to directors and statutory auditors and commitments accepted on their behalf

The following schedule provides the information required by art. 2427, point 16 of the Italian Civil Code., with the clarification that no advances or loans have been granted and no commitments, in the form of guarantees of any kind, have been accepted on behalf of the members of the Board of Directors.

	Directors	Statutory Auditors
Fees	40,000	48,880

Fees of the independent auditor or firm of auditors

During the year, the following amounts (comprising fees and expenses) were paid to the independent auditors (Deloitte & Touche S.p.A)

- €59,148 for the independent audit of the accounts, comprising the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries, as well as for checking the Group Reporting Package, prepared from the consolidated financial statements and submitted for the purpose of consolidating the Endurance Technologies Group;
- €1,050 for the audit work performed in order to sign the tax declarations.

Classes of shares issued by the Company

This paragraph of the notes is not relevant as the Company's capital does not consist of shares.

Securities issued by the company

The Company has not issued any securities that fall under the provisions of art. 2427, para. 18 of the ICC.

Details on other financial instruments issued by the Company

The Company has not issued any other financial instruments pursuant to art. 2346, para. 6, of the Italian Civil Code.

Commitments, guarantees and contingent liabilities not reported in the balance sheet

There are no commitments, guarantees or contingent liabilities that have not been reported in the balance sheet.

Information about capital and loans allocated to a specific business project

Allocation of capital to a specific business project

We can confirm that, at the balance sheet date, there has been no allocation of capital to a specific business project as per no. 20 of art. 2427 of the ICC.

Loans for a specific business project

We can confirm that, at the balance sheet date, there are no loans provided for a specific business project as per no. 21 of art. 2427 of the ICC.

Information about related-party transactions

Transactions were carried out with related parties during the year; these transactions were entered into on an arm's length basis and, accordingly, in accordance with current legislation, no additional disclosure has been provided.

Information about off-balance sheet agreements

No off-balance sheet agreements were entered into in the year.

Information about significant events arising subsequent to the reporting date

Pursuant to point 22-quater of art. 2427 c.c., it is confirmed that no events with a significant effect on the economic and financial position have occurred subsequent to the reporting date.
As regards the conflicts between Russia and Ukraine and in the Middle East, it is worth mentioning that the Company does not operate directly on either the Russian or the Ukrainian market, so it is not suffering direct consequences from these situations, except for the impact of the increase in cost of raw materials, including energy and gas, like everyone else. The Company has endeavoured to mitigate them wherever possible.

Companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary

The following information is provided about the company that prepares consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary:

	Larger group	Smaller group
Company name	Endurance Technologies Limited (*)	n/a
Town (if in Italy) or foreign State	Aurangabad (India)	n/a
Tax code (Italian companies)	-	n/a
Place where the consolidated financial statements are filed	Registered office: Aurangabad (India) - India Stock Exchange: NSE and BSE	n/a

(*) Endurance Technologies Limited, the parent company, is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Information about derivatives pursuant to art. 2427-bis of the Italian Civil Code

We can confirm that the Company is not party to any derivatives.

Summary financial statements of the company which exercises management control and coordination

The Company is subject to management control and coordination by its indirect parent company, Endurance Technologies Limited, with registered offices at E-92, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India, which directly and indirectly owns the entire quota capital of the Company.
The following amounts taken from the latest approved financial statements of Endurance Technologies Limited are stated in millions of Indian Rupees. For the sake of clarity, the Rupee/Euro exchange rate at 31 March 2023 was 89.399 (84.134 on 31 March 2022) - (source: European Central Bank):

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Assets		
Non-current assets		
Fixed assets, net	18,078.08	16,541.36
Investments and other non-current assets	5,746.01	4,188.14
Current assets	17,266.36	16,663.90
Assets held for sale	-	-
Total assets	**41,090.45**	**37,393.40**

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Liabilities and quotaholders' equity		
Quotaholders' equity	**33,309.41**	**30,068.48**
Non-current liabilities		
Non-current financial liabilities	78.72	19.67
Other non-current liabilities	301.04	368.16
Current liabilities		
Current financial liabilities	6,233.75	5,981.66
Other current liabilities	1,167.53	955.43
Total liabilities and equity	**41,090.45**	**37,393.40**

Income statement	Year ended 31/03/2023	Year ended 31/03/2022
Revenues	**67,957.07**	**57,214.81**
Operating costs	59,882.73	49,684.29
Depreciation and amortisation	2,407.08	2,037.38
Financial charges	42.70	18.20
Non-recurring income/(expense)	(102.85)	(314.50)
Income before tax	**5,521.71**	**5,160.44**
Taxation for the year (current and deferred)	1,432.54	1,343.01
Net income (loss) for the year	**4,089.17**	**3,817.43**
OCI - Other comprehensive income	30.90	12.46
Total statement of comprehensive income	**4,120.07**	**3,829.89**

The following section describes relations with the company that provides management control and coordination services and with the other affiliates, as well as the effect of those activities on the operations of the Company and its results.

Information pursuant to art. 1, paragraph 125, of Law 124 of 4 August 2017

In relation to the provisions of art. 1, paragraph 125-bis, of Law 124/2017, regarding the obligation to provide evidence in the explanatory note of any sums of money received during the financial year by way of subsidies, advantages, contributions or aid, in cash or in nature, not having a general nature and having no consideration, remuneration or compensation of any kind, by public administrations and by the subjects referred to in paragraph 125-bis of the same article, the Company certifies that they are recorded in the National Register of State Aid.

Proposed allocation of profits or coverage of losses

Quotaholders,

In light of the above, the Board of Directors would like to propose allocating the net income for the year of €8,332,091 as follows:

- €416,605 to the legal reserve;
- €7,915,486 to retained earnings.

Explanatory notes - closing section

Quotaholders,

We confirm that these financial statements, which comprise the balance sheet, income statement, statement of cash flow and explanatory notes, give a true and fair view of the financial position and results for the year and agree with the books of account. We therefore invite you to approve the draft financial statements for the year ended 31/03/2024, together with the proposed allocation of net income, as submitted by the Board of Directors.

The financial statements are true and fair and agree with the accounting records.

Lombardore, 10/05/2024

For the Board of Directors

The Managing Director

Massimo Venuti

ENDURANCE OVERSEAS S.r.l.

Head office: VIA DEL BOSCHETTO 2/43 – LOMBARDORE (TURIN)

Tax Code, Turin Chamber of Commerce and Turin Companies Register No. 05754620960

Turin Chamber of Commerce No. 1101893

Quota capital: Euro 16,105,263.00 subscribed and fully paid

VAT number: 05754620960

Management control and coordination: ENDURANCE TECHNOLOGIES LIMITED

Report of the Board of Statutory Auditors

Financial statements at 31/03/2024

To the Quotaholder, Pursuant to the current articles of association, the Board of Statutory Auditors has been assigned the task of administrative supervision by your company, while the legal audit function was assigned to Deloitte & Touche S.p.a. appointed by the Quotaholders' meeting of 21/06/2023, this report describes solely the supervisory work carried out in accordance with the law

Report to the Quotaholder's Meeting pursuant to art. 2429, para. 2 of the Italian Civil Code - Administrative supervision

During the course of the financial year ended 31/03/2024, our activities were performed in compliance with applicable legislation and the principles of conduct for the Board of Statutory Auditors issued by the Italian Accounting Profession (as represented by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

Activities carried out by the Board of Statutory Auditors during the year ended 31/03/2024

We supervised compliance with the law, with the articles of association and with principles of proper administration. We attended Quotaholders' Meetings and Board Meetings, in respect of which, based on information made available, no matters came to our attention to indicate that there had been any infringements of the law or of the articles of association, nor transactions which were clearly imprudent, risky, likely to give rise to a conflict of interest or such as to compromise the integrity of the company's assets.

We acquired information from the directors on the status of capital transactions, with respect to which we have no particular observations to make.

We obtained information from the directors on the company's performance and the likely outlook, as well as on the most significant transactions, in terms of size or characteristics, entered into by the company and by its subsidiaries and, based on the information obtained, we have no particular findings to report.
We met with the independent auditors and, with reference to those meetings, no significant information or data emerged that should be disclosed in this report.
We gained knowledge on and supervised, within the scope of our duties, the adequacy of and the operations of the company's organisational structure by obtaining information from function heads, with respect to which we have no particular findings to report.
We gained knowledge on and supervised, within the scope of our duties, the adequacy of and the operations of the company's administrative-accounting system, as well as on the reliability of the latter in correctly presenting the results of operations, by obtaining information from function heads, from the independent auditors and from an examination of corporate documents, and, with respect thereto, we have no particular findings to report.
No complaints were presented to us as per Art. 2408 of the Italian Civil Code.
During the course of the year, we did not issue any opinions required by law.
During the course of our supervisory activities, as described above, no other significant matters arose that are worthy of inclusion in this report.

This report therefore summarises our activity with regard to the requirements of art. 2429, para. 2 of the Italian Civil Code, namely information on:

- the results for the financial year;
- the work performed in fulfilment of our legal duties; the observations and proposals regarding the financial statements, with particular regard to any use made by the administrative body of the exception permitted by art. 2423, para. 5 of the Italian Civil Code;

In any case, we are at your complete disposal to examine any other aspects during the Quotaholders' Meeting.
The work performed by us covered the entire financial year and regular meetings were held during the year pursuant to art. 2404 of the Italian Civil Code.
During our periodic checks, we gained knowledge on how the Company's activities were evolving, paying particular attention to contingent problems in order to identify the economic and financial impact on the result for the year and on the balance sheet, as well as any risks.
Minutes were drawn up of these meetings and duly signed for unanimous approval.

Supervisory activities pursuant to art. 2403 et seq. of the Civil Code

The draft financial statements for the year ended 31/03/2024, provided to us for our examination by the Board of Directors pursuant to art. 2429 of the Italian Civil Code, have been prepared in accordance with the requirements of Legislative Decree no. 127/91 and consist of:

- Balance sheet
- Income Statement

- Statement of cash flows
- Explanatory notes

The result for the year is net income of € 8,332,091, as may be seen from the summary figures provided below.

Balance sheet

Description	FY 2023/2024	FY 2022-2023	Difference
FIXED ASSETS	64,059,556	64,623,918	(564,362)
CURRENT ASSETS	43,958,772	27,837,849	16,120,923
ACCRUED INCOME AND PREPAID EXPENSES	398,576	223,561	175,015
TOTAL ASSETS	108,416,904	92,685,328	15,731,576

Description	FY 2023/2024	FY 2022-2023	Difference
QUOTAHOLDERS' EQUITY	59,391,637	51,059,546	8,332,091
PROVISION FOR RISKS AND CHARGES	294,766	202,969	91,797
PROVISION FOR EMPLOYEE TERMINATION INDEMNITIES	39,350	39,928	(578)
PAYABLES	48,674,425	41,341,433	7,332,992
ACCRUED EXPENSES AND DEFERRED INCOME	16,726	41,452	(24,726)
TOTAL LIABILITIES AND EQUITY	108,416,904	92,685,328	15,731,576

Income Statement

Description	FY 2023/2024	FY 2022-2023	Difference
VALUE OF PRODUCTION	8,473,969	10,211,866	(1,737,897)
REVENUES FROM SALES OF GOODS AND SERVICES	7,040,255	8,751,850	(1,711,595)
PRODUCTION COST	8,676,139	8,726,616	(50,477)
DIFFERENCE BETWEEN PRODUCTION VALUE AND COST (A - B)	(202,170)	1,485,250	(1,687,420)
Income (loss) before taxes (A-B+-C+-D)	8,647,133	16,126,706	(7,479,573)
INCOME TAXES FOR THE YEAR, CURRENT AND DEFERRED	315,042	58,457	256,585
NET INCOME (LOSS) FOR THE YEAR	8,332,091	16,068,249	(7,736,158)

Due to the fact that we were not appointed as independent auditors of the financial statements, we have limited ourselves to monitoring the overall approach to their preparation and their general compliance with the law as regards their format and structure and we do not have any particular observations to make in this regard.

More precisely, we note that:

- The accounting policies used in preparing the financial statements at 31/03/2024 comply with the Italian Civil Code as amended by Decree Law 139/2015;
- the Directors have provided information on the Company's performance and on the outlook for operations;
- the balance sheet and income statement formats adopted by the Company comply with articles 2424, 2424-bis, 2425 and 2425-bis of the Italian Civil Code;

We have verified compliance with the law regarding the structure of the directors' report on operations and we do not have any particular observations to make thereon.
As far as we are aware, in the preparation of the financial statements, there was no failure by the directors to comply with the law pursuant to paragraph 5 of Art. 2423 para. 5 of the Italian Civil Code.

Result for the year

The net result ascertained by the Directors for the year ended 31/03/2024, as shown in the financial statements, is positive for € 8,332,091. We do not have any observations to make on the allocation of the net result for the year proposed by the Directors.

Conclusion

Considering the results of the work performed by the independent auditors, as explained in their unqualified audit report, issued without any emphasis of matter on 14/05/2024, we unanimously believe that there are no impediments to approval at the Quotaholder's Meeting of the draft annual financial statements at 31/03/2024, as prepared and presented by the Directors.

Milan, 14/05/2024

The Board of Statutory Auditors

Fulvio Mastrangelo

Fabio Greco

Massimo Carera

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Quotaholders of
Endurance Overseas S.r.l..

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Endurance Overseas S.r.l. (the "Company"), which comprise the balance sheet as at March 31, 2024, the statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Pursuant to art. 2497-bis, first paragraph of the Italian Civil Code, Endurance Overseas S.r.l. has disclosed that it is subject to management and coordination of its activities by Endurance Technologies Limited (India) and, therefore, has indicated in the notes to the financial statements the key financial data from the most recent financial statements of such company. Our opinion on the financial statements of Endurance Overseas S.r.l. does not extend to such data.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian law governing financial statements, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e) of Legislative Decree 39/10

The Directors of Endurance Overseas S.r.l. are responsible for the preparation of the report on operations of Company as at March 31, 2024, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of the Company as at March 31, 2024 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the financial statements of Endurance Overseas S.r.l. as at March 31, 2024 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
May 14, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

ENDURANCE OVERSEAS SRL

Head office: VIA DEL BOSCHETTO 2/43 – LOMBARDORE (Turin)
Tax Code, Turin Chamber of Commerce and
Turin Companies Register No. 05754620960
Turin Business Register (REA) no.TO 1101893
Quota capital: Euro 16,105,263.00 subscribed and fully paid
VAT Number: 05754620960

Report on operations

Consolidated financial statements for the year ended 31/03/2024

To the Quota holders,
The explanatory notes provide information about the consolidated financial statements for the year ended 31 March 2024; in compliance with art. 2428 of the Italian Civil Code, this document provides information about the situation and performance of the Endurance Group (comprising the Parent Company, Endurance Overseas S.r.l., and its subsidiaries, Endurance S.p.A,, Endurance Engineering S.r.l., Endurance Castings S.p.A., Endurance Adler S.p.A., Veicoli S.r.l., Frenotecnica S.r.l., New Fren S.r.l. and GDS S.a.r.l., together the "Group"). This report, prepared with amounts shown in whole euro (unless otherwise indicated), accompanies the consolidated financial statements in order to provide information about the Group's earnings, financial position and operations, together, where possible, with historical facts and an assessment of future prospects.

Information on the Company and the Group

Matters concerning the economy in general and the results of operations:

The general economic situation is still heavily conditioned by the persistently high inflationary pressures which have induced the main Central Banks to keep interest rates high. Although the prices of energy factors (electricity and gas) have fallen considerably compared with the average levels for the last two years, inflation continues to remain high and, in any case, higher than the targets set by the Central Banks. International tensions continue to be an obstacle for supply chains, favouring the maintenance of commodity prices above historical averages (even if, in many cases, they are below the highs of the previous two years).
The substantial budget deficits financed by higher government debt, subsequently monetised, have fuelled the injection of liquidity into the various economic systems, but without generating significant economic growth in Europe.
According to the figures released by the International Monetary Fund (IMF), world economic growth in 2023 was 3.2%, but that of the Eurozone only 0.4%. Germany was in moderate recession (-0.3%), Italy and France in

moderate growth (+0.9%) with Spain at +2.5%. Outside of the Eurozone, the United States grew by 2.5%, Japan by 1.9%, China by 5.2% and India by 7.8%.

For 2024, the International Monetary Fund forecasts world economic growth of 3.2%, which drops to 2.7% for the USA and 0.8% for the Eurozone (including +0.2% for Germany and +0.7% for France and Italy).

In the calendar year 2023, according to the figures published by ACEA (European Automobile Manufacturers' Association), registrations of new vehicles in the world grew by 9.7% compared with the previous year (72.5 million vehicles in 2023 compared with 66.1 million in 2022). Registrations went up by 13.9% in the European Union (10.5 million versus 9.3 million in 2022), by 15% in the USA (12.3 million versus 10.8 in 2022), by 4.5% in China (22.3 million versus 21.4 million the previous year) and 8.5% in India (with a market that went from 3.8 million vehicles to 4.2 million). In the European Union, battery electric vehicles (BEVs) achieved a market share of 14.6%, plug-in hybrids (PHEVs) 7.7% and HEV hybrids (including mild hybrids) 25.8%. Conversely, traditional internal combustion vehicles fell to a market share of 48.9% (of which petrol 35.3% and diesel 13.6%).

Registrations in the European Union for the same period as the Company's financial year (April '23 - March '24) achieved a significant growth of +10.3% (lower than that of the calendar year due to the lower growth in the quarter January-March 2024), recovering most of the gap suffered in previous years (as an effect of the pandemic and the subsequent difficulties in the supply chain of car manufacturers), but still almost 12% down on pre-pandemic annual volumes (2018/2019).

According to the results of S&P Global Mobility released by ACEA, world car production has increased by 10.2% with growth in the European Union (+11.3% to 12.1 million vehicles), USA (+8.5%, to 7.6 million vehicles), China (+9.1% to 25.3 million vehicles) and India (+6.8% to 4.7 million vehicles). Germany is still the leading car manufacturing country with 4.0 million vehicles, almost 33% of the European Union total output of cars and 18.7% up on the previous year.

The positive performance by the automotive sector and the reduction in energy prices, which fell significantly for the material component compared with 2023 (electricity -60% and gas -69%), allowed the Company to boost its results. It is worth remembering, however, that despite the reductions compared with the peaks of previous years, prices have nevertheless levelled off, impacting performance, at levels that are significantly higher than in the past, with electricity on average 150%, and gas 180%, more expensive than before the crisis. Despite this, with the implemented measures, it was possible for the Endurance Group to achieve an overall positive economic result and an improvement over the previous year.

Financial position

To facilitate a better understanding of the Group's financial position, a reclassified balance sheet is set out below.

Balance Sheet - Assets

Item	FY 2023-2024	%	FY 2022-2023	%	Change	Change %
WORKING CAPITAL	**157,557,719**	**48.42%**	**137,139,435**	**51.73%**	**20,418,284**	**14.89%**
Immediate liquidity	**52,908,516**	**16.26%**	**25,201,547**	**9.51%**	**27,706,969**	**109.94%**
Cash and cash equivalents	52,908,516	16.26%	25,201,547	9.51%	27,706,969	109.94%
Deferred liquidity	**72,917,540**	**22.41%**	**79,222,418**	**29.89%**	**(6,304,878)**	**-7.96%**
Current receivables included in working capital	29,623,603	9.10%	36,456,211	13.75%	(6,832,608)	-18.74%
Current portion of non current receivables	62,555	0.02%	49,423	0.02%	13,132	26.57%
Financial assets	42,038,120	12.92%	41,650,949	15.71%	387,171	0.93%
Accrued income and prepaid expenses	1,193,262	0.37%	1,065,835	0.40%	127,427	11.96%
Inventories	**31,731,663**	**9.75%**	**32,715,470**	**12.34%**	**(983,807)**	**-3.01%**
FIXED ASSETS	**167,843,737**	**51.58%**	**127,950,528**	**48.27%**	**39,893,209**	**31.18%**
Intangible assets	9,438,093	2.90%	10,660,364	4.02%	(1,222,271)	-11.47%
Tangible fixed assets	144,623,688	44.44%	107,474,986	40.54%	37,148,702	34.56%
Financial fixed assets	81,699	0.03%	226,598	0.09%	(144,899)	-63.95%
Non-current portion of receivables included in working capital	13,700,257	4.21%	9,588,580	3.62%	4,111,677	42.88%
CAPITAL EMPLOYED	**325,401,456**	**100.00%**	**265,089,963**	**100.00%**	**60,311,493**	**22.75%**

With reference to the structure of the Company Group's assets, it should be noted in particular:

- as regards current assets:
  - the increase (for a total of Euro 28.1 million,) in cash and cash equivalents and financial assets (represented by investments for liquidity management), recorded in relation to the trend of positive cash flows from operations accrued by the Group, net of investments and repayment of medium/long-term loans, as described below (please also refer to the data concerning the consolidated cash flow statement);
  - the trend of the other elements of working capital, including in particular
    - the decrease (approximately Euro 6.8 million) in the value of current receivables by reason of a different trend in collection compared to the previous year (which had recorded the postponement of certain deadlines of 31/03/2023 to the following weeks), in the context of a sales trend in the last period of the year comparable with that recorded in the comparison year.
    - the decrease in inventories (Euro 0.9 million), determined by the combined effect of the downward trend in the value of the main raw material (secondary aluminium alloys) when compared to the previous year, and taking into account the production strategies related to the partially reducing effects of customer orders;
- with reference to non-current assets, we note in particular:
  - the decrease in the net value of intangible assets (by Euro 1.2 million) and the increase of tangible assets (by Euro 37.1 million) as a result of the combined effect of the following factors:
    - recording of amortisation for the period (totalling Euro 20.8 million, including the effect inherent to the revaluation carried out at the end of the previous financial year, pursuant to Article 110 of Decree-Law No. 104 of 14 August 2021, (so-called 'August Decree'), converted into Law 126/2021);

- additions made during the financial year, amounting to Euro 1.5 million among intangible fixed assets, (mainly referring to the capitalisation of development costs) and Euro 55.1 million among tangible fixed assets, specifically related to:
  - increases in production capacity in the machining sector (for about € 40 million), in connection with existing and newly acquired projects for Volkswagen/AUDI customers (AUDI Oil Module, VW Deckel, VW Adapter, Motorkonsole), Stellantis (mainly dedicated to the Transmission housing Punch Powertrain project and the Sovratesta for the Ducato 2.2) and BMW;
  - the strengthening/modernisation of die-casting activities, in particular with expenditures (of approximately € 4.0 million were made), dedicated to the production facilities of the Chivasso (TO) foundry, with the introduction of 2 new die-casting cells, and a new cell in Bione (BS);
  - increases related to photovoltaic plants installed at the Group's various production sites (in Chivasso, Lombardore and Bione), for a total of about € 3.5 million during the year;
  - acquisition of equipment, related to the projects described and those in progress, for about €2.1 million;
  - the finalisation of investments, classified under Assets under construction and advance payments as of 31/03/2024, mainly related to the most recently acquired job orders, assigned by customers VW/AUDI (for a total of € 9.4 million, in particular for the Lagerschild and Deckel projects) and Stellantis (for a total of € 6.6 million for the expansion of the Punch and Ducato projects) by Endurance S.p.A, as well as additional costs for setting up the production facilities of Group companies.
- the decrease in financial fixed assets (€ 0.1 million in the current year) mainly related to the change in the fair value of derivative instruments held by the Group;
- the increase in medium-/long-term receivables in current assets is mainly related to the change in (a) the balance of deferred tax assets (increase of € 0.6 million) recognised with reference to the differences in statutory and tax values, in particular of fixed assets and provisions for risks and impairment and the effects of extra-deductions related to the use of the benefits linked to super-amortisation and hyper-amortisation connected to the significant investments made by the Group in recent years and (b) the value of tax credits (increase of € 3, 5 million) accrued with reference to the benefits connected to investments in high-tech tangible assets (in the context of the Transition 4. 0 Plan).

Balance Sheet - Liabilities and Quota holders' Equity

Item	FY 2023-2024	%	FY 2022-2023	%	Change	Change %
CURRENT LIABILITIES	**138,477,366**	**42.56%**	**112,616,448**	**42.48%**	**25,860,918**	**22.96%**
Current payables	134,998,161	41.49%	109,980,958	41.49%	25,017,203	22.75%
Accrued expenses and deferred income	3,479,205	1.07%	2,635,490	0.99%	843,715	32.01%
NON-CURRENT LIABILITIES	**65,522,662**	**20.14%**	**40,238,498**	**15.18%**	**25,284,164**	**62.84%**
Non current payables	51,777,028	15.91%	28,361,731	10.70%	23,415,297	82.56%
Provision for risks and charges	5,192,024	1.60%	6,182,111	2.33%	(990,087)	-16.02%
Employee termination indemnity	3,650,361	1.12%	3,863,722	1.46%	(213,361)	-5.52%
Accrued expenses and deferred income	4,903,249	1.51%	1,830,934	0.69%	3,072,315	167.80%
QUOTAHOLDERS' EQUITY	**121,401,428**	**37.31%**	**112,235,017**	**42.34%**	**9,166,411**	**8.17%**
Quotaholders' equity attributable to the Group	**121,401,428**	**37.31%**	**112,235,017**	**42.34%**	**9,166,411**	**8.17%**
Quota capital	16,105,263	4.95%	16,105,263	6.08%	-	0.00%
Reserves	21,656,630	6.66%	22,716,645	8.57%	(1,060,015)	-4.67%
Retained earnings (accumulated losses)	72,609,696	22.31%	65,452,360	24.69%	7,157,336	10.94%
Net income (loss) for the year	11,029,839	3.39%	7,960,749	3.00%	3,069,090	38.55%
Quotaholders' equity attributable to minority interest	**-**	**-**	**-**	**-**	**-**	**-**
FINANCING SOURCES	**325,401,456**	**100.00%**	**265,089,963**	**100.00%**	**60,311,493**	**22.75%**

With reference to the structure of the Group's liabilities, we highlight in particular:

- In the context of debt capital, the main changes are referred to:
    - the increase of about Euro 25.8 million in current liabilities, in connection with the trend in business volume recorded in the latter part of the year, in addition to the impact of payables related to the significant tangible investments made (which recorded longer payment terms, correlated to the progress of the installation of production lines), as well as the increase in the value of the current portions of bank debt (as detailed below) to support the investment plan and possible M&A transactions;
    - the increase in non-current liabilities, for a total of Euro 25.2 million, mainly related to the Group's bank debt structure, which in 2023/2024 recorded new financing contracts for approximately €55 million, net of the repayments made on existing contracts, based on contractual forecasts. There was also an increase in the value of deferred income, recorded in connection with the accrual of tax benefits associated with high-tech investments and linked to the respective depreciation process);
- For what shareholders' equity is concerned, the increase for a total of Euro 9.2 million, following the recognition of the positive result for the period (Euro 11.0 million) and the recognition, with a direct impact on shareholders' equity (for Euro 1.9 million), of the change in reduction of the Reserve for expected cash flow hedging transactions, which includes the amount, recognised net of the related tax effect, of the effective portion of the fair value changes recorded in existing derivative contracts entered into for the purpose of hedging cash flows connected with highly probable planned transactions.

Key indicators of financial position

On the basis of the above reclassification, indicators of financial position are set out below:

RATIO	FY 2023-2024	FY 2022-2023	% Change
Fixed assets coverage ratio	72.33%	87.72%	-17.54%
Banks on working capital	55.85%	45.91%	21.65%
Indebtedness ratio	2.68	2.36	13.48%
Financial indebtedness ratio	1.68	1.36	23.38%
Equity on invested capital	37.31%	42.34%	-11.88%
Financial charges on turnover	-0.72%	-0.32%	127.18%
Availability ratio	31.29%	40.89%	-23.48%
Primary coverage ratio	0.72	0.88	-17.54%
Secondary coverage ratio	1.11	1.19	-6.54%
Net working capital	(12.651.310)	(8.192.483)	54.43%
Primary treasury margin	19.080.353	24.522.987	-22.19%
Primary treasury ratio	38.21%	27.54%	38.75%

Consolidated statement of cash flow

Item	FY 2023-24	FY 2022-23	Change	Change %
Cash and cash equivalents at beginning of period	**25,201,547**	**32,616,413**	**(7,414,866)**	**-22.73%**
a. Cash flows from operating activities	42,993,857	24,908,083	18,085,774	72.61%
b. Cash flows from investing activities	(45,847,885)	(32,228,965)	(13,618,920)	42.26%
c. Cash flows from financing activities	30,560,997	5,631,847	24,929,150	442.65%
Increase/(decrease) in cash and cash equivalents (a ± b ± c)	**27,706,969**	**(1,689,036)**	**29,396,005**	**-1740.40%**
d. Cash flow for acquisition of subsidiaries	-	(6,456,974)	6,456,974	-100.00%
e. Net cash and cash equivalents acquired	-	731,144	(731,144)	-100.00%
(Acquisition of subsidiaries, net of cash and cash equivalents) (d ± e)	**-**	**(5,725,830)**	**5,725,830**	**-100.00%**
Cash and cash equivalents at the end of the period (a ± b ± c ± d ± e)	**52,908,516**	**25,201,547**	**27,706,969**	**109.94%**

With reference to the cash flow trend for the period, it should be noted that the Group recorded an increase in cash and cash equivalents of approximately Euro 27.7 million during the year, due to the combined effect of the following factors:

- the positive performance of operations, which led to a net positive cash flow of Euro 43.0 million, to which contributed both the P&L performance (with an EBITDA of approximately Euro 34.9 million), and the change in net working capital (increase of Euro 13.0 million in particular due to the trend of trade receivables and payables and inventories) and that of provisions and tax and interests payments (reduction by Euro 3.4 million);
- cash flow connected with investments made during the period (for a net outlay of Euro 45.8 million), primarily relating to;
  - tangible fixed assets, aimed at increasing the production capacity related to on-going projects and those of new acquisitions (Euro 44.2 million);
  - intangible fixed assets (Euro 1.6 million), referring mainly to the capitalization of development costs;

- financial assets not held as fixed assets (destinated to with liquidity management strategy) totalling Euro 15.4 million, net of Euro 15.0 million disposal;

- cash flows relating to financing activities - with an overall positive effect of Euro 30.6 million - which include the effect of the change in long-term debt (increases due to new loan contracted, Euro 54.9 million, offset by repayments made during the period in relation to contractual maturities amounting to Euro 24.4 million).

Profit & Loss results

A reclassified income statement is provided below to facilitate a better understanding of the Company's results.

Income Statement

	Year 2023-2024	%	Year 2022-2023	%	Change	Change %
VALUE OF PRODUCTION	**211,741,409**	**100.00%**	**207,515,441**	**100.00%**	**4,225,968**	**2.04%**
- Consumption of raw materials	87,375,051	41.26%	88,115,427	42.46%	(740,376)	-0.84%
- General expenses	41,378,725	19.54%	45,504,617	21.93%	(4,125,892)	-9.07%
VALUE-ADDED	**82,987,633**	**39.19%**	**73,895,397**	**35.61%**	**9,092,236**	**12.30%**
- Payroll costs	45,796,469	21.63%	41,802,242	20.14%	3,994,227	9.56%
- Provisions	-	0.00%	-	0.00%	-	-
GROSS OPERATING MARGIN	**37,191,164**	**17.56%**	**32,093,155**	**15.47%**	**5,098,009**	**15.89%**
- Depreciation, amortisation and write-downs	20,829,037	9.84%	20,239,247	9.75%	589,790	2.91%
- Other operating expenses	2,255,647	1.07%	1,893,545	0.91%	362,102	19.12%
INCOME BEFORE FINANCIAL ITEMS	**14,106,480**	**6.66%**	**9,960,363**	**4.80%**	**4,146,117**	**41.63%**
+ Financial items	(1,492,271)	-0.70%	(622,884)	-0.30%	(869,387)	139.57%
+ Adjustments to financial assets	28,640	0.01%	(639,963)	-0.31%	668,603	-104.48%
INCOME BEFORE TAX	**12,642,849**	**5.97%**	**8,697,516**	**4.19%**	**3,945,333**	**45.36%**
- Taxation	1,613,010	0.76%	736,767	0.36%	876,243	118.93%
NET INCOME	**11,029,839**	**5.21%**	**7,960,749**	**3.84%**	**3,069,090**	**38.55%**
EBITDA	**34,935,517**	**16.50%**	**30,199,610**	**14.55%**	**4,735,907**	**15.68%**

From an economic point of view, the 2023/2024 financial year recorded an increase in the value of production (2%, equal to about Euro 4.2 million), in a framework still conditioned by both international tensions (due to the Russian-Ukrainian and Israeli-Palestinian conflict scenarios) and inflationary pressures - and the related effect of continued high interest rates - even in the presence of energy factor prices (electricity and gas) reduced compared to the average values of the last two years.

The increase in sales recorded involved all of the Group's main customers, whose revenues were mainly distributed towards the Stellantis group (FCA and PSA, for a total of 31% of revenues) and Volkswagen/AUDI (30%), followed by CNHI (8%), Bosch (5%), while the two-wheeler segment recorded revenues amounting to 8% of total turnover.

With reference to the structure of production costs, it should be mentioned a reduction compared to the previous year in the impact of material purchases (Euro 0.7 million - also in connection to the trends in the price of the Group's main raw material, aluminium alloys) and general expenses (Euro 4.1 million, impacted in particular by the aforementioned trend in energy material costs), while other operating expenses (increased by € 0.4 million, mainly due to the effect of costs (for logistics and quality management) related to the ramp-up phases of the most recent projects launched by the Group..

Labour costs for the financial year increased compared to the previous year (by about Euro 4.0 million, with an 21.6% impact on the value of production), due to the growth recorded in the average number of employees (up by about 3%), as well as the inflationary impact of the contractual adjustments made (in connection with the renewal of the Metalmechanics National Labour Collective Agreement), and the salary increases recognized to employees.
Depreciation, amortisation and write-downs recorded an increase of about Euro 0.8 million compared to the previous year, due to the starting of depreciation of the most recent investments made in the context of new projects start-up of production during the year. It should be noted that the Group did not make use of the option to suspend amortisation and depreciation (as per Article 3 of Italian Decree Law 198/2022).
The trends described above resulted in positive profitability for the year in question, up from the previous year: consolidated EBITDA, amounting to Euro 34.2 million, stood at 16.5% of the value of production (compared to 14.6% in the previous year).
The trend described above demonstrated the Endurance Group's ability to maintain its business, both in terms of volumes and profitability, at performance levels consistent with (or even improved) as compared to the conditions of its main market of reference (automotive), confirming its ability to deal with the criticalities that are in any case present in the production and geographical context of its operations, supporting the significant commitments in terms of investment related to the opportunities connected with the new projects acquired, as well as the organisational challenges related to them; the Group confirmed its line of strategic development, also in terms of seeking to improve the efficiency of production factors, in line with development plans linked to customer orders on diversified platforms and technologies.
Financial transactions during the year showed a downturn compared to the previous year (net charges of Euro 1.5 million including adjustments to the values of financial assets, compared to Euro 1.3 million in the previous year), in particular due to the significant increase in interest rates decided by the Central Banks (with the 3-month Euribor rising from an average of 1.1% in the previous year to 3.8% for the 2023/24 financial year) associated with the increase in the value of existing financing contracts (to support investment initiatives). These effects impacted negatively only partially on the market value of the investments held by the Group as liquidity management (taking into account that the financial statement figures do not include unrealised positive valuation changes), and such charges were partially mitigated by the positive result of the selling transactions on the same instruments occurred during the year.
Income taxes - represented by a net charge of Euro 1.6 million - recorded an overall cost increase of about Euro 0.9million compared to the previous year; the higher taxable income recorded in the current year compared to the previous year has been, in continuity with the last few years, reduced as a result of the significant deductions mainly deriving from the full application of the benefits connected to the hyper-depreciation regulations in relation to the technologically advanced investments made in the previous years.
The above described trends led the Endurance Group to post a positive net result of Euro 11.0 million, or 5.2% of the value of production (up from Euro 8.0 million, or 3.8% of the value of production, in the comparative year).

Key performance indicators

On the basis of the above reclassification, indicators of financial position are set out below:

RATIO	FY 2023-2024	FY 2022-2023	% Change
R.O.E.	9.09%	7.09%	28.09%
R.O.I.	13.30%	7.32%	25.95%
R.O.S.	6.57%	4.78%	37.42%
R.O.A.	4.34%	3.76%	15.38%

Information required by Art. 2428 of the Italian Civil Code

The following is the detailed information specifically required by art. 2428 of the Italian Civil Code.

Main risks and uncertainties that the Group is exposed to

As required by the first paragraph of Art. 2428 of the Italian Civil Code, set out below is a description of the main risks and uncertainties to which the Group is exposed:

RISKS RELATED TO THE GENERAL STATE OF THE ECONOMY: the Group's results are influenced by trends in the domestic and international economies.
Developments in GDP, the cost of raw materials, the unemployment rate, interest rates, and thus the level of consumer and business confidence, may affect the trend in end-customer sales and thus the trend in corporate sales.
Further elements of uncertainty also persisted linked to geopolitical tensions, in particular the current crisis between Russia and Ukraine, as well as the possible emergence of new variants of Covid-19. Moreover, the continuation of international sanctions has continued to fuel uncertainties on the trend of energy commodity prices (which have reached levels far above the historical reference levels prior to the pandemic waves and international market crises), basic materials (especially metals) and agricultural commodities, with repercussions on consumer price pressure and growth prospects for the Eurozone. These elements of uncertainty could lead to an alteration of normal market dynamics and, more generally, of business operating conditions, risking undermining the reliability of growth forecasts set for the near future in the Euro area.

RISKS RELATED TO THE SECTOR IN WHICH THE GROUP OPERATES: The metal alloys and metal parts machining sector, as well as the plastic moulding sector and "two-wheel" component sector, in which Group companies operate, are characterised by heated competition that is partly attributable to the sales trends in the automotive market. As much as the Endurance Group has taken action deemed necessary to improve its level of flexibility, a significant fall in end customers' needs and consequent further pressure on prices caused by heated competition could adversely impact the Group's results and financial position.
What was mentioned previously with regard to the ability to recover from the negative impacts of the pandemic and the effectiveness of the tools made available to the various economies, will undoubtedly have repercussions on the company's business in relation to the customers' propensity to buy in the automotive market, as well as in consideration of the possible impacts on the mobility habits that consumers will adopt in the near future as a result of current technological transitions and changes in final customers behaviour.

RISKS RELATED TO THE ABILITY TO CREATE INNOVATIVE PRODUCTS: the automotive components sector, as well as the two-wheel component sector, are characterised by continuous product development needed to satisfy the product performance required by car manufacturers and by environmental legislation (governing emissions). Furthermore, the sector's technological updating in terms of market redistribution with respect to propulsion alternatives (internal combustion, hybrid, electric or alternative) determine and will continue to determine an increase in the centrality of the ability to innovate and undertake diversification initiatives by the supply chain as a distinctive element for market competitiveness.

Future investment by the Group (continuing the activities carried out during the year) will seek to develop the portfolio of products and diversify the types of production, thereby increasing the ability to meet the needs of customers. Failure to develop products and to meet needs in terms of price, quality and functionality imposed by end customers could adversely impact the future prospects of Group companies.

FINANCIAL RISKS: The Group is exposed to the following financial risks in the conduct of its operations:

- credit risks in relation to normal commercial transactions with customers;
- liquidity risks, with particular reference to the availability of financial resources and access to the market for credit and financial instruments in general;
- market risk, mainly relating to changes in interest rates and, to a lesser extent, exchange rates.

The Group constantly monitors its exposure to financial risks, in order to evaluate in advance any potential adverse effects and take appropriate action to mitigate them.

Credit risks

Given the nature of the industrial activities carried out by the operating companies - production of metal and plastic components for engines and gearboxes for car makers, by managing the entire production chain, especially for metal components – the receivables of the Group are structurally concentrated since its customers comprise a limited number of industrial groups. The integration of the activities of the individual companies within the Endurance group results in a better degree of diversification, as the intercompany supply of products results in reaching a wide range of third-party end customers.

The Group monitors constantly the level of outstanding receivables and adjusts the related allowances for collection risks.

Liquidity risks

The two main factors that determine the Group's liquidity position are, on one hand, the resources generated or absorbed by operations and by investments and, on the other hand, the timing of the repayment and renewal of debt and of the liquidity of financial investments.

The Group seeks the most appropriate sources of finance bearing in mind the current and prospective financial position. Any difficulties encountered in obtaining financing needed to meet the needs of current operations and investment requirements could adversely impact the Group's results and financial position.

Management believes that the funds currently available, the keeping of suitable contacts for access to credit, as well as the funds generated from operating activities, will allow the Group to meet the needs deriving from investing activities, working capital management and the repayment of debt as it falls due.

Market risks

In the conduct of its activities, the Group is exposed to various market risks, particularly the risk of fluctuations in interest rates and, to a lesser extent, exchange rates.

- *Risks related to changes in commodity prices*

The Group carefully plans market opportunities in order to minimise the effects of fluctuations in commodity prices (especially for energy commodities) in relation to the most recent trends in the reference market and taking into account the particularly impactful effects related to the nature of the activities performed.

To face these risks, the Group tends to pursue an adequate monitoring of purchasing opportunities on the market, resorting, where possible, to flexible procurement contracts, which allow it to seize any market opportunities.

Where deemed appropriate, the Group resorts to derivative instruments on commodities (Commodities swaps) to hedge and mitigate the described risks.

- *Risks relating to changes in interest rates*

  The Group utilises financial resources obtained mainly in the form of bank debt and employs the funds to finance operations and investment and development initiatives. The Group can also factor its trade receivables. Changes in market interest rates impact the cost of various forms of financing and factoring and therefore affect the level of the Group's financial charges.

  To tackle these risks, the Group strives to maintain a suitable relationship between the financing structure and the structure of capital employed, compatible with the opportunities available under current market conditions.

  With this aim, the Group has appropriately structured its financing, mainly at floating rates, with repayment due in the medium/long term at favourable conditions (with the objective of optimising current conditions and mitigating the high volatility of interest rates).

  Lastly, where considered appropriate, the Group makes use of rate derivatives (interest rate swaps and caps) with the aim of hedging the risks described.

- *Risks relating to changes in exchange rates*

  The functional currency used by the Group for the majority of its transactions (Euro) does not currently appear to be subject to significant risks relating to exchange rate fluctuations.

Key non-financial indicators

Pursuant to Art. 2428 of the Civil Code, we can confirm that, due to the specific activities performed and for a better understanding of the company's results and financial position, it is not deemed relevant to present non-financial indicators.

Information on the environment and safety

In the context of specific policies adopted, the Endurance group, strives hard to ensure that production and operating activities are carried out in compliance with all applicable regulations. The objective is to introduce and maintain a broad culture of constantly improved environmental performance, process and product safety, while ensuring the safety of workers and plants.

During the financial year ended 31 March 2024, activities continued to monitor and maintain adequate standards for the protection of the environment as defined by the reference standards ISO 14001:2015 (‘Environmental management systems’) and ISO 45001:2018 (occupational health and safety standard valid and recognised worldwide).

Staff training sessions were held in connection to:

- updating specific training in accordance with the criteria of the State-Regions Agreement of December 2011;

- update specific training for supervisors on how to exercise control over workers' compliance with the company's legal provisions on health and safety at workplace;
- refresher training for first aid and emergency team members;
- refresher training for self-propelled forklift truck drivers;
- degassing plant operation and maintenance update
- updating conduction and maintenance of sandblasting plant
- PES/PAV training for personnel working on electrical installations
- worker safety representant training update.

During the year, procedures were also activated - covering more than 60% of employees - to implement software for planning and monitoring:

- of the procedures for managing the training obligations provided for by the regulations (specific and generic timetables and contents);
- the procedures for managing health surveillance, through a system for monitoring deadlines, assessments and the suitability of resources operating within the organisation.

Updating of the Risk Assessment Document and of the Environmental Impacts Register was carried out - also with reference to the impacts linked to the pandemic spread - with the identification and analysis of risks and with the procedures for managing emergencies of an environmental or worker safety nature (for the definition of the actions necessary for the prevention of future accidents). The emergency plan was also updated with regard to fire prevention issues.

Operational training sessions were held to emergency scenario simulations, such as fire, evacuation, chemical spillage, outbreak of illness and related first aid intervention, with the participation of employees.

In terms of equipment of the facilities, the following main interventions should be noted:

Lombardore plant - Turin (machining process):

- Fire prevention- Installation of smoke detection system at medium term electrical substations and compressor rooms;
- Reduction of the run over risk by installing horizontal/vertical signs to indicate danger zones, pedestrian walkways barriers and parabolic mirrors;
- Installation of fixed ladders complete with safety cage for access to building roofs;

Chivasso plant - Turin (die casting and sandblasting):

- Fitting out new changing rooms and equipped refectory.
- Introduction of a new preheater for aluminium cope with safety device and flame detector;
- Modification of the smoke collection system on 6 die-casting machines in order to improve the collection of any diffuse emissions from the mould lubrication phase.

Bione plant – Brescia (die casting):

- Replacement and relocation of Striko melting furnace piping;
- Modification of M10 plant layout, with introduction of new conveyor belt;
- Conversion of the entire plant lighting equipment to LED technology;
- Installation of new two-stage air compressor (alternating operation).
- Optimisation of diecasting cell enclosures.

In addition, during the year, the Group continued the first phase of an important project to equip all its production sites with photovoltaic systems to meet part of its energy needs with directly produced renewable energy. The plants installed during the year involving the Lombardore (total installed capacity of 2,972 kWp), Chivasso (total installed capacity of 1,188 kWp) and Bione (total installed capacity of 469 kWp) plants started production in the second half of the current year.

Information on personnel management

The Group's workforce averaged 622 employees during 2023/2024, up from the previous year's figure (in connection with the change in the scope of consolidation in the previous year, which for 2023/2024 impacted the entire financial year). Details of the types of employment are given below:

Employees	2023/24	2022/23
Managers	21	20
White collar	151	135
Blue collar	450	447
Total	**622**	**602**

As at March 31st 2024, the overall workforce of the Group amounted to 611 employees.
The main training activities during the year ended 31 March 2024 focused on Manufacturing, Technical Services/Engineering and Quality, with a view to upgrading general and specific skills in relation to the variables that drive the continuous improvement of production and corporate processes.
Particular attention and targeted interventions have been envisaged for the certification of skills in relation to "Customer Specific Requirements", in line with the requirements of IATF 16969:23016, the reference standard for the automotive sector.
Training covered the following types of activity and topics (in addition to what already described concerning Environment and Safety):

Manufacturing/production-related training:

- Development of knowledge and specific skills via classroom and on-the-job training sessions covering the start-up of new lines and management of the related procedures. These activities were partly carried out in partnership with the suppliers of the mechanical processing plant and automation lines concerned. They covered, in particular:
  - Operational management of the automation and mechanical processing lines with external and on-the-job training to develop the specific skills of the specialised and operational staff and to train up people in new dedicated roles;
  - On-the-job activities related to the improvement of production processes and verification of compliance of processed and semi-finished products;
  - Problem solving for the independent management of production issues, as part of the process of continuous improvement;
  - Continuous on-the-job training of production staff aimed at increasing awareness of the quality characteristics of the product, the requirements requested by customers and updating the specifications of the control charts.

Engineering/quality training:

- Internal quality:
  - Improvement of internal management processes of the conformity variables of finished and semi-finished products;

    - Development and maintenance of control methodologies;
    - Prediction, updating and verification of quality system documentation through on-the-job training;
    - Development of knowledge and skills in the field of metrology (i.e. measurement), with particular attention to the technical details of mechanical drawings of products;
    - Development of specific knowledge and skills in 8D methodology and the tools used in this type of analysis. Ishikawa Diagrams - Pareto Charts - 5WHY - 5WHY and 2H - SPC - Scatter Plots – FMEA
    - The Company System - IATF 9499 Origins - IATF 16949 Requirements - Process Parameters - 4M - 4M Workshop - Definition of controls - Statistical analysis of the process - Process monitoring - Non-conformity (cost) - Non-conformity (flow) - "Logical Thinking" - "San Gen Shugi" - Analysis, Implementation and Transversalization - Special supply states - Customer satisfaction
- Skills certification:
    - External training related to the certification of skills and regulatory requisites provided by customers, in particular:
    - Automotive Core Tools for Process and System Auditors;
    - VDA 6.3 – Qualification of Process Auditors with an exam
    - CQI 27 – Casting System Assessment
    - VDA 6.5 – VDA "Product Auditors" qualification;
    - Qualification of First and Second Party Auditors in accordance with the IATF 16949:2016 Quality Management System;
    - VDA 6.3 – VDA standard update certification;
- Training for the development of technical and managerial skills
    - CMM – Zeiss programming (CALYPSO software);
    - AUKOM 1 and AUKOM 2 certification on ZEISS systems;
    - PMEA, process analysis and risk limitation;
    - GROB Electromechanical Maintenance;
    - Qualification of the personnel assigned to non-destructive checks;
    - SPC – Statistical Process Control;
    - MSA - Measurement System Analysis
    - Development of specific skills for complex technical drawings: analysis, interpretations, applications, rules and symbology;

Training activities related to the development of transversal skills and related methodological applications, such as Leadership, and Management, Effective Communication, DMS - Daliy Management System.

The overall activities carried out (including what was previously indicated with reference to the environment and safety area) engaged the company staff for a total of more than 7,500 hours with training activities carried out internally and externally (in addition to the hours of on-the-job training for training mentoring).

Research and development activities

In accordance with point 1) of the third paragraph of art. 2428 of the Italian Civil Code, we certify that with reference to the research and development activities applied to the product and the production process, development costs of approximately Euro 1.4 million were recorded during the year (and capitalised under intangible assets). They concerned in particular the costs of technical and production support personnel involved during the year in product and process development activities (referring both to the specific projects subject to grants/co-financing as explained, and to the development carried out by the technical departments in relation to new products for the automotive market).

With reference to the various R&D activities mentioned above, the Company has benefited from the tax credits envisaged pursuant to art. 1.70.d) of Law 145/2018 (2019 Budget Law). During the year, the Company recognised the receivable (in relation to costs incurred during 2022/2023 and certified during the year) for a total of Euro 194 thousand.

In particular, the principal activities carried out by the Company in its main areas of business are summarised below:

Die-casting activities

Multiple preliminary feasibility studies have been developed, including the lay-out of the equipment, detailed analysis of alternatives for cast feeding by means of virtual filling and solidification simulations, definition of stock quotas, consolidation of existing methodologies by comparing qualitative results obtained on significant lots. Technical product revisions have been defined and implemented, introducing solutions aimed at guaranteeing industrialisation for mass production.

With a view to product traceability, tests were carried out in an industrial environment to evaluate the reliability of the laser marking integrated into the die-casting cell.

Expansion of the integrated database of materials with low carbon footprint secondary alloys (Silval, Resal) and new generation primary alloys for die-casting (e.g. AlSi7, AlSi9Mn) with related heat treatment processes for the production of EV components (electric motors, electronics and battery compartment).

Design activities carried out in the process and product fields:

- designed, manufactured and sampled complete series of foundry equipment (HPDC mould and blanking) designed to supply defined blanks in collaboration with the mechanical processing department.

  Of particular interest is the platform for the new full-electric application of the OEMs. The component requires production solutions that have never been applied before. For example, creating a large flat and aesthetic surface requires the blank to be as level as possible. Following process simulations and co-engineering activities with the end customer, a ribbed geometry was developed on the main wall of the component, which makes it possible to obtain the required characteristics.
- New EN47100 alloy: the customer specifications for some recently acquired products required the use of a material (EN47100) recently introduced to the Chivasso plant. Processing and managing this alloy requires particular attention, both in the design phases of the casting mould and in the sampling phase, during which some defects related to the solidification range typical of this high silicon content alloy required the adoption of innovative solutions for the thermo-regulation and lubro-refrigeration of the mould.

Machining

The design and definition of production lines have been achieved through synergies and collaborations with leading companies in the processing and automation sectors, integrating technical solutions for the online control of critical product characteristics (such as innovative vision/scanning systems for product quality management.

Product development activities with strategic customers (VW - AUDI) were completed with the definition of new products (Oil Module, HV-LE Deckel and Lagerschild).

Work on creating concept designs for EV platform components was continued: in particular, the activities envisaged as part of the IPCEI 1 batteries project (referred to above) relating to the production and assembly of gaskets for the housings of lithium-ion batteries in various formats (cylindrical, prismatic and pouch-shaped) were completed.
The technical aspects related to innovative technologies for joining dissimilar materials have been researched in greater depth. In particular, the Friction Stir Welding (FSW) applied to the cooling plates of the batteries and to the containers of the power electronics.

Design activities carried out in the process and product fields:
Production lines were installed, the start-up of production of parts for the MEB platform (VW, Iveco and Stellantis) was completed and industrialisation of the new VW/AUDI and Punch products was launched and completed.
In particular, for this last customer (which will supply gearboxes to the Stellantis group), a highly automated mechanical processing line has been installed in a new factory.

Special projects
The following is an overview of the progress of the special projects developed in the context of larger R&D projects co-financed at national or international level in which the Company is participating:

SALEMA Project - Horizon 2020.
The set-up of the 2700 ton island for the production of industrial batches of a High Pressure Die Casting (HPDC) demonstrator has been completed.
Used alloys from the AlSi10MnMg family (variant 4 and variant 7) to obtain frontal frame elements supplied to Stellantis in the rough casting/heat-treated T5 versions.
Performed required radiographic analyses in the component areas involved in MIG welding. Collected and provided to the project partners (Eurecat) the information needed to calculate the Life Cycle Assessment (LCA) for comparison with primary alloys.
The positive results of these activities (and the related critical issues/ideas for further development) were made available to the partnership for the final analyses of the project, scheduled for the early months of the 2024/2025 financial year.

IPCEI 1 Batteries Project - European Union (through MIMIT)
The benchmarking activity related to battery cells, modules and systems in the automotive field has been updated by acquiring and analysing solutions from Chinese, European and American manufacturers for a comparison aimed at identifying guidelines for dis-assembly.
On the basis of the memorandum of understanding (MoU) signed together with non-EU cell suppliers (Prologium), the joint development of disassembled modules containing solid state cells was completed, leading to the completion of the CAD modelling currently available.
Partnerships have been defined and synergistic action strategies have been set up with Italian companies - including those not participating in the IPCEI (Podium, Beond) - to be able to present themselves on the battery module market with tailor-made solutions and compete with off-the-shelf solutions from non-EU manufacturers, in order to guarantee greater competitiveness in terms of costs (to mitigate the effects of lower development costs on the part of non-European competitors).
The feasibility analyses for the innovative solution linked to the "Endurance" container (identified as BM-Basic Module) applied to the VDA 355, VDA 390 and VDA 590 versions have been completed. The patenting process has also been commenced in relation to this specific solution.

The feasibility analyses of a lid solution for VDA 390 in aluminium (HPDC, extruded, sheet metal) and techno polymer versions were completed as well, also through the creation of Alpha prototypes of lids in the versions described.

The first two concrete examples of second-life batteries have been identified:

1) 21700 cylindrical cells: from 2-wheel battery sub-modules to single-cell power banks
2) BM-VDA 390 compliant: prismatic cells from 4-wheel module to trailer-mounted power bank

A software application has been developed and validated for the virtual simulation of the die-casting process capable of appreciating the content of oxides generated in the filling phase of thin walls, successfully applied in the definition of the lay-out for HPDC BM VDA 390 mould casting. Furthermore, the first in-house melting, casting and recycling samples of low carbon footprint and low sludge factor alloys were carried out, which made it possible to define the operating methods with which to manage large batches of battery containers. The result obtained made it possible to achieve the targets which are very challenging, both in terms of product (1.4 mm wall thickness, 0.2° relief, weight 1.1 kg) and process (55 seconds of Takt time).

With reference to the Beta prototypes (off-tool & off-process), sampling was completed with secondary aluminium alloy variants:

- EN46000
- EN47100.

Tests for the validation of the most suitable die-casting machine (1350 tons) for the production of BM-VDA 390 battery containers were completed.

EuBatIn Project (IPCEI 2) – European Union (through MIMIT).

In collaboration with ATEX/Fantic Motor, the design of secondary aluminium HPDC swap battery units and reverse engineering on swap units suitable for fleet management/maintenance (LIME scooter) which made it possible to define a sub-module of cylindrical cells suitable for the 2-wheel battery application.

Benchmarking was completed for swap units and related charging stations for 2-wheeler fleets. An equivalent activity was commenced for 4-wheel fleets.

A BM-Basic Module VDA390 module was designed in collaboration with Reefilla, aimed at swap use in power bank trolley units.

An initial strategy for the implementation of swap units (urban/leisure fleet) with the related network and management of charging stations that responds to the low carbon footprint brand and the circular economy footprint (from the choice of raw materials to the recovery/re-use of containers/cells at the end of their first life) has been identified for a 2-wheel application. Defined co-design/testing activity aimed at WoW scooters – Made in Italy. First aluminium swap unit prototype design completed: the prototype will be finalised as the WoW775 model.

The EN46000 LCFP alloy in oven-ready format (Resal) was tested on a large batch with encouraging results (1.4 mm filled without cold joints). The relevant process quality control plan has been defined, including compliance with VDA19/ISO16232 cleaning after processing. The supply specifications for the creation of a suitable cleaning room have been defined.

The assembly cycle of cylindrical cells and related production unit was defined in collaboration with Podium Advanced Technologies, an Italian SME with which a synergistic investment agreement has been signed. In this context, Endurance has ordered an EOL testing bench which will be installed at the Podium factory in Pont-St. Martin (AO), to integrate the existing line, making it compliant with the EuBatIn and IPCEI 1 objectives of the Endurance Project Portfolio.

Restore Project – Horizon 2026

Project activities aimed at the regeneration of aluminium automotive components were started - in January 2024 - for which Endurance will supply the HPDC industrial component to the OEMs (Stellantis-Skoda) identified for the experimental phases of construction of local reinforcement using the L-DED process.

With reference to the projects mentioned above, reporting and interaction activities continued with the bodies responsible for the validation of costs and related authorisation for the payment of grants.

Transactions with subsidiaries, associates, parent companies and fellow subsidiaries

As required by OIC 12.130 and art. 2427, para. 1, point 22-bis C.C., the information on related-party transactions is provided below.

Transactions were carried out with related parties during the year; these transactions are concluded at market conditions, especially those related to services – both operative and financial – provided to the Parent Company Endurance Technologies Limited ("ETL") and to other fellow subsidiaries (in particular Endurance GmbH, owned by ETL), as detailed below:

Receivables from affiliates classified as current financial assets

Description	FY 2023/24	FY 2022/23	Change
treasury management assets	2,462,221	-	2,462,221
Total	**2,462,221**	**-**	**2,462,221**

Treasury Management assets (Euro 2,462 thousand) refer to the positive balance of the active cash pooling agreements towards the fellow subsidiary Endurance Gmbh.

Receivables from affiliates classified as current assets

Description	FY 2023/24	FY 2022/23	Change
from parent companies	325,304	303,870	21,434
from fellow subsidiaries	524,807	355,231	169,576
Total	*850,111*	*659,101*	*191,010*

Receivables from parent companies (Euro 325 thousand as at March 31st, 2024) refer to commercial transactions with the Indian parent company Endurance Technologies Limited.

The amounts due from fellow subsidiaries (Euro 525 thousand at March 31st, 2024, recording an increase during the year) are related to commercial transactions, deriving mostly from the commercial transactions – basically related to the supply die casted parts – with Endurance Amman GmbH (owned by Endurance Technologies Limited, or "ETL", the parent of the Group).

Payables due to and loans from affiliates

Description	FY 2023/24	FY 2022/23	Change
payables due to parent companies	262.629	42.935	219.694
payables due to fellow subsidiaries	38.734	2.785.051	(2.746.317)
Total	*301.363*	*2.827.986*	*(2.526.623)*

Payables due to parent companies (Euro 262 thousand at March 31st, 2024) refer to commercial transactions with the parent company Endurance Technologies Limited.
Payables to fellow subsidiaries (Euro 39 thousand at March 31st 2024, down by Euro 2,746 thousand compared to the previous financial year) refer to commercial transactions with the foreign subsidiary Endurance GmbH. The variation occurred in the period is mainly referred to the trend of balance of the centralized treasury cash pooling agreement (which, as at March 31st, 2024 represent a positive balance for the Group, included in the Current financial assets).

Business outlook

In accordance with art. 2428, paragraph 3, point 6 of the Italian Civil Code, we would like to point out that the results of the first few months of the current year 2024/2025 are looking positive, continuing the trend recorded in the period just ended.
It is worth mentioning that the Company does not operate directly on either the Russian or the Ukrainian market, so it is not suffering direct consequences from the war, except for the impact of the increase in cost of raw materials, including energy and gas, like everyone else. The Company is monitoring how the situation is evolving, making every effort to mitigate these effects.
Due to the medium-term effects of the loss of purchasing power suffered by the majority of consumers, the reintroduction of public budget constraints in the European Union (after their suspension during the Covid period) and the restoration of maximum ceilings on deficits and the parameters for reducing excessive debt, it is reasonable to presume that high inflation can be definitively eliminated (at least for the domestic portion). This should leave room for a reduction in interest rates, which could in turn encourage private borrowing again as a source of fuel for growth. However, alternative scenarios could be one of recession, if the central banks' intervention is tardy, even one of stagflation if externally generated inflation continues. These are prospects characterised by a high level of uncertainty, difficult to imagine due to the complexities of current phenomena; also due to the conditions that could arise from the implementation of European initiatives of a strategic nature (such as Carbon Neutrality 2050) and the dramatic prolongation of the various wars that afflict the international scene.
For the time being, there is still a general sense of uncertainty which makes it hard to imagine how the various scenarios could affect the fate of the world economy and what the repercussions might be for the automotive sector.
Even though the macroeconomic situation shows various fragilities (trends in the real estate market, consumption, interest rates and inflation), the automotive sector has just been through a year of sustained growth (registrations +13.9% in 2023) and the forecasts for next year are looking good. According to estimates released by ACEA (the European Automobile Manufacturers' Association) in February 2024, registrations for the year are expected to grow by a further 2.5% compared with 2023 (with 10.7 million new registrations expected).
It is more difficult to outline the trend in registrations of electric vehicles (BEV) and plug-in hybrid vehicles (PHEV). Registrations of such vehicles as a proportion of total registrations has grown significantly over the years, in line with car manufacturers' efforts to introduce new ranges of models and innovative solutions. However, price is an important factor in consumers' choice. Given the higher cost of this type of vehicle, suspending government contributions (e.g. Germany from January 2024) was enough to lower the proportion of registrations in the first quarter of 2024 compared with the average for 2023. In addition to the existing regulatory constraints, with the intermediate milestone in 2030 (55% reduction in emissions) and then stopping the production of new internal

combustion vehicles from 2035, considering the huge investments already made by car manufacturers, the automotive sector remains strongly committed to developing this type of vehicle. The decisive forces for their definitive affirmation will be consolidated when economies of scale and promising technological innovations manage to reduce the purchase cost of EVs and the charging times of their battery systems. In this regard, ACEA also predicts that of the 10.5 million new vehicles registered in 2024, 20% should be BEV.

The marketing carried out by the Group's companies during 2023-24 was positive, even if lower than previous years due to the commitments deriving from the important projects that group companies are already implementing, making it possible to acquire new and important orders (mainly in the automotive sector, for applications related to the die-casting and machining business) which once up and running will generate around Euro 27 million of revenue per year. These new orders mainly concern components for VW, Mercedes and IVECO and refer to traditional, hybrid and, above all, pure electric applications which will go into production from FY 2025-26 onwards. Based on current forecasts and taking into account the above, management is of the opinion that the Endurance Overseas Group will be able to achieve positive results.

The use of financial instruments that should be taken into account when assessing the results and financial position

Pursuant and consequent to paragraph 3.6-bis of Art. 2428 of the Civil Code, we can confirm that the Group has a policy in place to hedge the interest-rate risks relating to medium-term loans by arranging IRS contracts in relation to some of these loans and Commodity Swaps contracts connected to the purchase of a portion of energetic resources needed by the Group. The fair value of these hedging instruments is discussed in the explanatory notes.

Lombardore, May 10th, 2024

For the Board of Directors
The Managing Director

Massimo Venuti

General information on the company

Company data

Name:	ENDURANCE OVERSEAS SRL
Registered office:	VIA DEL BOSCHETTO 2/43 – LOMBARDORE (TURIN)
Quota capital:	16,105,263.00
Quota capital fully paid in:	yes
Chamber of Commerce:	TO
VAT Number:	05754620960
Tax code:	05754620960
REA Number:	1101893
Legal form:	LIMITED LIABILITY COMPANY
Core business (ATECO):	642000
Company in liquidation:	no
Company with sole quota holder:	no
Company subject to management control and coordination activities:	no
Name of the company or entity that exercises management and coordination activities:	ENDURANCE TECHNOLOGIES LIMITED
Belonging to a Group:	yes
Name of the parent company:	ENDURANCE OVERSEAS SRL
Country of the parent company:	ITALY
Cooperatives register number:	n/a

Financial statements at 31/03/2024

Consolidated Balance Sheet

	March 31st, 2024	March 31st, 2023
Assets		
B) Fixed assets		
I - Intangible assets	-	-
1) start-up and expansion costs	6,664	9,717
2) development costs	3,776,193	3,567,619
3) industrial patent rights and intellectual property rights	533,116	887,284
4) concessions, licences, trademarks and similar rights	772,930	893,411
5) goodwill	4,243,149	5,212,686
6) assets under construction and advance payments	15,400	15,400
7) other	6,664	74,247
Total intangible assets	3,776,193	*10,660,364*

	March 31st, 2024	March 31st, 2023
II - Tangible fixed assets	-	-
1) land and buildings	30,344,449	29,624,129
2) plant and machinery	93,864,204	60,293,314
3) industrial and commercial equipment	2,557,758	1,073,003
4) other assets	486,368	504,266
5) assets under construction and advance payments	17,370,909	15,980,274
Total tangible fixed assets	*144,623,688*	*107,474,986*
III - Financial fixed assets	-	-
1) equity investments in	-	-
d-bis) other companies	3,026	3,026
Total equity investments	*3,026*	*3,026*
2) receivables	-	-
d-bis) from others	62,555	49,423
due within one year	62,555	49,423
due beyond one year	-	-
Total receivables	*62,555*	*49,423*
4) derivative financial instruments assets	78,673	223,572
Total financial fixed assets	*144,254*	*276,021*
Total fixed assets (B)	*154,206,035*	*118,411,371*
C) Current assets		
I - Inventories	-	-
1) raw materials, ancillary materials and consumables	5,925,810	7,616,444
2) work in process and semi-finished products	11,554,063	12,758,445
4) finished products and goods	13,350,492	12,297,180
5) advances	901,298	43,401
Total inventories	*31,731,663*	*32,715,470*
Non current assets held for sale and discontinued operations	-	-
II - Receivables	-	-
1) from customers	16,998,579	24,353,137
due within one year	16,998,579	24,353,137
5) from parent companies	325,304	303,870
due within one year	325,304	303,870
5) from fellow subsidiaries	524,807	355,231
due within one year	524,807	355,231
5-bis) tax receivables	13,639,858	9,983,453

	March 31st, 2024	March 31st, 2023
due within one year	10,086,616	9,932,188
due beyond one year	3,553,242	51,265
5-ter) deferred tax assets	10,088,535	9,479,835
5-quater) due from others	1,746,777	1,569,265
due within one year	1,688,297	1,511,785
due beyond one year	58,480	57,480
Total receivables	*43,323,860*	*46,044,791*
III - Current financial assets	-	-
6) other securities	39,575,899	41,650,949
7) treasury management assets	2,462,221	-
Total current financial assets	*42,038,120*	*41,650,949*
IV - Cash and cash equivalents	-	-
1) bank and postal deposits	52,897,475	25,190,797
3) cash on hand	11,041	10,750
Total cash and cash equivalents	*52,908,516*	*25,201,547*
Total current assets (C)	*170,002,159*	*145,612,757*
D) Prepaid expenses and accrued income	**1,193,262**	**1,065,835**
Total assets	*325,401,456*	*265,089,963*
Liabilities and equity		
A) Quotaholders' equity	**121,401,428**	**112,235,017**
I - Quota capital	16,105,263	16,105,263
II - Share premium reserve	304,737	304,737
II – Revaluation reserve	12,615,118	12,615,118
IV - Legal reserve	2,248,861	1,445,449
VI - Other distinctly indicated reserves	-	-
Extraordinary reserve	2,681,395	2,681,395
Paid-in for loss coverage	2,882,602	2,882,602
Currency translation reserve	(1,183)	357
Consolidation reserve	19,397	19,397
Total other reserves	*5,582,211*	*5,583,751*
VII – Cash Flow Hedge reserve	905,703	2,767,590
VIII - Retained earnings (accumulated losses)	72,609,696	65,452,360
IX - Net income (loss) for the year	11,029,839	7,960,749
Total equity attributable to the Group	121,401,428	112,235,017
Equity pertaining to minorities	-	-

	March 31st, 2024	March 31st, 2023
Total consolidated quotaholder's equity	121,401,428	112,235,017
Total equity	121,401,428	112,235,017
B) Provision for risks and charges		
2) for current and deferred taxation	2,173,061	1,943,470
3) derivative financial instruments	-	943,552
4) Other	3,018,963	3,295,089
Total provisions for risks and charges	*5,192,024*	*6,182,111*
C) Employee termination indemnities	**3,650,361**	**3,863,722**
D) Payables		
4) due to banks	79,144,223	47,916,736
due within one year	27,676,060	19,590,333
due beyond one year	51,468,163	28,326,403
5) Due to other lenders	483,428	1,042,812
due within one year	174,563	1,007,484
due beyond one year	308,865	35,328
6) advances	243,793	352,728
due within one year	243,793	352,728
7) trade payables	89,574,237	70,081,228
due within one year	89,574,237	70,081,228
11) payables due to parent companies	262,629	42,935
due within one year	262,629	42,935
11-bis) due to fellow subsidiaries	38,734	2,785,051
due within one year	38,734	2,785,051
12) taxation payable	1,973,152	2,309,513
due within one year	1,973,152	2,309,513
13) due to pension and social security institutions	3,598,000	3,227,237
due within one year	3,598,000	3,227,237
14) other payables	11,456,993	10,584,449
due within one year	11,456,993	10,584,449
due beyond one year	-	-
Total payables	*186,775,189*	*138,342,689*
E) Accrued expenses and deferred income	**8,382,454**	**4,466,424**
Total liabilities and quotaholders' equity	*325,401,456*	*265,089,963*

Consolidated Income Statement

	Year ended March 31st, 2024	Year ended March 31st, 202
A) Value of production		
1) revenues from sales of goods and services	207,776,761	197,028,119
2) change in inventories of work in progress, semi-finished and finished products	(2,806,661)	(661,580)
4) increases in fixed assets for internal production	1,245,892	1,222,033
5) other income and revenues		-
operating grants	1,898,516	5,915,769
other	3,626,901	4,011,100
Total other income and revenues	*5,525,417*	*9,926,869*
Total value of production	*211,741,409*	*207,515,441*
B) Cost of production		
6) raw and ancillary materials, consumables and goods for resale	88,348,830	89,302,976
7) services	39,254,900	43,545,867
8) lease and rental charges	2,123,825	1,958,750
9) payroll		-
a) wages and salaries	35,275,563	31,103,232
b) social contributions	8,384,188	8,329,930
c) termination indemnities	1,531,448	1,657,421
e) other costs	605,270	711,659
Total payroll costs	*45,796,469*	*41,802,242*
10) depreciation, amortisation and writedowns		-
a) amortisation of intangible fixed assets	2,787,654	3,204,018
b) depreciation of tangible fixed assets	18,024,067	16,824,748
d) writedowns of current receivables and liquid funds	17,316	210,481
Total depreciation, amortisation and writedowns	*20,829,037*	*20,239,247*
11) change in inventory of raw and ancillary materials, consumables and goods	(973,779)	(1,187,549)
14) other operating expenses	2,255,647	1,893,545
Total cost of production	*197,634,929*	*197,555,078*
DIFFERENCE BETWEEN PRODUCTION VALUE AND COST (A - B)	**14,106,480**	**9,960,363**
C) Financial income and charges		
15) income from equity investments	-	-
other	-	257
Total income from equity investments	-	*257*
16) other financial income	-	-

	Year ended March 31st, 2024	Year ended March 31st, 202
a) receivables recorded under fixed assets	-	-
other	-	120,467
Total financial income from receivables recorded under fixed assets	*-*	*120,467*
d) income other than the above	-	-
from fellow subsidiaries	12,480	-
other	1,998,366	590,329
Total income other than the above	*2,010,846*	*590,329*
Total other financial income	*2,010,846*	*710,796*
17) interest and other financial charges	-	-
to parent companies	-	5,514
to fellow subsidiaries	34,213	42,376
other	3,473,885	1,286,190
Total interest and other financial charges	*3,508,098*	*1,334,080*
17-bis) exchange gains and losses	4,981	143
Total financial income and charges (15+16-17+-17-bis)	*(1,492,271)*	*(622,884)*
D) Adjustments to financial assets and liabilities		
18) revaluations	-	-
c) of current financial assets	214,394	-
Total revaluations	*214,394*	*-*
19) writedowns	-	-
c) current financial assets excluding equity investments	185,754	639,963
Total writedowns	*185,754*	*639,963*
Total adjustments to financial assets and liabilities (18-19)	*28,640*	*(639,963)*
Result before taxes (A-B+-C+-D)	**12,642,849**	**8,697,516**
20) Income taxes for the year, current and deferred		
current taxation	1,383,140	932,262
prior year taxation	(99,165)	22,585
deferred taxation	329,040	(170,267)
income (expense) from participation in the tax consolidation regime	(5)	47,813
Total income taxes for the year, current and deferred	*1,613,010*	*736,767*
21) Net income (loss) for the year	**11,029,839**	**7,960,749**
Net income (loss) attributable to the Group	**11,029,839**	**7,960,749**
Net income (loss) attributable to Minorities	**-**	**-**

Consolidated statement of cash flow (indirect method)

	Year ended March 31st, 2024	Year ended March 31st, 2023
A) Cash flows from operating activities (indirect method)		
Net income (loss) for the year	11,029,839	7,960,749
Taxation	1,613,010	736,767
Interest expense/(interest income)	1,492,271	622,884
(Dividends)	-	-
(Gains)/losses from disposal of assets	(272,357)	(27,589)
1) Income (loss) for the year before income taxes, interest, dividends and gains/losses from disposals	*13,862,763*	*9,292,811*
Adjustments for non-cash items that had no counterpart in net working capital		
Provisions	490,751	606,380
Depreciation and amortisation of fixed assets	20,811,721	20,028,766
Impairment losses	(21,403)	(20,689)
Adjustments to financial assets and liabilities of financial derivatives that do not involve monetary movements	(28,640)	639,963
Other adjustments up or (down) for non-cash items	1,701,212	3,338,585
Total adjustments for non-cash items that had no counterpart in net working capital	*19,551,217*	*24,593,005*
2) Cash flow before changes in net working capital	*33,413,980*	*33,885,816*
Change in net working capital		
Decrease/(Increase) in inventory	983,807	(551,813)
Decrease/(Increase) in trade receivables	7,146,232	(7,931,231)
Increase/(Decrease) in trade payables	5,860,641	453,811
Decrease/(Increase) in prepaid expenses and accrued income	(127,427)	(110,755)
Increase/(Decrease) in accrued expenses and deferred income	3,916,030	1,263,962
Other decreases/(Other Increases) in net working capital	(4,785,013)	82,432
Total changes in net working capital	*12,994,270*	*(6,793,594)*
3) Cash flow after changes in net working capital	*46,408,250*	*27,092,221*
Other adjustments		
Interest collected/(paid)	(1,385,165)	(399,494)
(Income taxes paid)	(363,669)	(679,785)
Cashed-in dividends	-	-
(Use of provisions)	(1,665,559)	(1,104,860)
Total other adjustments	(3,414,393)	(2,184,139)
Cash flow from operating activities (A)	***42,993,857***	***24,908,083***
B) Cash flows from investing activities		

	Year ended March 31st, 2024	Year ended March 31st, 2023
Tangible fixed assets		
(Investments)	(44,195,023)	(22,044,000)
Disposals	312,824	349,015
Intangible assets		
(Investments)	(1,565,383)	(1,538,720)
Disposals	-	49,684
Financial fixed assets		
(Investments)	(13,132)	-
Disposals	-	280,057
Current financial assets		
(Investments)	(15,399,296)	(14,410,882)
Disposals	15,012,125	5,085,881
(Acquisition of subsidiaries net of cash and cash equivalents)	-	(5,725,830)
Cash flow from investing activities (B)	***(45,847,885)***	***(37,954,795)***
C) Cash flows from financing activities		
Third-party funds		
Increase/(Decrease) in current bank loans	101,495	(875,041)
New loans	54,882,500	3,000,000
(Repayment of loans)	(24,422,998)	(23,810,029)
Paid-In capital increase	-	-
Cash flow from financing activities (C)	***30,560,997***	***(21,685,071)***
Increase (decrease) in cash and cash equivalents (A ± B ± C)	***27,706,969***	***(18,442,640)***
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	25,190,797	32,610,164
Cash on hand	10,750	6,249
Total cash and cash equivalents at the beginning of the year	25,201,547	32,616,413
Cash and cash equivalents at the end of the year		
Bank and postal deposits	52,897,475	25,190,797
Cash on hand	11,041	10,750
Total cash and cash equivalents at the end of the year	52,908,516	25,201,547
Acquisition or sale of subsidiaries		
Total amounts paid or received	-	(6,456,974)
Significant portion of amounts in cash and cash equivalents	-	(6,456,974)
Cash and cash equivalents acquired or disbursed with subsidiaries acquisition/disposal transactions	-	731,144
Carrying value of assets/liabilities acquired or sold	-	1,691,008

Information on the statement of cash flows

The consolidated statement of cash flows of the Endurance Group (Endurance Overseas S.r.l. and its subsidiaries) for the year is presented on a comparative basis in accordance with OIC 10. This statement was prepared using the indirect method, in order to identify the sources and applications of funds deriving from operating, financing and investing activities.

ENDURANCE OVERSEAS S.R.L.

Head office: VIA DEL BOSCHETTO 2/43 – LOMBARDORE (Turin)
Tax Code and
Turin Companies Register No. 05754620960
Turin Chamber of Commerce No. 1101893
Quota capital: Euro 16,105,263.00 subscribed and fully paid
VAT Number: 05754620960
Management control and coordination: ENDURANCE TECHNOLOGIES LIMITED – India

Explanatory notes

Consolidated financial statements for the year ended 31/03/2024

Introduction to the explanatory notes

To the Quota holders,
These explanatory notes form an integral part of the consolidated financial statements for the year ended March 31st 2024.
The consolidated financial statements of Endurance Overseas S.r.l. (the "Company" or "Parent Company"), which include the Company and its subsidiaries Endurance S.p.A., Endurance Engineering S.r.l., Endurance Castings S.p.A., Endurance Adler S.p.A., Veicoli S.r.l., Frenotecnica S.r.l., New Fren S.r.l. and GDS S.a.r.l. (collectively, the "Group") consist of the balance sheet, the income statement and the statement of cash flows (prepared in conformity with the requirements of arts. 2424 and 2424 bis of the Italian Civil Code (c.c.), arts. 2425 and 2425 bis c.c. and art. 2425 ter c.c.) and these explanatory notes.
The consolidated financial statements for the year ended March 31st 2024 have been prepared in compliance with the Italian Civil Code, as interpreted and supplemented by the accounting standards issued by the OIC (Italian Accounting Board), including those introduced in December 2016, supplemented by amendments published on 29 December 2017, and, if these are unavailable and to the extent not in conflict with Italian Accounting Standards, by those issued by the International Accounting Standards Board (IASB).
In particular, the financial statement items are stated in accordance with the prudence concept and on a going concern basis.
While the general context is still uncertain - impacted by the slowdown in the upward trend of energy utility prices (with reference to which, however, government subsidies have come to an end), by the raising of interest rates, aimed at counteracting inflationary impacts, which have been at extremely significant levels throughout the financial year just ended, as well as the tensions on the markets related to the continuation of the Russian-

Ukrainian and Israeli-Palestinian war conflicts - it is believed that the Group's current liquidity allows us to assess as absent, at present, any indicators that could undermine the Company's ability to operate as a going concern over the next 12 months and to pursue the business development objectives planned for the near future.

Pursuant to art. 2423-bis, para. 1, point 1-bis c.c., items are recognized and presented having regard for the substance of the operations or contracts concerned. In the preparation of the consolidated financial statements, income and expenses have been recorded on an accrual basis, regardless of the timing of collection and expenditure. Contingencies and losses relating to the year are recognized, even if they become known after the reporting date.

The Group's results and financial position at March 31st, 2024 give a true and fair view in compliance with the provisions of Legislative Decree 127/91 (as supplemented by the provisions of Legislative Decree 139/2015); where necessary, supplementary disclosures are provided as required by the 3rd paragraph of art. 29 of this decree.

The explanatory notes set out, in addition to the basis of consolidation, the accounting policies applied in the preparation of the consolidated financial statements, in compliance with relevant civil law. They also list the companies included in and excluded from the consolidation and present a reconciliation of the quota holders' equity of the Parent Company reported in its separate financial statements with the equity reported in the consolidated financial statements.

Furthermore, the consolidated financial statements are accompanied by a Directors' report on the Group's position and the results of its operations.

Information on the composition of the Group

The Group is comprised as follows at March 31st, 2024:

Investee - Name	Held by - Name	Role	Nature of Parent Company control	% of direct control / % of voting rights	consolidation %
ENDURANCE OVERSEAS S.R.L.	-	Parent Company	-	-	-
ENDURANCE SPA	ENDURANCE OVERSEAS S.R.L.	Subsidiary	Direct	100.00	100.00
ENDURANCE ENGINEERING S.R.L.	ENDURANCE OVERSEAS S.R.L.	Subsidiary	Direct	100.00	100.00
ENDURANCE CASTINGS SPA	ENDURANCE OVERSEAS S.R.L.	Subsidiary	Direct	100.00	100.00
ENDURANCE ADLER SPA	ENDURANCE OVERSEAS S.R.L.	Subsidiary	Direct	100.00	100.00
VEICOLI S.R.L.	ENDURANCE OVERSEAS S.R.L.	Subsidiary	Direct	100.00	100.00
FRENOTECNICA S.R.L.	ENDURANCE OVERSEAS S.R.L.	Subsidiary	Direct	100.00	100.00
NEW FREN S.R.L.	ENDURANCE OVERSEAS S.R.L.	Subsidiary	Direct	100.00	100.00
GDS S.A.R.L. (*)	ENDURANCE OVERSEAS S.R.L. NEW FREN S.R.L.	Subsidiary	Direct / Indirect	1.00 99.00	100.00

(*) GDS S.a.r.l. capital is owned – as at 31/03/2024 - 99% by NEW FREN S.r.l. 1% by Endurance Overseas S.r.l.

As compared to the previous year, the consolidation area resulted as unchanged.

All businesses belonging to the Group at the consolidated balance sheet date have been included in the scope of consolidation and the information required by art. 39 of Legislative Decree 127/91 is set out below:

Investee - Name	Head office	Share Capital (in Euro)
Businesses consolidated on a line-by-line basis:		
ENDURANCE SPA	VIA REGIONE POZZO 26 CHIVASSO (TURIN)	5,000,000
ENDURANCE ENGINEERING S.R.L.	STRADA DEL CASCINOTTO 135/A TURIN	100,000
ENDURANCE CASTINGS SPA	CONCA D'ORO 14 - 14/A BIONE (BRESCIA)	900,000
ENDURANCE ADLER SPA	VIA DI VITTORIO 20/22 -- ROVERETO (TN)	840,000
VEICOLI S.R.L.	VIA ARSENALE 33 - TORINO (TO)	500,000
FRENOTECNICA S.R.L.	VIALE CAPRONI, 15 -- ROVERETO (TN)	120,000
NEW FREN S.R.L.	VIA SANDRO PERTINI, 1 -- CIRIE' (TO)	120,000
GDS S.A.R.L. (*)	SOUSSE (TUNISIE)	3,010

(*) GDS S.a.r.l. share Capital – amounting to 140.486 Tunisian Dinar – is expressed in Euro applying the exchange rate in place at the acquisition date.

Basis of preparation and consolidation

Basis of preparation of the consolidated financial statements

It is hereby confirmed that, for the purposes of providing a true and fair presentation of the results and financial position, there were no exceptions to the provisions of Legislative Decree 127/91 (as supplemented by Legislative Decree 139/2015).

The consolidated financial statements for the year ended March 31st, 2024, have been prepared in compliance with the Italian Civil Code, as interpreted and supplemented by the accounting standards issued by the OIC (Italian Accounting Board) and, if these are unavailable and to the extent not in conflict with Italian Accounting Standards, by those issued by the International Accounting Standards Board (IASB).

In preparing the consolidated financial statements, we made use of the Group companies' financial statements for the year ended March 31st, 2023, as prepared by the Boards of Directors and that will be approved by their respective annual general meetings. The balance sheet, the income statement, the statement of cash flows and the accounting disclosures contained in these explanatory notes agree with the books of account of consolidated companies, from which they have been directly prepared.

The financial statements used for the consolidated financial statements have been prepared in accordance with uniform accounting policies, being those applied by the Parent Company for its financial statements.

The consolidated financial statements have been prepared in Euro, as have the detailed tables presented in these explanatory notes (unless specified otherwise). The comments on items state the consolidated amounts in thousands of Euro (unless specified otherwise).

Consolidation principles

Equity investments in subsidiaries have been consolidated on a line-by-line basis.
In the preparation of the consolidated financial statements, all the receivables and payables due from/to businesses included in the consolidation have been eliminated, as well as income and expenses arising from intercompany transactions and gains and losses on intercompany asset transactions.

Accounting policies

The accounting policies applied for the preparation of these financial statements, described below, take account of the amendments, additions and new provisions included in the civil code by Decree 139/2015, which transposed Directive 34/2013/EU into Italian law. In particular, the domestic accounting standards were reformulated by the OIC in the latest version issued on 22 December 2016, inclusive of the amendments published on 29 December 2017.
The accounting policies applied for the measurement of financial statement items and for their adjustment comply with the provisions of the Italian Civil Code and with the indications included in the Italian accounting standards reformulated by the Italian Accounting Board. Pursuant to art. 2427 paragraph 1 no. 1 of the Italian Civil Code, we explain the more significant accounting policies applied in compliance with the provisions of art. 2426 of the Italian Civil Code, particularly for those items for which the legislator permits the use of options for measurement and adjustments or for which no specific accounting policy exists.

Intangible assets

When the established criteria are met, these are recorded at purchase or production cost, inclusive of direct costs and related charges, and amortized systematically each year on a straight-line basis. Intangible assets are recognized with the consent of the Boards of Statutory Auditors of the consolidated companies, where present and when required by law.
Their book value is stated net of accumulated amortization and write-downs.
Amortization is applied starting from the month following the acquisition of the asset as indicated below, in order to allocate the cost over the useful life of the assets:

Intangible assets	Amortization period
Start-up and expansion costs	5 years on a straight-line basis
Development costs	5 years on a straight-line basis
Industrial patent rights and intellectual property rights	3 years on a straight-line basis
Concessions, licenses, trademarks, and similar rights	10 years on a straight-line basis
Goodwill – portion emerging in consolidation – Endurance S.p.A.	10 years on a straight-line basis
Goodwill – portion emerging in consolidation – Endurance Adler S.p.A.	5 years on a straight-line basis
Goodwill – portion emerging in consolidation – Veicoli S.r.l.	5 years on a straight-line basis
Goodwill – portion emerging in consolidation – Frenotecnica S.r.l.	10 years on a straight-line basis
Goodwill – portion emerging in consolidation – New Fren S.r.l.	10 years on a straight-line basis
Other intangible assets (leasehold improvements)	5 years on a straight-line basis

It should be noted that no write-downs of these assets were needed in accordance with paragraph 1.3 of Art. 2426 of the Civil Code.
Any start up and expansion costs are recorded with the consent of the Board of Statutory Auditors. In the event of a distribution of dividends, enough distributable reserves are maintained to cover the unamortized portion of these costs.
Advertising and research costs are expensed in full in the accounting period in which they are incurred.
In exceptional cases in which the useful lives of development costs cannot be estimated reliably, they are in all cases amortized over a period that does not exceed five years. Until these assets are fully amortized, dividends cannot be distributed unless the remaining available reserves are sufficient to cover the unamortized balance.
Concessions, licenses, trademarks and similar rights are amortized on a straight-line basis over the contractual period during which the related rights will be enjoyed.
Goodwill includes the amounts paid for this purpose on the acquisition of companies or other corporate transactions, as well as the differences arising on first-time consolidation between the value of the investments in consolidated companies and the carrying amount of their net assets and is amortized over its useful life.
In order to determine the useful life of the various components of this item, the Group applies the information available in order to estimate the likely duration of its economic benefits. Should the useful life of the various components of goodwill turn out to exceed 10 years, specific analyses are carried out to support the value determined on the basis of the longer useful life, as required by OIC 24.70. If this estimate cannot be made, goodwill is amortized over 10 years.
Leasehold improvements are capitalized and classified as "other intangible assets" if they cannot be separated from the assets concerned (in which case they are recognized in the relevant category of "tangible fixed assets"). They are amortized systematically over the period they are expected to benefit (prudently set at 5 years) or, if shorter, over the residual duration of the lease after taking account of any renewal period available at the discretion of the Group.
Intangible assets are subject to verification of their recoverable amounts in the event of any indication of possible impairment. In the event of any impairment loss existing at the year end, this is reflected in the financial statements by means of a write-down of the asset and a revision of its remaining expected useful life. The lower carrying amount, should the reasons for the write-down cease to exist, may be written back to the carrying amount that the asset would have had if it had not been subjected to write-down.
Pursuant and consequent to art. 10 of Law 72 of 19 March 1983 and subsequent laws on the revaluation of assets, we confirm that the intangible assets reported in the financial statements have never been revalued.

Tangible fixed assets

These are recorded at purchase or internal construction cost and stated net of the depreciation charged in the current and prior years. Costs comprise related charges and the direct and indirect expenses that can reasonably be allocated to assets during the construction period and until they become available for use. They also include any borrowing costs incurred to finance the construction work (whether internal or carried out by third parties) until the asset becomes available for use, without however exceeding its recoverable value. Tangible fixed assets are only revalued if this is required or allowed by special laws.

Assets purchased in foreign currencies are recorded at cost using the exchange rate in force on the transaction date, or using the lower rate applying on the reporting date if the reduction is deemed to be permanent.
Tangible fixed assets are depreciated systematically each year on a straight-line basis using the following rates:

Tangible fixed asset items	Depreciation rate
Buildings	3% - 5%
Temporary constructions	10%
General plant	7.5% - 10%
Automatic machines	10%
Sundry and minor equipment	25%
Foundry equipment	40%
Mechanical equipment	40%
Furniture and furnishings	12%
Electronic office machines	20%
Motor cars	25%
Transport vehicles	20%
Internal transport vehicles	20%

When fixed assets enter into service during the year, their depreciation commences on a time-apportioned basis from the month after the one in which they become available and ready for use in the year of acquisition.
Depreciation is also charged on fixed assets that are temporarily out of use. Land is not depreciated, as its useful life is not finite.
If applicable, buildings held as a financial investment are not depreciated if their residual value is greater than or equal to their net carrying amount.
If permanent impairment is identified regardless of the depreciation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs.
Routine maintenance and repair costs are charged in full to the income statement. Improvement costs are allocated to the fixed assets concerned and depreciated over their residual useful lives.
Costs incurred to expand, modernize, or improve the structural elements of a tangible fixed asset are capitalized if they significantly and measurably increase its productive capacity, safety or useful life. If the costs concerned do not have the above effect, they are treated as routine maintenance and charged to the income statement.
Grants are recognized when it becomes reasonably certain that the conditions for their collection will be satisfied and the grants will be paid. They are deducted from cost indirectly, as they are credited to income statement caption A5 "other income and revenues" and then deferred for recognition on an accrual basis via classification as "deferred income".
Finance leases are accounted for in accordance with IAS 17.

Impairment (tangible and intangible fixed assets)

At each reporting date, the Group determines if there is any evidence that the value of its tangible and intangible fixed assets might be impaired. If such evidence is found, the Group estimates the recoverable value of each asset concerned and records an impairment write-down if it is lower than the corresponding net carrying amount.
Recoverable value is not determined if there is no evidence of possible impairment.
The recoverable value of tangible and intangible fixed assets is deemed to be their value in use (calculated by discounting their future cash flows) or, if greater, their fair value (being the amount obtainable at the reporting date, based on the best available information, from their sale in an arm's-length transaction between knowledgeable and willing parties, net of the related selling costs).
Regarding the above, the Group has looked for evidence that the value of its tangible and intangible fixed assets might be impaired, but did not find any and, accordingly, has not determined the recoverable value of the above assets.

Financial fixed assets

The equity investments and debt securities classified as financial fixed assets will be held by the Group over the long term.
Equity investments are measured at cost, as adjusted for any impairment. The cost recorded in the financial statements is determined with reference to purchase or subscription price, inclusive of related expenses. If lasting impairment is identified, the carrying amount of equity investments is reduced to their recoverable value, which is determined with reference to the future benefits that are expected to accrue to the Company. Should the Group be obliged or intend to cover the (non-permanent) losses incurred by an equity investment, a suitable provision is recorded to cover the liability to which the Group is exposed. If in future years the reasons for the write-down cease to apply, the equity investment is written back to its original carrying amount.

Inventories

Inventories are stated at the lower of purchase and/or production cost, determined using the weighted average cost method, or the realizable value inferred from market prices.
In particular, the specific criteria used to measure the various categories of inventory (unchanged with respect to the prior year) are summarized below:

- Raw materials: annual weighted average cost (including components purchased from third parties and alloys).
- Work in process (semi-finished products): manufacturing cost based on the stage of completion of the production process, being the cost of production.
- Finished products: manufacturing cost.
- Dies and tooling for resale: purchase cost.
- Consumables: purchase cost, inclusive of spare parts.

Purchase cost includes any directly attributable ancillary charges, with the exclusion of borrowing costs. Production cost includes the indirect costs that are reasonably attributable to each asset during the production period until it becomes available for use.

The realizable value of goods, finished products, semi-finished products and work in process inferred from market conditions is deemed to be their net realizable value. Raw and ancillary materials held for the production of finished products are not written down if the finished products in which they will be used are realizable for an amount that is greater than or equal to their production cost.
Inventories are written down when their realizable value estimated with reference to market conditions is lower than their carrying amount. Obsolete and slow-moving inventories are written down with reference to their possible uses or realizable value. If in future years the reasons for any write-down cease to apply, the related inventories are written back to not more than their original cost.

Receivables

Receivables are stated at amortized cost, having regard for the time factor and their estimated realizable value. The amortized cost method is not applied when its effects are insignificant, being when the transaction costs, the commissions paid between the parties and all other difference between initial value and maturity value are immaterial or when the receivables are recoverable in the short term (within 12 months).
Trade receivables due beyond 12 months at the time of initial recognition, without the payment of interest or with interest that differs significantly from market rates, and the related revenues are recognized initially at the value of their future cash flows discounted using the market rate (being that applied by two independent parties when negotiating a loan transaction with similar terms and conditions). The difference between the amount of the receivable recognized initially and its maturity value is recognized as financial income in the income statement over the duration of the receivable, using the effective interest method.
The amount of receivables, as determined above, is adjusted, when necessary, by a specific allowance for doubtful accounts, which is deducted directly from their gross amount in order to report them at their estimated realizable value. The provision (which takes account of collection losses, returns and invoicing adjustments, discounts and allowances, interest not yet earned and other reasons for reduced recoverability) is charged to the income statement.
Receivables assigned to factors are only derecognized if they are sold without recourse and essentially all the related risks are transferred (the difference between the consideration received on the assignment and the carrying amount of the receivable is recognized in income statement caption C17). If the assignment does not involve de-recognition (for example, assignment with recourse), since not all the related risks are transferred, the receivable continues to be reported in the balance sheet and is measured in the manner described above. If advance consideration is received from the assignee, the amount is recognized as a financial payable.
Receivables in the form of bank collection notices (so called “Ri.Ba.”) that have not been assigned remain classified as receivables until final collection of the amounts concerned.
Receivables deriving from centralized treasury management activities are classified separately within current assets, if recoverable in the short term. If this is not the case, they are classified as financial fixed assets.

Equity investments and securities not held as fixed assets

This caption comprises the equity investments and debt securities that will not be held over the long term. They are recorded at specific cost or, if lower, at their market value that, for listed investments, is determined with reference to their market price on the reporting date.
These equity investments are written down to their realizable value case by case, rather than on an overall basis. If the reasons for any adjustments cease to apply, in whole or in part, the adjustments are reversed with exceeding original cost.

Cash and cash equivalents

Cash and cash equivalents at the reporting date are measured at their nominal value. Amounts denominated in foreign currencies are measured using the closing exchange rates.

Accruals and deferrals

Accruals and deferrals comprise costs and revenues relating to the year that will be formally recorded in future years, and costs and revenues recorded by the reporting date that relate to future years. The related amounts are determined on a time-apportioned basis.

Provisions for risks and charges

The provisions for risks and charges cover known or likely losses or liabilities, the timing or extent of which cannot be determined at the reporting date. These provisions, including those for deferred tax liabilities, which are classified in this caption, reflect the best possible estimates based on the information available. Risk that only might give rise to a liability are described in the notes on the provisions, without actually recording a provision. As required by OIC 31, new provisions for risks and charges are, where possible, classified in the relevant income statement classes (B, C or D). Whenever it is not possible to correlate a new provision with a caption in one of the above classes, it is classified in income statement caption B12 or B13.

Employee termination indemnities

Employee termination indemnities represent the total amount that would have been payable to all employees had they terminated their employment on the reporting date. The charge for the year, comprising the new provision and the revaluation of the accumulated provision (based on the change in the relevant ISTAT index), is determined in accordance with current regulations, having regard for the specific employment contracts and the professional categories concerned. Employee termination indemnities are classified in liability caption C, while the provision for the year is classified in income statement caption B9.
The changes made to the regulations governing termination indemnities by Law 296 dated 27 December 2006 (2007 Finance Law) and subsequent decrees and enabling regulations, amended the accounting for the indemnities earned by 31 December 2006 and those earned from 1 January 2007. Following creation of the INPS Treasury Fund to manage the termination indemnities of private sector employees pursuant to article 2120 of the Civil Code,

employers with more than 50 employees are obliged to pay the new provisions relating to them into the Treasury Fund, unless the persons concerned have specifically opted for their indemnities to be paid to a supplementary pension fund. The employee termination indemnities reported in the balance sheet are therefore stated net of the amounts paid to the INPS Treasury Fund.

Payables

Payables are stated at amortized cost, as defined in art. 2426, para. 2 c.c., having regard for the time factor envisaged in art. 2426, para. 1, point 8 c.c.. Payables are however stated at their nominal amount if application of the amortization cost and/or discounting methods would not be significant for the purpose of providing a true and fair view of the financial position and results of operations. This situation arises in the case of payables due within twelve months or, regarding the amortized cost method, if the transaction costs, commissions and all other differences between the initial value and the maturity value are insignificant or, again, with regard to the discounting method, if the interest rate inherent in the contractual conditions is not significantly different to the market rate of interest.

The amounts due to employees for unused holidays and deferred payroll, including the related social security contributions, are accrued with reference to the amount that would have been payable had their employment ceased on the reporting date.

Derivative financial instruments

Derivative financial instruments consist of financial assets and liabilities measured at fair value.

They are only classified as hedging instruments when, at the time of arrangement, there is a strict, documented correlation between the characteristics of the hedged item and those of the hedging instrument, and that hedging relationship is both formally documented and based on periodic checks, highly effective.

When derivatives hedge the risk of changes in the fair value of the hedged instruments (fair value hedges), they are measured at fair value through profit or loss; for consistency, the carrying amounts of the hedged items are adjusted to reflect the changes in fair value associated with the hedged risk.

When derivatives hedge the risk of changes in the future cash flows generated by the hedged instruments (cash flow hedges), the effective portion of the profit or loss on the derivative is deferred to equity. The ineffective portion of the profits and losses associated with a hedge is recognized in the income statement. On completion of the transaction, the accumulated profits and losses, previously deferred to equity, are released to the income statement (to adjust the income statement items affected by the hedged cash flows).

When hedge accounting is used, the changes in the related fair value of the hedging derivatives are recognized:

- in income statement captions D18 or D19, in the case of a fair value hedge of a reported asset or liability, together with the changes in the fair value of the hedged items (if the change in the fair value of the hedged item is greater in absolute terms than the change in the fair value of the hedging instrument, the difference is recognized in the income statement caption affected by the hedged item);
- in a specific equity reserve (caption AVII "Reserve for cash flow hedges") in a manner that offset the effects of the hedged flows (the ineffective portion, like the change in the time value of options and forwards, is classified in captions D18 and D19).

The changes in the fair value of financial instruments that are classified as trading derivatives, either because they do not qualify for treatment as hedging derivatives or because they were not designated as hedges, even though they were arranged operationally to hedge the risk of changes in interest rates and/or exchange rates and/or commodity prices, are recorded in the balance sheet and recognized in income statement captions D18 or D19.
Any derivatives embedded in other financial instruments must also be measured at fair value. In particular, embedded instruments are only separated from the primary contract and recognized as derivative financial instruments if, and only if:

a) the economic characteristics and risks of the embedded derivative are not closely correlated with the economic characteristics and risks of the primary contract. Close correlation exists if hybrid contracts are arranged in accordance with market practice;
b) all the elements included in the definition of a derivative financial instrument specified in OIC 32.11 are satisfied.

Revenues

Revenues from the sale of goods are recognized when ownership passes in substance, rather than in formal terms, being when the related risks and benefits are transferred (which in practice coincides with the time of delivery or shipment of the goods).
Revenues from the sale of products and goods or the provision of services relating to core operations (including income from the sale of production machinery and equipment, if envisaged under contractual agreements with customers) are recognized net of returns, discounts, allowances, and rebates, as well as the taxes directly associated with the sale of products and the provision of services.
Revenues from services are recognized upon completion and/or when earned.
Transactions with related parties take place on normal market terms and conditions.

Costs

Costs stated net of returns, discounts, allowances and rebates are recognized on an accruals basis in accordance with the matching principle, regardless of the date of collection or payment. Compliance with the matching principle requires an estimate to be made of the invoices to be received.

Dividends

Dividends are recognized in the year in which they are declared by the annual general meeting. Dividends are recognized as financial income, regardless of the nature of the reserves that are distributed.

Financial income and charges

Financial income and charges are recognized on an accrual’s basis. Costs relating to the disposal of receivables for whatever reason are charged to the income statement on an accrual’s basis.

Income taxes

Income taxes are recognized with reference to an estimate of taxable income in compliance with current regulations, having regard for any applicable exemptions and tax credits.

Deferred tax assets and liabilities are calculated on the temporary differences between the reported carrying amount of assets and liabilities and their corresponding values for tax purposes. Their measurement takes account of the tax rates expected to be in force in the year in which such differences contribute to the formation of taxable income, being the rates in force or already communicated at the reporting date (24% for IRES and 3.9% for IRAP). They are classified respectively among the current assets as "deferred tax assets" and among the provisions for risks and charges as "deferred tax liabilities".

In accordance with the concept of prudence, deferred tax assets are recognized on all deductible temporary differences if it is reasonably certain that taxable income in the years in which they reverse will not be less than the amount of the differences to be absorbed.

By contrast, deferred tax liabilities are recognized on all taxable temporary differences.

Deferred tax liabilities are not recognized in relation to reserves subject to the deferral of taxation if they are unlikely to be distributed to the quota holder.

It should be noted that the domestic tax group contract of the Endurance Group pursuant to arts. 117/129 of the Consolidated Income Tax Code (TUIR) is still valid, having begun in 2015. Its members include the Parent Company, as the consolidating company, and the subsidiaries Endurance S.p.A., Endurance Engineering S.r.l., Endurance Castings S.p.A. and Endurance Adler S.p.A., whereas Veicoli S.r.l., Frenotecnica S.r.l. e New Fren S.r.l. are not included.

Translation of foreign currency items

Non-monetary assets and liabilities originally denominated in foreign currencies are recognized in the balance sheet using the exchange rates applying at the time of their acquisition, being their initial recognition cost.

Monetary assets and liabilities originally denominated in foreign currencies are recognized in the balance sheet using the spot exchange rates applying on the reporting date; the related exchange gains and losses are recognized in the income statement and any net unrealized gains are allocated to a non-distributable reserve until they have been realized.

Consolidated explanatory notes – Consolidated assets

The following tables detail significant changes in the assets reported in the balance sheet.

Intangible assets

After having charged amortization for the year of Euro 2,788 thousand, the balance of intangible assets is Euro 9,438 thousand.

The following table analyses intangible assets and the changes during 2022/2023:

	Start-up and expansion costs	Develop-ment costs	Industrial patent rights and intellect-tual property rights	Conces-sions, licences, trademarks and similar rights	Goodwill	Other intangible assets	Assets in process of formation and advance payments	Total intangible assets
Balance at the beginning of the year								
Cost	122,635	9,608,356	3,886,716	1,674,638	30,204,897	3,605,671	15,400	49,118,313
Accumulated amortization	112,918	6,040,737	2,999,432	781,227	24,380,855	3,531,424	-	37,846,593
Write-downs	-	-	-	-	611,356	-	-	611,356
Carrying amount	**9,717**	**3,567,619**	**887,284**	**893,411**	**5,212,686**	**74,247**	**15,400**	**10,660,364**
Changes during the year								
Additions	-	1,439,201	87,907	4,714	-	16,451	-	1,548,273
Amortization for the year	3,053	1,230,627	442,063	125,195	969,537	17,179	-	2,787,654
Other changes	-	-	(12)	-	-	17,122	-	17,110
Total changes	*(3,053)*	*208,574*	*(354,168)*	*(120,481)*	*(969,537)*	*16,394*	*-*	*(1,222,271)*
Carrying amount at the end of the year								
Cost	122,635	11,047,557	3,974,597	1,679,352	30,204,897	3,622,122	15,400	50,666,560
Accumulated amortisation	115,971	7,271,364	3,441,481	906,422	25,350,392	3,531,481	-	40,617,111
Write-downs	-	-	-	-	611,356	-	-	611,356
Carrying amount	**6,664**	**3,776,193**	**533,116**	**772,930**	**4,243,149**	**90,641**	**15,400**	**9,438,093**

The item "Development costs" includes the capitalization of the costs incurred during the year in relation to the activities carried out by the Group for the development of new products and improved and innovative process implementations, carried out in the context of the activities of the technical and industrialization departments, also as part of the research and development projects in which the Group companies participate.

The item " Industrial patent rights and intellectual property rights" mainly includes the value of patents owned by Endurance Adler S.p.A., including the value recognized to them at the time of acquisition in the previous fiscal year, related to the development of technologies put in place by the company.

The item " Concessions, licenses, trademarks and similar rights" mainly includes the value associated with the "Grimeca" trademark acquired 2020, in the context of the transaction of entry of the business of Endurance Adler S.p.A. into the Group's scope of operations.

Goodwill at March 31st, 2024 includes:

- the residual value (Euro 134 thousand, net of amortization) of the consolidation difference that emerged during the previous year due to the first consolidation of Endurance Adler S.p.A.;
- the residual value (Euro 297 thousand, net of amortization) of the consolidation difference emerged during the previous year, at first consolidation date of Veicoli S.r.l.;
- the residual value (Euro 3,800 thousand, net of amortization) of the consolidation difference emerged during the current year, at first consolidation date of Frenotecnica S.r.l.;
- the residual value (Euro 12 thousand, net of amortization) of the consolidation difference emerged during the current year, at first consolidation date of New Fren S.r.l.

The recoverability of the goodwill, which is amortized on the basis indicated above, is checked annually using the Discounted Cash Flows ("DCF") method. Group management has prepared economic-financial five-year forecasts for the individual companies, which indicate positive results over that period. Accordingly, the resulting assessment confirmed that that fair value of the Group's assets (both for Goodwill and other net assets) exceeds their corresponding carrying amounts.

Other intangible assets mainly include leasehold improvements (to rented buildings, in particular).

With specific reference to the assessment of impairment indicators resulting from the health emergency, also in response to the Group's request, the Directors carried out a careful analysis of projected cash flows (as indicated, with specific reference to Goodwill) and, based on currently available information, concluded that the value of fixed assets as of March 31st, 2023 is recoverable through future cash flows and, consequently, it was not necessary to carry out any write-downs pursuant to art. 2426, paragraph 1, no. 3 of the Italian Civil Code.

Tangible fixed assets

Tangible fixed assets, net of accumulated depreciation of Euro 18,024 thousand, total Euro 144,624 thousand compared with Euro 107,475 thousand in the prior year.

Land and buildings include the value of land and buildings relating to the Group's production sites, located in Lombardore, Chivasso, Grugliasco and Ciriè (Turin province), in Bione (Brescia province) and Rovereto (Trento province), including the structures used by Group companies under current finance lease contracts (for a net amount of Euro 1 million at March 31st, 2024).

Plant and machinery and commercial and industrial equipment include all of the assets used by Group companies in the production of components made of non-ferrous metals (mainly aluminium) and plastic: these are infrastructures used in pressure die casting (melting furnaces, die casting islands), as well as robotized lines and islands used for machining both metal and plastic parts. This item also includes plant and machinery used under finance lease contracts entered into by Group companies (for a total of Euro 0.7 million at March 31st, 2024).

The item "Assets under construction and advances" includes the value of advances paid to suppliers for the purchase, in particular, of plant and machinery and the value of assets purchased but awaiting approval for use in production. The amount posted during the year relates to down payments made to primary suppliers of production systems and installation of die-casting islands and mechanical processing lines in connection with projects to expand production capacity.

The following table analyses tangible fixed assets and the changes during the year:

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Assets under construction and advance payments	Total tangible fixed assets
Balance at the beginning of the year						
Cost	55,014,786	202,352,148	30,756,518	5,076,801	15,980,274	309,180,527
Revaluations	-	9,342,485	-	7,200	-	9,349,685
Depreciation (Accumulated depreciation)	24,518,819	149,587,301	29,597,296	4,579,666	-	208,283,082
Write-downs	871,838	1,814,018	86,219	69	-	2,772,144
Carrying amount	**29,624,129**	**60,293,314**	**1,073,003**	**504,266**	**15,980,274**	**107,474,986**
Changes during the year						
Additions	2,554,196	12,231,090	2,129,588	190,590	38,088,135	55,193,599
Depreciation for the year	1,833,876	15,345,893	644,821	199,477	-	18,024,067
Reclassifications (of the carrying amount)	-	36,697,500	-	-	(36,697,500)	-
Disposals (carrying amount)	-	31,484	6	8,977	-	40,467
Other changes	-	(1,726)	(6)	(34)	-	(1,766)
Write-downs	-	(21,403)	-	-	-	(21,403)
Total changes	*720,320*	*33,549,487*	*1,484,755*	*(17,898)*	*1,390,635*	*37,148,702*
Carrying amount at the end of the year						
Cost	57,568,982	248,579,375	32,886,016	5,233,645	17,370,909	361,638,927
Revaluations	-	9,342,485	-	7,200	-	9,349,685
Depreciation (Accumulated depreciation)	26,352,695	162,263,315	30,242,033	4,754,374	-	223,612,417
Write-downs	871,838	1,794,341	86,225	103	-	2,752,507
Carrying amount	**30,344,449**	**93,864,204**	**2,557,758**	**486,368**	**17,370,909**	**144,623,688**

The main additions of the period refer to:

- Land and buildings: the increases (Euro 2.5 million) manly referred to to costs incurred for the construction and equipping of a new industrial building of about 4,500 square metres at the Chivasso (TO) site, for the purpose of redesigning production areas, to support the definition of the best layouts to be dedicated to increases in production capacity related to projects underway and future projects, in relation to new orders acquired by the Group;
- Plant and machinery (for a total of Euro 52.0 million, including reclassifications of advances and assets under construction at the end of the previous year) regarded the installation and modernization of die-casting plants and mechanical processing islands (machinery, automation and control devices) mainly for the following purposes:
  - In the field of machining activity (for about Euro 40.0 million), increases in production capacity related to existing and newly acquired projects for customers Volkswagen/AUDI (AUDI Oil Modules, VW Deckel, VW Adapter, Motorkonsole in particular) and Stellantis (mainly concerning Transmission housing Punch Powertrain, Ducato 2.2) and BMW, largely carried out in the context of projects for automation and interconnection of production systems with a view to Industry 4.0 (in continuity with that carried out in previous years);
  - With reference to die-casting activities, capital expenditures of about Euro 4.0 million were made to update the production equipment of the foundry in Chivasso (TO) – with introduction of 2 new die casting complete stations - and Bione (BS) – one additional complete station;
  - Lastly, investments related to the start-up of the installation of photovoltaic equipment at the Group's different production sites (for a total amount of approximately Euro 3.5 million)

- With regard to industrial and commercial equipment, the increases recorded (approximately Euro 2.1 million) refer to the purchase of equipment for the projects described above, as well as for other production lines, and the replacement and extension of equipment for the mechanical processing islands of existing products.

Assets under construction and advance payments as of March 31st, 2024 refer to advances paid and costs for investments in progress, mainly referred to the most recently acquired projects – as previously indicated - referred to customers VW/AUDI (for Euro 9.4 million, in particular for Lagerschild and Deckel projects), Stellantis (for a total amount of 6.6 million dedicated to Punch project capacity increase and Ducato), made by Endurance S.p.A., as well as additional costs for the preparation of production facilities of the other Group companies.

It should be noted that no write-downs were deemed necessary pursuant to Article 2426, paragraph 1, no. 3 of the Italian Civil Code. With specific reference to the assessment of the impairment indicators resulting from the pandemic emergency, also in response to the requirements of the Group, the Directors carried out a careful analysis of the prospective cash flows and, based on the information currently available, concluded that the value of fixed assets as of March 31st, 2024, is recoverable through future cash flows.

In addition, based on the evidence of acceleration of the phase-out process of certain products emerging from the most recent evidences coming from the customers, as well as on the revision of the degree of use of specific plants, the Group has revised the useful life of certain assets (in particular plant and machinery specifically dedicated to the production of the mentioned products), reducing their residual life in a manner consistent with the estimates coming from the most updated information available, with a related impact on depreciation for the period.

Revaluations of tangible fixed assets

Pursuant to Art. 10 of Law No. 72 of 19 March 1983 and subsequent laws on revaluations of assets, it should be noted that certain assets (owned by Endurance S.p.A.) still included in the balance sheet have been revalued, the effect of which (in terms of gross revaluation value) is shown below:

Law	Category	Amount
Law No. 342/2000	Industrial and commercial equipment	106,463
Law No. 266/2005	Specific machineries and furnaces	438,412
Law No. 266/2005	Transport vehicles	7,200
Law No. 126/2020	Specific machineries	8,904,073

These revaluations have been made by increasing specific equity reserves, which cannot be distributed until such reserves have been reintegrated or reduced accordingly by resolution of an Extraordinary General Meeting (art. 6 of Law 72/83 and subsequent revaluation laws).

Financial fixed assets

This item is summarized in the following table:

Details	Amount at 31/03/2023	Additions / Increases	Write-downs / Decreases	Amount at 31/03/2024
Equity investments in other companies	3,026	-	-	3,026
Receivables from others	49,423	13,132	-	62,555
Derivative financial instruments	223,572	-	(144,899)	78,673
Total	**276,021**	**13,132**	**(144,899)**	**144,254**

The equity investments recorded in the financial statements refer to:

- shares held in Brescia Export (Euro 1,300), Eurofidi in Banca Intesa (Euro 250), Confartigianato Fidi Piemonte e Nord Ovest S.C.p.A. (Euro 155) and in Unionfidi Piemonte S.C. (Euro 129);
- shares in the Conai consortium (Euro 44), in AQM S.r.l. (Euro 516) and the residual in other equity investments.

The Group holds also an equity investment in the CONSAF training consortium in the amount of Euro 258, which has been fully written down as of the balance sheet date and that the investment held in Banca di Credito Valsabbia (Euro 2,442) was sold during the year.

Long-term financial receivables as of March 31st, 2024 include guarantee deposits paid to suppliers for various reasons.

The item "Derivative financial instruments receivable" includes the positive balance represented by the positive fair value (Euro 79 thousand) of derivative contracts, designated as hedging instruments of highly probable transactions, held by the Group as of March 31st, 2024 . In particular, these are interest rate swap contracts entered into in previous years, with the purpose of mitigating the risk of fluctuations in variable interest rates underlying some of the loan contracts in place. Described contracts are accounted for in accordance with the cash flow hedge principle. The fair value expressed in the financial statements is based on mark-to-market valuations made available by the leading financial institutions with which the instruments are underwritten.

Inventories

Set out below are details of inventory at 31/03/2024, together with prior year end comparatives:

Description	31/03/2024	31/03/2022	Change	Change %
Raw materials, ancillary materials, and consumables	5,925,810	7,616,444	(1,690,634)	-22%
Work in process and semi-finished products	11,554,063	12,758,445	(1,204,382)	-9%
Finished products and goods	13,350,492	12,297,180	1,053,312	9%
Advances	901,298	43,401	857,897	1977%
Total	**31,731,663**	**32,715,470**	**(983,807)**	**-3%**

Inventories are recorded in the financial statements as at March 31st, 2024, net of an allowance for inventory write-downs, totalling Euro 8,270 thousand, increased by Euro 900 thousand during the current financial year, allocated to take into account obsolete or slow-moving inventories mainly attributable to phase-out products based on the production trends of models affected by the updates of emission regulations.

The decrease recorded as compared to the previous year's figure is related to the combined effect of the decrease in the value of the principal raw material (aluminium alloy) recorded in the 2023/2024 financial year, as compared to the trend recorded in the previous year, as well as the trend of customers' production absorption, which, if compared to the previous year (which was more impacted by the current critical situation on international markets, aggravated by the geopolitical turbulences and the crises of the procurement channels of the automotive supply chains), recorded a recovery in terms of both volumes and regularity, although in a market context characterised by the continuation of critical issues in terms of availability of materials and components and price fluctuations (despite the relative normalisation of trends in energy factors).

Receivables

Set out below are details of receivables at March 31st, 2024 , with comparative prior year end amounts:

Description	31/03/2024 within 1 year	31/03/2024 beyond 1 year	31/03/2024 Total	31/03/2023	Change	Change %
Trade receivables	16.998.579	-	16.998.579	24.353.137	(7.354.558)	-30%
Receivables due from parent companies	325.304	-	325.304	303.870	21.434	7%
Receivables due from fellow subsidiaries	524.807	-	524.807	355.231	169.576	48%
Tax receivables	10.086.616	3.553.242	13.639.858	9.983.453	3.656.405	37%
Deferred tax assets	10.088.535	-	10.088.535	9.479.835	608.700	6%
Other receivables	1.688.297	58.480	1.746.777	1.569.265	177.512	11%
Total	**39.712.138**	**3.611.722**	**43.323.860**	**46.044.791**	**(2.720.931)**	**-6%**

The nominal amount of trade receivables is adjusted to reflect their expected realizable value by the allowance for doubtful accounts of Euro 960 thousand, which increased by Euro 16 thousand as compared to prior year.

Trade Receivable (Euro 16,999 thousand as of March 31st, 2024, compared to Euro 24,353 thousand as of March 31st, 2022)) recorded an decrease over the previous year of € 7,354 thousand, by the different trend in collections compared to the previous year (which had recorded the postponement of certain deadlines of 31/03/2023 to the following weeks), in the context of a sales trend in the last period of the year comparable with that recorded in the corresponding period of previous year.

Receivables from parent companies (Euro 325 thousand as at March 31st, 2024) refer to commercial transactions with the Indian parent company Endurance Technologies Limited.

The amounts due from fellow subsidiaries (Euro 525 thousand at March 31st, 2024, recording an increase during the year) are related to commercial transactions, deriving mostly from the commercial transactions – basically related to the supply die casted parts – with Endurance Amman GmbH (owned by Endurance Technologies Limited, or "ETL", the parent of the Group).

Tax receivables (Euro 13,640 thousand at March 31st, 2024, up by Euro 3,656 thousand as compared to March 31st, 2023) mainly comprise IRES and IRAP tax credits representing the excess of advances over the related payables by Euro 2,683 thousand and Euro 324 thousand respectively, VAT receivables totalling Euro 3,698 thousand, the residual value of tax credits linked to R&D activities and investments in tangible fixed assets (for a total of Euro 5,871 thousand), those related to credits recognized pursuant to the provisions of Italian Legislative Decree No. 4 of 2022 et seq. (Euro 429 thousand), those accrued for withholding taxes on foreign-produced income (Euro 523 thousand), and to other tax receivables. All outstanding tax receivables have counterparts in the Italian State Treasury.

Deferred tax assets (Euro 10,089 thousand as of March 31st, 2024, increased by Euro 609 thousand as compared to previous year) refer to deductible temporary differences relating, in particular, to the statutory and tax value of tangible fixed assets (due to different depreciation rates applied) and provisions with deferred deductibility, as well as deferred tax assets posted during the year on the tax losses incurred by Group companies. In particular, with regard to deferred tax assets related to tax-losses, the accumulation of negative taxable income is the combined effect of the reduction in taxable income related to volume trends (impacted by both the effects of the continuing pandemic and the criticality of industrial sector supply chains, as well as energy cost trends) and the effect of the tax benefits obtained, particularly with reference to the extra-deductions related to the discipline of investment in high-tech tangible and intangible assets (so-called "super-amortization" and "hyper-amortization") connected to Industry 4.0 discipline.

Such deferred tax assets have been recorded in the financial statements considering their probable future recovery, taking into account future taxable income determined on the basis of results consistent with management's most up-to-date estimates.

Current financial assets

Set out below are details of the item at March 31st, 2024, together with comparative prior year end amounts:

Description	31/03/2024	31/03/2023	Change	Change %
Other securities	52,897,475	25,190,797	27,706,678	110%
Treasury management assets	11,041	10,750	291	3%
Total	**52,908,516**	**25,201,547**	**27,706,969**	**110%**

The item Other securities (Euro 39,576 thousand as at March 31st, 2024, down by Euro 2,075 thousand compared to the previous year) includes the amounts destined by the Group for non-durable investments, carried out as part of the policy of available liquidity utilization. These include in particular:

- insurance policies and investment fund units primarily including investments in insurance products (totalling Euro 9,000 thousand)
- European and US bonds (amounting to Euro 24,863 thousand); and
- units of funds with investments in collateralized promissory notes and units in alternative multi-compartment investment funds aimed at asset management (for a total of Euro 5,713 thousand).

These instruments, mainly purchased during the previous year, resulted in income (as reversal of prior years adjustment) amounting to Euro 28 thousand. In compliance with the prudence principle, potential capital gains were not recorded. It should be pointed out that, for the portion relating to securities denominated in USD (for a countervalue of Euro 6,568), the investment is subject to exchange rate risk since it was not deemed necessary to activate specific hedging instruments.

Treasury Management assets (Euro 2,462 thousand) refer to the positive balance of the active cash pooling agreements towards the fellow subsidiary Endurance Gmbh.

Cash and cash equivalents

Set out below are details of the item at March 31st, 2024 together with comparative prior year end amounts:

Description	31/03/2023	31/03/2022	Change	Change %
Bank and postal deposits	52,897,475	25,190,797	27,706,678	110%
Cash on hand	11,041	10,750	291	3%
Total	**52,908,516**	**25,201,547**	**27,706,969**	**110%**

This item principally comprises the balance on bank current accounts at March 31st, 2023.

The increasing trend in the item should be read in conjunction with the change that occurred in the item related to "Current financial assets," in which the accumulated cash investments of the Group are included. The overall increase (Euro 28,094 thousand) was determined by the significant investments in tangible and intangible fixed assets made during the year (Euro 45.8 million), as well as by the combined effect of repayments of debts to banks and other lenders (totalling Euro 24.3 million) based on contractual provisions of existing contracts, net of new agreements cash-in (Euro 54.9 million), and of the cash generated from operations (amounting to Euro 43.0 million).
These trends, despite the market being subject to fluctuations during the year, confirm the Group's strategies aimed at a treasury management oriented at maintaining a high level of liquidity (further strengthened as a result of the provision of liquidity planned for the months following March 31st 2024), with the objective of guaranteeing the Group the availability of resources to support its growth and investment strategies, as well as to ensure the sources of liquidity necessary to face the possible continuation of irregular trends in the continental economy, taking into account the turbulence linked to the inflationary phenomena underway (and the related effect on capital market conditions), as well as market criticalities in terms of availability and price of productive resources (also in the uncertainty of the future preservation of the current prices of energy commodities) up to the consequences of the still unresolved continental geo-political instability.
See the statement of consolidated cash flows for more complete details of the operating and financial cash flows that have funded the Group's investment activities.

Prepaid expenses and accrued income

Prepaid expenses and accrued income total Euro 1,193 thousand at March 31st, 2024 (compared with previous year Euro 1,066 thousand) and mainly relate to prepaid insurance, INAIL premiums, maintenance charges and other costs pertaining to subsequent years.

Capitalized financial charges

All interest expense and other financial charges have been expensed during the year. In compliance with paragraph 1.8 of art. 2427 of the Italian Civil Code, it is hereby confirmed that no financial charges have been capitalized.

Explanatory notes – Consolidated liabilities and equity

The most significant changes in liabilities and equity are analysed in the following schedules.

Equity

The components are stated at their carrying amount in accordance with accounting standard OIC 28.

The following tables covering the past two years present the changes in equity and details of the other reserves reported in the balance sheet. The changes in equity during the prior year are analysed below:

Description	Balance at 31/03/2022	Allocation of the prior year result	Other changes – Area variation	Other changes – Cash flow hedge	Other changes – Currency translation	Result for the year	Balance at 31/03/2023
Quota capital	16,105,263	-	-	-	-	-	16,105,263
Share premium reserve	304,737	-	-	-	-	-	304,737
Revaluation reserve	12,458,518	-	156,600	-	-	-	12,615,118
Legal reserve	1,377,259	68,190	-	-	-	-	1,445,449
Extraordinary reserve	2,681,395	-	-	-	-	-	2,681,395
Paid-in for loss coverage	2,882,602	-	-	-	-	-	2,882,602
Currency translation reserve	-	-	-	-	357	-	357
Consolidation reserve	19,397	-	-	-	-	-	19,397
Other reserves	-	-	-	-	-	-	-
Cash flow hedge reserve	1,513,582	-	-	1,254,008	-	-	2,767,590
Retained earnings (accumulated losses)	58,993,207	6,615,755	(156,600)	-	(2)	-	65,452,360
Net income (loss) for the year	6,683,945	(6,683,945)	-	-	-	7,960,749	7,960,749
Total equity attributable to the Group	**103,019,905**	**-**	**-**	**1,254,008**	**355**	**7,960,749**	**112,235,017**
Equity attributable to minority interest	-	-	-	-	-	-	-
Total equity	**103,019,905**	**-**	**-**	**1,254,008**	**355**	**7,960,749**	**112,235,017**

The changes in equity during the year ended March 31st, 2024 are analysed in the following table:

Description	Balance at 31/03/2023	Allocation of the prior year result	Other changes – Cash flow hedge	Other changes – Currency translation	Result for the year	Balance at 31/03/2024
Quota capital	16,105,263	-	-	-	-	16,105,263
Share premium reserve	304,737	-	-	-	-	304,737
Revaluation reserve	12,615,118	-	-	-	-	12,615,118
Legal reserve	1,445,449	803,412	-	-	-	2,248,861
Extraordinary reserve	2,681,395	-	-	-	-	2,681,395
Paid-in for loss coverage	2,882,602	-	-	-	-	2,882,602
Currency translation reserve	357	-	-	(1,540)	-	(1,183)
Consolidation reserve	19,397	-	-	-	-	19,397
Other reserves	-	-	-	-	-	-
Cash flow hedge reserve	2,767,590	-	(1,861,887)	-	-	905,703
Retained earnings (accumulated losses)	65,452,360	7,157,337	-	(1)	-	72,609,696
Net income (loss) for the year	7,960,749	(7,960,749)	-	-	11,029,839	11,029,839
Total equity attributable to the Group	**112,235,017**	**-**	**(1,861,887)**	**(1,541)**	**11,029,839**	**121,401,428**
Equity attributable to minority interest	-	-	-	-	-	-
Total equity	**112,235,017**	**-**	**(1,861,887)**	**(1,541)**	**11,029,839**	**121,401,428**

With reference to other changes in quota holders' equity, the following should be noted:

- the decrease in the "Cash flow hedge reserve", which includes the amount - recorded net of the related tax effect - of the effective portion of the changes in fair value recorded in outstanding derivative contracts entered into for the purpose of hedging cash flows associated with highly probable planned transactions; in accordance with applicable standards, the Group, at the time of recognition of the asset or liability related to the highly probable transaction, reverses, from the reserve, the corresponding amount of derivative instrument effective portion, including it directly in the book value of the asset or liability, with the effect of adjusting, in the income statement, the income/cost of the underlying transaction.
- the change in the translation reserve, related to the effects of the consolidation of the Tunisian subsidiary GDS S.a.r.l., whose financial statements are denominated in Tunisian dinars
- the result for the current year, amounting to Euro 11,030 thousand.

The effects of the changes occurred during the year in the Cash flow hedge reserve are detailed below:

	Interest rate swap	*Interest rate CAP*	*Commodity swap*	**Total**
Cash flow hedge reserve - Gross value as of March 31st, 2023	**214,110**	**9,462**	**3,602,878**	**3,826,450**
Deferred taxes	(51,386)	(2,271)	(1,005,203)	(1,058,860)
Cash flow hedge reserve - Net value as of March 31st, 2023	**162,724**	**7,191**	**2,597,675**	**2,767,590**
Change in fair value (effective component) of derivative instruments, net of reversals to the income statement for realization of underlying transactions	(139,993)	(4,907)	(2,429,630)	(2,574,530)
Cash flow hedge reserve - Gross value as of March 31st, 2024	**74,117**	**4,555**	**1,173,248**	**1,251,920**
Deferred taxes	(17,788)	(1,093)	(327,336)	(346,217)
Cash flow hedge reserve - Net value as of March 31st, 2024	**56,329**	**3,462**	**845,912**	**905,703**

It should be noted that the reserve for expected cash flow hedging transactions includes the value of contracts in place at the balance sheet date (recorded under financial fixed assets and/or risk provisions in relation to the positive or negative value of the instruments), as well as the value associated with certain instruments that were realised in advance during the year, the effects of which were applied in the equity reserve, in light of the continuity of the underlying risk hedging strategy, to be realized - over the original term of the underlying derivative contracts - through the use of cash flows obtained from the settlement of such instruments.

The following table gives a reconciliation between parent company's equity and result and the Group's equity and result:

Description	Equity Current year	Result Current year	Equity Prior year	Result Prior year
Equity and results in the Parent Company's financial statements	**59,391,637**	**8,332,091**	**51,059,546**	**16,068,249**
Contribution from consolidated companies	118,318,504	12,465,995	116,715,937	7,350,924
Elimination of carrying value of equity investments	(62,348,140)	-	(62,348,140)	-
Consolidation adjustments:				
Recognition of difference on consolidation	4,116,668	(1,030,388)	5,147,056	(971,149)
Distribution of dividends	-	(9,000,000)	-	(15,000,000)
Effect of accounting for leases under IAS 17	1,116,698	72,524	1,044,174	374,021
Elimination of intercompany profits	(473,017)	18,161	(491,178)	26,767
Accounting for intercompany leasehold improvements	1,279,078	171,456	1,107,622	111,937
TOTAL	*62,009,791*	*2,697,748*	*61,175,471*	*5,320,142*
Equity and net income (loss) attributable to the Group	**121,401,428**	**11,029,839**	**112,235,017**	**6,683,945**
Equity and net income (loss) attributable to minority interest	**-**	**-**	**-**	**-**
Equity and result in the consolidated financial statements	**121,401,428**	**11,029,839**	**112,235,017**	**6,683,945**

Provisions for risks and charges

The changes during the year are analysed in the following table:

Description	31/03/2023	Increases	Decreases	31/03/2024	Change	Change %
Provision for pensions and similar commitments	-	-	-	-	-	-
Provision for current and deferred taxation	1,943,470	229,591	-	2,173,061	229,591	12%
Derivative financial instruments	943,552	-	(943,552)	-	(943,552)	-100%
Other provisions for risks and charges	3,295,089	-	(276,126)	3,018,963	(276,126)	-8%
Total	**6,182,111**	**229,591**	**(1,219,678)**	**5,192,024**	**(990,087)**	**-16%**

The Provisions for risks and charges at March 31st, 2024 include:

- Deferred tax liabilities (Euro 2,173 thousand at March 31st, 2024, down by Euro 230 thousand compared with the previous year): this caption principally comprises the deferred taxes recognized on the allocation of consolidation differences to specific assets (especially the property investments held by the Group), The additional value identified on consolidation is not relevant for tax purposes; accordingly, this provision is being used to neutralize the additional taxes recorded in the current and future years, due to the non-deductibility of the depreciation charged on the higher asset values, The change during the year principally reflects reversals linked to the depreciation of these revalued assets, net of the tax effect of other main consolidation entries (with regard, in particular, to the recognition of intercompany leasehold improvements and of leasing contracts using finance lease methodology);
- Derivative financial instruments (zeroed during the year compared to the value of Euro 938 thousand at March 31st, 2023): this item included, in accordance with OIC 32, the negative fair value of certain derivatives contracts (Commodity swaps) arranged by the Group to hedge the risk of fluctuations in certain commodities costs, completely reversed to zero in connection with the extinction of underlying contracts occurred during the year;

- Other provisions for risks and charges (Euro 3,019 thousand as at March 31st, 2024, down by Euro 276 thousand compared to the previous financial year, due to some utilizations occurred in the period): the item includes the residual portion of pre-existing provisions, made to cover liabilities of various kinds (commercial, tax, labour law, etc,), based on the Group's best estimate of their quantification, carried out on the basis of the information available.

Provision for employee termination indemnities

The provision is stated net of advances and amounts paid on the termination of employment during the course of the financial year and represents the actual liability due to employees at the balance sheet date,

Description	31/03/2023	Provision	Utilizations	Total changes	31/03/2023
Provision for employee termination indemnities	3,863,722	490,751	(704,112)	(213,361)	3,650,361
Total	**3,863,722**	**490,751**	**(704,112)**	**(213,361)**	**3,650,361**

This provision is stated net of the amounts paid to supplementary pension funds, if specified by the employees concerned, and includes the amounts that some employees have decided to leave with their specific employer, The amounts retained by the Group, including the historical provisions not transferred to the INPS Treasury Fund, Previndai, Fondo Cometa or other supplementary pension funds, are re-valued for the effects of inflation in accordance with legal requirements.

Payables

Set out below are details of payables at March 31st, 2024, together with prior year end comparatives:

Description	31/03/2024 within 1 year	31/03/2024 beyond 1 year	31/03/2024 Total	31/03/2023 Total	Change	Change %
Due to banks	27,676,060	51,468,163	79,144,223	47,916,736	31,227,487	65%
Due to other lenders	174,563	308,865	483,428	1,042,812	(559,384)	-54%
Advances	243,793	-	243,793	352,728	(108,935)	-31%
Trade payables	89,574,237	-	89,574,237	70,081,228	19,493,009	28%
Payables due to parent companies	262,629	-	262,629	42,935	219,694	512%
Payables due to fellow subsidiaries	38,734	-	38,734	2,785,051	(2,746,317)	-99%
Tax payables	1,973,152	-	1,973,152	2,309,513	(336,361)	-15%
Due to pension and social security institutions	3,598,000	-	3,598,000	3,227,237	370,763	11%
Other payables	11,456,993	-	11,456,993	10,584,449	872,544	8%
Total	**134,998,161**	**51,777,028**	**186,775,189**	**138,342,689**	**48,432,500**	**35%**

Amounts due to banks include both the short-term portion (amounting to Euro 27,277 thousand) and the portion beyond 12 months (amounting to Euro 51,533 thousand) of amounts due to primary credit institutions, relating to the balance of liabilities linked to current medium/long-term loan agreements, as well as the balance of short-term advances related to commercial transactions received from banks (Euro 399 thousand).
During the year, the Group signed 7 unsecured loan agreements for a total nominal amount of Euro 55 million, in June, July, December 2023 and March 2024, signed with Intesa San Paolo, BPER, BNL, Credit Agricole, Banca Sella and Banco BPM , all with a duration of 4 financial years.

The following is a breakdown of medium-term loans outstanding at March 31st, 2024:

Bank	Initial amount paid	Arrangement date and duration in years	Residual balance at 31/03/2024	Within one year	Beyond one year
Banca Nazionale del Lavoro	5.000.000	01/04/2020 - 5	1.250.000	1.000.000	250.000
Gruppo Banco Popolare	10.000.000	30/04/2020 - 5	2.182.865	2.182.865	-
MCC - Fondo crescita sostenibile	3.006.099	29/04/2020 - 8	1.775.688	383.913	1.391.775
Unicredit (*)	5.000.000	21/01/2021 - 5	2.000.060	1.000.020	1.000.040
Unicredit	10.000.000	11/04/2022 - 4	5.625.000	2.500.000	3.125.000
Intesa San Paolo	10.000.000	27/04/2022 - 4	5.208.333	2.500.000	2.708.333
BPER	5.000.000	23/06/2022 - 4	2.830.939	1.252.301	1.578.638
Banca Nazionale del Lavoro	7.000.000	27/07/2022 - 4	4.900.000	1.400.000	3.500.000
BPER	5.000.000	15/06/2023 - 4	4.667.695	1.366.179	3.301.516
Intesa San Paolo	15.000.000	26/06/2023 - 4	13.928.571	4.285.714	9.642.857
Credit Agricole	10.000.000	26/06/2023 - 4	8.261.113	2.417.293	5.843.820
Banca Sella	5.000.000	04/07/2023 - 4	4.230.433	1.200.429	3.030.004
Credem	5.000.000	11/12/2023 - 4	5.000.000	1.246.240	3.753.760
Banca Nazionale del Lavoro	5.000.000	11/12/2023 - 4	4.687.500	1.250.000	3.437.500
Gruppo Banco BPM	10.000.000	25/03/2024 - 4	10.000.000	2.323.049	7.676.951
Unicredit (*)	3.000.000	07/05/2021 - 5	1.350.353	600.085	750.268
Unicredit	30.000	08/03/2021 - 6	21.904	7.492	14.412
Cassa di Trento	1.000.000	08/03/2021 - 6	604.749	284.919	319.830
Unicredit	350.000	31/08/2020 - 6	192.142	81.142	111.000
Unicredit	500.000	30/09/2020 - 6	164.992	67.452	97.540
Total nominal value	**114.886.099**		**78.882.337**	**27.349.093**	**51.533.244**
Amortized cost effect			**(137.173)**	**(72.092)**	**(65.081)**
Total	**114.886.099**		**78.745.164**	**27.277.001**	**51.468.163**

(*) guranteed by Medio Credito Centrale

On-going contracts are regulated, for the minor part on the basis of fixed rates (between 0.2% and 2.2%) and, for the most part of active contracts, on the basis of the quarterly EURIBOR rate, with application of spreads varying between 0.002%, for the most recent contracts (in particular for a contract stipulated with the release of the guarantee by Medio Credito Centrale pursuant to Legislative Decree no, 23 dated April 8th, 2020), and 1.50% for the pre-existing contract of newly acquired companies, in consideration of the market conditions at the time of signing and the duration of the loan, It should be noted that, as at March 31st, 2024, there are no payables with a maturity longer than 5 financial years.

The amounts due to other lenders (Euro 483 thousand, of which Euro 175thousand due within one year) include payables to different lenders (Euro 375 thousand towards SACE/Simest), as well as payables to leasing companies (Euro 108 thousand as of March 31st 2024). During the year, the value of payables due to other lenders decreased due to the repayment of contractually agreed instalments, as well as the redemption of assets falling due. No liabilities due beyond 5 years are in place.

The amount of trade payables, equal to Euro 89,574 thousand as of March 31st, 2024, increased by Euro 19.493 thousand as compared to the previous financial year, in accordance with the trend of the Group's activities and procurement strategy, as well as with the portion of payables related to investments in progress (about Euro 16.1

million, up by about Euro 8.5 million compared to the balance at March 31st 2023), in the context of the Group's production capacity increase projects.

Payables due to parent companies (Euro 262 thousand at March 31st, 2024) refer to commercial transactions with the parent company Endurance Technologies Limited.

Payables to fellow subsidiaries (Euro 39 thousand at March 31st 2024, down by Euro 2,746 thousand compared to the previous financial year) refer to commercial transactions with the foreign subsidiary Endurance GmbH. The variation occurred in the period is mainly referred to the trend of balance of the centralized treasury cash pooling agreement (which, as at March 31st, 2024 represent a positive balance for the Group, included in the Current financial assets).

With reference to tax payables (Euro 1,973 thousand at March 31st, 2024, down by Euro 336 thousand compared to the previous financial year), note that the variation in the item is mainly determined by the accrual of tax liabilities for the period (particularly for higher withholding taxes on income from employees and self-employed persons) net of corresponding payment to Italia Tax Authorities.

Payables to social security institutions (moving from Euro 3.227 thousand to Euro 3.598 thousand during the 2022/2023 financial year) are due to INPS (National Social Security Institute) , to the connected Treasury Fund and to other supplementary pension institutions (Previndai, Fondo Cometa as well as other funds).

Other payables (Euro 11,456 thousand, up by Euro 873 thousand compared to the previous year, of which Euro 129 thousand related to the consolidation perimeter variation) mainly consists of payables to employees (Euro 9,875 thousand) for salaries and payroll accruals to be paid and advances received from customers (for Euro 958 thousand).

Debt secured by collateral

Pursuant to article 2427, paragraph 1, no, 6 of the Italian Civil Code, it is hereby certified that the amounts due to banks recorded in the financial statements as of March 31st, 2024 do not include any amounts secured by collateral on the Company's assets.

Accrued expenses and deferred income

Accrued expenses and deferred income total Euro 8,382 thousand at March 31st, 2023 (an increase of Euro 3,916 thousand as compared to prior year) and include, among others, the deferral of grants pertaining to future years, referring (for Euro 5,950 thousand) to grant related to the purchase of new capital goods made pursuant to Article 1, paragraphs 184-197, of Law 160/2019, grant connected to R&D costs and other grants (such as so called "Ecobonus"), to be accounted for on the basis of the depreciation of the underlying assets and (for Euro 615 thousand Euro) to portions of grant received in advance in the context of research projects financed, to be linked to future planned expenses.

Explanatory notes - Consolidated income Statement

Value of production

The value of production during 2023/2024 is analysed below on a comparative basis:

Description	Year 2023/2024	Year 2022/2023	Change	Change %
Revenues from sales of goods and services	207,776,761	197,028,119	10,748,642	5%
Changes in inventories of WIP, semi-finished and finished products	(2,806,661)	(661,580)	(2,145,081)	324%
Increases in fixed assets for internal production	1,245,892	1,222,033	23,859	2%
Other revenues	5,525,417	9,926,869	(4,401,452)	-44%
Total	**211,741,409**	**207,515,441**	**4,225,968**	**2%**

Sales revenues for the year (which also include income from the sale to customers of specific tools used in production, where contemplated by existing contractual agreements) showed an increase of 5% over the previous year, consistent with the trend of the reference markets, which, during the year under review, showed a recovery compared to the 2022/2023 financial year, which had still been strongly impacted by the slowdown of the post-pandemic recovery.

The growing trend was recorded in a context, which was in any case characterized by high inflationary pressures, as well as the challenges experienced in certain supply chains (both in terms of availability and pressure on raw material and component prices), and only partially recovered the effects of the pressure on the industrial sector of the trend in energy commodity costs.

Lastly, even if with only indirect effects on the Group's operating scenario, the effects of the geo-political turmoil in Europe as a consequence of the Russian-Ukrainian and Israeli-Palestinian conflicts are still present in the market.

This trend was registered despite a decrease in the value of the Group's main raw material (secondary aluminium alloys), whose price variations are, based on the main commercial agreements in place, subject to recognition by end customers.

The increase in sales recorded involved all of the Group's main customers (with a predominance for the German market, in particular the Volkswagen Group): revenues were mainly distributed towards the Volkswagen/AUDI group (about 30% of revenues, driven by the introduction of most new products) and Stellantis Group (FCA and PSA, for a total of 30% of sales), followed by CNHI (7%), Bosch (5%), BMW (4%), Daimler/Mercedes and Renault (1%). The contribution to turnover of the ‘2-wheeler’ business amounted to approximately 10% of the total in the year under review.

With regard to the decrease in inventories, please refer to the comment on inventories in the balance sheet.

The item increases in fixed assets for internal production mainly refers to the capitalization of development costs related to R&D activities, carried out by Group companies in the context of the development of new products and for the implementation of process improvements and innovations (the costs subject to capitalization mainly concerned the production factors employed, primarily labour costs, also in the context of co-financed research and development projects).

Other revenues include, inter alia:

- income from recoveries from customers of packaging costs, charges and miscellaneous sales, as well as the Parent Company's income for services provided under the Service Agreement in place with the fellow subsidiary Endurance Gmbh, (Euro 859 thousand), and with the ultimate Parent company Endurance Technologies Limited (Euro 1,350 thousand);
- the portion pertaining to the financial year (Euro 1,899 thousand) of grants obtained in the financial year and in previous years in relation to the use of photovoltaic plants, those, in the form of tax credits, relating to investments in plant and machinery in previous financial years, pursuant to the Tremonti-ter Law, research and development and innovation expenses, investments in capital goods made pursuant to L. 160/2019, art.1, paragraph 184-197 (regulations replacing the super-amortization and hyper-amortization), as well as those recognized pursuant to the rules provided for in Decree-Law No. 4 of 2022 et seq;
- other revenues of various kinds, including, including, in particular, capital gains related to the sale of capital goods no longer used in the production process (for Euro 258 thousand) and income related to the sale of energy efficiency certificates matured as part of investment initiatives aimed at energy efficiency optimisation (Euro 75 thousand).

The following table provides details of revenues from sales and services by geographical area:

Geographical area	Year 2023/2024	Weight %	Year 2022/2023	Weight %	Change	Change %
ITALY	109,149,036	53%	109,733,212	56%	(584,176)	-1%
GERMANY	43,456,926	21%	38,315,664	19%	5,141,262	13%
HUNGARY	28,973,260	14%	26,098,125	13%	2,875,134	11%
POLAND	9,508,435	5%	7,484,881	4%	2,023,554	27%
ROMANIA	154,497	0%	1,616,535	1%	(1,462,038)	-90%
OTHER EU COUNTRIES	9,827,340	5%	7,525,620	4%	2,301,720	31%
NON-EU COUNTRIES	6,707,267	3%	6,254,083	3%	453,185	7%
Total	**207,776,761**	**100%**	**197,028,119**	**100%**	**10,748,642**	**5%**

With reference to the breakdown by category of activity, it should be noted that the revenues from sales and services of the Group refer mainly (more than 80%) to income relating to the core business, represented by the supply of powertrain components (parts for engines and transmissions), for suspensions and bodywork for the automotive sector and related activities, and aimed at the OEM (Original Equipment Manufacturer) market, operating mainly as Tier 1 supplier towards the principal European car makers. Secondary activities refer to plastic moulding, destined mainly to the automotive sector (around 6% of consolidated turnover) and the production and sales of components (brake and clutch systems) dedicated to the 'two-wheeler' market (10% of consolidated turnover).

Costs of production

Set out below are details of the trend in operating costs together with prior year comparatives:

Description	Year 2023/2024	Year 2022/2023	Change	Change %
Raw materials, ancillary materials and goods for resale	88.348.830	89.302.976	(954.146)	-1%
Services	39.254.900	43.545.867	(4.290.967)	-10%
Lease and rental charges	2.123.825	1.958.750	165.075	8%
Payroll costs				
Wages and salaries	35.275.563	31.103.232	4.172.331	13%
Social contributions	8.384.188	8.329.930	54.258	1%
Employee termination indemnities and pension	1.531.448	1.657.421	(125.973)	-8%
Other payroll costs	605.270	711.659	(106.389)	-15%
Depreciation, amortization and write-downs				
Amortization of intangible assets	2.787.654	3.204.018	(416.364)	-13%
Depreciation of tangible fixed assets	18.024.067	16.824.748	1.199.319	7%
Write down of receivables included in current assets	-	-	-	-
Write down of receivables included in current assets	17.316	210.481	(193.165)	-92%
Change in inventories of raw materials	(973.779)	(1.187.549)	213.770	-18%
Other operating expenses	2.255.647	1.893.545	362.102	19%
Total	**197.634.929**	**197.555.078**	**79.851**	**0%**

Overall, operating costs for the year resulted substantially in line with the previous year, resulting in a growth in the operating margin on the total revenues, increased by 2% overall. The difference between value and cost of production increased from Euro 10 million (with an impact of about 4.8%) to Euro 14.1 million (or 6.7%).

Cost of raw and ancillary materials, consumables and goods for resale and Cost of services

The percentage incidence of the items in question with respect to the value of production - (equal to about 63%) read together with the change in raw material inventories - shows a more than proportional decrease compared to the trend of the value of production due to the reduction in the cost of the material component of energy factors and lower purchase prices of aluminium alloy, despite the price increases recognised to suppliers due to inflationary phenomena, only partially offset by cost efficiencies due to the lower use of external processing and the containment of maintenance costs. To mitigate the future negative effects of high energy prices, the group is implementing several specific investment projects in photovoltaic plants, aimed at increasing the use of renewable energy sources.

Lease and rental charges

This item (recording a slight increase as compared to previous year) mainly includes costs relating to rentals to third parties of the operating structures of Group companies, and for various operating rentals.

Payroll costs

This caption recorded an overall increase of about 9.6% compared to the previous year, equal to about Euro 4 million, in line with the increase recorded in the average number of employees (up by about 3%), as well as the inflationary impact of the contractual updates that took place (in connection with the renewal of the Metamechanical National Collective Labour Agreement), and the salary adjustments recognised to employees.

The item includes the whole expense for employees, including the effects of bonuses, promotion, the cost of unused vacations and provisions pursuant to the law and collective labour agreements, as well as the charges deriving from the retention plan defined in favour of the company's management, which is conditional on the economic/financial results achieved in Europe and on the employee remaining with the company until a predefined minimum deadline, The figure also includes the cost of temporary staff, with the exception of the portion relating to the service provided by temporary employment agencies (which is included into item B7).

The cost of personnel dedicated to research and development activities, for the portion that was capitalized during the year, amounted to Euro 1.2 million, including the activities carried out in the context of on-going process and product innovation projects, as well as those carried out in the context of specific R&D initiatives, partially contributed by national and international institutions.

Depreciation and amortisation

Depreciation and amortisation of tangible and intangible assets are calculated on the basis of the technical useful life of the asset and its utilisation in the production phase. During the year, the group recorded depreciation and amortisation for a total value of Euro 20,812 thousand, an increase (about Euro 0.8 million) compared to the value of the previous year: this trend was impacted by the effect of the investments made by the group in recent years in connection with the initiatives, already described, mainly related to the increase in production capacity, consistent with the awarding of the most recent new projects.

Other operating expenses

This item, which includes, inter alia, penalties charged by customers, local taxes and, in general, non-recurring costs that do not belong to the core business, showed an increase compared to the previous year, particularly due to the impact of quality linked costs as compared to the financial year 2022/2023, for the ramp-up phases of new product industrialization.

Financial income and charges

Financial income and charges recorded in the year ended March 31st, 2023, are analysed on a comparative basis in the following table:

Description	Year 2023/2024	Year 2022/2023	Change	Change %
Financial income	2,010,846	711,053	1,299,793	183%
Financial charges	(3,508,098)	(1,334,080)	(2,174,018)	163%
Exchange gains and losses	4,981	143	4,838	3383%
Total	**(1,492,271)**	**(622,884)**	**(869,387)**	**140%**

Financial income (Euro 2,011 thousand in the year, an increase of Euro 1,300 thousand as compared to prior year) refers to interest income accrued on positive current bank account balances and long-term financial receivables in place, as well as capital gains recorded in connection to transactions on securities and bonds operated during the year.

Financial expenses (Euro 3,508 thousand in the year, with an increase over the previous year of about Euro 2,174 thousand) mainly include interest expenses related to medium-term financing agreements in place during the year and those related to the management of short-term financing transactions (such as, for example, invoice advances, flow advances, factoring and/or cash management transactions).

The increase recorded during the year in both financial income and financial expenses is mainly related to the trend of interest rates rising during the year (with the 3-month Euribor increasing from an average of 1.1% in the previous year to 3.8% for the 2023/24 financial year). This impacted both asset and liability items, in addition to the positive effect determined by the sale of certain financial instruments held in the context of liquidity management policies.

Foreign exchange gains and losses (immaterial net income) include the net balance of income and expense deriving from exchange rate fluctuations arising from the realization of assets and liabilities denominated in currencies other than the Euro (which, in the case of the Group, exclusively regard transactions in US dollars), as well as the effect of period-end exchange rate adjustments to receivables and payables denominated in currencies other than the Euro.

Adjustments to financial assets

This item (showing a positive net balance of Euro 29 thousand, up as compared to previous year when a Euro 640 thousand negative net effect was recorded) includes the economic effects of the net fair value adjustment of the financial instruments and derivative instruments used by the Group, carried out in order to align their value to the market value (where lower). It should also be noted that, in accordance with the principle of prudence, unrealised gains are not expressed for instruments with market prices exceeding the carrying amount. Please also refer to the previous section on Current financial assets.

Current and deferred taxation

The Group has accrued for taxation for the year based on the basis of applicable tax legislation.

Taxes pertaining to the 2023/2024 financial year, represented by a net charge of Euro 1,613 thousand (compared to a net charge of Euro 737 thousand in the previous financial year) include:

- current taxes pertaining to the period, amounting to a net charge of Euro 1,284 thousand (including the effects related to tax income from previous years and charges arising from the application of the tax consolidation regime), up compared to the previous financial year, which had recorded a net charge of Euro 907 thousand; and
- deferred/prepaid taxes (net income of Euro 329 thousand, compared to Euro 170 thousand in the previous year), relating to positive or negative income components respectively subject to taxation or deduction in different fiscal years compared to those of statutory accounting.

The increase in the tax impact recorded in the year compared to the previous year is mainly attributable to the effect of the increase in taxable income accrued for the year in connection with the lower effect (compared to the previous year) of accrual of the benefits related to the hyper-amortisation regulations, for technologically advanced investments made in previous years, and placing a cap on the recognition of deferred tax assets.

The following table shows details of the amounts described:

	Year 2023/2024	Year 2022/2023
Income taxes	**1,613,010**	**736,767**
Current taxation		
of which: IRES for the year (current)	291,062	46,147
of which: IRAP for the year (current)	1,092,073	838,262
of which: Taxation relating to prior years	(99,155)	22,585
Deferred taxation	329,030	(170,267)

Deferred tax assets and liabilities have been calculated using rates that are expected to be in force during the years when it is reckoned that the temporary differences will reverse (24% for IRES tax and the various applicable rates - 2.68%, 3.9% or 5.7% depending on the geographical and activity distribution of the companies - for IRAP tax), Deferred tax assets have been accounted for as there is reasonable certainty that, in the financial years in which the temporary differences will reverse, taxable income will not be less than the amount of the differences that will be reversed.

Participation to the tax consolidation regime

As required by the OIC interpretative document on accounting standard 25, information is provided below regarding adherence to the tax consolidation regime in force within the Group.

In compliance with current legislation, the domestic tax group was renewed in the prior year (until the end of the tax year under review) by the signature of an agreement governing the tax relationships between Endurance Overseas S.r.l. – as the consolidating company – and Endurance S.p.A., Endurance Engineering S.r.l. Endurance Castings S,p,A, and Endurance Adler S.p.A. On the other side, Veicoli S.r.l., Frenotecnica S.r.l. and New Fren S.r.l. are not part of the consolidated tax agreement.

The relationship between the parties refers, in particular, to the immediate payment of the consolidation differences arising from group taxation and the deduction on a consolidated basis of the excess non-deductible interest expense (if the conditions under paragraph 7 of article 96 of the Consolidated Income Tax Act are met).

Other information

Average employee numbers

The following table sets out average employee numbers by labour category computed on the basis of the year averages:

Employees	Year 2023/2024	Year 2022/2023
Managers	21	20
White collar	151	135
Blue collar	450	447
Total	**622**	**602**

Group companies employ 611 people at March 31st, 2024.

Remuneration of the Directors and the Board of Statutory Auditors

The fees earned during the year by the directors of Group companies totalled Euro 337 thousand, while the fees of the Boards of Statutory Auditors of the various Group companies amounted to Euro 137 thousand in the 2023/2024 financial year.

Fees payable to independent auditors

During the year, the following amounts (comprising fees and expenses) were paid to the independent auditors (Deloitte & Touche S,p,A,, or "Deloitte"):

- Euro 134 thousand for the legal audit of the accounts pursuant to Legislative Decree 39/2010 relating to the financial statements of consolidated companies and to the Group's consolidated financial statements, for the signing of the tax returns, as well as for checking the Group Reporting Package, prepared from the consolidated financial statements and submitted for the purpose of consolidating the ETL Group;
- Euro 18 thousand for additional services provided by the independent auditors, relating to the verification and certification of tax returns and other attestations.

Related party transactions

With regard to the provisions of art, 2428, para, 3, point 2) of the Italian Civil Code, reference is made to the information on related-party transactions provided in the Report on operations,

Off balance sheet agreements

No off-balance sheet agreements were entered into during the year.

Information relating to the fair value of financial instruments

In compliance with the provisions of Art, 2427-bis of the Italian Civil Code, in order to present a true and fair view of the company's commitments, details of the fair value, extent and nature of holdings of financial derivatives are set out below (amounts in thousands of Euro):

Type of contract	Number of contracts at 31/03/2024	Original notional value	Notional at 31/03/2024	Fair value at 31/03/2024	Number of contracts at 31/03/2023	Original notional value	Notional at 31/03/2023	Fair value at 31/03/2023
Interest rate Swap	3	17,000	11,588	74	5	26,500	13,894	214
Interest rate CAP	1	5,000	2,000	5	1	5,000	3,000	9
Commodity Swap	-	-	-	-	1	3,204	3,204	(944)
Total	**4**	**22,000**	**13,588**	**79**	**7**	**34,704**	**20,099**	**(720)**

Information about significant events arising subsequent to the reporting date

With reference to point 22-quater of Article 2427 of the Civil Code, there are no other significant events after the end of the financial year that have had a significant impact on the Group's financial, equity and economic performance.

Companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary

The following information is provided about the companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Parent Company belongs as a subsidiary:

	Larger group coincident with smaller group
Company name	Endurance Technologies Limited
Town (if in Italy) or foreign State	Aurangabad (India)
Tax code (Italian companies)	-
Place where the consolidated financial statements are filed	Registered office: Aurangabad (India) India Stock Exchange: NSE and BSE (**)

(*) Endurance Technologies Limited, the parent company, is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Summary financial statements of the company which exercises management and coordination activities

The Parent Company (as well as all companies belonging to the Group) is subject to management and coordination by its indirect parent company, Endurance Technologies Limited, with registered offices at E-92, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India, which, indirectly, wholly owns the Parent Company,

The following amounts taken from the latest approved financial statements of Endurance Technologies Limited are stated in millions of Indian Rupees, For the sake of clarity, the Rupee/Euro exchange rate at 31st, March 2023 was 89.3995 (84,134 at 31st, March 2022) - (source European Central Bank):

Balance sheet	Financial statements at 31/03/2022	Financial statements at 31/03/2022
Assets		
Non-current assets		
Fixed assets, net	18,078.08	16,541.36
Investments and other non-current assets	5,746.01	4,188.14
Current assets	17,266.36	16,663.90
Activities held for sale	-	-
Total Assets	**41,090.45**	**37,393.40**

Balance sheet	Financial statements at 31/03/2022	Financial statements at 31/03/2022
Liabilities and equity		
Equity	**33,309.41**	**30,068.48**
Non-current liabilities		
Non-current financial liabilities	78.72	19.67
Other non-current liabilities	301.04	368.16
Current liabilities		
Current financial liabilities	6,233.75	5,981.66
Other current liabilities	1,167.53	955.43
Total liabilities and equity	**41,090.45**	**37,393.40**

Income Statement	Financial statements at 31/03/2022	Financial statements at 31/03/2022
Revenues	**67,957.07**	**57,214.81**
Operating costs	59,882.73	49,684.29
Depreciation and amortisation	2,407.08	2,037.38
Financial charges	42.70	18.20
Non-recurring income/(expense)	(102.85)	(314.50)
Income before tax	**5,521.71**	**5,160.44**
Taxation for the year (current and deferred)	1,432.54	1,343.01
Income (loss) for the year	**4,089.17**	**3,817.43**
OCI - Other comprehensive income	30.90	12.46
Total statement of comprehensive income	**4,120.07**	**3,829.89**

Please refer to the specific section of the Report on Operations for a description of the relations with those exercising management and coordination activities and with the other companies that are subject to them, as well as the effect that these activities have had on the Company's operations and results.

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To the Quota holders,

We confirm that these consolidated financial statements, which comprise the consolidated balance sheet, consolidated income statement, consolidated statement of cash flow and explanatory notes, give a true and fair view of the financial position and Group's results and cash flows for the year and agree with the books of account,

Lombardore (Turin), 10/05/2024

For the Board of Directors
The Managing Director

Massimo Venuti

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Quotaholders of
Endurance Overseas S.r.l.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Endurance Overseas S.r.l. and its subsidiaries (the "Endurance Overseas Group" or the "Group"), which comprise the consolidated balance sheet as at March 31, 2024, the consolidated statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Endurance Overseas Group as at March 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Endurance Overseas S.r.l. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Pursuant to art. 2497-bis, first paragraph, of the Italian Civil Code, Endurance Overseas S.r.l. has disclosed that it is subject to management and coordination of its activities by Endurance Technologies Limited (India) and, therefore, has indicated in the notes to the financial statements the key financial data from the most recent financial statements of such company. Our opinion on the consolidated financial statements of the Endurance Overseas Group does not extend to such data.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance the Italian law governing financial statements and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10

The Directors of Endurance Overseas S.r.l. are responsible for the preparation of the report on operations of the Endurance Overseas Group as at March 31, 2024, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of Group as at March 31, 2024 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the consolidated financial statements of the Endurance Overseas Group as at March 31, 2024 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
June 25, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

ENDURANCE SPA

Head office: VIA REGIONE POZZO 26, CHIVASSO (TURIN)
Tax Code, Turin Chamber of Commerce and
Turin Companies Register No. 01782370017
Turin Business Register (REA) no. TO 518048
Share capital: €5,000,000.00 subscribed and fully paid
VAT Number: 01782370017
Management control and coordination: ENDURANCE TECHNOLOGIES LIMITED

Report on operations

Financial statements at 31/03/2024

Shareholders,
The explanatory notes provide disclosures on the financial statements for the year ended 31/03/2024; this document provides information on the Company's situation and performance in compliance with art. 2428 of the Italian Civil Code. The report, prepared with amounts shown in Euros, is presented as an accompaniment to the financial statements and provides information on the Company's earnings, financial position and operations, together, where possible, with historical facts and an indication of the future outlook.

Matters concerning the economy in general and the results of operations

The general economic situation is still heavily conditioned by the persistently high inflationary pressures which have induced the main Central Banks to keep interest rates high. Although the prices of energy factors (electricity and gas) have fallen considerably compared with the average levels for the last two years, inflation continues to remain high and, in any case, higher than the targets set by the Central Banks. International tensions continue to be an obstacle for supply chains, favouring the maintenance of commodity prices above historical averages (even if, in many cases, they are below the highs of the previous two years).

The substantial budget deficits financed by higher government debt, subsequently monetised, have fuelled the injection of liquidity into the various economic systems, but without generating significant economic growth in Europe.

According to the figures released by the International Monetary Fund (IMF), world economic growth in 2023 was 3.2%, but that of the Eurozone only 0.4%. Germany was in moderate recession (-0.3%), Italy and France in moderate growth (+0.9%) with Spain at +2.5%. Outside of the Eurozone, the United States grew by 2.5%, Japan by 1.9%, China by 5.2% and India by 7.8%.

For 2024, the International Monetary Fund forecasts world economic growth of 3.2%, which drops to 2.7% for the USA and 0.8% for the Eurozone (including +0.2% for Germany and +0.7% for France and Italy).
In the calendar year 2023, according to the figures published by ACEA (European Automobile Manufacturers' Association), registrations of new vehicles in the world grew by 9.7% compared with the previous year (72.5 million vehicles in 2023 compared with 66.1 million in 2022). Registrations went up by 13.9% in the European Union (10.5 million versus 9.3 million in 2022), by 15% in the USA (12.3 million versus 10.8 in 2022), by 4.5% in China (22.3 million versus 21.4 million the previous year) and 8.5% in India (with a market that went from 3.8 million vehicles to 4.2 million). In the European Union, battery electric vehicles (BEVs) achieved a market share of 14.6%, plug-in hybrids (PHEVs) 7.7% and HEV hybrids (including mild hybrids) 25.8%. Conversely, traditional internal combustion vehicles fell to a market share of 48.9% (of which petrol 35.3% and diesel 13.6%).

Registrations in the European Union for the same period as the Company's financial year (April '23 - March '24) achieved a significant growth of +10.3% (lower than that of the calendar year due to the lower growth in the quarter January-March 2024), recovering most of the gap suffered in previous years (as an effect of the pandemic and the subsequent difficulties in the supply chain of car manufacturers), but still almost 12% down on pre-pandemic annual volumes (2018/2019).

According to the results of S&P Global Mobility released by ACEA, world car production has increased by 10.2% with growth in the European Union (+11.3% to 12.1 million vehicles), USA (+8.5%, to 7.6 million vehicles), China (+9.1% to 25.3 million vehicles) and India (+6.8% to 4.7 million vehicles). Germany is still the leading car manufacturing country with 4.0 million vehicles, almost 33% of the European Union total output of cars and 18.7% up on the previous year.

The positive performance by the automotive sector and the reduction in energy prices, which fell significantly for the material component compared with 2023 (electricity -60% and gas -69%), allowed the Company to boost its results. It is worth remembering, however, that despite the reductions compared with the peaks of previous years, prices have nevertheless levelled off, impacting performance, at levels that are significantly higher than in the past, with electricity on average 150%, and gas 180%, more expensive than before the crisis. Nonetheless, with the measures put in place, it was possible for the Company to achieve an overall positive results, which are also improving compared with the previous year.

Management control and coordination activities

Pursuant to para. 5 of art. 2497-bis of the Italian Civil Code, it is confirmed that the Company belongs to the ENDURANCE Group (India) and is subject to management and coordination by ENDURANCE TECHNOLOGIES LIMITED (India), whose shares have been listed on the National Stock Exchange of India (NSE) and the Bombay Stock Exchange (BSE) since October 2016. The management control and coordination activities carried out have not had any particular impact on the Company's activities or its results. We can also confirm that no decisions were made under the influence of the Company that performs the management control and coordination activities, that might require an indication of the reasons and interests affecting them.

Financial position

A reclassified balance sheet is provided below to facilitate a better understanding of the Company's financial position.

Balance Sheet - Assets

Item	31/03/2024	%	31/03/2023	%	Change	% Change
WORKING CAPITAL	**120,406,728**	**46.16%**	**103,896,524**	**51.25%**	**16,510,204**	**15.89%**
Immediate liquidity	**32,661,409**	**12.52%**	**14,216,969**	**7.01%**	**18,444,440**	**129.74%**
Cash and cash equivalents	32,661,409	12.52%	14,216,969	7.01%	18,444,440	129.74%
Deferred liquidity	**68,210,791**	**26.15%**	**69,516,382**	**34.29%**	**(1,305,591)**	**(1.88%)**
Current receivables included in working capital	18,940,081	7.26%	25,619,967	12.64%	(6,679,886)	(26.07%)
Current portion of non-current receivables	-	-	-	-	-	-
Financial assets	48,674,078	18.66%	43,358,185	21.39%	5,315,893	12.26%
Accrued income and prepaid expenses	596,632	0.23%	538,230	0.27%	58,402	10.85%
Inventories	**19,534,528**	**7.49%**	**20,163,173**	**9.95%**	**(628,645)**	**(3.12%)**
FIXED ASSETS	**140,456,893**	**53.84%**	**98,829,502**	**48.75%**	**41,627,391**	**42.12%**
Intangible assets	3,446,216	1.32%	2,902,686	1.43%	543,530	18.73%
Tangible assets	126,001,061	48.30%	88,754,359	43.78%	37,246,702	41.97%
Long-term financial assets	3,078,957	1.18%	3,223,666	1.59%	(144,709)	(4.49%)
Non-current portion of rec. included in working capital	7,930,659	3.04%	3,948,791	1.95%	3,981,868	100.84%
CAPITAL EMPLOYED	**260,863,621**	**100.00%**	**202,726,026**	**100.00%**	**58,137,595**	**28.68%**

Balance Sheet - Liabilities and Shareholders' Equity

Item	31/03/2024	%	31/03/2023	%	Change	% Change
MINORITY INTEREST	**174,358,676**	**66.84%**	**115,438,333**	**56.94%**	**58,920,343**	**51.04%**
Current liabilities	**116,787,469**	**44.77%**	**83,283,754**	**41.08%**	**33,503,715**	**40.23%**
Current payables	114,892,930	44.04%	82,372,674	40.63%	32,520,256	39.48%
Accrued expenses and deferred income	1,894,539	0.73%	911,080	0.45%	983,459	107.94%
Non-current liabilities	**57,571,207**	**22.07%**	**32,154,579**	**15.86%**	**25,416,628**	**79.05%**
Non-current payables	50,175,113	19.23%	25,736,299	12.70%	24,438,814	94.96%
Accrued expenses and deferred income - non-current	3,419,313	1.31%	1,537,470	0.76%	1,881,843	122.40%
Provision for risks and charges	1,421,828	0.55%	2,365,380	1.17%	(943,552)	(39.89%)
Employee termination indemnities	2,554,953	0.98%	2,515,430	1.24%	39,523	1.57%
SHAREHOLDERS' EQUITY	**86,504,945**	**33.16%**	**87,287,693**	**43.06%**	**(782,748)**	**(0.90%)**
Share capital	5,000,000	1.92%	5,000,000	2.47%	-	-
Reserves	52,397,809	20.09%	54,259,551	26.76%	(1,861,742)	(3.43%)
Retained earnings (accumulated losses)	19,028,142	7.29%	23,979,074	11.83%	(4,950,932)	(20.65%)
Net income (loss) for the year	10,078,994	3.86%	4,049,068	2.00%	6,029,926	148.92%
SOURCES OF FINANCE	**260,863,621**	**100.00%**	**202,726,026**	**100.00%**	**58,137,595**	**28.68%**

Key financial indicators

The following ratios have been calculated on the basis of the above reclassified figures:

RATIO	FY 2023/2024	FY 2022-2023	% Change
Fixed asset coverage	65.27%	92.00%	-29.05%
Banks/Working capital	59.82%	40.93%	46.13%
Debt ratio	2.02	1.32	52.41%
Financial debt ratio	0.98	0.58	70.19%
Equity/Capital employed	33.16%	43.06%	-22.98%
Financial charges/Turnover	2.03%	0.71%	187.02%
Current ratio	102.66%	126.03%	-18.54%
Fixed assets/Equity	(49,021,289)	(10,593,018)	362.77%
Primary coverage ratio	0.67	0.95	-29.70%
(Equity + non current liabilities) - Fixed assets	5,130,605	20,024,091	-74.38%
Secondary coverage ratio	1.04	1.20	-13.84%
Net working capital	3,199,946	22,075,300	-85.50%
Acid test margin	(16,334,582)	1,698,583	-1061.66%
Acid test ratio	86.41%	102.00%	-15.29%

Results

A reclassified income statement is provided below to facilitate a better understanding of the Company's results.

Income Statement

Item	FY 2023/24	%	FY 2022/23	%	Change	% Change
VALUE OF PRODUCTION	**157,046,224**	**100.00%**	**153,130,678**	**100.00%**	**3,915,546**	**2.56%**
- Consumption of raw materials	74,536,762	47.46%	74,737,120	48.81%	(200,358)	(0.27%)
- General expenses	24,686,268	15.72%	31,466,756	20.55%	(6,780,488)	(21.55%)
VALUE ADDED	**57,823,194**	**36.82%**	**46,926,802**	**30.64%**	**10,896,392**	**23.22%**
- Payroll costs	28,060,339	17.87%	25,408,601	16.59%	2,651,738	10.44%
- Provisions	-	-	-	-	-	#DIV/0!
GROSS OPERATING MARGIN	**29,762,855**	**18.95%**	**21,518,201**	**14.05%**	**8,244,654**	**38.31%**
- Depreciation, amortisation and writedowns	16,467,707	10.49%	15,042,907	9.82%	1,424,800	9.47%
- Other operating expenses	1,760,599	1.12%	1,339,432	0.87%	421,167	31.44%
INCOME BEFORE FINANCIAL ITEMS (EBIT)	**11,534,549**	**7.34%**	**5,135,862**	**3.35%**	**6,398,687**	**124.59%**
+ Financial items	(1,224,335)	(0.78%)	(790,699)	(0.52%)	(433,636)	54.84%
INCOME BEFORE TAX	**10,310,214**	**6.57%**	**4,345,163**	**2.84%**	**5,965,051**	**137.28%**
- Taxation	231,220	0.15%	296,095	0.19%	(64,875)	(21.91%)
NET INCOME	**10,078,994**	**6.42%**	**4,049,068**	**2.64%**	**6,029,926**	**148.92%**
EBITDA	**28,002,256**	**17.83%**	**20,178,769**	**13.18%**	**7,823,487**	**38.77%**

Key performance indicators

The following ratios have been calculated on the basis of the above reclassified figures:

RATIO	FY 2023/24	FY 2022/23	% Change
R.O.E.	11.65%	4.64%	151.17%
R.O.I.	23.49%	6.97%	236.86%
R.O.S.	7.21%	3.30%	118.39%
R.O.A.	4.42%	2.53%	74.54%

Information required by art. 2428 of the Civil Code

The detailed information specifically required by art. 2428 of the Italian Civil Code is presented below.

Main risks and uncertainties that the Company is exposed to

As required by the first paragraph of Art. 2428 of the Italian Civil Code, the following is a description of the main risks and uncertainties that the Company is exposed to:

RISKS RELATED TO THE GENERAL STATE OF THE ECONOMY: the Company's results are influenced by trends in the national and international economy. Changes in GDP, raw material costs, unemployment, interest rates, the inflation trend and their effects on the level of confidence shown by consumers and businesses can condition the performance of end customers and hence the Company's sales.
There are also further elements of uncertainty linked to geopolitical tensions, due in particular to the current crisis between Russia and Ukraine, as well as the possible emergence of new variants of Covid-19. The persistence of international sanctions has also continued to fuel uncertainties about the trend in prices for energy commodities (which settled at levels much higher than the historical reference levels prior to the pandemic and international market crises), raw materials (especially metals) and agricultural produce with repercussions on consumer prices and growth prospects for the Eurozone. These elements of uncertainty could alter normal market dynamics and, more generally, business operating conditions, with the risk of undermining the reliability of the growth forecasts for the Eurozone in the near future.

RISKS RELATED TO THE SECTOR IN WHICH THE COMPANY OPERATES: the metal alloys and metal parts machining sector, in which the Company operates, is characterised by heated competition that is partly attributable to the sales trends in the automotive market. As much as the Company has taken action deemed necessary to improve its level of flexibility, a significant fall in end customers' needs and consequent further pressure on prices caused by heated competition could adversely impact the Company's results and financial position.
What was mentioned previously with regard to the ability to recover from the negative impacts of the pandemic and the effectiveness of the tools made available to the various economies, will undoubtedly have repercussions on the Company's business in relation to the customers' propensity to buy in the automotive market, as well as in consideration of the possible impacts on the mobility habits that consumers will adopt in the near future as a result of current technological transitions and changes on the purchasing power and buying decisions of end consumers.

RISKS RELATED TO THE ABILITY TO CREATE INNOVATIVE PRODUCTS: the automotive components sector is characterised by continuous product development needed to satisfy the product performance required by car manufacturers and by environmental legislation (which regulates emissions).
Furthermore, the sector's technological updating in terms of market redistribution with respect to propulsion alternatives (internal combustion, hybrid, electric or alternative) determine and will continue to determine an

increase in the centrality of the ability to innovate and undertake diversification initiatives by the supply chain as a distinctive element for market competitiveness.

Future investment by the Company will seek to increase the portfolio of products and diversify the types of production - according to the lines of development that are currently applicable in our sector - thereby increasing our ability to meet the needs of our customers. Any failure to follow (or in certain cases anticipate) the development of products and to meet needs in terms of price, quality and functionality imposed by end customers could adversely affect the Company's prospects.

FINANCIAL RISKS: The Company is exposed to the following financial risks in the conduct of its operations:

- credit risks in relation to normal commercial transactions with customers;
- liquidity risks, with particular reference to the availability of financial resources and access to the market for credit and financial instruments in general;
- market risks mainly referring to changes in the value of commodities (energy in particular), interest rates and, to a much lesser extent, exchange rates.

The Company constantly monitors the financial risks that it is exposed to, in order to evaluate in advance any potential negative effects and to take appropriate action to mitigate them.

Credit risk

Given the nature of its industrial activities - the production of engine and gearbox components for car makers - the Company's receivables are structurally concentrated since customers comprise a limited number of industrial groups. The integration of the Company within the Endurance Group makes possible the indirect diversification of customers, by supplying other group companies with unfinished components for the manufacture of products that are then supplied to multiple end customers.

The Company monitors receivables constantly and regularly adjusts the related allowances for collection risks.

Liquidity risk

The two main factors that determine the Company's liquidity position are, on one hand, the resources generated or absorbed by operations and by investments and, on the other hand, the timing of the repayment and renewal of debt and of the liquidity of financial investments.

The Company seeks the most appropriate sources of finance bearing in mind the current and prospective financial position. Any difficulties encountered in obtaining financing needed to meet the needs of current operations and needs relating to investments could negatively impact the Company's results and financial position.

Management believes that the funds currently available, maintaining suitable contacts to ensure access to credit, as well as the funds generated by operations, will allow the Company to meet the needs of investing activities, working capital management and the repayment of debt as it falls due.

Market risk

In the conduct of its activities, the Company is exposed to various market risks, particularly the risk of fluctuations in commodity prices (energy in particular), interest rates and, to a much lesser extent, exchange rates.

Risks relating to changes in commodity prices

The Company plans market opportunities carefully to minimise the effects of fluctuations in commodity prices (especially energy) in relation to the most recent trends in the market, taking into account the particularly high impacts given the nature of its activities.

To deal with these risks, the Company monitors the market closely, resorting, where possible, to flexible procurement contracts, which allow it to take advantage of any buying opportunities.

When deemed appropriate, the Company uses commodity swaps to hedge and mitigate these types of risks.

Risks relating to changes in interest rates

The Company uses financial resources made available principally in the form of bank debt and invests the funds to finance operations and investment and development initiatives. The Company can also factor its trade receivables. Changes in market interest rates impact the cost of various types of financing and factoring, which in turn affect the level of the Company's financial charges.

To cope with these risks, the Company strives to maintain a suitable relationship between its financing structure and its capital employed, in line with the opportunities on offer and actual market conditions.

For this purpose, the Company appropriately structured floating-rate loans with medium/long-term repayment terms at a time of favourable conditions (with the aim of managing the current unfavourable conditions and strong volatility of interest rates).

Lastly, when considered appropriate, the Company makes use of interest rate swaps and caps with the aim of hedging such risks.

Risks relating to changes in exchange rates

The functional currency used by the Company for the majority of its transactions (the Euro) does not currently appear to be subject to significant risks relating to exchange rate fluctuations.

Key non-financial indicators

Pursuant to Art. 2428 of the Italian Civil Code, we can confirm that, due to the specific activities performed and for a better understanding of the Company's results and financial position, it is not considered meaningful to present non-financial indicators.

Environmental and safety information

In the context of specific policies adopted by the Endurance group, the Company strives hard to ensure that production and operating activities are carried out in compliance with all applicable regulations and international agreements. The objective is to introduce and maintain a broad culture of constantly improved environmental performance, process and product safety, while ensuring the safety of workers and installations.

Work continued during the year ended 31 March 2024 on the monitoring and maintenance of adequate environmental protection standards (Certification of the Multisite Safety and Environmental Management System),

in compliance with the requirements of ISO 14001:2015 (Environmental Management Systems) and ISO 45001:2018 (Occupational Health and Safety), which is recognised and accepted throughout the world.
Employee training sessions covered the following topics:
- specific refresher course in accordance with the State-Regions Agreement of December 2011;
- specific refresher course for those who have to monitor workers' compliance with the rules on health and safety at work;
- updating for first aid and emergency team workers;
- training and refresher courses for drivers of lift trucks;
- refresher course for Workers' Safety Representatives.

During the year, the Company started the implementation procedures for planning and monitoring software:
- procedures for managing the training obligations required by law (specific and generic timetable and contents);
- health surveillance management procedures, using a system that controls deadlines, assessments and suitability of the resources operating within the organisation.

The Risk Assessment Document and the Environmental Impacts Register were updated with the identification and analysis of risks and procedures for the management of environmental and worker safety emergencies (including the action to be taken to prevent future incidents).
Practical training sessions were held to simulate fire emergencies, evacuations, chemical spillages, sudden illnesses and related first-aid procedures, with the participation of employees.

With a view to the subsequent planning of specific projects and phases to reduce the CO_2 emissions associated directly or indirectly with the organisation (so-called Scope 1-2-3), during the year, the quantification and reporting of greenhouse gas emissions (so-called "Carbon Footprint") relating to the 2022/23 fiscal year was carried out, also with the objective of publishing the results in the future.

Work on installations and the infrastructure included the following principal actions:
- Lombardore plant (mechanical processing):
    a) Fire prevention - Installation of smoke detection systems in MV electrical substations and compressor rooms;
    b) Collision risk reduction with the provision of horizontal/vertical signs to indicate danger areas, barriers near pedestrian crossings and parabolic mirrors;
    c) Installation of fixed ladders complete with safety cage for access to roofs
- Chivasso plant (die-casting and sandblasting):
    a) New changing rooms and canteen.
    b) Introduction of new ladle preheater complete with safety device and flame detector
    c) Modification of smoke collection hood on 6 die-casting machines to improve the capture of any emissions from the mould lubrication phase

It is also worth mentioning that the Company continued work on the first stage of an important project to equip all its production sites with photovoltaic systems to satisfy a part of its energy needs with directly produced renewable energy. The systems installed during the year involving the Lombardore plant (total installed power of 2,972 kWp) and the Chivasso plant (total installed power of 1,188 kWp) began producing in the second half of the year.

Personnel

The Company has 393 employees at the end of FY 2023-2024, down by 5 on the previous year. The average headcount during the year was 395 people.
The main training activities during the year ended 31 March 2024 focused on Manufacturing, Technical Services/Engineering and Quality, with a view to upgrading general and specific skills in relation to the variables that drive the continuous improvement of production and corporate processes.
Particular attention and targeted interventions have been envisaged for the certification of skills in relation to "Customer Specific Requirements", in line with the requirements of IATF 16969:23016, the reference standard for the automotive sector.
Training covered the following types of activity and topics (in addition to what already described concerning Environment and Safety):

Manufacturing/production-related training:
Development of knowledge and specific skills via classroom and on-the-job training sessions covering the start-up of new lines and management of the related procedures. These activities were partly carried out in partnership with the suppliers of the mechanical processing plant and automation lines concerned. They covered, in particular:

- Operational management of the automation and mechanical processing lines with external and on-the-job training to develop the specific skills of the specialised and operational staff and to train up people in new dedicated roles;
- On-the-job activities related to the improvement of production processes and verification of compliance of processed and semi-finished products;
- Problem solving for the independent management of production issues, as part of the process of continuous improvement;
- Continuous on-the-job training of production staff aimed at increasing awareness of the quality characteristics of the product, the requirements requested by customers and updating the specifications of the control charts.

Engineering/quality training:
Internal quality:

- Improvement of internal management processes of the conformity variables of finished and semi-finished products;
- Development and maintenance of control methodologies;
- Prediction, updating and verification of quality system documentation through on-the-job training;

- Development of knowledge and skills in the field of metrology (i.e. measurement), with particular attention to the technical details of mechanical drawings of products;
- Development of specific knowledge and skills in 8D methodology and the tools used in this type of analysis. Ishikawa Diagrams - Pareto Charts - 5WHY - 5WHY and 2H - SPC - Scatter Plots – FMEA
- The Company System - IATF 9499 Origins - IATF 16949 Requirements - Process Parameters - 4M - 4M Workshop - Definition of controls - Statistical analysis of the process - Process monitoring - Non-conformity (cost) - Non-conformity (flow) - "Logical Thinking" - "San Gen Shugi" - Analysis, Implementation and Transversalization - Special supply states - Customer satisfaction

Skills certification:

External training related to the certification of skills and regulatory requisites provided by customers, in particular:

- Automotive Core Tools for Process and System Auditors;
- VDA 6.3 – Qualification of Process Auditors with an exam
- CQI 27 – Casting System Assessment
- VDA 6.5 – VDA “Product Auditors” qualification;
- Qualification of First and Second Party Auditors in accordance with the IATF 16949:2016 Quality Management System;
- VDA 6.3 – VDA standard update certification;

Training for the development of technical and managerial skills

- CMM – Zeiss programming (CALYPSO software);
- AUKOM 1 and AUKOM 2 certification on ZEISS systems;
- PMEA, process analysis and risk limitation;
- GROB Electromechanical Maintenance;
- Qualification of the personnel assigned to non-destructive checks;
- SPC – Statistical Process Control;
- MSA - Measurement System Analysis
- Development of specific skills for complex technical drawings: analysis, interpretations, applications, rules and symbology;

Training activities related to the development of transversal skills and related methodological applications:

- English language (basic – intermediate – advanced);
- Effective communication,
- DMS – Daily Management System;

The overall activities carried out (including those mentioned previously when talking about the environment and training) involved the Company's staff in a total of around 4,250 hours with training activities carried out internally, externally and on the job.

Research and development

In accordance with point 1) of the third paragraph of art. 2428 of the Italian Civil Code, we certify that with reference to the research and development activities applied to the product and the production process, development costs of approximately €1.45 million were recorded during the year (and capitalised under intangible assets). They concerned in particular the costs of technical and production support personnel involved during the year in product and process development activities (referring both to the specific projects subject to grants/co-financing as explained, and to the development carried out by the technical departments in relation to new products for the automotive market).
With reference to the various R&D activities mentioned above, the Company has benefited from the tax credits envisaged pursuant to art. 1.70.d) of Law 145/2018 (2019 Budget Law). During the year, the Company recognised the receivable (in relation to costs incurred during 2022/2023 and certified during the year) for a total of €110 thousand.
In particular, the principal activities carried out by the Company in its main areas of business are summarised below:

Die-casting

Multiple preliminary feasibility studies have been developed, including the lay-out of the equipment, detailed analysis of alternatives for cast feeding by means of virtual filling and solidification simulations, definition of stock quotas, consolidation of existing methodologies by comparing qualitative results obtained on significant lots. Technical product revisions have been defined and implemented, introducing solutions aimed at guaranteeing industrialisation for mass production.
With a view to product traceability, tests were carried out in an industrial environment to evaluate the reliability of the laser marking integrated into the die-casting cell.
Expansion of the integrated database of materials with low carbon footprint secondary alloys (Silval, Resal) and new generation primary alloys for die-casting (e.g. AlSi7, AlSi9Mn) with related heat treatment processes for the production of EV components (electric motors, electronics and battery compartment).

Design activities carried out in the process and product fields:

- designed, manufactured and sampled complete series of foundry equipment (HPDC mould and blanking) designed to supply defined blanks in collaboration with the mechanical processing department.
  Of particular interest is the platform for the new full-electric application of the OEMs. The component requires production solutions that have never been applied before. For example, creating a large flat and aesthetic surface requires the blank to be as level as possible. Following process simulations and co-engineering activities with the end customer, a ribbed geometry was developed on the main wall of the component, which makes it possible to obtain the required characteristics.
- New EN47100 alloy: the customer specifications for some recently acquired products required the use of a material (EN47100) recently introduced to the Chivasso plant. Processing and managing this alloy requires particular attention, both in the design phases of the casting mould and in the sampling phase, during which

some defects related to the solidification range typical of this high silicon content alloy required the adoption of innovative solutions for the thermo-regulation and lubro-refrigeration of the mould.

Machining

The design and definition of production lines have been achieved through synergies and collaborations with leading companies in the processing and automation sectors, integrating technical solutions for the online control of critical product characteristics (such as innovative vision/scanning systems for product quality management.

Product development activities with strategic customers (VW - AUDI) were completed with the definition of new products (Oil Module, HV-LE Deckel and Lagerschild).

Work on creating concept designs for EV platform components was continued: in particular, the activities envisaged as part of the IPCEI 1 batteries project (referred to above) relating to the production and assembly of gaskets for the housings of lithium-ion batteries in various formats (cylindrical, prismatic and pouch-shaped) were completed.

The technical aspects related to innovative technologies for joining dissimilar materials have been researched in greater depth. In particular, the Friction Stir Welding (FSW) applied to the cooling plates of the batteries and to the containers of the power electronics.

Design activities carried out in the process and product fields:

Production lines were installed, the start-up of production of parts for the MEB platform (VW, Iveco and Stellantis) was completed and industrialisation of the new VW/AUDI and Punch products was launched and completed.

In particular, for this last customer (which will supply gearboxes to the Stellantis group), a highly automated mechanical processing line has been installed in a new factory.

Special projects

The following is an overview of the progress of the special projects developed in the context of larger R&D projects co-financed at national or international level in which the Company is participating:

SALEMA Project - Horizon 2020.

The set-up of the 2700 ton island for the production of industrial batches of a High Pressure Die Casting (HPDC) demonstrator has been completed.

Used alloys from the AlSi10MnMg family (variant 4 and variant 7) to obtain frontal frame elements supplied to Stellantis in the rough casting/heat-treated T5 versions.

Performed required radiographic analyses in the component areas involved in MIG welding. Collected and provided to the project partners (Eurecat) the information needed to calculate the Life Cycle Assessment (LCA) for comparison with primary alloys.

The positive results of these activities (and the related critical issues/ideas for further development) were made available to the partnership for the final analyses of the project, scheduled for the early months of the 2024/2025 financial year.

IPCEI 1 Batteries Project - European Union (through MIMIT)

The benchmarking activity related to battery cells, modules and systems in the automotive field has been updated by acquiring and analysing solutions from Chinese, European and American manufacturers for a comparison aimed at identifying guidelines for dis-assembly.
On the basis of the memorandum of understanding (MoU) signed together with non-EU cell suppliers (Prologium), the joint development of disassembled modules containing solid state cells was completed, leading to the completion of the CAD modelling currently available.
Partnerships have been defined and synergistic action strategies have been set up with Italian companies - including those not participating in the IPCEI (Podium, Beond) - to be able to present themselves on the battery module market with tailor-made solutions and compete with off-the-shelf solutions from non-EU manufacturers, in order to guarantee greater competitiveness in terms of costs (to mitigate the effects of lower development costs on the part of non-European competitors).
The feasibility analyses for the innovative solution linked to the "Endurance" container (identified as BM-Basic Module) applied to the VDA 355, VDA 390 and VDA 590 versions have been completed. The patenting process has also been commenced in relation to this specific solution.
The feasibility analyses of a lid solution for VDA 390 in aluminium (HPDC, extruded, sheet metal) and techno polymer versions were completed as well, also through the creation of Alpha prototypes of lids in the versions described.
The first two concrete examples of second-life batteries have been identified:
1) 21700 cylindrical cells: from 2-wheel battery sub-modules to single-cell power banks
2) BM-VDA 390 compliant: prismatic cells from 4-wheel module to trailer-mounted power bank
A software application has been developed and validated for the virtual simulation of the die-casting process capable of appreciating the content of oxides generated in the filling phase of thin walls, successfully applied in the definition of the lay-out for HPDC BM VDA 390 mould casting. Furthermore, the first in-house melting, casting and recycling samples of low carbon footprint and low sludge factor alloys were carried out, which made it possible to define the operating methods with which to manage large batches of battery containers. The result obtained made it possible to achieve the targets which are very challenging, both in terms of product (1.4 mm wall thickness, 0.2° relief, weight 1.1 kg) and process (55 seconds of Takt time).
With reference to the Beta prototypes (off-tool & off-process), sampling was completed with secondary aluminium alloy variants:

- EN46000
- EN47100.

Tests for the validation of the most suitable die-casting machine (1350 tons) for the production of BM-VDA 390 battery containers were completed.

EuBatIn Project (IPCEI 2) – European Union (through MIMIT).
In collaboration with ATEX/Fantic Motor, the design of secondary aluminium HPDC swap battery units and reverse engineering on swap units suitable for fleet management/maintenance (LIME scooter) which made it possible to define a sub-module of cylindrical cells suitable for the 2-wheel battery application.

Benchmarking was completed for swap units and related charging stations for 2-wheeler fleets. An equivalent activity was commenced for 4-wheel fleets.
A BM-Basic Module VDA390 module was designed in collaboration with Reefilla, aimed at swap use in power bank trolley units.
An initial strategy for the implementation of swap units (urban/leisure fleet) with the related network and management of charging stations that responds to the low carbon footprint brand and the circular economy footprint (from the choice of raw materials to the recovery/re-use of containers/cells at the end of their first life) has been identified for a 2-wheel application. Defined co-design/testing activity aimed at WoW scooters – Made in Italy. First aluminium swap unit prototype design completed: the prototype will be finalised as the WoW775 model.
The EN46000 LCFP alloy in oven-ready format (Resal) was tested on a large batch with encouraging results (1.4 mm filled without cold joints). The relevant process quality control plan has been defined, including compliance with VDA19/ISO16232 cleaning after processing. The supply specifications for the creation of a suitable cleaning room have been defined.
The assembly cycle of cylindrical cells and related production unit was defined in collaboration with Podium Advanced Technologies, an Italian SME with which a synergistic investment agreement has been signed. In this context, Endurance has ordered an EOL testing bench which will be installed at the Podium factory in Pont-St. Martin (AO), to integrate the existing line, making it compliant with the EuBatIn and IPCEI 1 objectives of the Endurance Project Portfolio.

Restore Project – Horizon 2026
Project activities aimed at the regeneration of aluminium automotive components were started - in January 2024 - for which Endurance will supply the HPDC industrial component to the OEMs (Stellantis-Skoda) identified for the experimental phases of construction of local reinforcement using the L-DED process.

With reference to the projects mentioned above, reporting and interaction activities continued with the bodies responsible for the validation of costs and related authorisation for the payment of grants.

Transactions with subsidiaries, associates, parent companies and fellow subsidiaries

With regard to the provisions of paragraph 3.2 of art. 2428 of the Italian Civil Code, we can confirm that the Company does not have any controlling equity investments and, accordingly, has not entered into any transactions with subsidiaries.
As required by OIC 12.130 and art. 2427, para. 1, point 22-bis c.c., we point out that relations with related parties comprise transactions with the parent company and fellow subsidiaries (together referred to as “affiliates”), as summarised below:

Receivables due from affiliates classified as long-term financial assets

Description	31/03/2024	31/03/2023	Change
due from parent companies	3,000,000	3,000,000	-
Total	**3,000,000**	**3,000,000**	**-**

The amounts due from parent companies that are classified as long-term financial assets at 31 March 2024 relate to the loan granted to Endurance Overseas S.r.l. by Endurance S.p.A. in prior years.

Receivables due from affiliates classified as current assets

Description	31/03/2024	31/03/2023	Change
due from parent companies	1,910,721	4,321,954	(2,411,233)
due from fellow subsidiaries	801,017	534,614	266,403
Total	**2,711,738**	**4,856,568**	**(2,144,830)**

Receivables due from the parent company (€1,910,721) refer to the trade relationship with Endurance Overseas S.r.l. (€764,317) and the receivable balance for excess income tax advances paid to the parent company (€1,146,404) as part of the tax consolidation pursuant to arts. 117-129 of the Consolidated Income Tax Act.
Receivables due from fellow subsidiaries (€ 801,017) comprise trade receivables due from Endurance Castings S.p.A. (€19,075), Endurance Engineering S.r.l. (for €23,470 in addition to advances for € 233,035), direct subsidiaries of Endurance Overseas S.r.l., and Endurance GmbH (€524,807), a German subsidiary of the indirect parent company Endurance Technologies Limited.

Payables to and loans from affiliates

Description	FY 2024	FY 2023	Change
due to parent companies	1,268,488	767,872	500,616
due to fellow subsidiaries	7,459,039	5,785,835	1,673,204
Total	**8,727,527**	**6,553,707**	**2,173,820**

Payables due to parent companies total €1,268,488 and relate mainly to trade payables for administrative, financial services and support provided by the parent company Endurance Overseas S.r.l. to Group companies (based on specific service agreements), which have been entered into on an arm's length basis.
Payables due to fellow subsidiaries (€7,459,039 at 31 March 2024) include trade payables due to Endurance Castings S.p.A. (€7,280,812) and Endurance Engineering s.r.l. (€155,657) and to Veicoli S.r.l. (€22,570), which are direct subsidiaries of Endurance Overseas S.r.l.

Treasury shares

Pursuant to arts. 2435-bis and 2428 of the Italian Civil Code, we can confirm that the Company did not hold any treasury shares at the year end.

Shares/quotas in the parent company

In accordance with paragraphs 3.3 and 3.4 of Art. 2435-bis and Art. 2428 of the Italian Civil Code, it is hereby confirmed that the Company did not hold any shares or quotas in the parent company during the year.

Business outlook

In accordance with art. 2428, paragraph 3, point 6 of the Italian Civil Code, we would like to point out that the results of the first few months of the current year 2024/2025 are looking positive, continuing the trend recorded in the period just ended.

It is worth mentioning that the Company does not operate directly on either the Russian or the Ukrainian market, so it is not suffering direct consequences from the war, except for the impact of the increase in cost of raw materials, including energy and gas, like everyone else. The Company is monitoring how the situation is evolving, making every effort to mitigate these effects.

Due to the medium-term effects of the loss of purchasing power suffered by the majority of consumers, the reintroduction of public budget constraints in the European Union (after their suspension during the Covid period) and the restoration of maximum ceilings on deficits and the parameters for reducing excessive debt, it is reasonable to presume that high inflation can be definitively eliminated (at least for the domestic portion). This should leave room for a reduction in interest rates, which could in turn encourage private borrowing again as a source of fuel for growth. However, alternative scenarios could be one of recession, if the central banks' intervention is tardy, even one of stagflation if externally generated inflation continues. These are prospects characterised by a high level of uncertainty, difficult to imagine due to the complexities of current phenomena; also due to the conditions that could arise from the implementation of European initiatives of a strategic nature (such as Carbon Neutrality 2050) and the dramatic prolongation of the various wars that afflict the international scene.
For the time being, there is still a general sense of uncertainty which makes it hard to imagine how the various scenarios could affect the fate of the world economy and what the repercussions might be for the automotive sector.

Even though the macroeconomic situation shows various fragilities (trends in the real estate market, consumption, interest rates and inflation), the automotive sector has just been through a year of sustained growth (registrations

+13.9% in 2023) and the forecasts for next year are looking good. According to estimates released by ACEA (the European Automobile Manufacturers' Association) in February 2024, registrations for the year are expected to grow by a further 2.5% compared with 2023 (with 10.7 million new registrations expected).

It is more difficult to outline the trend in registrations of electric vehicles (BEV) and plug-in hybrid vehicles (PHEV). Registrations of such vehicles as a proportion of total registrations has grown significantly over the years, in line with car manufacturers' efforts to introduce new ranges of models and innovative solutions. However, price is an important factor in consumers' choice. Given the higher cost of this type of vehicle, suspending government contributions (e.g. Germany from January 2024) was enough to lower the proportion of registrations in the first quarter of 2024 compared with the average for 2023. In addition to the existing regulatory constraints, with the intermediate milestone in 2030 (55% reduction in emissions) and then stopping the production of new internal combustion vehicles from 2035, considering the huge investments already made by car manufacturers, the automotive sector remains strongly committed to developing this type of vehicle. The decisive forces for their definitive affirmation will be consolidated when economies of scale and promising technological innovations manage to reduce the purchase cost of EVs and the charging times of their battery systems. In this regard, ACEA also predicts that of the 10.5 million new vehicles registered in 2024, 20% should be BEV.

The marketing carried out by the company during 2023-24 was positive, even if lower than previous years due to the commitments deriving from the important projects that group companies are already implementing, making it possible to acquire new and important orders which once up and running will generate around €27 million of revenue per year. These new orders mainly concern components for VW, Mercedes and IVECO and refer to traditional, hybrid and, above all, pure electric applications which will go into production from FY 2025-26 onwards. Based on current forecasts and taking into account the above, management is of the opinion that the Company will be able to achieve positive results.

The use of financial instruments that should be taken into account when assessing the results and financial position

Pursuant to paragraph 3.6-bis of art. 2428 of the Italian Civil Code, we can confirm that the Company has a policy in place to hedge the interest-rate risk on medium-term loans by arranging four IRS contracts and a cap contract for some of these loans. Furthermore, with the aim of mitigating the risk of fluctuations in the price of certain commodities, the Company has signed commodity swap contracts for a part of its natural gas requirements for use in production. The fair value of these hedging instruments is provided in the notes.

Secondary locations

In accordance with Art. 2428 of the Italian Civil Code, details are provided below of the secondary locations used by the Company:

Address	Location
VIA F.LLI BONAUDO 11	CHIVASSO
VIA MORANDI 9	GRUGLIASCO
VIA DEL BOSCHETTO 2/43	LOMBARDORE
VIA F.LLI BONAUDO 11	CHIVASSO
VIA F.LLI BONAUDO 7	CHIVASSO

Conclusion

In light of the considerations set out above and of the disclosures made in the notes, we invite the shareholders:

- to approve the financial statements at 31/03/2024 together with the explanatory notes and this report on operations that accompany them;
- to allocate the result for the year in accordance with the proposal made in the notes.

Chivasso, 10/05/2024

For the Board of Directors
The Managing Director

Samuele Gabutto

General information on the company

Company data

Name:	ENDURANCE SPA
Registered office:	VIA REGIONE POZZO 26, CHIVASSO (TURIN)
Share capital:	€ 5,000,000.00
Share capital fully paid in:	yes
Chamber of Commerce:	TO
VAT Number:	01782370017
Tax code:	01782370017
REA Number:	518048
Legal form:	JOINT-STOCK COMPANY
Core business (ATECO):	256200
Company in liquidation:	no
Company with sole shareholder:	yes
Company subject to management control and coordination:	yes
Name of the company or entity that exercises management control and coordination:	ENDURANCE TECHNOLOGIES LIMITED
Belonging to a Group:	yes
Name of the parent company:	ENDURANCE OVERSEAS SRL
Country of the parent company:	ITALY
Cooperatives register number:	n/a

Financial statements at 31/03/2024

Balance sheet

	31/03/2024	31/03/2023
Assets		
B) Fixed assets		
I - Intangible assets	-	-
2) development costs	3,270,475	2,754,074
3) Industrial patents and intellectual property rights	114,343	71,999
7) Other	61,398	76,613
Total intangible assets	*3,446,216*	*2,902,686*

	31/03/2024	31/03/2023
II - Tangible assets	-	-
1) Land and buildings	21,338,304	20,212,661
2) Plant and machinery	85,248,054	52,618,839
3) Industrial and commercial equipment	2,055,267	522,321
4) Other assets	241,399	194,891
5) Assets under construction and advance payments	17,118,037	15,205,647
Total tangible fixed assets	*126,001,061*	*88,754,359*
III - Long-term financial assets	-	-
1) Equity investments in	-	-
d-bis) other companies	284	284
Total equity investments	*284*	*284*
2) Receivables	-	-
c) from parent companies	3,000,000	3,000,000
due within one year	3,000,000	3,000,000
Total receivables	*3,000,000*	*3,000,000*
4) Derivatives	78,673	223,382
Total long-term financial assets	*3,078,957*	*3,223,666*
Total fixed assets (B)	*132,526,234*	*94,880,711*
C) Current assets		
I - Inventories	-	-
1) Raw materials, ancillary materials and consumables	2,718,119	3,225,089
2) Work in process and semi-finished products	8,960,640	9,649,936
4) Finished products and goods	7,715,312	7,244,747
5) Advances	140,457	43,401
Total inventories	*19,534,528*	*20,163,173*
II - Receivables	-	-
1) from customers	10,242,316	16,202,028
due within one year	10,242,316	16,202,028
4) from parent companies	1,910,721	4,321,954
due within one year	1,910,721	4,321,954
5) from fellow subsidiaries	801,017	534,614
due within one year	801,017	534,614
5-bis) tax receivables	7,732,280	3,967,123
due within one year	5,110,731	3,967,123

	31/03/2024	31/03/2023
due beyond one year	2,621,549	-
5-ter) deferred tax assets	5,309,110	3,948,792
5-quater) from others	875,296	594,247
due within one year	875,296	594,247
Total receivables	*26,870,740*	*29,568,758*
III - Current financial assets	-	-
6) other securities	19,324,639	26,000,568
treasury management assets	29,349,439	17,357,617
Total current financial assets	*48,674,078*	*43,358,185*
IV - Cash and cash equivalents	-	-
1) Bank and postal deposits	32,658,040	14,213,434
3) Cash on hand	3,369	3,535
Total cash and cash equivalents	*32,661,409*	*14,216,969*
Total current assets (C)	*127,740,755*	*107,307,085*
D) Accrued income and prepaid expenses	**596,632**	**538,230**
Total assets	*260,863,621*	*202,726,026*
Liabilities and shareholder's equity		
A) Shareholder's equity	**86,504,945**	**87,287,693**
I - Share capital	5,000,000	5,000,000
III - Revaluation reserves	11,118,617	11,118,617
IV - Legal reserve	1,000,000	1,000,000
VI - Other reserves, shown separately	-	-
Extraordinary reserve	4,962,658	4,962,658
Merger surplus reserve	12,510,339	12,510,339
Sundry other reserves	21,900,492	21,900,492
Total other reserves	*39,373,489*	*39,373,489*
VII - Cash flow hedging reserve	905,703	2,767,445
VIII - Retained earnings (accumulated losses)	19,028,142	23,979,074
IX - Net income (loss) for the year	10,078,994	4,049,068
Total shareholder's equity	86,504,945	87,287,693
B) Provision for risks and charges		
3) derivatives	-	943,552
4) other	1,421,828	1,421,828
Total provisions for risks and charges	*1,421,828*	*2,365,380*

	31/03/2024	31/03/2023
C) Employee termination indemnities	**2,554,953**	**2,515,430**
D) Payables		
4) Due to banks	76,411,024	43,925,166
due within one year	26,235,911	18,188,867
due beyond one year	50,175,113	25,736,299
7) Trade payables	71,627,721	49,740,139
due within one year	71,627,721	49,740,139
11) Due to parent companies	1,268,488	767,872
due within one year	1,268,488	767,872
11-bis) Due to fellow subsidiaries	7,459,039	5,785,835
due within one year	7,459,039	5,785,835
12) Tax payables	566,725	887,764
due within one year	566,725	887,764
13) Due to pension and social security institutions	2,196,750	1,905,699
due within one year	2,196,750	1,905,699
14) Other payables	5,538,296	5,096,498
due within one year	5,538,296	5,096,498
Total payables	*165,068,043*	*108,108,973*
E) Accrued expenses and deferred income	**5,313,852**	**2,448,550**
Total liabilities and shareholder's equity	*260,863,621*	*202,726,026*

Income statement

	FY 2023/2024	FY 2022/2023
A) Value of production		
1) Revenues from sales of goods and services	156,102,957	148,700,331
2) Change in inventories of work in progress, semi-finished and finished products	(2,829,605)	(2,335,744)
4) Increases in non-current assets from in-house production	1,245,892	1,222,033
5) Other income and revenues	-	-
Operating grants	1,503,900	3,979,765
Other	1,023,080	1,564,293
Total other income and revenues	*2,526,980*	*5,544,058*
Total value of production	*157,046,224*	*153,130,678*
B) COST OF PRODUCTION		
6) raw and ancillary materials, consumables and goods for resale	76,640,666	74,495,080
7) services	23,572,696	27,426,202
8) lease and rental charges	1,113,572	4,040,554
9) payroll	-	-
a) wages and salaries	21,314,552	18,695,037
b) social contributions	5,547,305	5,252,112
c) employee termination indemnities	868,497	1,007,806
e) other costs	329,985	453,646
Total payroll costs	*28,060,339*	*25,408,601*
10) depreciation, amortisation and write-downs	-	-
a) amortisation of intangible assets	880,835	959,293
b) depreciation of tangible assets	15,586,872	13,914,436
d) write-downs of current receivables and liquid funds	-	169,178
Total depreciation, amortisation and write-downs	*16,467,707*	*15,042,907*
11) change in inventory of raw and ancillary materials, consumables and goods	(2,103,904)	242,040
14) other operating expenses	1,760,599	1,339,432
Total cost of production	*145,511,675*	*147,994,816*
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A - B)	**11,534,549**	**5,135,862**
C) FINANCIAL INCOME AND CHARGES		
16) other financial income	-	-
d) income other than the above	-	-

	FY 2023/2024	FY 2022/2023
from parent companies	754,312	109,017
other	1,045,937	253,414
Total income other than the above	*1,800,249*	*362,431*
Total other financial income	*1,800,249*	*362,431*
17) Interest and other financial charges	-	-
other	3,172,089	1,052,773
Total interest and other financial charges	*3,172,089*	*1,052,773*
17-bis) exchange gains and losses	534	(3,349)
Total financial income and charges (15+16-17+-17-bis)	*(1,371,306)*	*(693,691)*
D) Adjustments to financial assets and liabilities		
18) revaluations	-	-
c) current financial assets excluding equity investments	146,971	-
Total revaluations	*146,971*	-
19) write-downs	-	-
d) of financial derivatives	-	97,008
Total write-downs	-	*97,008*
Total adjustments to financial assets and liabilities (18-19)	*146,971*	*(97,008)*
Income (loss) before taxes (A-B+-C+-D)	**10,310,214**	**4,345,163**
20) Income taxes for the year, current and deferred		
current taxation	863,619	630,024
taxation relating to prior years	(68,256)	(50,809)
deferred taxation	(647,722)	(195,320)
income (charges) from tax consolidation/tax transparency	(83,579)	87,800
Total income taxes for the year, current and deferred	*231,220*	*296,095*
21) Net income (loss) for the year	**10,078,994**	**4,049,068**

Statement of cash flows (indirect method)

	FY 2023/2024	FY 2022/2023
A) Cash flows from operating activities (indirect method)		
Net income (loss) for the year	10,078,994	4,049,068
Taxation	231,220	296,095
Interest expense/(interest income)	1,371,306	693,691
(Gains)/losses from disposal of assets	(252,756)	(27,589)
1) Net year income (loss) before income taxes, interest, dividends and gains/losses from disposals	*11,428,764*	*5,011,265*
Adjustments for non-cash items that had no contra-entry in net working capital		
Provisions	322,216	386,648
Depreciation and amortisation of fixed assets	16,467,707	14,873,729
Adjustments to financial assets and liabilities of financial derivatives that do not involve monetary movements	(146,971)	97,008
Other adjustments up or (down) for non-cash items	(2,660,584)	4,056,029
Total adjustments for non-cash items that had no contra-entry in net working capital	*13,982,368*	*19,413,414*
2) Cash flow before changes in net working capital	*25,411,132*	*24,424,679*
Change in net working capital		
Decrease/(Increase) in inventory	628,645	2,551,014
Decrease/(Increase) in trade receivables	8,314,542	(8,472,808)
Increase/(Decrease) in trade payables	14,285,147	4,984,977
Decrease/(Increase) in accrued income and prepaid expenses	(58,402)	(36,879)
Increase/(Decrease) in accrued expenses and deferred income	2,837,633	23,442
Other decreases/(Other Increases) in net working capital	(5,003,190)	1,730,896
Total changes in net working capital	*21,004,375*	*780,642*
3) Cash flow after changes in net working capital	*46,415,507*	*25,205,321*
Other adjustments		
Interest collected/(paid)	(1,343,637)	(552,832)
(Income taxes paid)	(222,744)	-
Dividends received	-	(148,391)
(Use of provisions)	(282,693)	-
Total other adjustments	*(1,849,074)*	*(701,223)*
Cash flow from operating activities (A)	***44,566,433***	***24,504,098***
B) Cash flows from investing activities		
Tangible assets		

	FY 2023/2024	FY 2022/2023
(Additions)	(43,059,564)	(21,614,735)
Disposals	45,000	326,813
Intangible assets		
(Additions)	(1,424,365)	(1,750,754)
Current financial assets		
(Additions)	(6,119,496)	(3,277,471)
Disposals	12,942,396	5,085,881
Cash flow from investing activities (B)	***(37,616,029)***	***(21,230,266)***
C) Cash flows from financing activities		
Third-party funds		
Increase (Decrease) in current bank loans	(11,991,822)	(2,327,761)
New loans	54,882,500	32,300,610
(Repayment of loans)	(22,396,642)	(19,079,075)
Own funds		
(Dividends and interim dividends paid)	(9,000,000)	(12,000,000)
Cash flow from financing activities (C)	***11,494,036***	***(1,106,226)***
Increase (decrease) in cash and cash equivalents (a ± b ± c)	***18,444,440***	***2,167,606***
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	14,213,434	12,046,148
Cash on hand	3,535	3,215
Total cash and cash equivalents at the beginning of the year	14,216,969	12,049,363
Cash and cash equivalents at the end of the year		
Bank and postal deposits	32,658,040	14,213,434
Cash on hand	3,369	3,535
Total cash and cash equivalents at the end of the year	**32,661,409**	**14,216,969**

Information on the statement of cash flows

The statement of cash flows for the year is presented on a comparative basis in accordance with OIC 10. This statement was prepared using the indirect method, in order to identify the sources and applications of funds deriving from operating, financing and investing activities. Note that the "Increase (decrease) in current bank loans and amounts due to other sources of finance" includes the change in the positive balance of the cash pooling accounts managed by Endurance Overseas S.r.l.

Explanatory notes, first part

Shareholders,

These explanatory notes are an integral part of the financial statements for the year ended 31/03/2024.

The financial statements submitted for your approval show net income of € 10,078,994, after current and deferred taxes that give a positive balance of € 231,220 and depreciation and amortisation of € 16,467,707.

Preparation of the financial statements

The financial statements for the year ended 31 March 2024 have been prepared in compliance with the Italian Civil Code, as interpreted and supplemented by the accounting standards issued by the OIC (Italian Accounting Board) and, if these are unavailable and to the extent not in conflict with Italian Accounting Standards, by those issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a going concern basis, as there are no significant uncertainties in this regard.

Even though the general context is uncertain, the current liquidity of the Company together with that of the Group means that, at present, there are no threats to the ability of the business to continue operations over the next 12 months.

The financial statements comprise the balance sheet, the income statement, the statement of cash flows (prepared in conformity with the respective requirements of arts. 2424 and 2424 bis of the Italian Civil Code (c.c.), arts. 2425 and 2425 bis c.c. and art. 2425 ter c.c.) and these notes.

The balance sheet, the income statement, the statement of cash flows and the accounting disclosures contained in these notes agree with the books of account, from which they have been directly prepared. The items preceded by Arabic numerals in the balance sheet and income statement have not been grouped together, which is optional under art. 2423 ter of the Italian Civil Code.

The accounting policies adopted for the various items comply with those specified in art. 2426 c.c. and the relevant accounting standards. The financial statements have been prepared on a consistent basis with the previous year.

The financial statement items are stated in accordance with the prudence concept and on a going concern basis. Pursuant to art. 2423-bis, para. 1, point 1-bis of the Italian Civil Code, items are recognised and presented having regard for the substance of the operations or contracts concerned.

Pursuant to art. 2424 of the Civil Code, we can confirm that no asset or liability items have been allocated to more than one balance sheet line.

In the preparation of the financial statements, income and expenses are recorded on an accruals basis, regardless of the timing of collection and expenditure. Contingencies and losses relating to the year are recognised, even if they become known after the reporting date.

The purpose of the notes is to describe, analyse and, in some cases, supplement the figures reported on the face of the financial statements. They contain the information required by arts. 2427 and 2427 bis c.c., other provisions of the civil code and other legislation. In addition, they provide all the complementary information deemed necessary

in order to present the most transparent and complete view possible, even if such information is not required by specific legislation.
The financial statements comply with the requirements of article 2423 et seq. of the Italian Civil Code and with the Italian accounting standards issued by the OIC (Italian Accounting Board); they have thus been prepared clearly and give a true and fair view of the company's financial position and results of operations.

Basis of preparation

The information contained in this document is presented in the order in which the related components are indicated in the balance sheet and income statement.
With reference to the matter indicated in the introduction to the notes, we can confirm that, pursuant to paragraph 3 of Art. 2423 of the Civil Code, where the information required by legislative provisions is not sufficient to give a true and fair view of the company's situation, supplementary information is provided for this purpose.
No exceptional cases have arisen that have made it necessary to seek exemptions under paragraphs 4 and 5 of art. 2423 and paragraph 2 of art. 2423-bis of the Civil Code.

Comparability and compliance

Pursuant to Art. 2423 ter of the Civil Code, we can confirm that all of the financial statement items are comparable with the prior year; no restatement of prior year items has been necessary.

Accounting policies

The accounting policies applied for the preparation of these financial statements, described below, take account of the amendments, additions and new provisions included in the civil code by Decree 139/2015, which transposed Directive 34/2013/EU into Italian law. In particular, the domestic accounting standards were reformulated by the OIC in the latest version issued on 22 December 2016, inclusive of the amendments published on 29 December 2017.
The accounting policies applied for the measurement of financial statement items and for their adjustment comply with the provisions of the Italian Civil Code and with the indications included in the Italian accounting standards reformulated by the Italian Accounting Board.
Pursuant to art. 2427 paragraph 1 no. 1 of the Italian Civil Code, we explain the more significant accounting policies applied in compliance with the provisions of art. 2426 of the Italian Civil Code, particularly for those items for which the legislator permits the use of options for measurement and adjustments or for which no specific accounting policy exists.

Intangible assets

When the established criteria are met, these are recorded at purchase or production cost, inclusive of direct costs and related charges, and amortised systematically each year on a straight-line basis. Intangible assets are recognised with the consent of the Board of Statutory Auditors where prescribed by law.
Their book value is stated net of accumulated amortisation and write-downs.
Amortisation is applied as indicated below, in order to allocate the cost incurred over the useful life of the assets:

Intangible asset items	Amortisation period
Start-up and expansion costs	5 years on a straight-line basis
Development costs	5 years on a straight-line basis
Industrial patents and intellectual property rights	3 years on a straight-line basis
Concessions, licences, trademarks and similar rights	10 years on a straight line basis
Goodwill	5 years on a straight-line basis
Other intangible assets	5 years on a straight-line basis / based on the duration of the underlying contracts

In exceptional cases in which the useful lives of development costs cannot be estimated reliably, they are in all cases amortised over a period that does not exceed five years. Until these assets are fully amortised, dividends cannot be distributed unless the remaining available reserves are sufficient to cover the unamortised balance.
Advertising and research costs are expensed in full in the accounting period in which they are incurred.
Leasehold improvements are capitalised and classified as "other intangible assets" if they cannot be separated from the assets concerned (in which case they are recognised in the relevant category of "tangible assets"). They are amortised systematically over the period they are expected to benefit (prudently determined to be 5 years) or, if shorter, over the residual duration of the lease after taking account of any renewal period available at the discretion of the Company.
If permanent impairment is identified, the asset is written down accordingly, regardless of the amortisation already recorded; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs. This reinstatement does not apply to goodwill or the deferred charges referred to in point 5 of art. 2426 c.c. Pursuant to art. 10 of Law 72 of 19 March 1983 and subsequent laws on the revaluation of assets, we confirm that the intangible assets recorded in the books have never been revalued.

Tangible assets

These are recorded at purchase or internal construction cost and stated net of the depreciation charged in the current and prior years. Costs comprise related charges and the direct and indirect expenses that can reasonably be allocated to assets during the construction period and until they become available for use. They also include any borrowing costs incurred to finance the construction work (whether internal or carried out by third parties) until the asset become available for use, without however exceeding its recoverable value. Tangible assets are only revalued if this is required or allowed by special laws.
Assets purchased in foreign currencies are recorded at cost using the exchange rate in force on the transaction date, or using the lower rate applying on the reporting date if the reduction is deemed to be permanent.

Tangible assets are depreciated systematically each year. The rates applied are summarised in the following table:

Tangible asset items	Depreciation rate
Industrial buildings	3.00% - 6.67% (*)
Light constructions	10.00%
General plant	10.00%
Specific machinery / Automatic machines	10.00%
Furnaces and appurtenances	15.00%
Dies and shears	20.00%
Sundry and minor equipment	25.00%
Mechanical equipment	40.00%
Foundry equipment	40.00%
Electronic office machines	20.00%
Ordinary office machines and furniture and furnishings	12.00%
Motor cars	25.00%
Vehicles and lifting equipment	20.00%
Assets costing less than € 516.46	100.00%

(*) depreciation defined on the basis of the estimated residual useful life - 15 years - of the assets subject to allocation of the surplus value at the time of the corporate operations (starting date set as 01/01/2015) that took place in the parent company Endurance Overseas S.r.l. and subject to a partial demerger in favour of the Company during 2022/2023.

When fixed assets enter into service during the year, their depreciation commences on a time-apportioned basis from the month after the one in which they become available and ready for use in the year of acquisition.

Depreciation is also charged on fixed assets that are temporarily out of use. Land is not depreciated, as its useful life is not finite.

If applicable, buildings held as a financial investment are not depreciated if their residual value is greater than or equal to their net carrying amount.

If permanent impairment is identified regardless of the depreciation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs.

Routine maintenance and repair costs are charged in full to the income statement. Improvement costs are allocated to the fixed assets concerned and depreciated over their residual useful lives.

Costs incurred to expand, modernise or improve the structural elements of a tangible fixed asset are capitalised if they significantly and measurably increase its productive capacity, safety or useful life. If the costs concerned do not have the above effect, they are treated as routine maintenance and charged to the income statement.

Start-up grants are recognised when it becomes reasonably certain that the conditions for their collection will be satisfied and the grants will be paid. They are deducted from cost indirectly, as they are credited to income statement caption A5 “other income and revenues” and then deferred for recognition on an accruals basis via classification as “deferred income”.

It should also be noted that during the previous year, the Company made use of the option available under article 110 of Legislative Decree 104 of 14 August 2020 (the so-called 'August Decree'), converted into Law 120 of 13 October 2020 (G.U. 253 of 13 October 2020, Ord. Suppl. 37), to revalue its assets.

Impairment (tangible and intangible assets)

At each reporting date, the Company determines if there is any evidence that the value of its tangible and intangible fixed assets might be impaired. If such evidence is found, the Company estimates the recoverable value of each asset concerned and records an impairment write-down if it is lower than the corresponding net carrying amount.
Recoverable value is not determined if there is no evidence of possible impairment.
The recoverable value of tangible and intangible fixed assets is deemed to be their value in use (calculated by discounting their future cash flows) or, if greater, their fair value (being the amount obtainable at the reporting date, based on the best available information, from their sale in an arm's-length transaction between knowledgeable and willing parties, net of the related selling costs).
With regard to the above, the Company has looked for evidence that the value of its tangible and intangible fixed assets might be impaired, but did not find any and, accordingly, has not determined the recoverable value of the above assets.

Equity investments and securities (classified as long-term financial assets)

The equity investments and debt securities classified as non-current assets will be held by the Company over the long term. Equity investments are measured at cost, as adjusted for any impairment.
The cost recorded in the financial statements is determined with reference to purchase or subscription price, inclusive of related expenses. If impairment is identified, the carrying amount of equity investments is reduced to their recoverable value, which is determined with reference to the future benefits that are expected to accrue to the Company. Should the Company be obliged or intend to cover the (non-permanent) losses incurred by an equity investment, a suitable provision is recorded to cover the liability to which the Company is exposed. If in future years the reasons for the write-down cease to apply, the equity investment is written back to its original carrying amount.
Debt securities are measured using the amortised cost method, being their original carrying amount net of any redemptions of principal, as increased or decreased by the accumulated amortisation, calculated using the effective interest method, of any difference between its initial and maturity values after deducting any impairment (recognised directly or by a provision) following a loss in value; the original carrying amount is represented by purchase or subscription cost, net of any commissions.

Intercompany loans

Intercompany loans with a duration of more than 12 months are usually governed by contracts arranged on market terms and conditions; interest-free intercompany loans and those arranged at significantly below market rates are recognised initially at the value of the related future cash flows, as discounted using the market rate (being the average funding rate of the Company or the Group). The difference with respect to the liquidity collected by the parent company is credited to shareholder's equity.

Inventories

Inventories are stated at the lower of purchase and/or production cost and realisable value, based on market prices.

In particular, set out below are details of the specific accounting policies used for the valuation of each inventory category (consistent with those used for the prior year):

- Raw materials: annual weighted average cost (including components purchased from third parties and alloys).
- Work in process (semi-finished products): manufacturing cost based on the stage of completion of the production process, being the cost of production.
- Finished products: manufacturing cost.
- Dies for resale: purchase cost.
- Consumables: purchase cost, inclusive of spare parts.

Purchase cost includes any directly attributable ancillary charges, with the exclusion of borrowing costs. Production cost includes the indirect costs that are reasonably attributable to each asset during the production period until it becomes available for use.

The realisable value of goods, finished products, semi-finished products and work in process inferred from market conditions is deemed to be their net realisable value. Raw and ancillary materials held for the production of finished products are not written down if the finished products in which they will be used are realisable for an amount that is greater than or equal to their production cost.

Inventories are written down when their realisable value estimated with reference to market conditions is lower than their carrying amount. Obsolete and slow-moving inventories are written down with reference to their possible uses or realisable value. If in future years the reasons for any write-down cease to apply, the related inventories are written back to not more than their original cost.

Receivables

Receivables are stated at amortised cost, having regard for the time factor and their estimated realisable value. The amortised cost method is not applied when its effects are insignificant, being when the transaction costs, the commissions paid between the parties and all other difference between initial value and maturity value are immaterial or when the receivables are recoverable in the short term (within 12 months).

Trade receivables due beyond 12 months at the time of initial recognition, without the payment of interest or with interest that differs significantly from market rates, and the related revenues are recognised initially at the value of their future cash flows discounted using the market rate (being that applied by two independent parties when negotiating a loan transaction with similar terms and conditions). The difference between the amount of the receivable recognised initially and its maturity value is recognised as financial income in the income statement over the duration of the receivable, using the effective interest method.

The amount of receivables, as determined above, is adjusted when necessary by a specific allowance for doubtful accounts, which is deducted directly from their gross amount in order to report them at their estimated realisable value. The provision (which takes account of collection losses, returns and invoicing adjustments, discounts and allowances, interest not yet earned and other reasons for reduced recoverability) is charged to the income statement.

Receivables assigned to factors are only derecognised if they are sold without recourse and essentially all the related risks are transferred (the difference between the consideration received on the assignment and the carrying amount of the receivable is recognised in income statement caption C17). If the assignment does not involve derecognition (for example, assignment with recourse), since not all the related risks are transferred, the receivable continues to be reported in the balance sheet and is measured in the manner described above. If advance consideration is received from the assignee, the amount is recognised as a financial payable.
Receivables taking the form of bank receipts that have not been assigned remain classified as receivables until final collection of the amounts concerned.
Receivables deriving from the cash pooling system are classified separately within current assets, if recoverable in the short term. If this is not the case, they are classified as long-term financial assets.

Equity investments and securities not held as fixed assets

This caption comprises the equity investments and debt securities that will not be held over the long term by the Company. They are recorded at specific cost or, if lower, at their market value that, for listed investments, is determined with reference to their market price on the reporting date.
These equity investments are written down to their realisable value case by case, rather than on an overall basis. If the reasons for any adjustments cease to apply, in whole or in part, the adjustments are reversed without exceeding the original cost.

Cash and cash equivalents

Cash and cash equivalents at the reporting date are measured at their nominal value. Amounts denominated in foreign currencies are measured using the closing exchange rates.

Accruals and deferrals

Accruals and deferrals comprise costs and revenues relating to the year that will be formally recorded in future years, and costs and revenues recorded by the reporting date that relate to future years. The related amounts are determined on a time-apportioned basis.

Provisions for risks and charges

The provisions for risks and charges cover known or likely losses or liabilities, the timing or extent of which cannot be determined at the reporting date. These provisions, including those for deferred tax liabilities, which are classified in this caption, reflect the best possible estimates based on the information available. Risk that only might give rise to a liability are described in the notes on the provisions, without actually recording a provision. As required by OIC 31, new provisions for risks and charges are, where possible, classified in the relevant income statement classes (B, C or D). Whenever it is not possible to correlate a new provision with a caption in one of the above classes, it is classified in income statement caption B12 or B13.

Employee termination indemnities

Employee termination indemnities represent the total amount that would have been payable to all employees had they terminated their employment on the reporting date. The charge for the year, comprising the new provision and the revaluation of the accumulated provision (based on the change in the relevant ISTAT index), is determined in accordance with current regulations, having regard for the specific employment contracts and the professional categories concerned. Employee termination indemnities are classified in liability caption C, while the provision for the year is classified in income statement caption B9.

The changes made to the regulations governing termination indemnities by Law 296 dated 296 December 2006 (2007 Finance Law) and subsequent decrees and enabling regulations, amended the accounting for the indemnities earned by 31 December 2006 and those earned from 1 January 2007. In particular, following creation of the INPS Treasury Fund to manage the termination indemnities of private sector employees, employers with more than 50 employees are obliged to pay the new provisions relating to them into the Treasury Fund, unless the persons concerned have specifically opted for their indemnities to be paid to a supplementary pension fund. The employee termination indemnities reported in the balance sheet are therefore shown net of the amounts paid to the above INPS Treasury Fund.

Payables

Payables are stated at amortised cost, as defined in art. 2426, para. 2 c.c., having regard for the time factor envisaged in art. 2426, para. 1, point 8 c.c.. Payables are however stated at their nominal amount if application of the amortised cost and/or discounting methods would not be significant for the purpose of providing a true and fair view of the financial position and results of operations. This situation arises in the case of payables due within twelve months or, with regard to the amortised cost method, if the transaction costs, commissions and all other differences between the initial value and the maturity value are insignificant or, again, with regard to the discounting method, if the interest rate inherent in the contractual conditions is not significantly different to the market rate of interest.

The amounts due to employees for untaken holidays and deferred payroll, including the related social security contributions, are accrued with reference to the amount that would have been payable had their employment ceased on the reporting date.

Finance Leases

Finance leases are accounted for under the so-called balance sheet method, with the fees paid being booked to the Income Statement on an accruals basis. A specific section of these explanatory notes contains the supplementary information required by the law on the effect of recognising these contracts using finance lease methodology.

Derivatives

Derivatives consist of financial assets and liabilities measured at fair value.

They are only classified as hedging instruments when, at the time of arrangement, there is a strict, documented correlation between the characteristics of the hedged item and those of the hedging instrument, and that hedging relationship is both formally documented and, based on periodic checks, highly effective.

When derivatives hedge the risk of changes in the fair value of the hedged instruments (fair value hedges), they are measured at fair value through profit or loss; for consistency, the carrying amounts of the hedged items are adjusted to reflect the changes in fair value associated with the hedged risk.
When derivatives hedge the risk of changes in future cash flows of the hedged instruments ("cash flow hedges"), the effective portion of the profits or losses on the derivative financial instrument is put into suspense in shareholders' equity (under the “Reserve for cash flow hedges”, net of tax). The ineffective portion of the profits and losses associated with a hedge is recognised in the income statement. On completion of the transaction, the accumulated profits and losses, previously deferred to equity, are released to the income statement (to adjust the income statement items affected by the hedged cash flows).
When hedge accounting is used, the changes in the related fair value of the hedging derivatives are recognised:

- in income statement captions D18 or D19, in the case of a fair value hedge of a reported asset or liability, together with the changes in the fair value of the hedged items (if the change in the fair value of the hedged item is greater in absolute terms than the change in the fair value of the hedging instrument, the difference is recognised in the income statement caption affected by the hedged item);
- in a specific equity reserve (caption AVII “Reserve for cash flow hedges”) in a manner that offset the effects of the hedged flows (the ineffective portion, like the change in the time value of options and forwards, is classified in captions D18 and D19).

The changes in the fair value of financial instruments that are classified as trading derivatives, either because they do not qualify for treatment as hedging derivatives or because they were not designated as hedges, even though they were arranged operationally to hedge the risk of changes in interest rates and/or exchange rates and/or commodity prices, are recorded in the balance sheet and recognised in income statement captions D18 or D19.
Any derivatives embedded in other financial instruments must also be measured at fair value. In particular, embedded instruments are only separated from the primary contract and recognised as derivatives if, and only if:

a) the economic characteristics and risks of the embedded derivative are not closely correlated with the economic characteristics and risks of the primary contract. Close correlation exists if hybrid contracts are arranged in accordance with market practice;
b) all the elements included in the definition of a derivative financial instrument specified in OIC 32.11 are satisfied.

Revenues

Revenues from the sale of goods are recognised when ownership passes in substance, rather than in formal terms, being when the related risks and benefits are transferred (which in practice coincides with the time of delivery or shipment of the goods).
Revenues from the sale of products and goods or the provision of services relating to core operations (including income from the sale of production machinery and equipment, if envisaged under contractual agreements with customers) are recognised net of returns, discounts, allowances and rebates, as well as the taxes directly associated with the sale of products and the provision of services.
Revenues from services are recognised upon completion and/or when earned.
Transactions with related parties take place on normal market terms and conditions.

Costs

Costs stated net of returns, discounts, allowances and rebates are recognised on an accruals basis in accordance with the matching principle, regardless of the date of collection or payment. Compliance with the matching principle requires an estimate to be made of the invoices to be received.

Dividends

Dividends are recognised in the year in which they are declared by the shareholders' meeting. Dividends are recognised as financial income, regardless of the nature of the reserves that are distributed.

Financial income and charges

Financial income and charges are recognised on an accruals basis. Costs relating to the disposal of receivables for whatever reason are charged to the income statement on an accruals basis.

Taxation

Income taxes are recognised with reference to an estimate of taxable income in compliance with current regulations, having regard for any applicable exemptions and tax credits.

Deferred tax assets and liabilities are calculated on the temporary differences between the reported carrying amount of assets and liabilities and their corresponding values for tax purposes. Their measurement takes account of the tax rates expected to be in force in the year in which such differences contribute to the formation of taxable income, being the rates in force or already communicated at the reporting date (24% for IRES and 3.9% for IRAP). They are classified respectively among the current assets as “deferred tax assets” and among the provisions for risks and charges as “deferred tax liabilities”.

In accordance with the concept of prudence, deferred tax assets are recognised on all deductible temporary differences if it is reasonably certain that taxable income in the years in which they reverse will not be less than the amount of the differences to be absorbed.

By contrast, deferred tax liabilities are recognised on all taxable temporary differences.

Deferred tax liabilities are not recognised in relation to reserves subject to the deferral of taxation if they are unlikely to be distributed to the shareholder.

As in the past, the Company continues to be a member of the Endurance domestic tax group pursuant to arts. 117/129 of the Consolidated Tax Act (T.U.I.R.) and the renewed contract with the parent company covering the financial year ended on 31/03/2024.

Endurance Overseas S.r.l. is the parent of this tax group and calculates just one taxable income for all member companies, with the benefit that taxable income can be offset against tax losses in a single tax declaration.

All members of the tax group transfer their taxable income (or loss) to the group parent, which records an amount receivable from them for the IRES to be paid (the consolidated companies record an amount payable to the tax group parent). Conversely, the group parent records an amount payable to the companies that transfer tax losses, representing the IRES actually offset at group level (the consolidated companies record an amount receivable from the tax group parent).

Translation of foreign currency items

Non-monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the exchange rates applying at the time of their acquisition, being their initial recognition cost.

Monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the spot exchange rates applying on the reporting date; the related exchange gains and losses are recognised in the income statement and any net unrealised gains are allocated to a non-distributable reserve until they have been realised.

Other information

Repurchase agreements

Pursuant to art. 2427 point 6-ter of the Italian Civil Code, the Company confirms that no repurchase agreements were arranged during the year.

Explanatory notes - assets

The movements in the individual balance sheet items are analysed in detail below, according to current law.

Fixed assets

Intangible assets

Intangible assets total € 3,446,216 at 31 March 2024, after charging amortisation of € 880,835 to the income statement. They are analysed in detail below.
"Development costs" include the capitalisation of costs incurred during the year in relation to the activities carried on by the Company for the development of new products and the implementation of improvements and innovative processes, carried out in the context of the activities of the technical and industrialisation offices, also in the context of research and development projects in which the Company participates.
Industrial patents and intellectual property rights mainly include the residual value of software used for business activities.
The item "Other intangible assets" includes the value of long-term costs mainly associated with supply contracts.
No evidence was found during the year based on the latest forward-looking scenarios to indicate the possible impairment of intangible assets and, accordingly, no write-downs have been recorded pursuant to art. 2426, para. 1, point 3, of the Italian Civil Code and the requirements of OIC 9. Considering the accelerated receipt of the benefits linked to the capitalisation of development costs, the Company has reduced the expected useful lives of those intangible assets to reflect the revised estimate of the related residual benefits based on the latest information available when preparing the financial statements (with consequent impact on the amortisation charge for the year).

Movements in intangible assets

The table shows the movements in intangible assets during the year.

	Development costs	Industrial patents and intellectual property rights	Goodwill	Other intangible assets	Total intangible assets
Balance at the beginning of the year					
Cost	7,075,084	723,775	1,626,472	2,995,939	12,421,270
Amortisation (Accumulated amortisation)	4,321,010	651,776	1,260,516	2,919,326	9,152,628
Write-downs	-	-	365,956	-	365,956
Carrying amount	**2,754,074**	**71,999**	**-**	**76,613**	**2,902,686**
Changes during the year					
Additions	1,334,608	85,757	-	4,000	1,424,365
Amortisation for the year	818,207	43,413	-	19,215	880,835
Total changes	*516,401*	*42,344*	-	*(15,215)*	*543,530*
Balance at the end of the year					
Cost	8,409,692	809,532	1,626,472	2,995,609	13,841,305
Amortisation (Accumulated amortisation)	5,139,217	695,189	1,260,516	2,934,211	10,029,133
Write-downs	-	-	365,956	-	365,956
Carrying amount	**3,270,475**	**114,343**	**-**	**61,398**	**3,446,216**

The additions recorded during the year mainly refer to development costs incurred with a view to acquiring knowledge and skills for the development of new products and the efficiency of production lines: the costs subject to capitalisation mainly refer to the costs for personnel involved in development activities, as well as external costs to support these activities. Further investments during the year concerned the updating of the Company's software equipment and improvements to third-party assets and other multi-year costs.

Tangible assets

This category comprises assets that will be employed over the long term, forming part of the permanent organisation of the Company. This statement reflects their intended use by the Company, rather than their intrinsic life. These assets are normally employed in the production of income in the ordinary course of business and, therefore, they are not held for sale or for transformation into the products of the Company.

Tangible assets, gross of accumulated depreciation at 31 March 2024, amount to € 285,301,689, the depreciation funds are equal to € 159,300,628, including the depreciation charge for the year of € 15,586,872.

The main categories are as follows:

- Land and buildings (for a net amount of € 21,338,304 at 31 March 2024) include the net carrying amount of the Company's industrial buildings;
- Plant and machinery (recognised in the financial statements for a net carrying amount of € 85,248,054 at 31 March 2024), used in the Company's production activities at the industrial complexes of Chivasso (TO) and Lombardore (TO).

Assets under construction and advance payments (€ 17,118,037 at 31 March 2024) includes the residual amount of advances paid to suppliers for the purchase of plant and machinery and of goods purchased but awaiting installation for use in production, with reference to projects for Volkswagen/Audi (Halter, Deckel, Lagerschild) and Stellantis (Transmission Housing Punch Powertrain, and Sovratesta Ducato 2.2).

Movements in tangible assets

The following table shows the movements in tangible assets during the year.

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Assets under construction and advance payments	Total tangible assets
Balance at the beginning of the year						
Cost	33,496,450	155,582,002	19,010,938	2,066,133	15,205,647	225,361,170
Revaluations	-	9,342,485	-	7,200	-	9,349,685
Depreciation (Accumulated depreciation)	13,283,789	112,241,648	18,488,617	1,878,442	-	145,892,496
Write-downs	-	64,000	-	-	-	64,000
Carrying amount	20,212,661	52,618,839	522,321	194,891	15,205,647	88,754,359
Changes during the year						
Additions	2,518,595	10,327,926	1,985,000	138,327	37,865,971	52,835,819
Reclassifications (of the carrying amount)	-	35,953,581	-	-	(35,953,581)	-
Disposals (at carrying amount)	-	2,245	-	-	-	2,245
Depreciation for the year	1,392,952	13,650,047	452,054	91,819	-	15,586,872
Total changes	*1,125,643*	*32,629,215*	*1,532,946*	*46,508*	*1,912,390*	*37,246,702*
Balance at the end of the year						
Cost	36,015,045	199,682,524	20,995,938	2,204,460	17,118,037	276,016,004

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Assets under construction and advance payments	Total tangible assets
Revaluations	-	9,342,485	-	7,200	-	9,349,685
Depreciation (Accumulated depreciation)	14,676,741	123,712,955	18,940,671	1,970,261	-	159,300,628
Write-downs	-	64,000	-	-	-	64,000
Carrying amount	21,338,304	85,248,054	2,055,267	241,399	17,118,037	126,001,061

The changes that took place during the year were as follows:

- Additions for a total of € 52.8 million, mainly in plant and machinery and assets under construction and advance payments, pertaining to:
  - Increases in production capacity, mainly for mechanical processing (for around € 40 million), and dedicated to existing projects for Volkswagen (AUDI Oil Module, VW Deckel, VW Adapter, Motorkonsole) and Stellantis (principally Punch Powertrain Transmission Housing, Sovratesta Ducato 2.2), as well as for the implementation of production lines for the orders acquired most recently from the Volkswagen Group, the Audi brand in particular, and the Stellantis Group, through the Punch Powertrain Engineering joint venture;
  - Additions linked to the strengthening of production capacity for foundry activities (with the introduction of 2 new die-casting islands of 1350 tons at the Chivasso plant), for approximately € 2.5 million;
  - Additions linked to the provision of photovoltaic systems installed in the Company's various production sites (Chivasso and Lombardore) for a total of approx. € 3 million;
  - Works for the construction of an extra building for the Chivasso production complex (approx. 4,500 m^2), intended to accommodate die-casting support activities and the reorganisation of production flows to support new projects in the ramp-up phase (approx. € 2.5 million), as well as plant equipment for the re-equipping of the warehouses and buildings to accommodate the new production lines (approx. € 1 million).
- Depreciation for a total of € 15.6 million.

With specific reference to the assessment of any sign of losses attributable to tangible assets, the directors responded to a Group-level requirement by analysing carefully the cash flows forecast on the basis of current information, concluding that the value of tangible assets at 31 March 2024 will be recoverable from future cash flows.

Finance leases

Italian law requires finance leases to be presented in a particular way, the so-called "capital method", whereby lease instalments for the year are charged to the income statement (€ 8,687 for plant and machinery in 2023/2024).

The tables which follow provide the information required by law in order to present, in the form of a disclosure, the impact of the difference that would arise from accounting for finance leases according to IFRS, under which the lessee would record the interest on the capital and depreciation on the asset, with the leased asset shown as a fixed asset, at the same time recognising the lease liability for the principal portion of the residual instalments still to be paid. Had the Company adopted the above finance lease methodology, the accounting effects would have been as follows:

Effects on Shareholder's Equity - Assets			
a)	**Outstanding contracts**		
a.1)	Assets under finance leases at the end of the previous year		89,183
	- of which the gross amount	992,539	
	- of which accumulated depreciation	(903,357)	
a.2)	Assets purchased under finance leases during the year		-
	Assets held under finance leases redeemed during the year (net carrying amount upon redemption)		97,950
a.4)	Depreciation charge for the year		(51,483)
a.5)	Write-downs/writebacks on assets under finance leases		(42,716)
a.6)	Assets under finance leases at the end of the year		-
	- of which the gross amount	-	
	- of which accumulated depreciation	-	
a.7)	Prepaid interest on lease instalments at the end of the year		
a.8)	Curtailment of prepaid expenses under the "capital method"		(488)
b)	**Redeemed assets**		
b.1)	Higher/lower total value of redeemed assets, determined using finance lease methodology, with respect to their carrying amounts at year end		(552,278)
	TOTAL [a.6+(a.7-a.8)+b.1]		**(552,766)**

Effects on Shareholder's Equity - Liabilities			
c)	Lease liabilities (implicit payables)		
c.1)	Lease liabilities at the end of the previous year		19,489
	- of which due within one year	19,489	
	- of which due beyond one and within 5 years	-	
	- of which due beyond 5 years	-	
c.2)	Lease liabilities that arose during the year		
c.3)	Repayment of principal and redemptions during the year		(19,489)
c)	Lease liabilities at the end of the year		-
	- of which due within one year	-	
	- of which due beyond one and within 5 years	-	
	- of which due beyond 5 years	-	
c.5)	Accrued interest on instalments at the end of the year		-
c.6)	Curtailment of accrued expenses under the "capital method"		-
d)	Total gross effect at the end of the year [a.6+(a.7-a.8)+b.1-c.4+(c.5-c.6)]		(552,766)
e)	Tax effect		154,222
f)	Effect on Shareholders' Equity at the end of the year (d-e)		**(398,544)**

	Effects on the Income Statement	
g)	Effect on income before taxes (lower/higher costs) (g.1+g.2+g.3+g.4+g.5)	**(88,260)**
g.1)	Reversal of instalments on finance lease transactions	8,687
g.2)	Recognition of financial charges on finance lease transactions	10,076
g.3)	Recognition of depreciation charges on outstanding contracts	51,483
g.4)	Recognition of depreciation charges on redeemed assets	(158,508)
g.5)	Recognition of adjustments/write-backs on leased assets	-
h)	Recognition of the tax effect	24,625
i)	**Net effect on the result for the year of accounting for lease transactions with the financial method rather than the capital method actually used (g-h)**	**(63,636)**

Long-term financial assets

Long-term financial assets total € 3,078,957 at 31 March 2024 and comprise equity investments, € 284, and amounts due from parent companies, € 3,000,000, as well derivatives with a positive fair value at the balance sheet date (€ 78,673).

Equity investments comprise:

- € 129 representing shares held in Unionfidi Piemonte S.C.;
- € 155 representing shares held in Confartigianato Fidi Piemonte e Nord Ovest S.p.A.

Non-current financial receivables, with no changes during the year, represent the residual balance (€ 3,000,000) of the loan granted to Endurance Overseas S.r.l. in prior years, which earns interest at market rates. The Company does not apply the amortised cost method to measure this loan, as the contract was arranged prior to 1 April 2016 and because the effect would be insignificant given the immateriality of the transaction costs and the application of market interest rates.

The positive balance represented by the fair value of the derivative contracts, designated as hedging instruments for highly probable transactions, entered into by the Company, is included in “Derivatives”.

In particular, these are interest rate swaps and interest rate caps entered into in previous years and the one under review, with the aim of mitigating the risk of fluctuations in floating interest rates underlying some of the existing loan agreements. These contracts are accounted for according to the cash flow hedge principle. The fair value expressed in the financial statements is based on the mark-to-market valuations made available by the leading financial institutions with which the instruments are taken out.

Current assets

Current assets are measured in the manner described in paragraphs 8 to 11-bis of art. 2426 of the Civil Code. The accounting policies applied are explained in the notes on the respective financial statement items.

Inventories

Inventories amount to € 19,534,528 at 31 March 2024 and are stated net of an allowance for obsolete and slow-moving items for a total of € 5,040,477.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
raw materials, ancillary materials and consumables	3,225,089	(506,970)	2,718,119
work in process and semi-finished products	9,649,936	(689,296)	8,960,640
finished products and goods	7,244,747	470,565	7,715,312
advances	43,401	97,056	140,457
Total	**20,163,173**	**(628,645)**	**19,534,528**

The decrease compared with the previous year is due to the combined effect of a decrease in the value of the main raw material (aluminium alloy) in FY 2023-2024, as compared to the previous year's trend, and the absorption of production by customers; compared with the previous year (impacted more by the critical issues in international markets, exacerbated by geopolitical turmoil and crises in the automotive supply chain), this saw a recovery in terms of volumes and regularity, albeit in a market context characterised by the persistence of critical issues in the availability of materials and components and price fluctuations (even with a relative normalisation of the trends in energy factors).

Current receivables

They total € 19,272,287 at 31 March 2024. These receivables are stated at their estimated realisable value as application of the amortisation cost and/or discounting methods would not be significant for the purpose of providing a true and fair view of the financial position and results of operations.

Changes and maturities of current receivables

The following table shows the information related to changes in current receivables and, if material, their due date.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Trade receivables	16,202,028	(5,959,712)	10,242,316	10,242,316	-
Receivables due from parent companies	4,321,954	(2,411,233)	1,910,721	1,910,721	-
Receivables due from fellow subsidiaries	534,614	266,403	801,017	801,017	-
Tax receivables	3,967,123	3,765,157	7,732,280	5,110,731	2,621,549
Deferred tax assets	3,948,792	1,360,318	5,309,110	-	-
Other receivables	594,247	281,049	875,296	875,296	-

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Total	**29,568,758**	**(2,698,018)**	**26,870,740**	**18,940,081**	**2,621,549**

Trade receivables (€ 10,242,316 at 31 March 2024) recorded a decrease compared with the previous year due to a different trend in collections (last year saw the postponement of certain payments due by 31/03/2023 to subsequent weeks). Trade receivables are adjusted to their estimated realisable value by the allowance for doubtful accounts of € 740,935, the same as last year.

Receivables due from the parent company (€ 1,910,721) refer to the trade relationship with Endurance Overseas S.r.l. (€ 764,317) and the receivable balance for excess income tax advances paid to the parent company (€ 1,146,404) as part of the tax consolidation pursuant to arts. 117-129 of the Consolidated Income Tax Act.

Receivables due from fellow subsidiaries (€ 801,017) comprise trade receivables due from Endurance Castings S.p.A. (€ 19,075), Endurance Engineering S.r.l. (for € 23,470 in addition to advances for € 233,035), direct subsidiaries of Endurance Overseas S.r.l., and Endurance GmbH (€ 524,807), a German subsidiary of the indirect parent company Endurance Technologies Limited.

Tax receivables are made up principally of a VAT credit (for a total of € 3,417,024) and the unused sums of tax credits accrued in previous years and in the current one in relation to the purchase of new capital goods - both ordinary and “assets 4.0” - carried out in previous and current years, pursuant to Laws 160/2019 and 178/2020 and the tax credit for Research and Development pursuant to art. 1, paragraph 35, Law no.190 of 23 December 2014 (for a total of € 4,315,127, of which € 2,621,549 can be used beyond the next financial year).

Deferred tax assets at 31 March 2024 amount to € 5,309,110 and mainly relate to differences between the carrying amount of goodwill for statutory and tax purposes, the deferred deductibility of risk provisions and the tax loss recorded during the year. This was due to the deduction for tax purposes of the benefit due on the super- and hyper-accelerated depreciation on capital goods bought in previous years. These deferred tax assets have been recognised as they are likely to be recoverable against expected future taxable income, as reflected in management's latest forecasts.

Other receivables (€ 875,297 al 31 March 2024) include advances to employees for government-assisted lay-off pay (€ 176,151), amounts due from INAIL (€ 8,229), guarantee deposits paid to suppliers (€ 16,502), accrued interest income (€ 92,918) and various other non-trade receivables.

Breakdown of current receivables by geographical area

It is not considered meaningful to give a breakdown of receivables by geographical area because of the nature of the customers, which are multinationals operating in the automotive industry with legal entities and plants in various countries. As regards the geographical distribution of the Company's business, please refer to what is stated in relation to sales revenues.

Current financial assets

Movements in current financial assets

The movements in current financial assets are analysed in the following table.

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
other securities	26,000,568	(6,675,929)	19,324,639
cash pooling assets	17,357,617	11,991,822	29,349,439
Total	**43,358,185**	**5,315,893**	**48,674,078**

Other securities comprise short-term investments of surplus cash: in particular, these are insurance policies (approx. € 9.0 million), shares of investment funds oriented mainly towards bonds (for a total of € 5.7 million) and bonds of banking issuers (for € 4.6 million). To show these instruments at the lower of cost and current value, they were written down during the year by € 89,889 using a provision that was reduced during the year by € 146,971 as some of the securities were quoted below par, while some had their value written back, having been written down in previous years. No unrealised gains on these instruments have been recognised in accordance with the accounting standards.
Pursuant to art. 2423-ter, para. 3, of the Italian Civil Code and after checking the short-term recoverability of cash pooling assets pursuant to OIC 14, the Company has classified the related amount due from Endurance Overseas S.r.l. (increased during the year by € 11,991,822), which administers the treasury activities of the Group, in asset caption C.3.7) under "Current financial assets".

Cash and cash equivalents

The following table shows the changes in cash and cash equivalents.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
bank and postal deposits	14,213,434	18,444,606	32,658,040
cash on hand	3,535	(166)	3,369
Total	**14,216,969**	**18,444,440**	**32,661,409**

This item principally comprises the balance on bank current accounts at 31 March 2024.
This item saw an appreciable increase during the year attributable to flows linked to financing activities (for a net flow between new loans and repayments of € 11.5 million) and those linked to operating activities (€ 44.6 million) to support the net disbursements linked to investment activities (€ 37.6 million).
See the statement of cash flows for further analysis of the changes during the year.

Accrued income and prepaid expenses

The following table shows the changes in accrued income and prepaid expenses.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Accrued income	43,809	(134)	43,675
Prepaid expenses	494,421	58,536	552,957
Total accrued income and prepaid expenses	**538,230**	**58,402**	**596,632**

Accrued income includes portions of revenues pertaining to the current year which will be received in subsequent periods.
Prepaid expenses mainly include the portions relating to future years of insurance premiums and other costs that cover more than one accounting period (such as maintenance, lease instalments, subscriptions), as well as interest and bank charges debited in advance.

Capitalised financial charges

All interest expense and other financial charges have been expensed during the year. In compliance with paragraph 1.8 of art. 2427 of the Italian Civil Code, we can confirm that no financial charges have been capitalised.

Explanatory notes - liabilities and equity

The movements in individual balance sheet items are analysed below, according to current law.

Equity

The components are stated at their carrying amount in accordance with accounting standard OIC 28.

Changes in shareholders' equity items

The changes in shareholder's equity during the prior year are analysed below:

	Balance at the beginning of the year	Allocation of the prior year result - Distribution of dividends	Allocation of the prior year result - Other allocations	Other changes - Increases	Result for the year	Balance at the end of the year
Share capital	5,000,000	-	-	-	-	5,000,000

	Balance at the beginning of the year	Allocation of the prior year result - Distribution of dividends	Allocation of the prior year result - Other allocations	Other changes - Increases	Result for the year	Balance at the end of the year
Revaluation reserves	11,118,617	-	-	-	-	11,118,617
Legal reserve	1,000,000	-	-	-	-	1,000,000
Extraordinary reserve	4,962,658	-	-	-	-	4,962,658
Merger surplus reserve	-	-	-	12,510,339	-	12,510,339
Other reserves	21,900,492	-	-	-	-	21,900,492
Cash flow hedging reserve	1,482,012	-	-	1,285,433	-	2,767,445
Retained earnings (accumulated losses)	32,230,956	(12,000,000)	3,748,118	-	-	23,979,074
Net income (loss) for the year	3,747,118	-	(3,748,118)	-	4,050,068	4,049,068
Total	**81,441,853**	**(12,000,000)**	**-**	**13,795,772**	**4,050,068**	**87,287,693**

The changes in shareholder's equity during the year are analysed below:

	Balance at the beginning of the year	Allocation of the prior year result - Distribution of dividends	Allocation of the prior year result - Other allocations	Other changes - Decreases	Result for the year	Balance at the end of the year
Share capital	5,000,000	-	-	-	-	5,000,000
Revaluation reserves	11,118,617	-	-	-	-	11,118,617
Legal reserve	1,000,000	-	-	-	-	1,000,000
Extraordinary reserve	4,962,658	-	-	-	-	4,962,658
Merger surplus reserve	12,510,339	-	-	-	-	12,510,339
Other reserves	21,900,492	-	-	-	-	21,900,492
Cash flow hedging reserve	2,767,445	-	-	1,861,742	-	905,703
Retained earnings (accumulated losses)	23,979,074	(9,000,000)	4,049,068	-	-	19,028,142
Net income (loss) for the year	4,049,068	-	(4,049,068)	-	10,078,994	10,078,994
Total	**87,287,693**	**(9,000,000)**	**-**	**1,861,742**	**10,078,994**	**86,504,945**

Share capital at 31 March 2024 amounts to € 5,000,000, represented by 5,000,000 shares with a nominal value of € 1.00 each.

Shareholders equity includes the following:

- Reserves or other provisions that, in the event of distribution, would form part of the Company's taxable income, regardless of when they arose, comprising the Revaluation reserve pursuant to Law 342/00 of € 1,551,755 and the Revaluation reserve pursuant to Law 126/20 of € 8,636,951, both net of the flat-rate substitute tax;
- The Merger surplus reserve of € 12,510,339 (an equity reserve that is freely available for use) recorded as a result of the partial demerger that took place during the previous year by the parent company Endurance Overseas S.r.l. with Endurance S.p.A. as the beneficiary;
- Reserves or other provisions that, in the event of distribution, would form part of the Company's taxable income, regardless of when they arose, which were used for the bonus increase in capital authorised at the extraordinary shareholder's meeting held on 20/11/2000 (using € 170,471 from the pre-existing revaluation reserve created pursuant to Law 72/83).

Reserve for the coverage of expected cash flows, not available and not usable to cover losses. In particular, the item includes the amount, recognised net of tax, of the effective portion of the changes in fair value of the derivatives taken out to hedge the financial flows involved in planned transactions that are highly probable; in accordance with the applicable standards, at the time of recognition of the asset or liability involved in the highly probable transaction, the Company transfers the equivalent effective amount of the derivative instrument from the reserve, including it directly in the book value of the asset or liability, adjusting the income or cost of the transaction in the income statement.

Changes in the cash flow hedging reserve during the year are detailed below:

	Interest rate swaps	Interest rate caps	Commodity swaps	Total
Gross carrying amount of the reserve at 31 March 2023	**213,920**	**9,462**	**3,602,878**	**3,826,260**
Deferred tax liabilities	(51,341)	(2,271)	(1,005,203)	(1,058,815)
Net carrying amount of the reserve at 31 March 2023	**162,579**	**7,191**	**2,597,675**	**2,767,445**
Fair value change in derivatives (effective component), net of reversals to the income statement on closure of the underlying transactions	(139,803)	(4,907)	(2,429,630)	(2,574,340)
Gross carrying amount of the reserve at 31 March 2024	**74,117**	**4,555**	**1,173,248**	**1,251,920**
Deferred tax liabilities	(17,788)	(1,093)	(327,336)	(346,217)
Net carrying amount of the reserve at 31 March 2024	**56,329**	**3,462**	**845,912**	**905,703**

Note that the cash flow hedging reserve includes the contracts existing at the date of the financial statements (in long-term financial assets or provisions for risks depending on the positive or negative value of the instruments). It also contains the value of certain instruments subject to early realisation during the current and previous years, the effects of which have found continuity of application in the equity reserve. This in consideration of the underlying risk hedging strategy to be implemented - in the period of the original duration of the contracts underlying the derivatives - through the use of the cash flows obtained from liquidation of the instruments.

Availability and use of shareholder's equity

The following table provides details of the components of shareholders' equity, including their origin, their potential utilisation and whether they are distributable, as well as the utilisation thereof in the prior three years.

Description	Amount	Origin/Nature	Potential utilisation	Amount available
Share capital	5,000,000	Share capital		-
Revaluation reserves	11,118,617	Share capital	A;B	-
Legal reserve	1,000,000	Revenue	B	-
Extraordinary reserve	4,962,658	Revenue	A;B;C	4,962,658
Merger surplus reserve	12,510,339	Share capital	A;B;C	12,510,339
Other reserves	21,900,492	Revenue	A;B;C	21,900,492
Cash flow hedging reserve	905,703			-
Retained earnings (accumulated losses)	19,028,142	Revenue	A;B;C	19,028,142
Total	**76,425,951**			**58,401,631**
Amount not distributable				8,579,585
Residual amount distributable				49,822,046
Key: A: for increase in capital; B: to cover losses; C: for distribution to the shareholders; D: for other statutory requirements; E: other				

The amount not distributable, determined in accordance with art. 2426 c.c., covers unamortised development costs totalling € 3,270,475 and deferred tax assets of € 5,309,110, which are also deemed to represent unrealised assets.

Provisions for risks and charges

The provisions for risks and charges have been created to cover known or likely liabilities, the timing or extent of which cannot be determined at the reporting date.
These provisions were recognised on a prudence and accrual basis, in accordance with the instructions contained in accounting principle OIC 31. The related provisions are charged to the income statement in the year to which they refer and classified according to the nature of the costs.
The following table shows the changes in provisions for risks and charges.

	Balance at the beginning of the year	Changes during the year - Other changes	Changes during the year - Total	Balance at the end of the year
Derivatives	943,552	(943,552)	(943,552)	-
Other provisions	1,421,828	-	-	1,421,828
Total	**2,365,380**	**(943,552)**	**(943,552)**	**1,421,828**

The provisions recorded in prior years cover liabilities of various kinds - trade, tax, employment and corporate - and reflect the best estimate of the amounts likely to be payable, based on the information available when preparing the financial statements.
As regards the payable derivatives relating to a commodity swap contract signed during the previous year to mitigate the increase in the price of gas, which is subject to early settlement with respect to the contractual expiry date during the current year.

Employee termination indemnities

Changes in the provision for employee termination indemnities are shown in the following table.

	Balance at the beginning of the year	Changes during the year - Provision	Changes during the year - Utilisation	Changes during the year - Total	Balance at the end of the year
Provision for employee termination indemnities	2,515,430	317,125	277,602	39,523	2,554,953
Total	**2,515,430**	**317,125**	**277,602**	**39,523**	**2,554,953**

This provision includes the revaluation of the liability in accordance with current legislation. The uses recorded during the year reflect the indemnities paid in advance to employees (€ 277,602).

The charge for the year (provision for termination indemnities classified in income statement caption B9 c) includes the provision retained by the Company and the payments made to the INPS Treasury Fund, Previndai, the Cometa Fund or the supplementary pension fund specified by each employee, where applicable.

Payables

Payables at 31 March 2024 come to a total of € 165,068,043. Pursuant to art. 12, para. 2, of Decree 139/2015, the Company elected to measure payables using the amortised cost method. This election was made on a prospective basis and, therefore, only applies to eligible payables that have arisen subsequent to 1 April 2016.

Changes and maturities of payables

The following table shows the changes in payables and any information on their maturities.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Due to banks	43,925,166	32,485,858	76,411,024	26,235,911	50,175,113
Trade payables	49,740,139	21,887,582	71,627,721	71,627,721	-
Payables due to parent companies	767,872	500,616	1,268,488	1,268,488	-
Payables due to fellow subsidiaries	5,785,835	1,673,204	7,459,039	7,459,039	-
Tax payables	887,764	(321,039)	566,725	566,725	-
Due to pension and social security institutions	1,905,699	291,051	2,196,750	2,196,750	-
Other payables	5,096,498	441,798	5,538,296	5,538,296	-
Total	**108,108,973**	**56,959,070**	**165,068,043**	**114,892,930**	**50,175,113**

Amounts due to banks include both the current portion of loans obtained from major banks (€ 26,235,911) and the portion due beyond 12 months (€ 50,175,113).

Amounts due to banks show a significant increased compared with the previous year due to the arrangement of new loans to support the production investments put in place by the company. .

The following is a breakdown of medium-term loans outstanding at 31 March 2024 (for which the liabilities are accounted for using the amortised cost approach):

Bank	Initial amount paid	Arrangement date and duration in years	Residual balance at 31/03/2024	Within one year	Beyond one year
Banca Nazionale del Lavoro	5,000,000	01/04/2020 - 5	1,250,000	1,000,000	250,000
Gruppo Banco Popolare	10,000,000	30/04/2020 - 5	2,182,864	2,182,864	-
MCC - Sustainable growth provision	3,006,099	29/04/2020 - 8	1,775,688	383,913	1,391,775
Unicredit (*)	5,000,000	21/01/2021 - 5	2,000,060	1,000,020	1,000,040
Unicredit	10,000,000	11/04/2022 - 4	5,625,000	2,500,000	3,125,000
Intesa San Paolo	10,000,000	27/04/2022 - 4	5,208,333	2,500,000	2,708,333
BPER	5,000,000	23/06/2022 - 4	2,830,939	1,252,301	1,578,638
Banca Nazionale del Lavoro	7,000,000	27/07/2022 - 4	4,900,000	1,400,000	3,500,000
BPER	5,000,000	15/06/2023 - 4	4,667,695	1,366,179	3,301,516
Intesa San Paolo	15,000,000	26/06/2023 - 4	13,928,571	4,285,714	9,642,857
Crédit Agricole	10,000,000	26/06/2023 - 4	8,261,114	2,417,293	5,843,821
Banca Sella	5,000,000	04/07/2023 - 4	4,230,433	1,200,429	3,030,004
Credem	5,000,000	11/12/2023 - 4	5,000,000	1,246,240	3,753,760
Banca Nazionale del Lavoro	5,000,000	11/12/2023 - 4	4,687,500	1,250,000	3,437,500
Gruppo Banco BPM	10,000,000	25/03/2024 - 4	10,000,000	2,323,050	7,676,950
Amortised cost adjustment	-	-	(137,173)	(72,092)	(65,081)
Total	**110,006,099**		**76,411,024**	**26,235,911**	**50,175,113**

The contracts are at fixed interest rates (0.2%) or at the 3-month Euribor rate plus a spread of between 0.002%, for loans that are guaranteed, and 1.35%, taking into consideration market conditions at the time the contract is signed and the duration of the loan.

As regards trade payables (€ 71,627,721 at 31 March 2024), the increase recorded during the year is consistent with the increase in the volume of sales and the huge investments in capital goods under construction to meet the significant new orders acquired in previous years.

Payables due to parent companies total € 1,268,488 and relate mainly to trade payables for administrative, financial services and support provided by the parent company Endurance Overseas S.r.l. to Group companies (based on specific service agreements), which have been entered into on an arm's length basis.

Payables due to fellow subsidiaries (€ 7,459,039 at 31 March 2024) include trade payables due to Endurance Castings S.p.A. (€ 7,280,812) and Endurance Engineering s.r.l. (€ 155,657) and to Veicoli S.r.l. (€ 22,570), which are direct subsidiaries of Endurance Overseas S.r.l.

Tax payables, totalling € 566,725, refer to payroll withholdings for € 264,874 and to the IRAP balance for the year of € 301,851, net of advances paid.

Other payables of € 5,538,296 principally include amounts due to employees for payroll and related accruals (€ 4,374,410), advances received from customers (€ 646,800) and other amounts due.

Breakdown of payables by geographical area

It is not meaningful to analyse payables by geographical area, as most of them are due to domestic suppliers and counterparties.

Debt secured by collateral on company assets

Pursuant to paragraph 1.6 of art. 2427 of the Italian Civil Code, we can confirm that there is no debt secured by collateral.

Loans from shareholders

The company has not received any loans from its shareholders.

Accrued expenses and deferred income

The following table shows the changes in accrued expenses and deferred income.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Deferred income	2,448,550	2,865,302	5,313,852
Total accrued expenses and deferred income	**2,448,550**	**2,865,302**	**5,313,852**

Deferred income (€ 5,313,852, of which € 3,419,313 pertaining to years beyond the next one) includes income mainly of a commercial nature and other income for grants relating to future years. The latter refer (for € 4,307,112) to the portions relating to future years of concessions for the purchase of new capital goods pursuant to art. 1, paragraphs 184-197, of Law 160/2019, to be accounted for on the basis of the depreciation of the underlying assets and (for € 614,572) to portions of advances on grants received for research projects against expenses planned in future years.

Explanatory notes - income statement

The income statement reports the results for the year.
This statement presents the results of operations by summarising the positive and negative components of income that contributed to them. These positive and negative components of income, recognised pursuant to art. 2425-bis of the Italian Civil Code, can be broken down into the following categories: core business, ancillary activities and financial activities.
Core business activities include the components of income that were generated from continuing operations in the principal sector, and which identify and distinguish the economic activities carried out by the Company in the pursuit of its corporate objectives.
Financial activities comprise those operations that generate financial income and expense.
Ancillary activities comprise those residual operations that generate income in the ordinary course of business that cannot be classified as financial or core business activities.

Value of production

The value of production in2023-2024 is analysed below with comparative figures:

Description	FY 2023/2024	FY 2022/2023	Change
Revenues from sales of goods and services	156,102,957	148,700,331	7,402,626
Change in inventories of work in progress, semi-finished and finished products	(2,829,605)	(2,335,744)	(493,861)
Additions to non-current assets from in-house production	1,245,892	1,222,033	23,859
Other income and revenues			-
Operating grants	1,503,900	3,979,765	(2,475,865)
Other	1,023,080	1,564,293	(541,213)
Total	**157,046,224**	**153,130,678**	**3,915,546**

Sales revenues for the year (including income from the sale to customers of specific equipment used in production, when envisaged by contracts) increased compared with the previous year, in line with the trend in the market.
The rising trend was in any case still in a context of high inflation with difficulties in certain supply chains (in terms of availability and pressure on the prices of raw materials and components). It has only partially recovered the effects of the pressure on the industrial sector of the rising cost of energy commodities.
The increase in sales (around 5% compared with 2022-2023) involved all of the Company's main customers with revenues distributed mainly among Volkswagen/Audi (40% of revenues, driven by the introduction of new products) and Stellantis (FCA and PSA, for a total of 37% of revenues), followed by CNHI (9%), BMW (6%) and Daimler/Mercedes and Renault (1%).

Additions to non-current assets from in-house production include the capitalisation of costs (mainly payroll costs) incurred by the Company as part of its R&D activities during the year for the development of new products and the implementation of process innovations in the current production situation.

Other revenues include:

- the portion for the year of operating grants related to, in particular:
  - use of photovoltaic systems (€ 199,209);
  - those, in the form of tax credits (for a total of € 1,303,944), relating to investments in plant and machinery in previous years, pursuant to the Tremonti-ter Law, research and development and innovation expenses, investments in capital assets carried out pursuant to Law 160/2019, art.1, paragraph 184-197 (substitutive regulation of super- and hyper-depreciation), as well as those recognised pursuant to the rules established by Legislative Decree no. 4 of 2022 et seq.;
- the proceeds from the lease of the Grugliasco industrial site (€ 202,838) to the subsidiary Endurance Engineering S.r.l.
- insurance compensation received (€ 1,800);
- capital gains deriving from the sale of assets (€ 252,755);
- miscellaneous income of € 565,687, including charges to suppliers for contractual penalties (€ 283,555), contributions linked to the sale of energy efficiency certificates (€ 74,831) and charge-backs of costs to affiliates (€ 136,428) and employees (€ 38,446) for services provided, as well as contributions for training activities (€ 18,315).

Analysis of revenues from sales and services by category of activity

Revenues from sales and services relate entirely (€ 156,102,957) to income from the core business of the Company, comprising the engineering of precision and die-cast components for the automotive market, as well as related activities.

Analysis of revenue from sales of goods and services by geographical area

The following table gives a breakdown of revenue from sales of goods and services by geographical area:

Geographical area	FY 2023/2024	Ratio %	FY 2022/2023	Ratio %
ITALY	74,150,285	48%	76,296,973	51%
GERMANY	40,299,980	26%	34,947,284	24%
HUNGARY	28,946,047	19%	26,076,495	18%
POLAND	9,261,485	6%	7,362,862	5%
ROMANIA	154,497	0%	1,571,883	1%
OTHER EUROPEAN COUNTRIES	2,685,202	2%	1,542,494	1%
OTHER NON-EU COUNTRIES	605,461	0%	902,340	1%
Total	**156,102,957**	**100%**	**148,700,331**	**100%**

Cost of production

In accordance with the matching principle, costs and charges are recognised on an accruals basis by type of expenditure; they are stated net of returns, allowances, discounts and rebates and classified in the respective captions pursuant to OIC 12. As regards purchases of goods, the costs are recorded when the transfer of ownership has taken place, in substance and not just in form, assuming the transfer of all risks and benefits as a parameter. In the case of the purchase of services, the costs are recorded when the service has been received, or when provision of the service has been completed; if the services are provided on a continuous basis, the costs are recorded for the amount accrued.

Description	FY 2023/2024	FY 2022-2023	Change
Cost of raw and ancillary materials, consumables and goods for resale	76,640,666	74,495,080	2,145,586
Cost of services	23,572,696	27,426,202	(3,853,506)
Lease and rental charges	1,113,572	4,040,554	(2,926,982)
Payroll costs			
Wages and salaries	21,314,552	18,695,037	2,619,515
Social contributions	5,547,305	5,252,112	295,193
Employee termination indemnities	868,497	1,007,806	(139,309)
Other costs	329,985	453,646	(123,661)
Amortisation of intangible assets	1,014,931	959,293	55,638
Depreciation of tangible assets	15,452,776	13,914,436	1,538,340
Write-downs of current receivables and liquid funds	-	169,178	(169,178)
Change in inventory of raw and ancillary materials, consumables and goods	(2,103,904)	242,040	(2,345,944)
Other operating expenses	1,760,599	1,339,432	421,167
Total	**145,511,675**	**147,994,816**	**(2,483,141)**

Cost of raw and ancillary materials, consumables and goods for resale and Cost of services

Overall, these items saw a reduction of 4% compared with an increase in core revenues of 5%, demonstrating that economies of scale have been achieved thanks to the efficiency measures introduced by the Company, as well as to the progressive increase in the level of automation of the industrial process and the benefits linked to the trend in energy costs compared with the previous year.

Payroll costs

This item (which increased by 10% during the year due to the inflationary effects of contractual wage rises and pay increases awarded) includes all of the costs relating to employees, including bonuses, promotions, the cost of unused holidays and the various provisions required by law and collective labour agreements. It also includes the cost of temporary workers, except for the cost of interim employment agencies which has been charged to income statement line B1.3.

Lease and rental charges

This item mainly includes the finance lease payments relating to plant and machinery used in the production process. The reduction compared with the previous year is mainly as a result of the partial demerger, of which the Company was the beneficiary during last year, giving it ownership of the industrial buildings which were previously leased.

Depreciation and amortisation and write-down of receivables included in current assets

Depreciation is provided over the technical useful lives of assets, considering how they are used in production. Note that the closing balance is higher than the previous year's, both as regards the amortisation of intangible assets (particularly for the increases in development costs) and as regards the depreciation of tangible assets, in line with the trend of the investments made during the year, as well as the revision of the useful lives of the projects and/or of the phase-out of certain specific products. The item includes the depreciation for the year (approximately € 1.7 million) on the higher value that emerged following the revaluation of fixed assets carried out in previous years, pursuant to Law 126/20.

Other operating expenses

This item (slightly up on last year at € 0.4 million) includes, among other things, penalties charged by customers, local taxes and, in general, non-recurring costs not pertaining to the core business.

Financial income and charges

Financial income and charges are recorded on an accruals basis.
Financial income from the parent company (€ 754,312) comprises the interest recognised by Endurance Overseas S.r.l. in relation to the outstanding loan (€ 3,000,000 at 31 March 2024) and the positive balance on the cash pooling account.
Other financial income (€ 1,045,937) mainly includes the interest income accrued and the gains recognised on the purchase and sale of securities and financial investments, in the context of liquidity management by the Company.
Financial charges (€ 3,172,089) principally include the interest charged on the various loans obtained from third-party lenders. The significant increase during the year compared with the previous year is mainly linked to the higher recourse to finance (for investment purposes) with regard to the repayments made and, in addition, the trend in interest rates, which rose steadily throughout the year (with the 3-month Euribor rising from an average of 1.1% in the previous fiscal year to 3.8% for the 2023/24 fiscal year).
The net exchange gains (€ 534 in 2023/2024) were almost entirely realised on transactions in currencies other than the euro, which is identified as the functional currency.

Adjustments to financial assets and liabilities

The adjustments to financial assets and liabilities refer to the write-down of securities shown under financial assets. These are adjustments made to align the carrying amount with the market value of securities for which prices are quoted below par and which will therefore not give rise to actual losses if held to maturity.
A comparison with the prior year is presented in the following table:

Description	FY 2023/2024	FY 2022/2023	Change
Revaluation (write-down) of securities classified as current assets	146,971	-	146,971
Revaluation (write-down) of derivatives	-	(97,008)	97,008
	146,971	**(97,008)**	**243,979**

The revaluation concerned the bank bonds which recovered in value (closer to par) as they approached maturity, despite a context of rising interest rates.

Amount and nature of revenues/costs of individual significance

During the current year, no revenues or other positive components deriving from exceptional events were recorded. During the current year, no costs deriving from exceptional events were recorded.

Income taxes for the year, current and deferred

The company has accrued for taxation for the year based on the application of tax legislation in force. The tax charge for the year consists of current taxation, as resulting from the tax returns, of deferred taxation relating to positive or negative components of income, taxable or deductible, respectively, in fiscal years that differ from the year in which the item is accounted for statutory reporting purposes.
The composition of taxation for the year split between current taxation and the deferred tax asset item is provided in the following table.

	FY 2023/2024	FY 2022/2023
Income taxes	**231,220**	**296,095**
Current taxation		
of which: IRES for the year (current)	-	-
of which: IRAP for the year (current)	863,619	630,024
of which: Taxation relating to prior years	(68,256)	(50,809)
Deferred taxation	(647,722)	(195,320)
Income (charges) from tax consolidation	(83,579)	87,800

Recognition of deferred tax assets and liabilities and their impact

	IRES	IRAP
A) Temporary differences		
Total deductible temporary differences	1,694,485	83,486
Total taxable temporary differences	7,198,273	1,093,973
Net temporary differences	5,503,788	1,010,487
B) Tax effects		
Provision for deferred tax liabilities (assets) at the beginning of the year	(3,424,306)	(524,486)
Deferred tax liabilities (assets) of the year	(1,320,909)	(39,409)
Provision for deferred tax liabilities (assets) at the end of the year	(4,745,215)	(563,895)

Deferred tax assets and liabilities have been calculated using the following rates, which are expected to be in force during the years when it is reckoned that the temporary differences will reverse (IRES at 24% and IRAP at 3.9%).
Deductible temporary differences mainly include the provision for deferred tax liabilities relating to the tax effect of the changes in the cash flow hedging reserve and the tax effect from which the company benefited in the previous year for the partial demerger of properties with statutory and fiscal values not aligned with previous extraordinary operations which in the past gave rise to a provision for deferred tax liabilities.
The deferred tax assets recorded during the year mainly refer to the temporary differences arising from the misalignment of depreciation based on the estimated useful life of assets for accounting purposes and that applied for tax purposes, as well as the provisions for commercial risks in the Company's reference market.
The consolidation charge reflects the cancellation of the IRES taxable base for the year following uses of excess ACE transferred by group companies taking part in the tax consolidation pursuant to arts. 117-129.

Notes to the financial statements, statement of cash flows

The Company has prepared a statement of cash flows, which a summary document that links the changes that took place during the year in the Company's equity with the changes in its financial position; it shows the financial resources that the Company needed during the year, as well as how they were used.
As regards the method used, the Company has adopted the indirect method on the basis of which the liquidity flow is reconstructed by adjusting the operating result for non-monetary components, in accordance with OIC 10.

Explanatory notes - other information

The additional disclosures required by the Italian Civil Code are presented below.

Employment data

The following table sets out average employee numbers by labour category computed on the basis of daily averages:

	Executives	White collar	Blue collar	Total employees
Average number	8	79	308	395

The workforce at 31 March 2024 (only company employees) consists of 393 people.

Fees, advances and loans granted to directors and statutory auditors and commitments accepted on their behalf

The following schedule provides the information required by art. 2427, point 16 of the Italian Civil Code., with the clarification that no advances or loans have been granted and no commitments, in the form of guarantees of any kind, have been accepted on behalf of the members of the Board of Directors.

	Directors	Statutory Auditors
Fees	10,000	39,520

Fees of the independent auditor or firm of auditors

As required by art. 2427 c.c., the following table analyses the total fees earned by the legal auditor (or firm of legal auditors) for the legal audit of the annual financial statements, the total fees earned for other auditing services, the total fees earned for tax advisory services and the total fees earned for other non-audit services.

	Independent audit of the annual financial statements	Other non-audit services	Total fees earned by the independent auditor or firm of auditors
Amount	27,300	12,165	39,465

Deloitte & Touche S.p.A. has been engaged to perform the independent audit. The cost of auditing the annual accounts includes the fees for checking that the books of account have been kept properly, while the other non-audit services relate to the signature of tax declarations and the certification of R&D costs in order to obtain access to the related tax credits.

Securities issued by the company

The Company has not issued any securities that fall under the provisions of art. 2427, para. 18 of the ICC.

Details on other financial instruments issued by the Company

The Company has not issued any other financial instruments pursuant to art. 2346, para. 6, of the Italian Civil Code.

Commitments, guarantees and contingent liabilities not reported in the balance sheet

There are no commitments, guarantees or contingent liabilities that have not been reported in the balance sheet.

Information about capital and loans allocated to a specific business project

Allocation of capital to a specific business project

We can confirm that, at the balance sheet date, there has been no allocation of capital to a specific business project as per no. 20 of art. 2427 of the ICC.

Loans for a specific business project

We can confirm that, at the balance sheet date, there are no loans provided for a specific business project as per no. 21 of art. 2427 of the ICC.

Information about related-party transactions

Transactions were carried out with related parties during the year; these transactions were entered into on an arm's length basis and, accordingly, in accordance with current legislation, no additional disclosure has been provided.

Information about off-balance sheet agreements

No off-balance sheet agreements were entered into during the year.

Information about significant events arising subsequent to the reporting date

Pursuant to point 22-quater of art. 2427 c.c., it is confirmed that no events with a significant effect on the economic and financial position have occurred subsequent to the reporting date.

Companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary

The following information is provided about the companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary:

	Larger group	Smaller group
Company name	Endurance Technologies Limited (*)	Endurance Overseas S.r.l.
Town (if in Italy) or foreign State	Aurangabad (India)	Lombardore (Turin)
Tax code (Italian companies)	-	05754620960
Place where the consolidated financial statements are filed	Registered office: Aurangabad (India) India Stock Exchange: NSE and BSE	Registered office: Lombardore (Turin) Turin Chamber of commerce

(*) Endurance Technologies Limited, the parent company, is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Information about derivatives pursuant to art. 2427-bis of the Italian Civil Code

Pursuant to art. 2427-bis of the Italian Civil Code and order to present a true and fair view of the Company's commitments, appropriate details are provided below about the fair value, extent and nature of outstanding derivatives (amounts in Euro), grouped by type of instrument:

Type of instrument	Number of contracts at 31/03/2024	Original notional value	Notional at 31/03/2024	Fair value	Number of contracts at 31/03/2023	Original notional value	Notional at 31/03/2023	Fair value
Interest rate swaps	3	17,000,000	11,587,560	74,118	5	26,500,000	13,894,450	214,111
Interest rate caps	1	5,000,000	2,000,060	4,555	1	5,000,000	3,000,060	9,461

Commodity swaps	-	-	-	-	1	3,204,000	3,204,000	(943,552)
Total	**4**	**22,000,000**	**13,587,620**	**78,673**	**7**	**34,704,000**	**3,204,000**	**(719,979)**

Summary financial statements of the company which exercises management control and coordination

The Company is subject to management control and coordination by its indirect parent company, Endurance Technologies Limited, with registered offices at E-92, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India, which directly and indirectly owns the entire share capital of the Company.

The following amounts taken from the latest approved financial statements of Endurance Technologies Limited are stated in millions of Indian Rupees. For the sake of clarity, the Rupee/Euro exchange rate at 31 March 2023 was 89.3995 (84.134 on 31 March 2022) - (source: European Central Bank):

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Assets		
Non-current assets		
Fixed assets, net	18,078.08	16,541.36
Investments and other non-current assets	5,746.01	4,188.14
Current assets	17,266.36	16,663.90
Assets held for sale	-	-
Total assets	**41,090.45**	**37,393.40**

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Liabilities and shareholders' equity		
Shareholders' equity	**33,309.41**	**30,068.48**
Non-current liabilities		
Non-current financial liabilities	78.72	19.67
Other non-current liabilities	301.04	368.16
Current liabilities		
Current financial liabilities	6,233.75	5,981.66
Other current liabilities	1,167.53	955.43
Total liabilities and shareholders' equity	**41,090.45**	**37,393.40**

Income statement	Year ended 31/03/2023	Year ended 31/03/2022
Revenues	**67,957.07**	**57,214.81**
Operating costs	59,882.73	49,684.29
Depreciation and amortisation	2,407.08	2,037.38
Financial charges	42.70	18.20
Non-recurring income/(expense)	(102.85)	(314.50)
Income before tax	**5,521.71**	**5,160.44**

Taxation for the year (current and deferred)	1,432.54	1,343.01
Net income (loss) for the year	**4,089.17**	**3,817.43**
OCI - Other comprehensive income	30.90	12.46
Total statement of comprehensive income	**4,120.07**	**3,829.89**

The following section describes relations with the company that provides management and coordination services and with the other affiliates, as well as the effect of those activities on the operations of the Company and its results.

Information pursuant to art. 1, paragraph 125, of Law 124 of 4 August 2017

In relation to the provisions of art. 1, paragraph 125-bis, of Law 124/2017, regarding the obligation to provide evidence in the explanatory note of any sums of money received during the financial year by way of subsidies, advantages, contributions or aid, in cash or in nature, not having a general nature and having no consideration, remuneration or compensation of any kind, by public administrations and by the subjects referred to in paragraph 125-bis of the same article, the Company certifies that they are recorded in the National Register of State Aid.

Proposed allocation of profits or coverage of losses

To the Shareholders,
In light of the matters explained above, the Board of Directors proposes to allocate the income for the year of € 10,078,994 to "retained earnings".

Explanatory notes - closing section

To the Shareholders,
We confirm that these financial statements, which comprise the balance sheet, income statement, statement of cash flows and explanatory notes, give a true and fair view of the Company's financial position and results for the year and agree with the books of account. We therefore invite you to approve the draft financial statements for the year ended 31/03/2024, together with the proposed allocation of net income, as submitted by the Board of Directors.
The financial statements are true and real and agree with the books of account.

Chivasso, 10/05/2024

For the Board of Directors

The Managing Director

Samuele Gabutto

ENDURANCE SPA

Company with sole shareholder:

Head office: VIA REGIONE POZZO 26, CHIVASSO (TURIN)

Tax Code and Turin Companies Register No. 01782370017 Turin Chamber of Commerce no. 518048

Share capital: € 5,000,000.00 subscribed and fully paid

VAT Number: 01782370017

Management control and coordination: ENDURANCE TECHNOLOGIES LIMITED

Report of the Board of Statutory Auditors

Financial statements at 31/03/2024

To the Shareholder,

Pursuant to the current articles of association, the Board of Statutory Auditors has been assigned the task of administrative supervision by your company, while the legal audit function was assigned to Deloitte & Touche S.p.a. appointed by the Shareholders' Meeting of 21/06/2023, this report describes solely the supervisory work carried out in accordance with the law

Report to the Shareholder's Meeting pursuant to art. 2429, para. 2 of the Italian Civil Code - Administrative supervision

During the course of the financial year ended 31/03/2024, our activities were performed in compliance with applicable legislation and the principles of conduct for the Board of Statutory Auditors issued by the Italian Accounting Profession (as represented by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

Activities carried out by the Board of Statutory Auditors during the year ended 31/03/2024

We supervised compliance with the law, with the articles of association and with principles of proper administration.

We attended Shareholders' Meetings and Board Meetings, in respect of which, based on information made available, no matters came to our attention to indicate that there had been any infringements of the law or of the articles of association, nor transactions which were clearly imprudent, risky, likely to give rise to a conflict of interest or such as to compromise the integrity of the company's assets.

We acquired information from the directors on the status of capital transactions, with respect to which we have no particular observations to make.

We obtained information from the directors on the company's performance and the likely outlook, as well as on the most significant transactions, in terms of size or characteristics, entered into by the company and by its subsidiaries and, based on the information obtained, we have no particular findings to report.

We met with the independent auditors and, with reference to those meetings, no significant information or data emerged that should be disclosed in this report.

We gained knowledge on and supervised, within the scope of our duties, the adequacy of and the operations of the company's organisational structure by obtaining information from function heads, with respect to which we have no particular findings to report.

We gained knowledge on and supervised, within the scope of our duties, the adequacy of and the operations of the company's administrative-accounting system, as well as on the reliability of the latter in correctly presenting the results of operations, by obtaining information from function heads, from the independent auditors and from an examination of corporate documents, and, with respect thereto, we have no particular findings to report.

No complaints were presented to us as per Art. 2408 of the Italian Civil Code.

During the year, a favourable opinion was issued on the capitalisation of development costs pursuant to art. 2426, para. 1, no. 5, of the Italian Civil Code.

During the course of our supervisory activities, as described above, no other significant matters arose that are worthy of inclusion in this report.

This report therefore summarises our activity with regard to the requirements of art. 2429, para. 2 of the Italian Civil Code, namely information on:

- the results for the financial year;
- the work performed in fulfilment of our legal duties; the observations and proposals regarding the financial statements, with particular regard to any use made by the administrative body of the exception permitted by art. 2423, para. 5 of the Italian Civil Code;

In any case, we are at your complete disposal to examine any other aspects during the Shareholders' Meeting.

The activities carried out by us began on 1 March 2021, at the same time as our appointment by the shareholders' meeting. Starting from that date, the meetings referred to in art. 2404 of the Italian Civil Code were held regularly.

During our periodic checks, we gained knowledge on how the Company's activities were evolving, paying particular attention to contingent problems in order to identify the economic and financial impact on the result for the year and on the balance sheet, as well as any risks.

Minutes were drawn up of these meetings and duly signed for unanimous approval.

Supervisory activities pursuant to art. 2403 et seq. of the Civil Code

The draft financial statements for the year ended 31/03/2024, provided to us for our examination by the Board of Directors pursuant to art. 2429 of the Italian Civil Code, have been prepared in accordance with the requirements of Legislative Decree no. 127/91 and consist of:

- Balance sheet
- Income Statement
- Statement of cash flows
- Explanatory notes

The result for the year is net income of € 10,078,994, as may be seen from the summary figures provided below.

Balance sheet

Description	FY 2023/24	FY 2023/24	Difference
FIXED ASSETS	132,526,234	94,880,711	37,645,523
CURRENT ASSETS	127,740,755	107,307,085	20,433,670
ACCRUED INCOME AND PREPAID EXPENSES	596,632	538,230	58,402
TOTAL ASSETS	260,863,621	202,726,026	58,137,595

Description	FY 2023/24	FY 2023/24	Difference
SHAREHOLDERS' EQUITY	86,504,945	87,287,693	(782,748)
PROVISION FOR RISKS AND CHARGES	1,421,828	2,365,380	(943,552)
PROVISION FOR EMPLOYEE TERMINATION INDEMNITIES	2,554,953	2,515,430	39,523
PAYABLES	165,068,043	108,108,973	56,959,070
ACCRUED EXPENSES AND DEFERRED INCOME	5,313,852	2,448,550	2,865,302
TOTAL LIABILITIES AND EQUITY	260,863,621	202,726,026	58,137,595

Income Statement

Description	FY 2023/24	FY 2023/24	Difference
VALUE OF PRODUCTION	157,046,224	153,130,678	3,915,546
REVENUES FROM SALES OF GOODS AND SERVICES	156,102,957	148,700,331	7,402,626
PRODUCTION COST	145,511,675	147,994,816	(2,483,141)
DIFFERENCE BETWEEN PRODUCTION VALUE AND COST (A - B)	11,534,549	5,135,862	6,398,687
Income (loss) before taxes (A-B+-C+-D)	10,310,214	4,345,163	5,965,051
INCOME TAXES FOR THE YEAR, CURRENT AND DEFERRED	231,220	296,095	(64,875)
NET INCOME (LOSS) FOR THE YEAR	10,078,994	4,049,068	6,029,926

We have examined the draft financial statements for the year ended 31/03/2024, including the Report on Operations, in relation to which we point out the following.

Due to the fact that we were not appointed as independent auditors of the financial statements, we have limited ourselves to monitoring the overall approach to their preparation and their general compliance with the law as regards their format and structure and we do not have any particular observations to make in this regard.

More precisely, we note that:

- The accounting policies used in preparing the financial statements at 31/03/2024 comply with the Italian Civil Code as amended by Decree Law 139/2015;
- the Directors have provided information on the Company's performance and on the outlook for operations;
- the balance sheet and income statement formats adopted by the Company comply with articles 2424, 2424-bis, 2425 and 2425-bis of the Italian Civil Code;
- Pursuant to art. 2426, para. 5 of the Italian Civil Code, we acknowledge that, with our consent, development costs have been recognised in balance sheet assets and we have verified that they met the recognition criteria of ascertainable future economic benefits;
- pursuant to OIC 25, deferred tax assets have been allocated on the tax loss for the year as there is a reasonable certainty of their future recovery.

We have verified compliance with the law regarding the structure of the directors’ report on operations and we do not have any particular observations to make thereon.

As far as we are aware, in the preparation of the financial statements, there was no failure by the directors to comply with the law pursuant to paragraph 5 of Art. 2423 para. 5 of the Italian Civil Code.

Result for the year

The net result ascertained by the Directors for the year ended 31/03/2024, as shown in the financial statements, is positive for € 10,078,994. We do not have any observations to make on the allocation of the net result for the year proposed by the Directors.

Conclusion

Considering the results of the work performed by the independent auditors, as explained in their unqualified audit report, issued without any emphasis of matter on 14/05/2024, we unanimously believe that there are no impediments to approval at the Shareholder's Meeting of the draft annual financial statements at 31/03/2024, as prepared and presented by the Directors.

Milan, 14/05/2024

The Board of Statutory Auditors

Fulvio Mastrangelo

Fabio Greco

Massimo Carera

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Sole Shareholders of
Endurance S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Endurance S.p.A. (the "Company"), which comprise the balance sheet as at March 31, 2024, the statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Pursuant to art. 2497-bis, first paragraph, of the Italian Civil Code, Endurance S.p.A. has disclosed that it is subject to management and coordination of its activities by Endurance Technologies Limited (India) and, therefore, has indicated in the notes to the financial statements the key financial data from the most recent financial statements of such company. Our opinion on the financial statements of Endurance S.p.A. does not extend to such data.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian law governing financial statements, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e) of Legislative Decree 39/10

The Directors of Endurance S.p.A. are responsible for the preparation of the report on operations of the Company as at March 31, 2024, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of the Company as at March 31, 2024 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the financial statements of Endurance S.p.A. as at March 31, 2024 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
May 14, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

ENDURANCE ENGINEERING SRL

Head office: VIA MORANDI 9, GRUGLIASCO (Turin)

Tax Code, Turin Chamber of Commerce and Turin Companies Register No. 11081890011

Turin Business Register (REA) no. TO 1186114

Quota capital: € 100,000.00 subscribed and fully paid

VAT Number: 11081890011

Sole quotaholder company

Management control and coordination: ENDURANCE TECHNOLOGIES LIMITED

Report on operations

Financial statements at 31/03/2024

Quotaholders,

The explanatory notes provide disclosures on the financial statements for the year ended 31/03/2024; this document provides information on the Company's situation and performance in compliance with art. 2428 of the Italian Civil Code. The report, prepared with amounts shown in Euros, is presented as an accompaniment to the financial statements and provides information on the Company's earnings, financial position and operations, together, where possible, with historical facts and an indication of the future outlook.

Matters concerning the economy in general and the results of operations

The general economic situation is still heavily conditioned by the persistently high inflationary pressures which have induced the main Central Banks to keep interest rates high. Although the prices of energy factors (electricity and gas) have fallen considerably compared with the average levels for the last two years, inflation continues to remain high and, in any case, higher than the targets set by the Central Banks. International tensions continue to be an obstacle for supply chains, favouring the maintenance of commodity prices above historical averages (even if, in many cases, they are below the highs of the previous two years).

The substantial budget deficits financed by higher government debt, subsequently monetised, have fuelled the injection of liquidity into the various economic systems, but without generating significant economic growth in Europe.

According to the figures released by the International Monetary Fund (IMF), world economy growth in 2023 was 3.2%, but that of the Eurozone was only 0.4%. Germany was in moderate recession (-0.3%), Italy and France in

moderate growth (+0.9%) with Spain at +2.5%. Outside of the Eurozone, the United States grew by 2.5%, Japan by 1.9%, China by 5.2% and India by 7.8%.

For 2024, the International Monetary Fund forecasts world economic growth of 3.2%, which drops to 2.7% for the USA and 0.8% for the Eurozone (including +0.2% for Germany and +0.7% for France and Italy).

In the calendar year 2023, according to the figures published by ACEA (European Automobile Manufacturers' Association), registrations of new vehicles in the world grew by 9.7% compared with the previous year (72.5 million vehicles in 2023 compared with 66.1 million in 2022). Registrations went up by 13.9% in the European Union (10.5 million versus 9.3 million in 2022), by 15% in the USA (12.3 million versus 10.8 in 2022), by 4.5% in China (22.3 million versus 21.4 million the previous year) and 8.5% in India (with a market that went from 3.8 million vehicles to 4.2 million). In the European Union, battery electric vehicles (BEVs) achieved a market share of 14.6%, plug-in hybrids (PHEVs) 7.7% and HEV hybrids (including mild hybrids) 25.8%. Conversely, traditional internal combustion vehicles fell to a market share of 48.9% (of which petrol 35.3% and diesel 13.6%).

Registrations in the European Union for the same period as the Company's financial year (April '23 - March '24) achieved a significant growth of +10.3% (lower than that of the calendar year due to the lower growth in the quarter January-March 2024), recovering most of the gap suffered in previous years (as an effect of the pandemic and the subsequent difficulties in the supply chain of car manufacturers), but still almost 12% down on pre-pandemic annual volumes (2018/2019).

According to the results of S&P Global Mobility released by ACEA, world car production has increased by 10.2% with growth in the European Union (+11.3% to 12.1 million vehicles), USA (+8.5%, to 7.6 million vehicles), China (+9.1% to 25.3 million vehicles) and India (+6.8% to 4.7 million vehicles). Germany is still the leading car manufacturing country with 4.0 million vehicles, almost 33% of the European Union total output of cars and 18.7% up on the previous year.

In the calendar year 2023, the motorcycle market showed a very positive trend with growth of +10.5% after a flat prior year (+0.1%). New registrations reached 1,049,898 compared with 950,400 the previous year. The situation by country shows growth in all of the main countries, including Italy +18%, Spain +13.6%, Germany +7.2% and France +6.9%.

The positive performance by the automotive sector and the reduction in energy prices, which fell significantly for the material component compared with 2023 (electricity -60% and gas -69%), allowed the Company to boost its results despite the lower level of turnover. It is worth remembering, however, that despite the reductions compared with the peaks of previous years, prices have nevertheless levelled off, impacting performance, at levels that are significantly higher than in the past, with electricity on average 150%, and gas 180%, more expensive than before the crisis. Nonetheless, with the measures that we took, it was possible to achieve positive results overall, which are even getting better.

Key events

No significant events occurred in the year just ended that need to be brought to your attention.

Management control and coordination activities

Pursuant to para. 5 of art. 2497-bis of the Italian Civil Code, it is confirmed that the Company belongs to the Endurance Group (India) and is subject to management and coordination by Endurance Technologies Limited (India), whose shares have been listed on the National Stock Exchange of India (NSE) and the Bombay Stock Exchange (BSE) since October 2016.

The management control and coordination activities carried out have not had any particular impact on the Company's activities or its results. We can also confirm that no decisions were made under the influence of the company that performs management and coordination activities for which we need to give the reasons and the interests that had an impact on them.

Financial position

A reclassified balance sheet is provided below to facilitate a better understanding of the Company's financial position.

Balance Sheet - Assets

Item	FY 2024	%	FY 2023	%	Change	% Change
WORKING CAPITAL	**10,095,816**	**83.56%**	**8,607,851**	**81.63%**	**1,487,965**	**17.29%**
Immediate liquidity	**2,075,842**	**17.18%**	**1,987,948**	**18.85%**	**87,894**	**4.42%**
Cash and cash equivalents	2,075,842	17.18%	1,987,948	18.85%	87,894	4.42%
Deferred liquidity	**5,086,027**	42.09%	4,014,314	38.07%	1,071,713	26.70%
Current receivables included in working capital	1,555,874	12.88%	2,475,573	23.48%	(919,699)	(37.15%)
Financial assets	3,439,372	28.47%	1,454,153	13.79%	1,985,219	136.52%
Accrued income and prepaid expenses	90,781	0.75%	84,588	0.80%	6,193	7.32%
Inventories	2,933,947	24.28%	2,605,589	24.71%	328,358	12.60%
FIXED ASSETS	**1,986,506**	**16.44%**	**1,936,860**	**18.37%**	**49,646**	**2.56%**
Intangible assets	472,405	3.91%	659,165	6.25%	(186,760)	(28.33%)
Tangible fixed assets	1,021,240	8.45%	861,577	8.17%	159,663	18.53%
Long-term financial assets	5	0.00%	5	0.00%	-	-
Non-current portion of receivables included in working capital	492,856	4.08%	416,113	3.95%	76,743	18.44%
CAPITAL EMPLOYED	**12,082,322**	**100.00%**	**10,544,711**	**100.00%**	**1,537,611**	**14.58%**

Balance Sheet - Liabilities and Equity

Item	FY 2024	%	FY 2023	%	Change	% Change
MINORITY INTEREST	5,555,584	45.98%	4,864,557	46.13%	691,027	14.21%
Current liabilities	5,074,868	42.00%	4,611,195	43.73%	463,677	10.06%
Current payables	4,959,978	41.05%	4,213,081	39.95%	746,897	17.73%
Accrued expenses and deferred income	114,890	0.95%	398,114	3.78%	(283,224)	(71.14%)
Non-current liabilities	480,716	3.98%	253,362	2.40%	227,354	89.73%
Accrued expenses and deferred income	283,224	2.34%	-	-	283,224	100.00%
Employee termination indemnities	197,492	1.63%	253,362	2.40%	(55,870)	(22.05%)
EQUITY	**6,526,738**	**54.02%**	**5,680,154**	**53.87%**	**846,584**	**14.90%**
Share capital	100,000	0.83%	100,000	0.95%	-	-
Reserves	1,920,000	15.89%	1,920,145	18.21%	(145)	(0.01%)
Retained earnings (accumulated losses)	3,660,009	30.29%	2,966,828	28.14%	693,181	23.36%
Net income (loss) for the year	846,729	7.01%	693,181	6.57%	153,548	22.15%
SOURCES OF FINANCE	**12,082,322**	**100.00%**	**10,544,711**	**100.00%**	**1,537,611**	**14.58%**

Key indicators of financial position

On the basis of the above reclassification, the following economic indicators have been determined:

RATIO	FY 2024	FY 2023	% Change
Fixed asset coverage	436.97%	373.51%	16.99%
Banks/Working capital	0.00%	0.71%	-100.00%
Debt ratio	0.85	0.86	-0.61%
Financial debt ratio	0.11	0.08	42.12%
Equity/Capital employed	54.02%	53.87%	0.28%
Financial charges/Turnover	0.25%	0.21%	17.88%
Current ratio	188.42%	186.67%	0.94%
Fixed assets/Equity	5,033,087	4,159,407	21.00%
Primary coverage ratio	4.37	3.74	16.99%
(Equity + non current liabilities) - fixed assets	5,230,579	4,412,769	18.53%
Secondary coverage ratio	4.50	3.90	15.38%
Net working capital	4,737,723	3,996,656	18.54%
Net working capital	4,737,723	3,996,656	18.54%
Acid test ratio	133.66%	119.51%	11.84%

Results

A reclassified income statement is provided below to facilitate a better understanding of the Company's results.

Income Statement

Item	FY 2023/2024	%	FY 2022-2023	%	Change	% Change
VALUE OF PRODUCTION	**13,043,215**	**100.00%**	**14,137,699**	**100.00%**	**(1,094,484)**	**(7.74%)**
- Consumption of raw materials	6,043,137	46.33%	7,521,763	53.20%	(1,478,626)	(19.66%)
- General expenses	1,894,312	14.52%	2,177,555	15.40%	(283,243)	(13.01%)
VALUE ADDED	**5,105,766**	**39.14%**	**4,438,381**	**31.39%**	**667,385**	**15.04%**
- Payroll costs	3,028,419	23.22%	3,036,536	21.48%	(8,117)	(0.27%)
- Provisions	-	-	-	-	-	-
GROSS OPERATING MARGIN	**2,077,347**	**15.93%**	**1,401,845**	**9.92%**	**675,502**	**48.19%**
- Depreciation, amortisation and writedowns	412,544	3.16%	449,096	3.18%	(36,552)	(8.14%)
- Other operating expenses	309,003	2.37%	113,575	0.80%	195,428	172.07%
INCOME BEFORE FINANCIAL ITEMS	**1,355,800**	**10.39%**	**839,174**	**5.94%**	**516,626**	**61.56%**
+ Financial items	15,316	0.12%	(26,657)	(0.19%)	41,973	(157.46%)
INCOME BEFORE TAX	**1,371,116**	**10.51%**	**812,517**	**5.75%**	**558,599**	**68.75%**
- Taxation	**524,387**	4.02%	119,336	0.84%	405.051	339.42%
NET INCOME	**846,729**	**6.49%**	**693,181**	**4.90%**	**153,548**	**22.15%**
EBITDA	**1,768,344**	**13.56%**	**1,288,270**	**9.11%**	**480,074**	**37.27%**

Key performance indicators

On the basis of the above reclassification, the following economic indicators have been determined:

RATIO	FY 2024	FY 2023	% Change
R.O.E.	12.97%	12.20%	6.31%
R.O.I.	44.30%	36.45%	21.52%
R.O.S.	10.81%	5.97%	80.91%
R.O.A.	11.22%	7.96%	41.00%

Information required by art. 2428 of the Civil Code

The detailed information specifically required by art. 2428 of the Italian Civil Code is presented below.
As required by the first paragraph of Art. 2428 of the Italian Civil Code, a description of the main risks and uncertainties to which the Company is exposed is set out below, taking into account its nature as a provider of services and investment holding company that operates in the automotive sector:

RISKS RELATED TO THE GENERAL STATE OF THE ECONOMY: the Company's results are influenced by trends in the national and international economy. Developments regarding GDP, the cost of raw materials, the unemployment rate, interest rates and the level of confidence shown by consumers and businesses can condition the sales performance of end customers and, thus, the Company's sales performance. There are also further elements of uncertainty linked to geopolitical tensions, in particular due to the current crisis between Russia and Ukraine, as well as the possible emergence of new variants of Covid-19. Furthermore, the tightening of international sanctions is affecting uncertainties about the prices of energy commodities, basic materials (metals in particular) and agricultural products with repercussions on consumer prices and the growth prospects for the Euro area. These elements of uncertainty could lead to an alteration of normal market dynamics and, more generally, of business conditions.

RISKS RELATED TO THE SECTOR IN WHICH THE COMPANY OPERATES: the metal alloys and metal parts machining sector, in which the Company and its subsidiaries operate, is characterised by heated competition that is partly attributable to the sales trends in the automotive market. As much as the Group has taken action deemed necessary to improve its level of flexibility, a significant fall in end customers' needs and consequent further pressure on prices caused by heated competition could adversely impact the company's results and financial position.

RISKS RELATED TO THE ABILITY TO CREATE INNOVATIVE PRODUCTS: the automotive components sector is characterised by continuous product development needed to satisfy the product performance required by car manufacturers and by environmental legislation (governing emissions). Future investment by the Group will seek to develop the portfolio of products and diversify the types of production, thereby increasing the ability to meet the needs of customers. Failure to develop products and meet needs in terms of price, quality and the functionality imposed by end customers could adversely impact the prospects for the Group's operations.

FINANCIAL RISKS: the Company is exposed to the following financial risks in the conduct of its operations:
- credit risk in relation to normal commercial transactions with customers of subsidiaries;
- liquidity risk, with particular reference to the availability of financial resources and access to the market for credit and financial instruments in general;
- market risk, mainly relating to changes in interest rates and, to a lesser extent, exchange rates.

The Company constantly monitors the financial risks that it is exposed to, in order to evaluate in advance any potential negative effects and to take appropriate action to mitigate them.

Credit Risks

Given the main industrial activity of its subsidiaries - the production of components for car makers - the receivables of the Company are structurally concentrated, as the customers of the Group comprise a limited number of industrial groups.
The Company monitors receivables constantly and regularly adjusts the related allowances for collection risks.

Liquidity risks

The two main factors that determine the Company's liquidity position are, on one hand, the resources generated or absorbed by operations and by investments and, on the other hand, the timing of the repayment and renewal of debt and of the liquidity of financial investments.
The Company seeks the most appropriate sources of finance bearing in mind the current and prospective financial position. Any difficulties encountered in obtaining financing needed to meet the needs of current operations and needs relating to investments could negatively impact the Company's results and financial position.
Management believes that funds currently available, as well as funds generated from operating activities, will allow the Company to meet the needs of investing activities, of working capital management and for the repayment of debt as it falls due.

Market risk

In the conduct of its activities, the Company is exposed to various market risks, particularly the risk of fluctuations in interest rates and, to a lesser extent, exchange rates.
Risks relating to changes in interest rates
The Company could have recourse to financial resources made available by the banking sector in the form of debt and use the funds to finance operations as well as investment and development initiatives. The Company can also factor its trade receivables. Changes in market interest rates impact the cost of various types of financing and factoring, which in turn affect the level of the Company's financial charges.
To cope with these risks, the Company strives to maintain a suitable relationship between its financing structure and its capital employed, in line with the opportunities on offer and actual market conditions.
Lastly, where considered appropriate, the Company could make use of rate derivatives (interest rate swaps and caps) with the aim of hedging such risks.
Risks relating to changes in exchange rates
The functional currency used by the Company for the majority of its transactions (the Euro) does not currently appear to be subject to significant risks relating to exchange rate fluctuations

Key non-financial indicators

Pursuant to Art. 2428 of the Italian Civil Code, we can confirm that, due to the specific activities performed and for a better understanding of the Company's results and financial position, it is not considered meaningful to present non-financial indicators.

Information on the environment and safety at work

In the context of specific policies adopted by Endurance group, the Company strives hard to ensure that production and operating activities are carried out in compliance with all applicable regulations and international agreements. The objective is to introduce and maintain a broad culture of constantly improved environmental performance, process and product safety, while ensuring the safety of workers and installations.
Work continued during the year ended 31 March 2024 on the monitoring and maintenance of adequate environmental protection standards, in compliance with the requirements of ISO 14001:2015 on environmental management systems, and of occupational health and safety pursuant to ISO 45001:2018.
Employee training sessions covered the following topics: specific job training in compliance with the criteria of the State-Regions Agreement of December 2011, updating and specific training for the persons in charge of safety at work on the methods of exercising control over workers' compliance with legal provisions on health and safety at work, update for First Aid and Emergency Teams staff, Workers' Safety Representative training update.
Simulations were carried out of emergency scenarios, such as fire, evacuation, illness with the participation of the staff.

Information on personnel management

The Company's average workforce during the year numbered 53 employees compared with the prior year figure of 55. The workforce at the end of the year consisted of 52 people.
The courses delivered - covering the environment, safety and other topics - involved the workforce in a total of 705 hours of activities, carried out both internally and externally (in addition to the OTJ training support provided).
The main training activities involved courses on safety and first aid and professional development courses (e.g. 5S)

Research and development activities

Pursuant to art. 2428, paragraph 3, point 1 of the Italian Civil Code, we certify that development and technological innovation activities were carried out during the financial year without capitalising any of the costs.

Transactions with subsidiaries, associates, partent companies and fellow subsidiaries

With regard to the provisions of paragraph 3.2 of art. 2428 of the Italian Civil Code, we can confirm that the Company does not have any controlling equity investments and, accordingly, has not entered into any transactions with subsidiaries.
As required by OIC 12.130 and art. 2427, para. 1, point 22-bis c.c., we point out that relations with related parties comprise transactions with the parent company and fellow subsidiaries (together referred to as "affiliates"), as summarised below. Receivables from affiliates classified as current assets.

Receivables from affiliates classified as current assets

Description	31/03/2024	31/03/2023	Change
from parent companies	46,654	-	46,654
from fellow subsidiaries	155,657	125,981	29,676
Total	**202,311**	**125,981**	**76,330**

Receivables from parent companies (€46,654 at 31 March 2024) concern receivables relating to interest income due from the direct parent Endurance Overseas S.r.l. on the company's positive balance on the cash pooling account. Receivables from fellow subsidiaries (€155,657 at 31 March 2024) concern commercial relationships with the associate Endurance S.p.A. for €105,657 and guarantees paid in favour of Endurance S.p.A. (for the rental contract of the property where the company has its headquarters) for €50,000.

Payables to and loans from affiliates

Description	31/03/2024	31/03/2023	Change
due to parent companies	483,838	149,934	333,904
due to fellow subsidiaries	257,619	240,213	17,406
Total	**741,457**	**390,147**	**351,310**

Payables due to parent companies at 31 March 2024 (€483,838) include payables to Endurance Overseas S.r.l. for commercial relationships involving administrative, financial and support services carried out by the parent company in favour of Group companies (on the basis of specific service agreements), regulated at market conditions and payables relating to membership of the tax consolidation in accordance with arts 117-129 of the TUIR (consolidated income tax act).
Payables due to fellow subsidiaries comprise trade payables due to Endurance S.p.A. (including advances received).

Treasury shares

Pursuant to arts. 2435-bis and 2428 of the Italian Civil Code, note that the Company does not hold any treasury shares, neither during the financial year nor at year end.

Shares/quotas in the parent company

In accordance with paragraphs 3.3 and 3.4 of Art. 2435-bis and Art. 2428 of the Italian Civil Code, it is hereby confirmed that the Company did not hold any shares or quotas in the parent company during the year and at the year-end.

Business outlook

Due to the medium-term effects of the loss of purchasing power suffered by the majority of consumers, the reintroduction of public budget constraints in the European Union (after their suspension during the Covid period) and the restoration of maximum ceilings on deficits and the parameters for reducing excessive debt, it is reasonable to presume that high inflation can be definitively eliminated (at least for the domestic portion). This should leave room for a reduction in interest rates, which could in turn encourage private borrowing again as a source of fuel for growth. However, alternative scenarios could be one of recession, if the central banks' intervention is tardy, even one of stagflation if externally generated inflation continues. These are prospects characterised by a high level of uncertainty, difficult to imagine due to the complexities of current phenomena; also due to the conditions that could arise from the implementation of European initiatives of a strategic nature (such as Carbon Neutrality 2050) and the dramatic prolongation of the various wars that afflict the international scene.
For the time being, there is still a general sense of uncertainty which makes it hard to imagine how the various scenarios could affect the fate of the world economy and what the repercussions might be for the automotive sector.
Even though the macroeconomic situation shows various fragilities (trends in the real estate market, consumption, interest rates and inflation), the automotive sector has just been through a year of sustained growth (registrations +13.9% in 2023) and the forecasts for next year are looking good. According to estimates released by ACEA (the European Automobile Manufacturers' Association) in February 2024, registrations for the year are expected to grow by a further 2.5% compared with 2023 (with 10.7 million new registrations expected).
It is more difficult to outline the trend in registrations of electric vehicles (BEV) and plug-in hybrid vehicles (PHEV). Registrations of such vehicles as a proportion of total registrations has grown significantly over the years, in line with car manufacturers' efforts to introduce new ranges of models and innovative solutions. However, price is an important factor in consumers' choice. Given the higher cost of this type of vehicle, suspending government contributions (e.g. Germany from January 2024) was enough to lower the proportion of registrations in the first quarter of 2024 compared with the average for 2023. In addition to the existing regulatory constraints, with the

intermediate milestone in 2030 (55% reduction in emissions) and then stopping the production of new internal combustion vehicles from 2035, considering the huge investments already made by car manufacturers, the automotive sector remains strongly committed to developing this type of vehicle. The decisive forces for their definitive affirmation will be consolidated when economies of scale and promising technological innovations manage to reduce the purchase cost of EVs and the charging times of their battery systems. In this regard, ACEA also predicts that of the 10.5 million new vehicles registered in 2024, 20% should be BEV (i.e. battery electric vehicles). The Company's activity in the first half of the year 2024/25 has resumed, showing signs of a slowdown. However, careful management of company costs and the commercial initiatives that have been implemented should make it possible to achieve positive results.

The use of financial instruments that should be taken into account when assessing the results and financial position

In accordance with paragraph 3.6-bis of art. 2428 of the Italian Civil Code, we can confirm that the Company has a policy in place to hedge interest-rate risk on medium-term loans by arranging an interest rate cap on one of the m/l term loans, which reached maturity during the year.

Secondary locations

In accordance with Art. 2428 of the Italian Civil Code, details are provided below of the secondary locations used by the Company:

Address	Location
VIA MORANDI 9	GRUGLIASCO

Conclusion

In light of the considerations set out above and of the disclosures made in the notes, we invite the shareholders:

- to approve the financial statements at 31/03/2024 together with the explanatory notes and this report on operations that accompany them;
- to allocate the result for the year in accordance with the proposal made in the explanatory notes.

Grugliasco, 09/05/2024

For the Board of Directors

The Managing Director

Fabrizio Rebuffo

General information on the company

Company data

Name:	ENDURANCE ENGINEERING SRL
Registered office:	VIA MORANDI 9 GRUGLIASCO TO
Quota capital:	100,000.00
Quota capital fully paid in:	yes
Chamber of Commerce:	TO
VAT Number:	11081890011
Tax code:	11081890011
REA Number:	1186114
Legal form:	LIMITED LIABILITY COMPANY
Core business (ATECO):	
Company in liquidation:	no
Company with sole quotaholder:	yes
Company subject to management control and coordination:	yes
Name of the company or entity that exercises management control and coordination:	ENDURANCE TECHNOLOGIES LIMITED
Belonging to a Group:	yes
Name of the parent company:	ENDURANCE OVERSEAS SRL
Country of the parent company:	ITALY
Cooperatives register number:	n/a

Financial statements at 31/03/2024

Balance sheet

	31/03/2024	31/03/2023
Assets		
B) Fixed assets		
I - Intangible assets	-	-
3) Industrial patents and intellectual property rights	23,885	28,895
7) Other	448,520	630,270
Total intangible assets	*472,405*	*659,165*
II - Tangible assets	-	-
1) Land and buildings	4,428	6,316

	31/03/2024	31/03/2023
2) Plant and machinery	838,620	704,292
3) Industrial and commercial equipment	114,535	74,170
4) Other assets	63,657	76,799
Total tangible assets	*1,021,240*	*861,577*
III - Long-term financial assets	-	-
1) Equity investments in	-	-
d-bis) other companies	5	5
Total equity investments	*5*	*5*
Total long-term financial assets	*5*	*5*
Total fixed assets (B)	*1,493,650*	*1,520,747*
C) Current assets		
I - Inventories	-	-
1) Raw materials, ancillary materials and consumables	751,476	1,581,148
2) Work in process and semi-finished products	90,059	77,934
4) Finished products and goods	1,355,571	946,507
5) Advances	736,841	-
Total inventories	*2,933,947*	*2,605,589*
II - Receivables	-	-
1) from customers	1,130,209	1,428,365
due within one year	1,130,209	1,428,365
4) from parent companies	46,654	-
due within one year	46,654	-
5) from fellow subsidiaries	155,657	125,981
due within one year	105,657	75,981
due beyond one year	50,000	50,000
5-bis) tax receivables	390,459	473,980
due within one year	269,280	473,980
due beyond one year	121,179	-
5-ter) deferred tax assets	321,677	366,113
5-quater) due from others	4,074	497,247
due within one year	4,074	497,247
Total receivables	*2,048,730*	*2,891,686*
III - Current financial assets	-	-
5) Derivatives	-	190

	31/03/2024	31/03/2023
7) treasury management assets	3,439,372	1,453,963
Total current financial assets	*3,439,372*	*1,454,153*
IV - Cash and cash equivalents	-	-
1) Bank and postal deposits	2,075,823	1,987,673
3) Cash on hand	19	275
Total cash and cash equivalents	*2,075,842*	*1,987,948*
Total current assets (C)	*10,497,891*	*8,939,376*
D) Accrued income and prepaid expenses	**90,781**	**84,588**
Total assets	*12,082,322*	*10,544,711*
Liabilities and quotaholders' equity		
A) Quotaholders' equity	**6,526,738**	**5,680,154**
I - Quota capital	100,000	100,000
IV - Legal reserve	20,000	20,000
VI - Other reserves, shown separately	-	-
Paid in for future capital increase	1,900,000	1,900,000
Total other reserves	*1,900,000*	*1,900,000*
VII - Cash flow hedging reserve	-	145
VIII - Retained earnings (accumulated losses)	3,660,009	2,966,828
IX - Net income (loss) for the year	846,729	693,181
Total quotaholders' equity	6,526,738	5,680,154
C) Employee termination indemnities	**197,492**	**253,362**
D) PAYABLES		
4) Due to banks	-	63,896
due within one year	-	63,896
7) Trade payables	3,118,616	2,535,294
due within one year	3,118,616	2,535,294
11) due to parent companies	483,838	149,934
due within one year	483,838	149,934
11-bis) due to fellow subsidiaries	257,619	240,213
due within one year	257,619	240,213
12) tax payables	126,515	140,666
due within one year	126,515	140,666
13) Due to pension and social security institutions	176,346	170,336
due within one year	176,346	170,336

	31/03/2024	31/03/2023
14) Other payables	797,044	912,742
due within one year	797,044	912,742
Total payables	*4,959,978*	*4,213,081*
E) Accrued expenses and deferred income	**398,114**	**398,114**
Total liabilities and quotaholder's equity	*12,082,322*	*10,544,711*

Income statement

	FY 2023/2024	FY 2022/2023
A) Value of production		
1) Revenues from sales of goods and services	12,414,263	13,845,664
2) Change in inventories of work in progress, semi-finished and finished products	499,855	92,260
5) Other income and revenues	-	-
Operating grants	6,138	175,745
Other	122,959	24,030
Total other income and revenues	*129,097*	*199,775*
Total value of production	*13,043,215*	*14,137,699*
B) COST OF PRODUCTION		
6) raw and ancillary materials, consumables and goods for resale	5,134,799	8,012,059
7) services	1,567,833	1,864,317
8) lease and rental charges	326,479	313,238
9) payroll	-	-
a) wages and salaries	2,294,026	2,241,704
b) social contributions	600,166	620,931
c) employee termination indemnities	133,233	144,461
e) other costs	994	29,440
Total payroll costs	*3,028,419*	*3,036,536*
10) Depreciation, amortisation and write-downs	-	-
a) amortisation of intangible assets	201,311	185,894
b) depreciation of tangible assets	211,233	250,990
d) write-downs of current receivables and liquid funds	-	12,212
Total depreciation, amortisation and write-downs	*412,544*	*449,096*
11) Change in inventory of raw and ancillary materials, consumables and goods	908,338	(490,296)

	FY 2023/2024	FY 2022/2023
14) Other operating expenses	309,003	113,575
Total cost of production	*11,687,415*	*13,298,525*
DIFFERENCE BETWEEN PRODUCTION VALUE AND COST (A - B)	**1,355,800**	**839,174**
C) FINANCIAL INCOME AND CHARGES		
16) Other financial income	-	-
d) Income other than the above	-	-
from parent companies	46,652	-
Other	26	3,016
Total income other than the above	*46,678*	*3,016*
Total other financial income	*46,678*	*3,016*
17) Interest and other financial charges	-	-
Other	31,362	29,673
Total interest and other financial charges	*31,362*	*29,673*
Total financial income and charges (15+16-17+-17-bis)	*15,316*	*(26,657)*
Income (loss) before taxes (A-B+-C+-D)	**1,371,116**	**812,517**
20) Income taxes for the year, current and deferred		
current taxation	82,688	29,633
taxation relating to prior years	(411)	55,205
deferred taxation	44,482	(5,155)
income (charges) from tax consolidation/tax transparency	(397,628)	(39,653)
Total income taxes for the year, current and deferred	*524,387*	*119,336*
21) Net income (loss) for the year	**846,729**	**693,181**

Statement of cash flows (indirect method)

	FY 2023/2024	FY 2022/2023
A) Cash flows from operating activities (indirect method)		
Net income (loss) for the year	846,729	693,181
Taxation	524,387	119,336
Interest expense/(interest income)	(15,316)	26,657
1) Income (loss) for the year before income taxes, interest, dividends and gains/losses from disposals	*1,355,800*	*839,174*
Adjustments for non-cash items that had no contra-entry in net working capital		
Provisions	5,098	17,245
Depreciation and amortisation of fixed assets	412,544	436,884
Write-downs for permanent losses	-	12,212
Total adjustments for non-cash items that had no contra-entry in net working capital	*417,642*	*466,341*
2) Cash flow before changes in net working capital	*1,773,442*	*1,305,515*
Change in net working capital		
Decrease/(Increase) in inventory	(328,358)	(582,555)
Decrease/(Increase) in trade receivables	268,480	(198,879)
Increase/(Decrease) in trade payables	934,632	382,245
Decrease/(Increase) in accrued income and prepaid expenses	(6,193)	(6,504)
Increase/(Decrease) in accrued expenses and deferred income	-	313,323
Other decreases/(Other Increases) in net working capital	(17,608)	158,056
Total changes in net working capital	*850,953*	*65,686*
3) Cash flow after changes in net working capital	*2,624,395*	*1,371,201*
Other adjustments		
Interest collected/(paid)	15,316	(26,657)
(Income taxes paid)	(56,097)	25,174
(Use of provisions)	(60,968)	(3,341)
Total other adjustments	*(101,749)*	*(4,824)*
Cash flow from operating activities (A)	***2,522,646***	***1,366,377***
B) Cash flows from investing activities		
Tangible assets		
(Additions)	(370,896)	(105,779)
Intangible assets		
(Additions)	(14,551)	(72,417)

	FY 2023/2024	FY 2022/2023
Current financial assets		
(Additions)	(1,985,409)	(464,517)
Cash flow from investing activities (B)	***(2,370,856)***	***(642,713)***
C) Cash flows from financing activities		
Third-party funds		
Increase (Decrease) in current bank loans	(63,896)	-
(Repayment of loans)	-	(591,810)
Own funds		
(Dividends and interim dividends paid)	-	(1,000,000)
Cash flow from financing activities (C)	***(63,896)***	***(1,591,810)***
Increase (decrease) in cash and cash equivalents (a ± b ± c)	***87,894***	***(868,146)***
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	1,987,673	2,855,437
Cash on hand	275	657
Total cash and cash equivalents at the beginning of the year	**1,987,948**	**2,856,094**
Cash and cash equivalents at the end of the year		
Bank and postal deposits	2,075,823	1,987,673
Cash on hand	19	275
Total cash and cash equivalents at the end of the year	**2,075,842**	**1,987,948**

Information on the statement of cash flows

The statement of cash flows for the year is presented on a comparative basis in accordance with OIC 10.

This statement was prepared using the indirect method, in order to identify the sources and applications of funds deriving from operating, financing and investing activities.

The Increase (Decrease) in non-current financial assets relates to the change in the treasury management (cash pooling) account managed by Endurance Overseas S.r.l., which increased during the year by €1,985,409.

Explanatory notes - first part

Quotaholders,

These notes are an integral part of the financial statements for the year ended 31 March 2024.

The financial statements submitted for your approval report net income of €846,729, after taxes of €524,387 and depreciation and amortisation of €412,544

Form and content of the financial statements

The financial statements for the year ended 31 March 2024 have been prepared in compliance with the Italian Civil Code, as interpreted and supplemented by the accounting standards issued by the OIC (Italian Accounting Board) and, if these are unavailable and to the extent not in conflict with Italian Accounting Standards, by those issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a going concern basis, as there are no significant uncertainties in this regard.

The current liquidity of the Company, together with that of the Group, means that, at present, there are no threats to the ability of the business to continue operations over the next 12 months.

The financial statements comprise the balance sheet, the income statement, the statement of cash flows (prepared in conformity with the respective requirements of arts. 2424 and 2424 bis of the Italian Civil Code (c.c.), arts. 2425 and 2425 bis c.c. and art. 2425 ter c.c.) and these explanatory notes.

The balance sheet, the income statement, the statement of cash flows and the accounting disclosures contained in these notes agree with the books of account, from which they have been directly prepared. The items preceded by Arabic numerals in the balance sheet and income statement have not been grouped together, which is optional under art. 2423 ter of the Italian Civil Code.

The accounting policies adopted for the various items comply with those specified in art. 2426 c.c. and the relevant accounting standards. The financial statements have been prepared on a consistent basis with the previous year.

The financial statement items are stated in accordance with the prudence concept and on a going concern basis. Pursuant to art. 2423-bis, para. 1, point 1-bis of the Italian Civil Code, items are recognised and presented having regard for the substance of the operations or contracts concerned.

Pursuant to art. 2424 of the Civil Code, we can confirm that no asset or liability items have been allocated to more than one balance sheet line. -

In the preparation of the financial statements, income and expenses are recorded on an accruals basis, regardless of the timing of collection and expenditure. Contingencies and losses relating to the year are recognised, even if they become known after the reporting date.

The purpose of the explanatory notes is to describe, analyse and, in some cases, supplement the data reported on the face of the financial statements. They contain the information required by arts. 2427 and 2427 bis c.c., other provisions of the civil code and other legislation. In addition, they provide all the complementary information deemed necessary in order to present the most transparent and complete view possible, even if such information is not required by specific legislation.

Amounts are stated in whole Euros, unless specified otherwise.
The financial statements comply with the requirements of article 2423 et seq. of the Italian Civil Code and with the Italian accounting standards issued by the OIC (Italian Accounting Board); they have thus been prepared clearly and give a true and fair view of the company's financial position and results of operations.
The financial statements comply with the requirements of article 2423 et seq. of the Italian Civil Code and with the Italian accounting standards issued by the OIC (Italian Accounting Board); they have thus been prepared clearly and give a true and fair view of the company's financial position and results of operations.

Basis of preparation

The information contained in this document is presented in the order in which the related components are indicated in the balance sheet and income statement.
With reference to the matter indicated in the introduction to the explanatory notes, it is hereby confirmed that, pursuant to paragraph 3 of Art. 2423 of the Civil Code, where the information required by legislative provisions is not sufficient to give a true and fair view of the company's situation, supplementary information is provided for this purpose.

Exceptional situations pursuant to paragraph 5 of art. 2423 of the Italian Civil Code

There are no exceptional situations that might have made it necessary to seek exemptions under paragraphs 4 and 5 of art. 2423 of the Italian Civil Code.

Changes in accounting policies

There are no exceptional situations that might have made it necessary to seek exemptions under paragraph 2 of art. 2423-bis of the Italian Civil Code.

Comparability and compliance

Pursuant to Art. 2423 ter of the Civil Code, we can confirm that all of the financial statement items are comparable with the prior year; no restatement of prior year items has been necessary.

Accounting policies

The accounting policies applied for the preparation of these financial statements, described below, take account of the amendments, additions and new provisions included in the civil code by Decree 139/2015, which transposed Directive 34/2013/EU into Italian law. In particular, the domestic accounting standards were reformulated by the OIC in the latest version issued on 22 December 2016, inclusive of the amendments published on 29 December 2017.
The accounting policies applied for the measurement of financial statement items and for their adjustment comply with the provisions of the Italian Civil Code and with the indications included in the Italian accounting standards reformulated by the Italian Accounting Board.
Pursuant to art. 2427 paragraph 1 no. 1 of the Italian Civil Code, we explain the more significant accounting policies applied in compliance with the provisions of art. 2426 of the Italian Civil Code, particularly for those items for which the legislator permits the use of options for measurement and adjustments or for which no specific accounting policy exists.

Intangible assets

When the established criteria are met, these are recorded at purchase or production cost, inclusive of direct costs and related charges, and amortised systematically each year on a straight-line basis. Intangible assets are recognised with the consent of the Board of Statutory Auditors where prescribed by law.
Their book value is stated net of accumulated amortisation and write-downs.
Amortisation is applied as indicated below, in order to allocate the cost incurred over the useful lives of the relevant assets:

Intangible assets	Amortisation period
Start-up and expansion costs	5 years on a straight-line basis
Industrial patents and intellectual property rights	3 years on a straight-line basis
Concessions, licences, trademarks and similar rights	5 years on a straight-line basis
Other intangible assets	5 years on a straight-line basis

Start-up and expansion costs have been capitalised as they involve long-term benefits; these costs are amortised over a period that does not exceed five years.
Concessions, licences, trademarks and similar rights mainly include capitalised costs for the purchase of software.
Leasehold improvements are capitalised and classified as other intangible assets if they cannot be separated from the assets concerned (in which case they are recognised in the relevant category of tangible assets). They are amortised systematically over the period they are expected to benefit (prudently set at 5 years) or, if shorter, over the residual duration of the lease after taking account of any renewal period available at the discretion of the Company.
If permanent impairment is identified regardless of the amortisation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier

write-downs. This reinstatement does not apply to goodwill or the deferred charges referred to in point 5 of art. 2426 c.c.

Pursuant to Art. 10 of Law 72 of 19 March 1983 and subsequent laws on revaluations of assets, it is hereby confirmed that the intangible assets recorded in the books have never been revalued.

Tangible assets

These are recorded at purchase or internal construction cost and stated net of the depreciation charged in the current and prior years. Costs comprise related charges and the direct and indirect expenses that can reasonably be allocated to assets during the construction period and until they become available for use. They also include any borrowing costs incurred to finance the construction work (whether internal or carried out by third parties) until the asset become available for use, without however exceeding its recoverable value. Tangible assets are only revalued if this is required or allowed by special laws.

Pursuant to Art. 10 of Law 72 of 19 March 1983 and subsequent laws on revaluations of assets, it is hereby confirmed that the tangible assets recorded in the books have never been revalued.

Assets purchased in foreign currencies are recorded at cost using the exchange rate in force on the transaction date, or using the lower rate applying on the reporting date if the reduction is deemed to be permanent.

Tangible fixed assets are depreciated systematically each year on a straight-line basis using the following rates:

Tangible asset items	Depreciation rate
Temporary constructions	10.00%
General plant	7.50%
Specific machinery	12.50%
Tools and equipment	12.50%
Motor cars	25.00%
Internal transport vehicles	20.00%
Electronic office machines	20.00%
Furniture and shelving	12.00% - 12.50%
Assets costing less than €516.46	100.00%

When fixed assets enter into service during the year, their depreciation commences on a time-apportioned basis from the month after the one in which they become available and ready for use in the year of acquisition.

Depreciation is also charged on fixed assets that are temporarily out of use. Land is not depreciated, as its useful life is not finite.

If permanent impairment is identified regardless of the depreciation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs.

Routine maintenance and repair costs are charged in full to the income statement. Improvement costs are allocated to the fixed assets concerned and depreciated over their residual useful lives.

Costs incurred to expand, modernise or improve the structural elements of a tangible fixed asset are capitalised if they significantly and measurably increase its productive capacity, safety or useful life. If the costs concerned do not have the above effect, they are treated as routine maintenance and charged to the income statement.

Impairment (tangible and intangible assets)

At each reporting date, the Company determines if there is any evidence that the value of its tangible and intangible assets might be impaired. If such evidence is found, the Company estimates the recoverable value of each asset concerned and records an impairment write-down if it is lower than the corresponding net carrying amount.
Recoverable value is not determined if there is no evidence of possible impairment.
The recoverable value of tangible and intangible assets is deemed to be their value in use (calculated by discounting their future cash flows) or, if greater, their fair value (being the amount obtainable at the reporting date, based on the best available information, from their sale in an arm's-length transaction between knowledgeable and willing parties, net of the related selling costs).
With regard to the above, the Company has looked for evidence that the value of its tangible and intangible assets might be impaired, but did not find any and, accordingly, has not determined the recoverable value of the above assets.

Equity investments and securities (classified as long-term financial assets)

The equity investments and debt securities classified as non-current assets will be held by the Company over the long term. Equity investments are measured at cost, as adjusted for any impairment. Debt securities are measured using the amortised cost method.
The cost recorded in the financial statements is determined with reference to purchase or subscription price, inclusive of related expenses. If lasting impairment is identified, the carrying amount of equity investments is reduced to their recoverable value, which is determined with reference to the future benefits that are expected to accrue to the Company. Should the Company be obliged or intend to cover the (non-permanent) losses incurred by an equity investment, a suitable provision is recorded to cover the liability to which the Company is exposed. If in future years the reasons for the write-down cease to apply, the equity investment is written back to its original carrying amount.
The amortised cost of a security is its original carrying amount, net of any redemptions of principal, as increased or decreased by the accumulated amortisation, calculated using the effective interest method, of any difference between its initial and maturity values after deducting any impairment (recognised directly or by a provision) following a loss in value. The original carrying amount is represented by purchase or subscription cost, net of any commissions.

Intercompany loans

Intercompany loans with a duration of more than 12 months are usually governed by contracts arranged on market terms and conditions; interest-free intercompany loans and those arranged at significantly below market rates are recognised initially at the value of the related future cash flows, as discounted using the market rate (being the

average funding rate of the Company or the Group). The difference with respect to the liquidity collected by the parent company is credited to quotaholders' equity.

Inventories

Inventories are stated at the lower of purchase and/or production cost, determined using the weighted average cost method, or the realisable value inferred from market prices.
In particular, the specific criteria used to measure the various categories of inventory (unchanged with respect to the prior year) are summarised below:

- Raw materials: annual weighted average cost.
- Work in process (semi-finished products): specific cost with the weighted average cost approach based on the stage of completion of the production process, which represents the cost of production.
- Finished products: specific cost with the weighted average cost approach.
- Dies for resale: purchase cost
- Consumables: purchase cost, inclusive of spare parts.

Purchase cost includes any directly attributable ancillary charges, with the exclusion of borrowing costs. Production cost includes the indirect costs that are reasonably attributable to each asset during the production period until it becomes available for use.
The realisable value of goods, finished products, semi-finished products and work in process inferred from market conditions is deemed to be their net realisable value. Raw and ancillary materials held for the production of finished products are not written down if the finished products in which they will be used are realisable for an amount that is greater than or equal to their production cost.
Inventories are written down when their realisable value estimated with reference to market conditions is lower than their carrying amount. Obsolete and slow-moving inventories are written down with reference to their possible uses or realisable value. If in future years the reasons for any write-down cease to apply, the related inventories are written back to not more than their original cost.

Receivables

Receivables are stated at amortised cost, having regard for the time factor and their estimated realisable value. The amortised cost method is not applied when its effects are insignificant, being when the transaction costs, the commissions paid between the parties and all other difference between initial value and maturity value are immaterial or when the receivables are recoverable in the short term (within 12 months).
The amount of receivables, as determined above, is adjusted when necessary by a specific allowance for doubtful accounts, which is deducted directly from their gross amount in order to report them at their estimated realisable value. The provision (which takes account of collection losses, returns and invoicing adjustments, discounts and allowances, interest not yet earned and other reasons for reduced recoverability) is charged to the income statement.
Receivables assigned to factors are only derecognised if they are sold without recourse and essentially all the related risks are transferred (the difference between the consideration received on the assignment and the carrying amount of the receivable is recognised in income statement caption C17). If the assignment does not involve

derecognition (for example, assignment with recourse), since not all the related risks are transferred, the receivable continues to be reported in the balance sheet and is measured in the manner described above. If advance consideration is received from the assignee, the amount is recognised as a financial payable.
Receivables taking the form of bank receipts that have not been assigned remain classified as receivables until final collection of the amounts concerned.
Receivables deriving from centralised treasury management (cash pooling) activities are classified separately within current assets, if recoverable in the short term. If this is not the case, they are classified as financial fixed assets.

Cash and cash equivalents

Cash and cash equivalents at the reporting date are measured at their nominal value. Amounts denominated in foreign currencies are measured using the closing exchange rates.

Accruals and deferrals

Accruals and deferrals comprise costs and revenues relating to the year that will be formally recorded in future years, and costs and revenues recorded by the reporting date that relate to future years. The related amounts are determined on a time-apportioned basis.

Provisions for risks and charges

The provisions for risks and charges cover known or likely losses or liabilities, the timing or extent of which cannot be determined at the reporting date. These provisions, including those for deferred tax liabilities, which are classified in this caption, reflect the best possible estimates based on the information available. Risk that only might give rise to a liability are described in the notes on the provisions, without actually recording a provision. As required by OIC 31, new provisions for risks and charges are, where possible, classified in the relevant income statement classes (B, C or D). Whenever it is not possible to correlate a new provision with a caption in one of the above classes, it is classified in income statement caption B12 or B13.

Employee termination indemnities

Employee termination indemnities represent the total amount that would have been payable to all employees had they terminated their employment on the reporting date. The charge for the year, comprising the new provision and the revaluation of the accumulated provision (based on the change in the relevant ISTAT index), is determined in accordance with current regulations, having regard for the specific employment contracts and the professional categories concerned. Employee termination indemnities are classified in liability caption C, while the provision for the year is classified in income statement caption B9.
The changes made to the regulations governing termination indemnities by Law 296 dated 27 December 2006 (2007 Finance Law) and subsequent decrees and enabling regulations, amended the accounting for the indemnities earned by 31 December 2006 and those earned from 1 January 2007. In particular, following the creation of the INPS Treasury Fund to manage the termination indemnities of private sector employees, employers with more than 50 employees are obliged to pay the new provisions relating to them into the Treasury Fund, unless the persons

concerned have specifically opted for their indemnities to be paid to a supplementary pension fund. The employee termination indemnities reported in the balance sheet are therefore stated net of the amounts paid to the above INPS Treasury Fund.

Payables

Payables are stated at amortised cost, as defined in art. 2426, para. 2 c.c., having regard for the time factor envisaged in art. 2426, para. 1, point 8 c.c.. Payables are however stated at their nominal amount if application of the amortisation cost and/or discounting methods would not be significant for the purpose of providing a true and fair view of the financial position and results of operations. This situation arises in the case of payables due within twelve months or, with regard to the amortised cost method, if the transaction costs, commissions and all other differences between the initial value and the maturity value are insignificant or, again, with regard to the discounting method, if the interest rate inherent in the contractual conditions is not significantly different to the market rate of interest.

Finasnce Leases

Finance leases are recognised using the payments method, by charging the instalments paid to the income statement on an accruals basis. A specific section of these explanatory notes contains the supplementary information required by the law on the effect of recognising these contracts using finance lease methodology.

Derivative financial instruments

Derivative financial instruments consist of financial assets and liabilities measured at fair value.
They are only classified as hedging instruments when, at the time of arrangement, there is a strict, documented correlation between the characteristics of the hedged item and those of the hedging instrument, and that hedging relationship is both formally documented and, based on periodic checks, highly effective.
When derivatives hedge the risk of changes in the fair value of the hedged instruments (fair value hedges), they are measured at fair value through profit or loss; for consistency, the carrying amounts of the hedged items are adjusted to reflect the changes in fair value associated with the hedged risk.
When derivatives hedge the risk of changes in future cash flows of the hedged instruments (cash flow hedges), the effective portion of the profits or losses on the derivative financial instrument is put into suspense in equity (under the Reserve for cash flow hedges, net of tax). The ineffective portion of the profits and losses associated with a hedge is recognised in the income statement. On completion of the transaction, the accumulated profits and losses, previously deferred to quotaholder's equity, are released to the income statement (to adjust the income statement items affected by the hedged cash flows).
When hedge accounting is used, the changes in the related fair value of the hedging derivatives are recognised:

- in income statement captions D18 or D19, in the case of a fair value hedge of a reported asset or liability, together with the changes in the fair value of the hedged items (if the change in the fair value of the hedged item is greater in absolute terms than the change in the fair value of the hedging instrument, the difference is recognised in the income statement caption affected by the hedged item);

- in a specific equity reserve (caption AVII Cash flow hedging reserve) in a manner that offset the effects of the hedged flows (the ineffective portion, like the change in the time value of options and forwards, is classified in captions D18 and D19).

The changes in the fair value of financial instruments that are classified as trading derivatives, either because they do not qualify for treatment as hedging derivatives or because they were not designated as hedges, even though they were arranged operationally to hedge the risk of changes in interest rates and/or exchange rates and/or commodity prices, are recorded in the balance sheet and recognised in income statement captions D18 or D19.

Any derivatives embedded in other financial instruments must also be measured at fair value. In particular, embedded instruments are only separated from the primary contract and recognised as derivative financial instruments if, and only if:

a) the economic characteristics and risks of the embedded derivative are not closely correlated with the economic characteristics and risks of the primary contract. Close correlation exists if hybrid contracts are arranged in accordance with market practice;
b) all the elements included in the definition of a derivative financial instrument specified in OIC 32.11 are satisfied.

Revenues

Revenues from the sale of goods are recognised when ownership passes in substance, rather than in formal terms, being when the related risks and benefits are transferred (which in practice coincides with the time of delivery or shipment of the goods).

Revenues from services are recognised upon completion and/or when earned.

Revenues from the sale of products, goods and services in the ordinary course of business are stated net of returns, discounts, allowances and rebates, as well as the direct taxes charged on the sale of products and services.

Transactions with related parties take place on normal market terms and conditions.

Costs

Costs stated net of returns, discounts, allowances and rebates are recognised on an accruals basis in accordance with the matching principle, regardless of the date of collection or payment. Compliance with the matching principle requires an estimate to be made of the invoices to be received.

Dividends

Dividends are recognised in the year in which they are declared by the shareholders' meeting.

Financial income and charges

Financial income and charges are recognised on an accruals basis. Costs relating to the disposal of receivables for whatever reason are charged to the income statement on an accruals basis.

Taxation

Income taxes are recognised with reference to an estimate of taxable income in compliance with current regulations, having regard for any applicable exemptions and tax credits.

Deferred tax assets and liabilities are calculated on the temporary differences between the reported carrying amount of assets and liabilities and their corresponding values for tax purposes. Their measurement takes account of the tax rates expected to be in force in the year in which such differences contribute to the formation of taxable income, being the rates in force or already communicated at the reporting date (24% for IRES and 3.9% for IRAP). They are classified respectively as deferred tax assets under current assets and as deferred tax liabilities under provisions for risks and charges.

In accordance with the concept of prudence, deferred tax assets are recognised on all deductible temporary differences if it is reasonably certain that taxable income in the years in which they reverse will not be less than the amount of the differences to be absorbed.

By contrast, deferred tax liabilities are recognised on all taxable temporary differences.

Deferred tax liabilities are not recognised in relation to reserves subject to the deferral of taxation if they are unlikely to be distributed to the quotaholder.

Also for the year under review the Company forms part of the Endurance domestic tax group pursuant to arts. 117/129 of the Consolidated Tax Act (T.U.I.R.)

Endurance Overseas S.r.l. is the parent of this tax group and calculates just one taxable income for all member companies, with the benefit that taxable income can be offset against tax losses in a single tax declaration.

All members of the tax group transfer their taxable income (or loss) to the group parent, which records an amount receivable from them for the IRES to be paid (the consolidated companies record an amount payable to the tax group parent). Conversely, the group parent records an amount payable to the companies that transfer tax losses, representing the IRES actually offset at group level (the consolidated companies record an amount receivable from the tax group parent).

Translation of foreign currency items

Non-monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the exchange rates applying at the time of their acquisition, being their initial recognition cost.

Monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the spot exchange rates applying on the reporting date; the related exchange gains and losses are recognised in the income statement and any net unrealised gains are allocated to a non-distributable reserve until they have been realised.

However, the Company does not have any assets or liabilities denominated in foreign currency at the balance sheet date.

Other information

Repurchase agreements

Pursuant to art. 2427 point 6-ter of the Italian Civil Code, the Company confirms that no repurchase agreements were arranged during the year.

Explanatory notes, assets

The assets recorded in the balance sheet are measured in accordance with art. 2426 c.c. and Italian accounting standards. The specific measurement criteria applied are indicated in the individual notes on each item.

Fixed assets

Intangible assets

Intangible assets total €472,405 at 31 March 2024, after charging amortisation of €201,311 to the income statement.
The table shows the movements in fixed assets during the year:

Movements in intangible assets

	Start-up and expansion costs	Concessions, licences, trademarks and similar rights	Goodwill	Other intangible assets	Total intangible assets
Balance at the beginning of the year					
Cost	2,788	83,861	1,800,000	1,183,750	3,070,399
Amortisation (Accumulated amortisation)	2,788	54,966	1,620,000	553,480	2,231,234
Write-downs	-	-	180,000	-	180,000
Carrying amount	**-**	**28,895**	**-**	**630,270**	**659,165**
Changes during the year					
Additions	-	2,150	-	12,401	14,551
Amortisation for the year	-	7,160	-	194,151	201,311
Total changes	-	*(5,010)*	-	*(181,750)*	*(186,760)*

	Start-up and expansion costs	Concessions, licences, trademarks and similar rights	Goodwill	Other intangible assets	Total intangible assets
Balance at the end of the year					
Cost	2,788	86,011	1,800,000	1,096,149	2,984,948
Amortisation (Accumulated amortisation)	2,788	62,126	1,620,000	647,629	2,332,543
Write-downs	-	-	180,000	-	180,000
Carrying amount	**-**	**23,885**	**-**	**448,520**	**472,405**

The increases recognised during the year refer, for €2,150, to the acquisition of new software licences and for €12,401 to improvements to the building in Via Morandi, Grugliasco (TO), managed under a rental contract with Endurance S.p.A., which owns it.

Considering the latest forward-looking scenarios and the current situation, no evidence of possible impairment of intangible assets has been found and, accordingly, no write-downs have been recorded pursuant to art. 2426, para. 1, point 3, of the Italian Civil Code and the requirements of OIC 9. The adjustment of goodwill in prior years (fully amortised at 31 March 2019), indicated in the above table, was not a reflection of impairment, but rather of a change in its useful life following a revision of the expected time needed to develop the business.

Tangible assets

Tangible assets, gross of the related accumulated depreciation total €3,573,526 at 31 March 2024; The related accumulated depreciation totals €2,552,286, including the depreciation charge for the year of €211,233.

Movements in tangible assets

The following table shows the movements in tangible assets during the year.

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total tangible assets
Balance at the beginning of the year					
Cost	18,885	2,470,328	469,784	243,633	3,202,630
Depreciation (Accumulated depreciation)	12,569	1,766,036	395,614	166,834	2,341,053
Carrying amount	**6,316**	**704,292**	**74,170**	**76,799**	**861,577**
Changes during the year					
Additions	-	296,043	67,651	7,201	370,895
Depreciation for the year	1,888	161,716	27,286	20,343	211,233
Total changes	*(1,888)*	*134,327*	*40,365*	*(13,142)*	*159,662*
Balance at the end of the year					

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total tangible assets
Cost	18,885	2,766,372	537,435	250,834	3,573,526
Depreciation (Accumulated depreciation)	14,457	1,927,752	422,900	187,177	2,552,286
Carrying amount	**4,428**	**838,620**	**114,535**	**63,657**	**1,021,240**

The additions recorded during the year relate to purchases to further implement and integrate the new production lines installed at the Grugliasco plant (including a new injection moulding press) to increase its production capacity. With specific reference to the assessment of the impairment indicators resulting from the health emergency, in response also to the request of the group to which they belong, a careful analysis of the prospective financial flows was made and, on the basis of the information currently available, we reached the conclusion that it was not necessary to make any write-downs pursuant to art. 2426 paragraph 1.3 of the Italian Civil Code as the presence of indicators of potential impairment of tangible fixed assets was assessed, without identifying any, as required by OIC 9.

Finance leases

The Company is not party to any finance lease contracts at the balance sheet date.

Long-term financial assets

All the equity investments recorded in the financial statements are stated at cost, where cost is understood as the expense incurred for the purchase, regardless of the manner of payment, including any ancillary charges (commissions and bank charges, stamp duty, bank intermediary fees, etc.).
The value of the investments recorded in the financial statements, equal to €5 (unchanged with respect to the previous year) refers to consortium shares.

Current assets

Current assets are measured in the manner described in paragraphs 8 to 11-bis of art. 2426 of the Civil Code. The accounting policies applied are illustrated in the respective financial statements items

Inventories

Inventories amount to €2,933,947 at 31 March 2024 (€2,605,589 at 31 March 2023) and are stated net of an allowance for obsolete and slow-moving items totalling €196,529, which was utilised for €85,604 during the year:

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
raw materials, ancillary materials and consumables	1,581,148	(829,672)	751,476
work in process and semi-finished products	77,934	12,125	90,059
finished products and goods	946,507	409,064	1,355,571
advances	-	736,841	736,841
Total	**2,605,589**	**328,358**	**2,933,947**

The market value of inventories has not fallen below their carrying amounts as a result of cancellation of sales orders.

It should also be noted that at 31/03/2023, advances (for a total of €491,230) were shown under receivables from others.

Current receivables

Current receivables total €2,048,730 at 31 March 2024 and have decreased since 31 March 2023 (€2,891,876), as shown in the following table.

Changes and maturities of current receivables

The following table shows the information related to changes in current receivables and, if material, their due date.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Trade receivables	1,428,365	(298,156)	1,130,209	1,130,209	-
Receivables due from parent companies	-	46,654	46,654	46,654	-
Receivables due from fellow subsidiaries	125,981	29,676	155,657	105,657	50,000
Tax receivables	473,980	(83,521)	390,459	269,280	121,179
Deferred tax assets	366,113	(44,436)	321,677	-	-
Other receivables	497,247	(493,173)	4,074	4,074	-
Total	2,891,686	(842,956)	2,048,730	1,555,874	171,179

They are shown at their estimated realisable value as application of the amortised cost or discounting methods would not have been suitable for providing a true and fair view of the financial position and results of operations.
The nominal amount of trade receivables is adjusted to reflect their expected realisable value by the allowance for doubtful accounts of €19,797, which recorded utilisations for the year of €1,125.
Receivables from fellow subsidiaries (€155,657 at 31 March 2024) refer, for the short-term portion, to trade receivables mainly due from Endurance S.p.A. and for the long-term portion to guarantees paid again in favour of Endurance S.p.A. in relation to the lease contract for the Grugliasco plant (owned by the subsidiary).
Tax receivables (€390,459 at 31 March 2024) mainly refer to incentives for eco-bonuses and credits for investment in new capital goods, both ordinary and technologically advanced (Industry 4.0). Deferred tax assets (€321,677 at 31 March 2024) mainly relate to temporary differences between the statutory accounts bases and the tax bases of the carrying amount of goodwill and the deductibility of provisions for risks and write-downs recognised in prior years and in the current year. Other receivables (€4,074 at 31 March 2024) mainly refer to receivables of various kind. At 31 March 2023, this item included (for a total of €491,230) receivables deriving from advances paid to suppliers, which at 31 March 2024 were included in inventories.

Breakdown of current receivables by geographical area

A breakdown by geographical area of receivables has not been provided as the information is not significant, given that almost all receivables are due from domestic customers.

Current financial assets

Movements in current financial assets

Pursuant to article 2423-ter, paragraph 3 of the Italian Civil Code, and having verified the short-term due dates as foreseen in OIC 14, the Company recorded the receivable from Endurance Overseas S.r.l., the company that manages the Group's cash pooling system on the basis of an agreement that the Company signed during the year, under item C.3.7. Current financial assets. As regards derivatives receivable, note that the hedging instrument expired during the year.

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Derivatives	190	(190)	-
Cash pooling assets	1,453,963	1,985,409	3,439,372
Total	**1,454,153**	**1,985,219**	**3,439,372**

Cash and cash equivalents

The following table shows the changes in cash and cash equivalents.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Bank and postal deposits	1,987,673	88,150	2,075,823
Cash on hand	275	(256)	19
Total	*1,987,948*	*87,894*	*2,075,842*

This item principally comprises the balance on bank current accounts at 31 March 2024.
See the statement of cash flows for further analysis of the changes during the year.

Accrued income and prepaid expenses

The following table shows the changes in prepaid expenses and accrued income.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Prepaid expenses	84,588	6,193	90,781
Total prepaid expenses and accrued income	**84,588**	**6,193**	**90,781**

This item relates to prepaid rentals, services and insurance premiums.

Capitalised financial charges

All interest expense and other financial charges have been expensed during the year. In compliance with paragraph 1.8 of art. 2427 of the Italian Civil Code, we can confirm that no financial charges have been capitalised.

Explanatory notes, liabilities and quotaholders' equity

Movements in individual balance sheet items are analysed below, according to current law.

Quotaholders' equity

The components are stated at their carrying amount in accordance with accounting standard OIC 28.

The changes in the Company's equity items in the year prior to the year under review (as of 31/03/2023) are as follows:

	Balance at the beginning of the year	Allocation of the prior year result - Other allocations	Distribution of dividends	Change in Cash Flow Hedge Reserve	Result for the year	Balance at the end of the year
Quota capital	100,000	-	-	-	-	100,000
Legal reserve	20,000	-	-	-	-	20,000
Paid in for future capital increase	1,900,000	-	-	-	-	1,900,000
Cash flow hedging reserve	(320)	-	-	465	-	145
Retained earnings (accumulated losses)	3,298,291	668,537	(1,000,000)	-	-	2,966,828
Net income (loss) for the year	668,537	(668,537)	-	-	693,181	693,181
Total	**5,986,508**	**-**	**(1,000,000)**	**465**	**693,181**	**5,680,154**

The changes in the Company's equity items in the year ended 31/03/2024 are shown below:

	Balance at the beginning of the year	Allocation of the prior year result - Other allocations	Change in Cash Flow Hedge Reserve	Result for the year	Balance at the end of the year
Quota capital	100,000	-	-	-	100,000
Legal reserve	20,000	-	-	-	20,000
Paid in for future capital increase	1,900,000	-	-	-	1,900,000
Cash flow hedging reserve	145	-	145	-	-
Retained earnings (accumulated losses)	2,966,828	693,181	-	-	3,660,009
Net income (loss) for the year	693,181	(693,181)	-	846,729	846,729
Total	**5,680,154**	**-**	**145**	**846,729**	**6,526,738**

Availability and use of quotaholder's equity

The following table provides details of the components of quotaholders' equity, including their origin, their potential utilisation and whether they are distributable, as well as the utilisation thereof in the prior three years.

Description	Amount	Origin/Nature	Potential utilisation	Amount available
Quota capital	100,000	Quota capital		-
Legal reserve	20,000	Revenue	B	-
Paid in for future capital increase	1,900,000	Quota capital	A;B	1,900,000
Retained earnings (accumulated losses)	3,660,009	Revenue	A;B;C	3,660,009
Total	**5,680,009**			**5,560,009**
Amount not distributable				321,677
Residual amount distributable				5,238,332
Key: A: for increase in capital; B: to cover losses; C: for distribution to the quotaholders; D: for other statutory requirements; E: other				

The non-distributable portion relates to the deferred tax asset that falls into the category of positive elements that are still to be realised.
The cash flow hedging reserve was reduced to zero during the year following the extinction of the related derivative instrument at its natural maturity.

Employee termination indemnities

Changes in the provision for employee termination indemnities are shown in the following table.

	Balance at the beginning of the year	Changes during the year - Provision	Changes during the year - Utilisation	Changes during the year - Total	Balance at the end of the year
Provision for employee termination indemnities	253,362	4,231	60,101	(55,870)	197,492
Total	**253,362**	**4,231**	**60,101**	**(55,870)**	**197,492**

The provision shown in the table relates entirely to revaluation of the employee termination indemnities still held by the Company. The majority of the charge to the income statement (item B9 c)) relates to current termination indemnities earned and allocated to the INPS treasury fund, Previndai, Fondo Cometa and the supplementary pension funds chosen, where applicable, by the employees concerned.

Payables

Payables total €4,959,978 at 31 March 2024 (€4,213,081 al 31 March 2023).
Pursuant to art. 12, para. 2 of Decree 139/2015, the Company has elected to measure payables using the amortised cost method. This election was made on a prospective basis and, therefore, only applies to the payables that have arisen subsequent to 1 April 2016.

Changes and maturities of payables

The following table shows the changes in payables and any information on their maturities.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Due to banks	63,896	(63,896)	-	-	-
Trade payables	2,535,294	583,322	3,118,616	3,118,616	-
Payables due to parent companies	149,934	333,904	483,838	483,838	-
Payables due to fellow subsidiaries	240,213	17,406	257,619	257,619	-
Tax payables	140,666	(14,151)	126,515	126,515	-
Due to pension and social security institutions	170,336	6,010	176,346	176,346	-
Other payables	912,742	(115,698)	797,044	797,044	-
Total	**4,213,081**	**746,897**	**4,959,978**	**4,959,978**	**-**

Amounts due to banks were eliminated during the year following repayment of the loan taken out in previous years from Unicredit.
Payables due to parent companies at 31 March 2024 (€483,838) include payables to Endurance Overseas S.r.l. for commercial relationships involving administrative, financial and support services carried out by the parent company in favour of Group companies (on the basis of specific service agreements), regulated at market conditions and payables relating to membership of the tax consolidation in accordance with arts 117-129 of the TUIR (consolidated income tax act).
Payables due to fellow subsidiaries comprise trade payables due to Endurance S.p.A. (including advances received).
Tax payables include the balance of IRAP for the year (€53,347), the balance of VAT for the period (€63,375), while the rest is withholding tax due on the remuneration of employees and self-employed workers.
Other payables mainly include the amount due to employees for wages and salaries to be paid and accrued deferred remuneration (€480,201), as well as advances from customers (€311,250) and sundry payables.
There have been no changes in the amount or conditions of payment of liabilities, nor violations of contractual clauses linked to the ongoing conflicts in Ukraine and the Middle East, as the Company's customers and/or suppliers are not directly involved in these areas.

Debt secured by collateral on company assets

Pursuant to paragraph 1.6 of art. 2427 of the Italian Civil Code, we can confirm that there is no debt secured by collateral.

Loans from quotaholders

The company has not received any loans from its quotaholders.

Accrued expenses and deferred income

The following table shows the changes in accrued expenses and deferred income.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Deferred income	398,114	-	398,114
Total accrued expenses and deferred income	**398,114**	**-**	**398,114**

Deferred income, with no change since the previous year, includes the portions of income accruing from subsequent years, including the portions (of which €283,224 pertaining to years beyond the next 12 months) relating to tax credits accrued in relation to the Ecobonus and for investments in technologically advanced capital goods (Industry 4.0).

Explanatory notes - income statement

The income statement reports the results for the year.
This statement presents the results of operations by summarising the positive and negative components of income that contributed to them. These positive and negative components of income, recognised pursuant to art. 2425-bis of the Italian Civil Code, can be broken down into the following categories: core business, ancillary activities and financial activities.
Core business activities include the components of income that were generated from continuing operations in the principal sector, and which identify and distinguish the economic activities carried out by the Company in the pursuit of its corporate objectives.
Financial activities comprise those operations that generate financial income and expense.
Ancillary activities comprise those residual operations that generate income in the ordinary course of business that cannot be classified as financial or core business activities.

Value of Production

The value of production in2023-2024 is analysed below with comparative figures:

Description	FY 2023/2024	FY 2022-2023	% Change
Revenues from sales of goods and services	12,414,263	13,845,664	(1,431,401)
Changes in inventories of work in progress, semi-finished and finished products	499,855	92,260	407,595
Other revenues	129,097	199,775	(70,678)
Total	**13,043,215**	**14,137,699**	**(1,094,484)**

Analysis of revenues from sales and services by category of activity

The following table provides a breakdown of revenue from sales of goods and services by geographical area in the automotive sector:

Geographical area	FY 2023/2024	Ratio %	FY 2022-2023	Ratio %
ITALY	11,515,062	93%	13,247,272	96%
OTHER EUROPEAN COUNTRIES	804,337	6%	531,693	4%
NON-EU COUNTRIES	94,864	1%	66,699	0%
Total	**12,414,263**		**13,845,664**	

Production cost

The following table provides a breakdown of production cost with comparative figures from the previous year:

Description	FY 2023/2024	FY 2022-2023	% Change
Cost of raw and ancillary materials, consumables and goods for resale	5,134,799	8,012,059	(2,877,260)
Cost of services	1,567,833	1,864,317	(296,484)
Lease and rental charges	326,479	313,238	13,241
Payroll costs			
Wages and salaries	2,294,026	2,241,704	52,322
Social contributions	600,166	620,931	(20,765)
Employee termination indemnities	133,233	144,461	(11,228)
Other costs	994	29,440	(28,446)
Amortisation of intangible assets	201,311	185,894	15,417
Depreciation of tangible assets	211,233	250,990	(39,757)
Write-down of receivables included in current assets	-	12,212	(12,212)
Change in inventory of raw and ancillary materials, consumables and goods	908,338	(490,296)	1,398,634
Other operating expenses	309,003	113,575	195,428
Total	**11,687,415**	**13,298,525**	**(1,611,110)**

Cost of raw and ancillary materials, consumables and goods for resale and Cost of services

The items in question show an increase in cost efficiency compared with the turnover recorded in the period, benefiting in particular from recoveries in the costs of raw materials and energy factors.

Payroll costs

This item (unchanged compared with the previous year in absolute terms) comprises the entire cost of employees, inclusive of merit increases, changes in labour category, holiday pay and accruals required by law and by collective labour agreements. This item also includes the cost of temporary workers, except for the cost of interim employment agencies that has been charged to the income statement line B7).

Depreciation, amortisation and provisions

Depreciation and amortisation are charged over the useful life of each asset, considering how they are used in production. The trend in the amount for the year was substantially in line with that of the previous year, in which the costs were capitalised as part of setting up the new production site in Grugliasco.

Other operating expenses

The item has seen a significant increase compared with the previous year, mainly attributable to penalties and compensation paid to customers.

Financial income and charges

Financial income and charges are recorded on an accruals basis. The net balance for the year is positive and equal to €15,316, due to the remuneration received from Endurance Overseas S.r.l. on positive balances on the cash pooling account.

Composition of income from equity investments

There has been no income from equity investments as indicated by paragraph 15 of Art. 2425 of the Italian Civil Code.

Breakdown of interest and other financial charges by type of payable

The following table provides details of interest and other financial charges as required by paragraph 17 of Art. 2425 of the Italian Civil Code, with specific details of costs relating to bonds, to amounts due to banks and to other charges.

	Due to banks	Other	Total
Interest and other financial charges	30,282	1,080	31,362

Amount and nature of revenues/costs of individual significance

During the current year, no costs deriving from exceptional events were recorded.

Income taxes for the year, current and deferred

The composition of taxation for the year split between current taxation and the deferred tax asset item is provided in the following table:

	FY 2023/2024	FY 2022-2023
Income taxes	**524,387**	**119,336**
Current taxation		
of which: IRES for the year (current)	-	-
of which: IRAP for the year (current)	82,688	29,633
Taxation relating to prior years	(411)	55,205
Deferred taxation	44,482	(5,155)
(income (charges) from tax consolidation	397,628	39,653

Deferred tax assets have been set aside to sterilise the temporary differences that arose during the year.

The principal temporary differences giving rise to the recognition of deferred taxation are presented in the following table together with their related effects. These were determined using the tax rates expected to be applicable in the years in which the temporary differences reverse (24% for IRES and 3.9% for IRAP).
The charge for joining the tax consolidation highlights the effects of the Company's adhesion to the group taxation regime under arts. 117-129 of the Consolidated Income Tax Act.

Recognition of deferred tax assets and liabilities and their impact

	IRES	IRAP
A) Temporary differences		
Total deductible temporary differences	248,291	225,014
Total taxable temporary differences	85,604	85,604
Net temporary differences	(162,687)	(139,410)
B) Tax effects		
Provision for deferred tax liability (assets) at the beginning of the year	(317,512)	(48,601)
Deferred tax liabilities (assets) for the year - booked to the income statement	39,045	5,437
Deferred tax liabilities (assets) for the year - booked to equity	(46)	-
Provision for deferred tax liability (assets) at the end of the year	(278,513)	(43,164)

Explanatory notes - other information

The additional disclosures required by the Italian Civil Code are presented below.

Employment data

The following table sets out average employee numbers by labour category computed on the basis of daily averages

	Executives	White collar	Blue collar	Total employees
FY 2023/2024	1	14	38	53

The Company employed 52 persons at 31 March 2024.

Fees, advances and loans granted to directors and statutory auditors and commitments accepted on their behalf

No fees were paid to directors in the financial year 2023/2024.

Fees of the independent auditor or firm of auditors

As required by art. 2427 c.c., the following table analyses the total fees earned by the legal auditor (or firm of legal auditors) for the legal audit of the annual financial statements, the total fees earned for other auditing services, the total fees earned for tax advisory services and the total fees earned for other non-audit services

	Independent audit of the annual financial statements	Other non-audit services	Total fees earned by the independent auditor or firm of auditors
Amount	7,350	1,050	8,400

Deloitte & Touche S.p.A. has been engaged to perform the independent audit. The costs for auditing the annual accounts also include the fees for checking that the books of account have been kept regularly, while the other services performed refer to activities required prior to signing the tax return.

Classes of shares issued by the Company

This paragraph of the explanatory notes is not pertinent, as the Company's capital does not consist of shares.

Securities issued by the company

The Company has not issued any securities that fall under the provisions of art. 2427, para. 18 of the Civil Code.

Details on other financial instruments issued by the Company

The Company has not issued any other financial instruments pursuant to art. 2346, para. 6, of the Italian Civil Code.

Commitments, guarantees and contingent liabilities not reported in the balance sheet

There are no commitments, guarantees or contingent liabilities that have not been reported in the balance sheet.

Information about capital and loans allocated to a specific business project

Allocation of capital to a specific business project

We can confirm that, at the balance sheet date, there has been no allocation of capital to a specific business project as per no. 20 of art. 2427 of the Italian Civil Code.

Loans for a specific business project

We can confirm that, at the balance sheet date, there are no loans provided for a specific business project as per no. 21 of art. 2427 of the Italian Civil Code.

Information about related-party transactions

With regard to the provisions of art. 2428, para. 3, point 2) of the Italian Civil Code, reference is made to the information on related-party transactions provided in the Report on operations.

Information about off-balance sheet agreements

No off-balance sheet agreements were entered into in the year.

Information about significant events arising subsequent to the reporting date

Pursuant to point 22-quater of art. 2427 c.c., it is confirmed that no events with a significant effect on the economic and financial position have occurred subsequent to the reporting date.
It is worth mentioning that the Company does not operate directly on either the Russian or the Ukrainian market, so it is not suffering direct consequences from the war, except for the impact of the increase in cost of raw materials, including energy and gas, like everyone else. The Company has endeavoured to mitigate them wherever possible.

Companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary

The following information is provided about the companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary:

	Larger group	Smaller group
Company name	Endurance Technologies Limited (*)	Endurance Overseas S.r.l.
Town (if in Italy) or foreign State	Aurangabad (India)	Lombardore (Turin)
Tax code (Italian companies)	-	05754620960
Place where the consolidated financial statements are filed	Registered office: Aurangabad (India) India Stock Exchange: NSE and BSE	Registered office: Lombardore (Turin) Turin Chamber of commerce

(*) Endurance Technologies Limited, the parent company, is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Information about derivative financial instruments pursuant to art. 2427-bis of the Italian Civil Code

We can confirm that the pre-existing derivative was closed during the year and that no further hedges were taken out.

Summary financial statements of the company which exercises management control and coordination

The Company is subject to management control and coordination by its indirect parent company, Endurance Technologies Limited, with registered offices at E-92, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India, which directly and indirectly owns the entire share capital of the Company.

The following amounts taken from the latest approved financial statements of Endurance Technologies Limited are stated in millions of Indian Rupees. For the sake of clarity, the Rupee/Euro exchange rate at 31 March 2023 was 89.399 (84.134 on 31 March 2022) - (source: European Central Bank):

Balance sheet	31/03/2023	31/03/2022
Assets		
Non-current assets		
Fixed assets, net	18,078.08	16,541.36
Investments and other non-current assets	5,746.01	4,188.14
Current assets	17,266.36	16,663.90
Assets held for sale	-	-
Total assets	**41,090.45**	**37,393.40**

Balance sheet	31/03/2023	31/03/2022
Liabilities and shareholders' equity		
Shareholders' equity	**33,309.41**	**30,068.48**
Non-current liabilities		
Non-current financial liabilities	78.72	19.67
Other non-current liabilities	301.04	368.16
Current liabilities		
Current financial liabilities	6,233.75	5,981.66
Other current liabilities	1,167.53	955.43
Total liabilities and shareholders' equity	**41,090.45**	**37,393.40**

Income statement	31/03/2023	31/03/2022
Revenues	**67,957.07**	**57,214.81**
Operating costs	59,882.73	49,684.29
Depreciation and amortisation	2,407.08	2,037.38
Financial charges	42.70	18.20
Non-recurring income/(expense)	(102.85)	(314.50)
Income before tax	**5,521.71**	**5,160.44**
Taxation for the year (current and deferred)	1,432.54	1,343.01
Income (loss) for the year	**4,089.17**	**3,817.43**
OCI - Other comprehensive income	30.90	12.46
Total statement of comprehensive income	**4,120.07**	**3,829.89**

The following section describes relations with the company that provides management control and coordination services and with the other affiliates, as well as the effect of those activities on the operations of the Company and its results.

Information pursuant to art. 1, paragraph 125, of Law 124 of 4 August 2017

In relation to the provisions of art. 1, paragraph 125-bis, of Law 124/2017, regarding the obligation to provide evidence in the explanatory note of any sums of money received during the financial year by way of subsidies, advantages, contributions or aid, in cash or in nature, not having a general nature and having no consideration, remuneration or compensation of any kind, by public administrations and by the subjects referred to in paragraph 125-bis of the same article, the Company certifies that they are recorded in the National Register of State Aid.

Proposed allocation of profits or coverage of losses

Quotaholders, In light of the matters explained above, the Board of Directors proposes to allocate the net income for the year of €846,729 to retained earnings (accumulated losses).

Explanatory notes - closing section

Quotaholders,
We confirm that these financial statements, which comprise the balance sheet, income statement, statement of cash flows and explanatory notes, give a true and fair view of the Company's assets and liabilities, financial position and results for the year and agree with the accounting records. We therefore invite you to approve the draft financial statements for the year ended 31/03/2024, together with the proposed allocation of net income, as submitted by the Board of Directors.
The financial statements are true and fair and agree with the accounting records.

Grugliasco, 9 May 2024

For the Board of Directors
The Managing Director

Fabrizio Rebuffo

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Sole Quotaholder of
Endurance Engineering S.r.l.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Endurance Engineering S.r.l. (the "Company"), which comprise the balance sheet as at March 31, 2024, the statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Pursuant to art. 2497-bis, first paragraph of the Italian Civil Code, Endurance Engineering S.r.l. has disclosed that it is subject to management and coordination of its activities by Endurance Technologies Limited (India) and, therefore, has indicated in the notes to the financial statements the key financial data from the most recent financial statements of such company. Our opinion on the financial statements of Endurance Engineering S.r.l. does not extend to such data.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian law governing financial statements, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e) of Legislative Decree 39/10

The Directors of Endurance Engineering S.r.l. . are responsible for the preparation of the report on operations of the Company as at March 31, 2024, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of the Company as at March 31, 2024 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the financial statements of Endurance Engineering S.r.l. as at March 31, 2024 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
May 14, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

ENDURANCE CASTINGS SPA

Company with sole shareholder:

Head office: VIA CONCA D'ORO 14 - 14/A BIONE (BRESCIA)

Tax Code and Brescia Companies Register no. 00293110177

Brescia Chamber of Commerce (REA) no. 55600

Share capital: € 900,000.00 subscribed and fully paid

VAT Number: 00551150980

Management control and coordination: ENDURANCE TECHNOLOGIES PRIVATE LTD

Report on operations

Financial statements at 31/03/2024

Shareholders,

The explanatory notes provide disclosures on the financial statements for the year ended 31/03/2024; this document provides information on the Company's situation and performance in compliance with art. 2428 of the Italian Civil Code. The report, prepared with amounts shown in Euros, is presented as an accompaniment to the financial statements and provides information on the Company's earnings, financial position and operations, together, where possible, with historical facts and an indication of the future outlook.

Matters concerning the economy in general and the results of operations

The general economic situation is still heavily conditioned by the persistently high inflationary pressures which have induced the main Central Banks to keep interest rates high. Although the prices of energy factors (electricity and gas) have fallen considerably compared with the average levels for the last two years, inflation continues to remain high and, in any case, higher than the targets set by the Central Banks. International tensions continue to be an obstacle for supply chains, favouring the maintenance of commodity prices above historical averages (even if, in many cases, they are below the highs of the previous two years).

The substantial budget deficits financed by higher government debt, subsequently monetised, have fuelled the injection of liquidity into the various economic systems, but without generating significant economic growth in Europe.

According to the figures released by the International Monetary Fund (IMF), world economic growth in 2023 was 3.2%, but that of the Eurozone only 0.4%. Germany was in moderate recession (-0.3%), Italy and France in moderate growth (+0.9%) with Spain at +2.5%. Outside of the Eurozone, the United States grew by 2.5%, Japan by 1.9%, China by 5.2% and India by 7.8%.

For 2024, the International Monetary Fund forecasts world economic growth of 3.2%, which drops to 2.7% for the USA and 0.8% for the Eurozone (including +0.2% for Germany and +0.7% for France and Italy).
In the calendar year 2023, according to the figures published by ACEA (European Automobile Manufacturers' Association), registrations of new vehicles in the world grew by 9.7% compared with the previous year (72.5 million vehicles in 2023 compared with 66.1 million in 2022). Registrations went up by 13.9% in the European Union (10.5 million versus 9.3 million in 2022), by 15% in the USA (12.3 million versus 10.8 in 2022), by 4.5% in China (22.3 million versus 21.4 million the previous year) and 8.5% in India (with a market that went from 3.8 million vehicles to 4.2 million). In the European Union, battery electric vehicles (BEVs) achieved a market share of 14.6%, plug-in hybrids (PHEVs) 7.7% and HEV hybrids (including mild hybrids) 25.8%. Conversely, traditional internal combustion vehicles fell to a market share of 48.9% (of which petrol 35.3% and diesel 13.6%).

Registrations in the European Union for the same period as the Company's financial year (April '23 - March '24) achieved a significant growth of +10.3% (lower than that of the calendar year due to the lower growth in the quarter January-March 2024), recovering most of the gap suffered in previous years (as an effect of the pandemic and the subsequent difficulties in the supply chain of car manufacturers), but still almost 12% down on pre-pandemic annual volumes (2018/2019).

According to the results of S&P Global Mobility released by ACEA, world car production has increased by 10.2% with growth in the European Union (+11.3% to 12.1 million vehicles), USA (+8.5%, to 7.6 million vehicles), China (+9.1% to 25.3 million vehicles) and India (+6.8% to 4.7 million vehicles). Germany is still the leading car manufacturing country with 4.0 million vehicles, almost 33% of the European Union total output of cars and 18.7% up on the previous year.

The positive performance by the automotive sector and the reduction in energy prices, which fell significantly for the material component compared with 2023 (electricity -60% and gas -69%), allowed the Company to boost its results. It is worth remembering, however, that despite the reductions compared with the peaks of previous years, prices have still levelled off, impacting performance, at levels that are significantly higher than in the past, with electricity on average 150%, and gas 180%, more expensive than before the crisis. Nonetheless, with the measures put in place, it was possible for the Company to achieve positive results overall, which are also improving compared with the previous year.

Management control and coordination activities

Pursuant to para. 5 of art. 2497-bis of the Italian Civil Code, it is confirmed that the company belongs to the ENDURANCE Group (India) and is subject to management and coordination by ENDURANCE TECHNOLOGIES LIMITED (India), whose shares have been listed on the National Stock Exchange of India (NSE) and the Bombay Stock Exchange (BSE) since October 2016. The management control and coordination activities carried out have not had any particular impact on the Company's activities or its results. We can also confirm that no decisions were made under the influence of the Company that performs the management control and coordination activities, that might require an indication of the reasons and interests affecting them.

Financial position

A reclassified balance sheet is provided below to facilitate a better understanding of the Company's financial position.

Balance Sheet - Assets

Item	FY 2024	%	FY 2023	%	Change	% Change
WORKING CAPITAL	**21,413,529**	**67.79%**	**24,299,814**	**73.44%**	**(2,886,285)**	**-11.88%**
Immediate liquidity	**1,869,398**	**5.92%**	**2,248,201**	**6.79%**	**(378,803)**	**-16.85%**
Cash and cash equivalents	1,869,398	5.92%	2,248,201	6.79%	(378,803)	-16.85%
Deferred liquidity	**13,770,821**	**43.60%**	**16,240,322**	**49.08%**	**(2,469,501)**	**-15.21%**
Current receivables included in working capital	10,293,910	32.59%	10,529,729	31.82%	(235,819)	-2.24%
Current portion of non-current receivables	18,077	0.06%	12,331	0.04%	5,746	46.60%
Financial assets	3,433,315	10.87%	5,503,044	16.63%	(2,069,729)	-37.61%
Accrued income and prepaid expenses	25,519	0.08%	195,218	0.59%	(169,699)	-86.93%
Inventories	5,773,310	18.28%	5,811,291	17.56%	(37,981)	-0.65%
FIXED ASSETS	**10,174,039**	**32.21%**	**8,787,305**	**26.56%**	**1,386,734**	**15.78%**
Intangible assets	3,690	0.01%	4,920	0.01%	(1,230)	-25.00%
Tangible assets	8,782,094	27.80%	7,992,163	24.15%	789,931	9.88%
Long-term financial assets	2,088	0.01%	2,088	0.01%	-	0.00%
Non-current portion of receivables included in working capital	1,386,167	4.39%	788,134	2.38%	598,033	75.88%
CAPITAL EMPLOYED	**31,587,568**	**100.00%**	**33,087,119**	**100.00%**	**(1,499,551)**	**-4.53%**

Balance Sheet - Liabilities and Shareholders’ Equity

Item	FY 2024	%	FY 2023	%	Change	% Change
MINORITY INTEREST	**18,022,386**	**57.06%**	**20,229,511**	**61.14%**	**(2,207,125)**	**-10.91%**
Current liabilities	**15,720,882**	**49.77%**	**17,224,236**	**52.06%**	**(1,503,354)**	**-8.73%**
Current payables	13,978,414	44.25%	16,497,603	49.86%	(2,519,189)	-15.27%
Accrued expenses and deferred income	1,742,468	5.52%	726,633	2.20%	1,015,835	139.80%
Non-current liabilities	**2,301,504**	**7.29%**	**3,005,275**	**9.08%**	**(703,771)**	**-23.42%**
Non-current payables	750,267	2.38%	1,350,353	4.08%	(600,086)	-44.44%
Provision for risks and charges	1,354,537	4.29%	1,452,684	4.39%	(98,147)	-6.76%
Employee termination indemnities	196,700	0.62%	202,238	0.61%	(5,538)	-2.74%
SHAREHOLDERS’ EQUITY	**13,565,182**	**42.94%**	**12,857,608**	**38.86%**	**707,574**	**5.50%**
Share capital	900,000	2.85%	900,000	2.72%	-	0.00%
Reserves	6,973,062	22.08%	6,973,062	21.07%	-	0.00%
Retained earnings (accumulated losses)	4,984,545	15.78%	2,277,501	6.88%	2,707,044	118.86%
Net income (loss) for the year	707,575	2.24%	2,707,045	8.18%	(1,999,470)	-73.86%
SOURCES OF FINANCE	**31,587,568**	**100.00%**	**33,087,119**	**100.00%**	**(1,499,551)**	**-4.53%**

Key indicators of financial position

On the basis of the above reclassification, the following economic indicators have been determined:

RATIO	FY 2024	FY 2023	% Change
Fixed asset coverage	154.05%	160.49%	-4.02%
Banks/Working capital	5.93%	7.84%	-24.30%
Debt ratio	1.33	1.57	-15.56%
Financial debt ratio	0.11	0.18	-38.90%
Equity/Capital employed	42.94%	38.86%	10.51%
Financial charges/Turnover	0.37%	0.24%	53.49%
Current ratio	136.21%	141.08%	-3.45%
Fixed assets/Equity	4,741,156	4,833,775	-1.92%
Primary coverage ratio	1.54	1.61	-3.97%
(Equity + non current liabilities) - Fixed assets	7,042,660	7,839,050	-10.16%
Secondary coverage ratio	1.80	1.98	-9.05%
Net working capital	5,692,647	7,075,578	-19.55%
Acid test margin	(80,663)	1,236,717	-106.52%
Acid test ratio	99.49%	107.18%	-7.18%

Results

A reclassified income statement is provided below to facilitate a better understanding of the Company's results.

Income Statement

Item	FY 2024	%	FY 2023	%	Change	% Change
VALUE OF PRODUCTION	**40,680,837**	**100.00%**	**42,555,830**	**100.00%**	**(1,874,993)**	**-4.41%**
- Consumption of raw materials	19,407,394	47.71%	19,645,885	46.16%	(238,491)	-1.21%
- General expenses	14,366,088	35.31%	14,476,941	34.02%	(110,853)	-0.77%
VALUE ADDED	**6,907,355**	**16.98%**	**8,433,004**	**19.82%**	**(1,525,649)**	**-18.09%**
- Payroll costs	4,822,575	11.85%	4,792,703	11.26%	29,872	0.62%
- Provisions	-	0.00%	-	0.00%	-	#DIV/0!
GROSS OPERATING MARGIN	**2,084,780**	**5.12%**	**3,640,301**	**8.55%**	**(1,555,521)**	**-42.73%**
- Depreciation, amortisation and writedowns	972,780	2.39%	683,178	1.61%	289,602	42.39%
- Other operating expenses	194,338	0.48%	215,665	0.51%	(21,327)	-9.89%
INCOME BEFORE FINANCIAL ITEMS	**917,662**	**2.26%**	**2,741,458**	**6.44%**	**(1,823,796)**	**-66.53%**
+ Financial items	(53,137)	-0.13%	25,548	0.06%	(78,685)	-307.99%
INCOME BEFORE TAX	**864,525**	**2.13%**	**2,767,006**	**6.50%**	**(1,902,481)**	**-68.76%**
- Taxation	156,950	0.39%	59,961	0.14%	96,989	161.75%
NET INCOME	**707,575**	**1.74%**	**2,707,045**	**6.36%**	**(1,999,470)**	**-73.86%**
EBITDA	**1,890,442**	**4.65%**	**3,424,636**	**8.05%**	**(1,534,194)**	**-44.80%**

Key performance indicators

The following ratios have been calculated on the basis of the above reclassified figures:

RATIO	FY 2024	FY 2023	% Change
R.O.E.	5.22%	21.05%	(75.23%)
R.O.I.	10.84%	51.64%	(79.01%)
R.O.S.	2.24%	6.61%	(66.05%)
R.O.A.	2.91%	8.29%	(64.94%)

Information required by art. 2428 of the Civil Code

The detailed information specifically required by art. 2428 of the Italian Civil Code is presented below.

Main risks and uncertainties that the Company is exposed to

As required by the first paragraph of Art. 2428 of the Italian Civil Code, the following is a description of the main risks and uncertainties to which the Company is exposed:

RISKS RELATED TO THE GENERAL STATE OF THE ECONOMY: the Company's results are influenced by trends in the national and international economy. Changes in GDP, the cost of raw materials, unemployment, interest rates and the level of confidence shown by consumers and businesses can condition the performance of end customers and, hence, the Company's sales.
There are also further elements of uncertainty linked to geopolitical tensions, particularly the current crisis between Russia and Ukraine, as well as the possible emergence of new variants of Covid-19. Furthermore, the tightening of international sanctions is affecting uncertainties about the trend in prices of energy commodities, basic materials (metals in particular) and agricultural products with repercussions on consumer prices and the growth prospects for the Euro area. These elements of uncertainty could lead to an alteration of normal market dynamics and, more generally, of business conditions.

RISKS RELATED TO THE SECTOR IN WHICH THE COMPANY OPERATES: the metal alloys and metal parts machining sector, in which the Company operates, is characterised by heated competition that is partly attributable to the sales trends in the automotive market. As much as the Company has taken action deemed necessary to improve its level of flexibility, a significant fall in end customers' needs and consequent further pressure on prices caused by heated competition could adversely impact the Company's results and financial position.
What was mentioned previously with regard to the ability to recover from the negative impacts of the pandemic and the effectiveness of the tools made available to the various economies, will undoubtedly have repercussions on the company's business in relation to the customers' propensity to buy in the automotive market, as well as in consideration of the possible impacts on the mobility habits that consumers will adopt in the near future as a result of current technological transitions and changes in behaviour caused by the pandemic.

RISKS RELATED TO THE ABILITY TO CREATE INNOVATIVE PRODUCTS: the automotive market components sector is characterised by continuous product development needed to satisfy product performance required by car manufacturers and by environmental legislation (which regulate emissions).
Furthermore, the sector's technological updating in terms of market redistribution with respect to propulsion alternatives (internal combustion, hybrid, electric or alternative) determine and will continue to determine an increase in the centrality of the ability to innovate and undertake diversification initiatives by the supply chain as a distinctive element for market competitiveness.

Future investment by the Company will seek to increase the portfolio of products and diversify the types of production - according to the lines of development that are currently applicable in our sector - thereby increasing our ability to meet the needs of our customers. Any failure to follow (or in certain cases anticipate) the development of products and to meet needs in terms of price, quality and functionality imposed by end customers could adversely affect the Company's prospects.

FINANCIAL RISKS: The Company is exposed to the following financial risks in the conduct of its operations:

- credit risks in relation to normal commercial transactions with customers;
- liquidity risks, with particular reference to the availability of financial resources and access to the market for credit and financial instruments in general;
- market risk, mainly relating to changes in interest rates and, to a lesser extent, exchange rates.

The Company constantly monitors the financial risks that it is exposed to, in order to evaluate in advance any potential negative effects and to take appropriate action to mitigate them.

Credit risk

Given the nature of its industrial activities - the production of engine and gearbox components for car makers - the Company's receivables are structurally concentrated since customers comprise a limited number of industrial groups. The integration of the company within the Endurance Group makes possible the indirect diversification of customers, by supplying other group companies with unfinished components for the manufacture of products that are then supplied to multiple end customers.

The Company monitors receivables constantly and regularly adjusts the related allowances for collection risks.

Liquidity risk

The two main factors that determine the Company's liquidity position are, on one hand, the resources generated or absorbed by operations and by investments and, on the other hand, the timing of the repayment and renewal of debt and of the liquidity of financial investments.

The Company seeks the most appropriate sources of finance bearing in mind the current and prospective financial position. Any difficulties encountered in obtaining financing needed to meet the needs of current operations and needs relating to investments could negatively impact the Company's results and financial position.

Management believes that the funds currently available, maintaining suitable contacts to ensure access to credit, as well as the funds generated by operations, will allow the Company to meet the needs of investing activities, working capital management and the repayment of debt as it falls due.

Market risk

In the conduct of its activities, the Company is exposed to various market risks, particularly the risk of fluctuations in interest rates and, to a lesser extent, exchange rates.

<u>Risks relating to changes in interest rates</u>

The Company uses financial resources made available principally in the form of bank debt and invests the funds to finance operations and investment and development initiatives. The Company can also factor its trade receivables. Changes in market interest rates impact the cost of various types of financing and factoring, which in turn affect the level of the Company's financial charges.

To cope with these risks, the Company strives to maintain a suitable relationship between its financing structure and its capital employed, in line with the opportunities on offer and actual market conditions.
For this purpose, the Company appropriately structured floating-rate loans with medium/long-term repayment terms at a time of favourable conditions (with the aim of managing the current unfavourable conditions and strong volatility of interest rates).
Lastly, when considered appropriate, the Company makes use of interest rate swaps and caps with the aim of hedging such risks.
Risks relating to changes in exchange rates
The functional currency used by the Company for the majority of its transactions (the Euro) does not currently appear to be subject to significant risks relating to exchange rate fluctuations.

Key non-financial indicators

Pursuant to Art. 2428 of the Italian Civil Code, we can confirm that, due to the specific activities performed and for a better understanding of the Company's results and financial position, it is not considered meaningful to present non-financial indicators.

Environmental and safety information

The Company makes sure that production and operating activities comply with the applicable regulations and international agreements, seeking to introduce and maintain a culture that continuously improves environmental performance and the safety of products and processes, while also safeguarding personnel and installations, principally through prevention.
In this context, staff training sessions have focused on safety, operating overhead cranes, refresher courses for Workers' Safety Representatives, forklift truck operators and safety regulations as per art. 2 of Legislative Decree 81/08, as well as planning and periodic evacuation simulations to check that prevention procedures functioned properly.
Furthermore, all preparatory activities were carried out for the audit activities to confirm that the company qualified for environmental certification.

Work on installations and the infrastructure included the following:
- Replacement and relocation of the piping for the Striko melting furnaces;
- Installation of a new production cell identified as M2 to replace a pre-existing plant;
- Modification of the M10 plant layout, with the introduction of a new conveyor belt;
- Replacement with a new installation of the anthropomorphic extraction robot for the M8 cell;
- Conversion of all of the plant's lamps to LED technology;
- Start-up of the photovoltaic system;

- Data collection activities for the analysis of CO_2 emissions as part of the Carbon Footprint mapping activities of the Endurance Group in Europe;
- Installation of a manual lathe in the tooling department;
- Installation of a new two-stage air compressor (alternating operation);
- Optimisations of the die-casting cell enclosures.
- Labelling of the shelves.
- Obtaining environmental certification;
- Implementation of safety measures based on machinery regulations for all of the equipment present in the plant.
- Decommissioning of the lathe in the plant maintenance department.
- Replacement with modernisation of 50% of the forklift trucks.
- A study has been launched for the implementation of fire prevention tools (detection and intervention).

Personnel

The workforce at the end of the financial year from 01/04/2022 to 31/03/2023 consisted of 69 employees (as well as a director), while the average for the period was 70 (as well as 14 people on fixed-term staff leasing and temping contracts).
Training covered the following types of activity and topics (in addition to what has already been explained concerning Environment and Safety):
- General training course and support for new hires
- Forklift truck refresher course
- Workers' Safety Representative refresher course
- Apprenticeship course
- BLSD basic cardiopulmonary resuscitation course with early defibrillation

All of these courses, including the ones listed in the paragraph on environment and safety and the new hire induction course, engaged the staff for a total of around 2,100 hours, with training activities carried out internally, externally and on the job.

Research and development

Pursuant to art. 2428, paragraph 3, point 1 of the Italian Civil Code, we can confirm that we carried out technological innovation and process improvement activities during the year.
The main activities concerned:
- Introduction of the NADCA calculation methodology for feasibility analyses of new projects, in particular for the press-mould association.
- Evaluation of the relationship between the casting weight (including sprue) and the cavity weight with a view to handling the waste to be remelted in the melting department.

- Introduction of products using the squeeze technology in the moulds with consequent adaptation of the production cells at a software and hardware level.
- Introduction of the "puzzle-die" concept and insert methodology in the design phase
- Use of central extraction systems with telescope technique.
- Implementation of mould thermoregulation techniques with new circuit layouts.
- Implementation of thermoregulation with the fountain technique in inserts that were usually not thermoregulated.
- Acquisition of new orders with study and use of multi-cavity layout with fan technique.
- Search for lubricant-separators that are specific for the purpose, such as for post-casting painting.

The sectors of the contracts involved in the activities described above encompassed all of the company's areas of activity (Automotive, Oil & Gas, Textile Engineering and Heating).

Transactions with subsidiaries, associates, parent companies and fellow subsidiaries

With regard to the provisions of paragraph 3.2 of art. 2428 of the Italian Civil Code, we can confirm that the Company does not have any controlling equity investments and, accordingly, has not entered into any transactions with subsidiaries.
As required by OIC 12.130 and art. 2427, para. 1, point 22-bis of the Italian Civil Code, we can confirm that relations with related parties comprise transactions with the parent company and its subsidiaries (together referred to as “affiliates”), as summarised below:

Receivables from affiliates classified as current assets

Description	FY 2024	FY 2023	Change
due from parent companies	95,090	-	95,090
due from fellow subsidiaries	7,315,031	5,639,665	1,675,366
Total	**7,410,121**	**5,639,665**	**1,770,456**

Receivables due from parent companies (€95,090 at 31 March 2024) concern receivables relating to interest income due from the direct parent Endurance Overseas S.r.l. on the company's positive balance on the cash pooling account.
Receivables due from fellow subsidiaries (€7,315,031 at 31 March 2024) concern commercial relationships with the associate Endurance S.p.A. for €7,280,812, commercial relationships with the associate Endurance Adler S.p.A. for €33,136 and trade receivables from the associate Endurance Engineering Srl for the balance.

Payables to and loans from affiliates

Description	FY 2024	FY 2023	Change
due to parent companies	160,180	318,800	(158,620)
due to fellow subsidiaries	19,750	104,794	(85,044)
Total	*179,930*	*423,594*	*(243,664)*

Payables due to parent companies (€ 160,180 at 31 March 2024) relate mainly to trade payables for administrative, financial services and support provided by the parent company Endurance Overseas S.r.l. to Group companies (based on specific service agreements), which are settled on an arm's length basis.
Payables due to fellow subsidiaries (€ 19,750 at 31 March 2024) include trade payables to Endurance S.p.A.

Treasury shares

Pursuant to Arts. 2435-bis and 2428 of the Italian Civil Code, we can confirm that the Company did not hold any treasury shares at the year end.

Shares/quotas in the parent company

In accordance with paragraphs 3.3 and 3.4 of Art. 2435-bis and Art. 2428 of the Italian Civil Code, we can confirm that the Company did not hold any shares or quotas in the parent company during the year.

Business outlook

In accordance with art. 2428, paragraph 3, point 6 of the Italian Civil Code, we would like to point out that the results of the first few months of the current year are showing signs of positive prospects compared with the trend recorded during the period just closed.
It is worth mentioning that the Company does not operate directly on either the Russian or the Ukrainian market, so it is not suffering direct consequences from the war, except for the impact of the increase in cost of raw materials, including energy and gas, like everyone else. The Company has endeavoured to mitigate them wherever possible.
Due to the medium-term effects of the loss of purchasing power suffered by the majority of consumers, the reintroduction of public budget constraints in the European Union (after their suspension during the Covid period) and the restoration of maximum ceilings on deficits and the parameters for reducing excessive debt, it is reasonable to presume that high inflation can be definitively eliminated (at least for the domestic portion). This should leave room for a reduction in interest rates, which could in turn encourage private borrowing again as a source of fuel for growth. However, alternative scenarios could be one of recession, if the central banks' intervention is tardy, even

one of stagflation if externally generated inflation continues. These are prospects characterised by a high level of uncertainty, difficult to imagine due to the complexities of current phenomena; also due to the conditions that could arise from the implementation of European initiatives of a strategic nature (such as Carbon Neutrality 2050) and the dramatic prolongation of the various wars that afflict the international scene.

For the time being, there is still a general sense of uncertainty which makes it hard to imagine how the various scenarios could affect the fate of the world economy and what the repercussions might be for the automotive sector.

Even though the macroeconomic situation shows various fragilities (trends in the real estate market, consumption, interest rates and inflation), the automotive sector has just been through a year of sustained growth (registrations +13.9% in 2023) and the forecasts for next year are looking good. According to estimates released by ACEA (the European Automobile Manufacturers' Association) in February 2024, registrations for the year are expected to grow by a further 2.5% compared with 2023 (with 10.7 million new registrations expected).

It is more difficult to outline the trend in registrations of battery electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV). Registrations of such vehicles as a proportion of total registrations has grown significantly over the years, in line with car manufacturers' efforts to introduce new ranges of models and innovative solutions. However, price is an important factor in consumers' choice. Given the higher cost of this type of vehicle, suspending government contributions (e.g. Germany from January 2024) was enough to lower the proportion of registrations in the first quarter of 2024 compared with the average for 2023. In addition to the existing regulatory constraints, with the intermediate milestone in 2030 (55% reduction in emissions) and then stopping the production of new internal combustion vehicles from 2035, considering the huge investments already made by car manufacturers, the automotive sector remains strongly committed to developing this type of vehicle. The decisive forces for their definitive affirmation will be consolidated when economies of scale and promising technological innovations manage to reduce the purchase cost of EVs and the charging times of their battery systems. In this regard, ACEA also predicts that of the 10.5 million new vehicles registered in 2024, 20% should be BEV.

The marketing carried out by the company during 2023-24 was positive, even if lower than previous years due to the commitments deriving from the important projects that group companies are already implementing, making it possible to acquire new and important orders which will also drive the company's production volumes, especially for the captive part. Based on current forecasts and taking into account the above, management is of the opinion that the Company will be able to achieve positive results.

The use of financial instruments that should be taken into account when assessing the results and financial position

In accordance with art. 2428, paragraph 3, point 6-bis of the Civil Code, we can attest that, taking into account the current operating conditions and in the context of financial risk management policies, the company does not have any derivatives outstanding.

Conclusion

In light of the considerations set out above and of the disclosures made in the notes, we invite the shareholders:

- to approve the financial statements at 31/03/2024 together with the explanatory notes and this report on operations that accompany them;
- to allocate the result for the year in accordance with the proposal made in the notes.

Bione, 10/05/2024

For the Board of Directors
The Managing Director

Samuele Gabutto

General information on the company

Company data

Name:	ENDURANCE CASTINGS SPA
Registered office:	VIA CONCA D'ORO 14 - 14/A BIONE (BRESCIA)
Share capital:	900,000.00
Share capital fully paid in:	yes
Chamber of Commerce:	BS
VAT Number:	00551150980
Tax code:	00293110177
REA Number:	BS - 55600
Legal form:	JOINT-STOCK COMPANY
Core business (ATECO):	245300
Company in liquidation:	no
Company with sole shareholder:	yes
Company subject to management control and coordination:	yes
Name of the company or entity that exercises management control and coordination:	ENDURANCE TECHNOLOGIES LIMITED
Belonging to a Group:	yes
Name of the parent company:	ENDURANCE OVERSEAS S.R.L.
Country of the parent company:	ITALY
Cooperatives register number:	n/a

Financial statements at 31/03/2024

Balance sheet

	31/03/2024	31/03/2023
Assets		
B) Fixed assets		
I - Intangible assets	-	-
4) Concessions, licences, trademarks and similar rights	3,690	4,920
Total intangible assets	*3,690*	*4,920*
II - Tangible assets	-	-
1) Land and buildings	3,304,223	3,445,959
2) Plant and machinery	5,147,547	3,763,768
3) Industrial and commercial equipment	5,574	3,639
4) Other assets	71,878	80,310

	31/03/2024	31/03/2023
5) Assets under construction and advance payments	252,872	698,487
Total tangible fixed assets	*8,782,094*	*7,992,163*
III - Long-term financial assets	-	-
1) Equity investments in	-	-
d-bis) other companies	2,088	2,088
Total equity investments	*2,088*	*2,088*
2) Receivables	-	-
d-bis) from others	18,077	12,331
due within one year	18,077	12,331
Total receivables	*18,077*	*12,331*
Total long-term financial assets	*20,165*	*14,419*
Total fixed assets (B)	*8,805,949*	*8,011,502*
C) Current assets		
I - Inventories	-	-
1) Raw materials, ancillary materials and consumables	1,260,526	1,238,234
2) Work in process and semi-finished products	1,052,288	1,465,521
4) Finished products and goods	3,436,496	3,107,536
5) Advances	24,000	-
Total inventories	*5,773,310*	*5,811,291*
II - Receivables	-	-
1) from customers	2,396,194	3,675,185
due within one year	2,396,194	3,675,185
4) from parent companies	95,090	-
due within one year	95,090	-
5) from fellow subsidiaries	7,315,031	5,639,665
due within one year	7,315,031	5,639,665
5-bis) tax receivables	974,018	1,165,901
due within one year	383,618	1,165,901
due beyond one year	590,400	-
5-ter) deferred tax assets	795,767	788,134
5-quater) from others	103,977	48,978
due within one year	103,977	48,978
Total receivables	*11,680,077*	*11,317,863*
III - Current financial assets	-	-

	31/03/2024	31/03/2023
treasury management assets	3,433,315	5,503,044
Total current financial assets	*3,433,315*	*5,503,044*
IV - Cash and cash equivalents	-	-
1) Bank and postal deposits	1,869,116	2,247,662
3) Cash on hand	282	539
Total cash and cash equivalents	*1,869,398*	*2,248,201*
Total current assets (C)	*22,756,100*	*24,880,399*
D) Accrued income and prepaid expenses	**25,519**	**195,218**
Total assets	*31,587,568*	*33,087,119*
Liabilities and shareholder's equity		
A) Shareholder's equity	**13,565,182**	**12,857,608**
I - Share capital	900,000	900,000
III - Revaluation reserves	1,339,901	1,339,901
IV - Legal reserve	180,000	180,000
VI - Other reserves, shown separately	-	-
Extraordinary reserve	4,693,035	4,693,035
Payments towards increase in capital	760,126	760,126
Total other reserves	*5,453,161*	*5,453,161*
VIII - Retained earnings (accumulated losses)	4,984,545	2,277,501
IX - Net income (loss) for the year	707,575	2,707,045
Total shareholder's equity	13,565,182	12,857,608
B) Provision for risks and charges		
2) for current and deferred taxation	232,480	160,546
4) other	1,122,057	1,292,138
Total provisions for risks and charges	*1,354,537*	*1,452,684*
C) Employee termination indemnities	**196,700**	**202,238**
D) Payables		
4) Due to banks	1,350,353	1,950,324
due within one year	600,086	599,971
due beyond one year	750,267	1,350,353
6) Advances	47,000	-
due within one year	47,000	-
7) Trade payables	11,569,935	14,155,856
due within one year	11,569,935	14,155,856

	31/03/2024	31/03/2023
11) Due to parent companies	160,180	318,800
due within one year	160,180	318,800
11-bis) Due to fellow subsidiaries	19,750	104,794
due within one year	19,750	104,794
12) Tax payables	252,467	132,916
due within one year	252,467	132,916
13) Due to pension and social security institutions	228,537	154,472
due within one year	228,537	154,472
14) Other payables	1,100,459	1,030,794
due within one year	1,100,459	1,030,794
Total payables	*14,728,681*	*17,847,956*
E) Accrued expenses and deferred income	**1,742,468**	**726,633**
Total liabilities and shareholder's equity	*31,587,568*	*33,087,119*

Income statement

	31/03/2024	31/03/2023
A) Value of production		
1) Revenues from sales of goods and services	40,425,714	39,739,598
2) Change in inventories of work in progress, semi-finished and finished products	(207,639)	1,081,353
5) Other income and revenues	-	-
operating grants	222,425	1,534,669
other	240,337	200,210
Total other income and revenues	*462,762*	*1,734,879*
Total value of production	*40,680,837*	*42,555,830*
B) Cost of production		
6) raw and ancillary materials, consumables and goods for resale	19,553,051	20,290,416
7) services	13,768,206	13,877,548
8) lease and rental charges	597,882	599,393
9) payroll	-	-
a) wages and salaries	3,585,034	3,578,709
b) social contributions	1,020,544	991,407
c) employee termination indemnities	47,496	55,869

	31/03/2024	31/03/2023
e) other costs	169,501	166,718
Total payroll costs	*4,822,575*	*4,792,703*
10) depreciation, amortisation and write-downs	-	-
a) amortisation of intangible assets	1,230	1,230
b) depreciation of tangible assets	954,234	664,632
d) write-downs of current receivables and liquid funds	17,316	17,316
Total depreciation, amortisation and write-downs	*972,780*	*683,178*
11) change in inventory of raw and ancillary materials, consumables and goods	(145,657)	(644,531)
14) other operating expenses	194,338	215,665
Total cost of production	*39,763,175*	*39,814,372*
Difference between value and cost of production (A - B)	**917,662**	**2,741,458**
C) Financial income and charges		
15) income from equity investments	-	-
other	-	257
Total income from equity investments	*-*	*257*
16) other financial income	-	-
d) income other than the above	-	-
from parent companies	95,090	-
Other	378	120,467
Total income other than the above	*95,468*	*120,467*
Total other financial income	*95,468*	*120,467*
17) interest and other financial charges	-	-
other	148,605	95,176
Total interest and other financial charges	*148,605*	*95,176*
Total financial income and charges (15+16-17+-17-bis)	*(53,137)*	*25,548*
Income (loss) before taxes (A-B+-C+-D)	**864,525**	**2,767,006**
20) Income taxes for the year, current and deferred		
current taxation	90,031	92,850
taxation relating to prior years	2,618	-
deferred taxation	64,301	(32,889)
Total income taxes for the year, current and deferred	*156,950*	*59,961*
21) Net income (loss) for the year	**707,575**	**2,707,045**

Statement of cash flows (indirect method)

	FY 2023/2024	FY 2022/20243
A) Cash flows from operating activities (indirect method)		
Net income (loss) for the year	707,575	2,707,045
Taxation	156,950	59,961
Interest expense/(interest income)	53,137	(25,291)
1) Net income (loss) for the year before income taxes, interest, dividends and gains/losses from disposals	*917,662*	*2,741,715*
Adjustments for non-cash items that had no contra-entry in net working capital		
Provisions	47,496	132,102
Depreciation and amortisation	955,464	665,862
Adjustments to financial assets and liabilities of financial derivatives that do not involve monetary movements	(1,309)	-
Other adjustments up or (down) for non-cash items		(35,904)
Total adjustments for non-cash items that had no contra-entry in net working capital	*1,001,651*	*762,060*
2) Cash flow before changes in net working capital	*1,919,313*	*3,503,775*
Change in net working capital		
Decrease/(Increase) in inventory	37,981	(1,725,884)
Decrease/(Increase) in trade receivables	1,278,991	(2,534,348)
Increase/(Decrease) in trade payables	(2,585,921)	2,650,194
Decrease/(Increase) in accrued income and prepaid expenses	169,699	86,193
Increase/(Decrease) in accrued expenses and deferred income	1,015,835	78,404
Other decreases/(Other increases) in net working capital	(1,574,588)	(430,629)
Total changes in net working capital	*(1,658,003)*	*(1,876,070)*
3) Cash flow after changes in net working capital	*261,310*	*1,627,705*
Other adjustments		
Interest collected/(paid)	(53,137)	25,291
(Income taxes paid)	(83,335)	(149,284)
(Use of provisions)	(212,039)	(69,196)
Total other adjustments	*(348,511)*	*(193,189)*
Cash flow from operating activities (A)	***(87,201)***	***1,434,516***
B) Cash flows from investing activities		
Tangible assets		
(Additions)	(1,755,614)	(2,188,022)
Disposals	-	17,345

	FY 2023/2024	FY 2022/20243
Intangible assets		
(Additions)	-	(6,150)
Long-term financial assets		
(Additions)	(5,746)	(2,851)
Disposals	-	49,684
Current financial assets		
Disposals	2,069,729	2,011,265
Cash flow from investing activities (B)	***308,369***	***(118,729)***
C) Cash flows from financing activities		
Third-party funds		
Increase (Decrease) in current bank loans	-	113
(Repayment of loans)	(599,971)	(599,971)
Own funds		
(Dividends and interim dividends paid)	-	(2,000,000)
Cash flow from financing activities (C)	***(599,971)***	***(2,599,858)***
Increase (decrease) in cash and cash equivalents (a ± b ± c)	***(378,803)***	***(1,284,071)***
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	2,247,662	3,531,031
Cash on hand	539	1,241
Total cash and cash equivalents at the beginning of the year	**2,248,201**	**3,532,272**
Cash and cash equivalents at the end of the year		
Bank and postal deposits	1,869,116	2,247,662
Cash on hand	282	539
Total cash and cash equivalents at the end of the year	**1,869,398**	**2,248,201**

Information on the statement of cash flows

The statement of cash flows for the year is presented on a comparative basis in accordance with OIC 10.
This statement was prepared using the indirect method, in order to identify the sources and applications of funds deriving from operating, financing and investing activities.
The "Increase (Decrease) in non-current financial assets" relates to the change in the treasury management (cash pooling) account managed by Endurance Overseas S.r.l., which decreased during the year by € 2,069,729.

Explanatory notes - first part

Shareholders,

These explanatory notes form an integral part of the financial statements for the year ended 31 March 2024.

The financial statements submitted for your approval report net income of € 707,575, after income and deferred taxes of € 156,950 and depreciation and amortisation of € 955,464.

Form and content of the financial statements

The financial statements for the year ended 31 March 2024 have been prepared in compliance with the Italian Civil Code, as interpreted and supplemented by the accounting standards issued by the OIC (Italian Accounting Board) and, if these are unavailable and to the extent not in conflict with Italian Accounting Standards, by those issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a going concern basis, as there are no significant uncertainties in this regard.

Even though the general context is uncertain, taking into account the upward trend in energy prices (partly offset by external support) and despite the rise in interest rates, aimed at contrasting inflation which reached extremely significant levels in recent months, we are of the opinion that the company's current liquidity, together with that of the group, makes it reasonable to assume that the company can continue to operate as a going concern for at least the next 12 months.

The financial statements comprise the balance sheet, the income statement, the statement of cash flows (prepared in conformity with the respective requirements of arts. 2424 and 2424 bis of the Italian Civil Code (c.c.), arts. 2425 and 2425 bis c.c. and art. 2425 ter c.c.) and these notes.

The balance sheet, the income statement, the statement of cash flows and the accounting disclosures contained in these notes agree with the books of account, from which they have been directly prepared. The items preceded by Arabic numerals in the balance sheet and income statement have not been grouped together, which is optional under art. 2423 ter of the Italian Civil Code.

The accounting policies adopted for the various items comply with those specified in art. 2426 c.c. and the relevant accounting standards. These criteria are consistent with those applied for the preparation of the financial statements of the prior year, having regard for the changes in the relevant regulatory framework described below.

The financial statement items are stated in accordance with the prudence concept and on a going concern basis. Pursuant to art. 2423-bis, para. 1, point 1-bis c.c., items are recognised and presented having regard for the substance of the transactions or contracts concerned.

Pursuant to art. 2424 of the Civil Code, we can confirm that no balance sheet items have been allocated to more than one balance sheet line.

In the preparation of the financial statements, income and expenses are recorded on an accruals basis, regardless of the timing of collection and expenditure. Contingencies and losses relating to the year are recognised, even if they become known after the reporting date.

The purpose of the explanatory notes is to describe, analyse and, in some cases, supplement the data reported on the face of the financial statements. They contain the information required by arts. 2427 and 2427 bis c.c., other provisions of the civil code and other legislation. In addition, they provide all the complementary information deemed necessary in order to present the most transparent and complete view possible, even if such information is not required by specific legislation.
Amounts are stated in whole Euros, unless specified otherwise.
The financial statements comply with the requirements of article 2423 et seq. of the Italian Civil Code and with the Italian accounting standards issued by the OIC (Italian Accounting Board); they have thus been prepared clearly and give a true and fair view of the company's financial position and results of operations.

Basis of preparation

The information contained in this document is presented in the order in which the related components are indicated in the balance sheet and income statement.
With reference to the matter indicated in the introduction to the explanatory notes, it is hereby confirmed that, pursuant to paragraph 3 of Art. 2423 of the Civil Code, where the information required by legislative provisions is not sufficient to give a true and fair view of the company's situation, supplementary information is provided for this purpose.

Exceptional situations pursuant to paragraph 5 of art. 2423 of the Italian Civil Code

There are no exceptional situations that might have made it necessary to seek exemptions under paragraphs 4 and 5 of art. 2423 of the Italian Civil Code.

Changes in accounting policies

There are no exceptional situations that might have made it necessary to seek exemptions under paragraph 2 of art. 2423-bis of the Italian Civil Code.

Comparability and compliance

Pursuant to art. 2423 ter of the Civil Code, we can confirm that all financial statement items are comparable with the prior year; no restatement of prior year items has been necessary.

Accounting policies

The accounting policies applied for the preparation of these financial statements, described below, take account of the amendments, additions and new provisions included in the Italian Civil Code by Decree 139/2015, which transposed Directive 34/2013/EU into Italian law. In particular, the domestic accounting standards were reformulated by the OIC in the latest version issued on 22 December 2016, inclusive of the amendments published on 29 December 2017.
The accounting policies applied for the measurement of financial statement items and for their adjustment comply with the provisions of the Italian Civil Code and with the indications included in the Italian accounting standards reformulated by the Italian Accounting Board.
Pursuant to art. 2427 paragraph 1 no. 1 of the Italian Civil Code, we explain the more significant accounting policies applied in compliance with the provisions of art. 2426 of the Italian Civil Code, particularly for those items for which the legislator permits the use of options for measurement and adjustments or for which no specific accounting policy exists.

Intangible assets

When the established criteria are met, these are recorded at purchase or production cost, inclusive of direct costs and related charges, and amortised systematically each year on a straight-line basis. Intangible assets are recognised with the consent of the Board of Statutory Auditors where prescribed by law.
Their book value is stated net of accumulated amortisation and write-downs.
Amortisation is applied as indicated below, in order to allocate the cost incurred over the useful life of the assets:

Intangible asset items	Amortisation period
Concessions, licences, trademarks and similar rights	5 years on a straight-line basis
Other intangible assets	Based on the length of the underlying contracts

Advertising and research costs are expensed in full in the accounting period in which they are incurred.
Leasehold improvements are capitalised and classified as "other intangible assets" if they cannot be separated from the assets concerned (in which case they are recognised in the relevant category of "tangible assets"). They are amortised systematically over the period they are expected to benefit (prudently determined to be 5 years) or, if shorter, over the residual duration of the lease after taking account of any renewal period available at the discretion of the company.
If permanent impairment is identified regardless of the amortisation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs. This reinstatement does not apply to goodwill or the deferred charges referred to in point 5 of art. 2426 c.c.
Pursuant and consequent to art. 10 of Law 72 of 19 March 1983 and subsequent laws on the revaluation of assets, we confirm that the intangible assets reported in the financial statements have never been revalued.

Tangible assets

These are recorded at purchase or internal construction cost and stated net of the depreciation charged in the current and prior years. Costs comprise related charges and the direct and indirect expenses that can reasonably be allocated to assets during the construction period and until they become available for use. They also include any borrowing costs incurred to finance the construction work (whether internal or carried out by third parties) until the asset become available for use, without however exceeding its recoverable value. Tangible assets are only revalued if this is required or allowed by special laws.

Assets purchased in foreign currencies are recorded at cost using the exchange rate in force on the transaction date, or using the lower rate applying on the reporting date if the reduction is deemed to be permanent.

Tangible assets are depreciated systematically each year on the basis of their estimated useful life. The depreciation and amortisation rates applied are summarised in the following table:

Tangible asset items	Depreciation rate
Industrial buildings	3.00%
Temporary constructions	10%
Plant and machinery	10% - 15.5%
Industrial and commercial equipment	20%
Furnaces and appurtenances	15%
Furniture and furnishings	12%
Electronic office machines	20%
Commercial vehicles	20%

When fixed assets enter into service during the year, their depreciation commences on a time-apportioned basis calculated on the actual number of days.

Depreciation is also charged on fixed assets that are temporarily out of use. Land is not depreciated, as its useful life is not finite.

If applicable, buildings held as a financial investment are not depreciated if their residual value is greater than or equal to their net carrying amount.

If permanent impairment is identified regardless of the depreciation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs.

Routine maintenance and repair costs are charged in full to the income statement. Improvement costs are allocated to the fixed assets concerned and depreciated over their residual useful lives.

Costs incurred to expand, modernise or improve the structural elements of a tangible fixed asset are capitalised if they significantly and measurably increase its productive capacity, safety or useful life. If the costs concerned do not have the above effect, they are treated as routine maintenance and charged to the income statement.

Start-up grants are recognised when it becomes reasonably certain that the conditions for their collection will be satisfied and the grants will be paid. They are deducted from cost indirectly, as they are credited to income statement caption A5 “other income and revenues” and then deferred for recognition on an accruals basis via classification as “deferred income”.

Impairment (tangible and intangible assets)

At each reporting date, the company determines if there is any evidence that the value of its tangible and intangible assets might be impaired. If such evidence is found, the company estimates the recoverable value of each asset concerned and records an impairment write-down if it is lower than the corresponding net carrying amount.
Recoverable value is not determined if there is no evidence of possible impairment.
The recoverable value of tangible and intangible fixed assets is deemed to be their value in use (calculated by discounting their future cash flows) or, if greater, their fair value (being the amount obtainable at the reporting date, based on the best available information, from their sale in an arm's-length transaction between knowledgeable and willing parties, net of the related selling costs).

Equity investments and securities (classified as long-term financial assets)

The equity investments and debt securities classified as non-current assets will be held by the company over the long term. Equity investments are measured at cost, as adjusted for any impairment.
The cost recorded in the financial statements is determined with reference to purchase or subscription price, inclusive of related expenses. If impairment is identified, the carrying amount of equity investments is reduced to their recoverable value, which is determined with reference to the future benefits that are expected to accrue to the company. Should the company be obliged or intend to cover the (non-permanent) losses incurred by an equity investment, a suitable provision is recorded to cover the liability to which the company is exposed. If in future years the reasons for the write-down cease to apply, the equity investment is written back to its original carrying amount.
Debt securities are measured using the amortised cost method, being their original carrying amount net of any redemptions of principal, as increased or decreased by the accumulated amortisation, calculated using the effective interest method, of any difference between its initial and maturity values after deducting any impairment (recognised directly or by a provision) following a loss in value; the original carrying amount is represented by purchase or subscription cost, net of any commissions.

Inventories

Inventories are stated at the lower of purchase and/or production cost and realisable value, based on market prices.
In particular, set out below are details of the specific accounting policies used for the valuation of each inventory category (consistent with those used for the prior year):

- Raw materials: annual weighted average cost (including components purchased from third parties and alloys).
- Work in process (semi-finished) and finished products: specific production cost including all costs directly attributable to the product, as well as a reasonable share of manufacturing overheads.
- Goods and consumables: purchase cost, also inclusive of spare parts.

Purchase cost includes any directly attributable ancillary charges, with the exclusion of borrowing costs. Production cost includes the indirect costs that are reasonably attributable to each asset during the production period until it becomes available for use.

Receivables

Receivables are stated at amortised cost, having regard for the time factor and their estimated realisable value. The amortised cost method is not applied when its effects are insignificant, being when the transaction costs, the commissions paid between the parties and all other difference between initial value and maturity value are immaterial or when the receivables are recoverable in the short term (within 12 months).
Trade receivables due beyond 12 months at the time of initial recognition, without the payment of interest or with interest that differs significantly from market rates, and the related revenues are recognised initially at the value of their future cash flows discounted using the market rate (being that applied by two independent parties when negotiating a loan transaction with similar terms and conditions). The difference between the amount of the receivable recognised initially and its maturity value is recognised as financial income in the income statement over the duration of the receivable, using the effective interest method.
The amount of receivables, as determined above, is adjusted when necessary by a specific allowance for doubtful accounts, which is deducted directly from their gross amount in order to report them at their estimated realisable value. The provision (which takes account of collection losses, returns and invoicing adjustments, discounts and allowances, interest not yet earned and other reasons for reduced recoverability) is charged to the income statement.
Receivables assigned to factors are only derecognised if they are sold without recourse, collected and essentially all the related risks are transferred (the difference between the consideration received on the assignment and the carrying amount of the receivable is recognised in income statement item C17). If the assignment does not involve derecognition (for example, assignment with recourse), since not all the related risks are transferred, the receivable continues to be reported in the balance sheet and is measured in the manner described above. If advance consideration is received from the assignee, the amount is recognised as a financial payable.
Receivables taking the form of bank receipts (*ricevute bancarie*) that have not been assigned remain classified as receivables until final collection of the amounts concerned.

Cash and cash equivalents

Cash and cash equivalents at the reporting date are measured at their nominal value. Amounts denominated in foreign currencies are measured using the closing exchange rates.

Accruals and deferrals

Accruals and deferrals comprise costs and revenues relating to the year that will be formally recorded in future years, and costs and revenues recorded by the reporting date that relate to future years. The related amounts are determined on a time-apportioned basis.

Provisions for risks and charges

The provisions for risks and charges cover known or likely losses or liabilities, the timing or extent of which cannot be determined at the reporting date. These provisions, including those for deferred tax liabilities, which are classified in this caption, reflect the best possible estimates based on the information available. Risk that only might give rise to a liability are described in the notes on the provisions, without actually recording a provision. As required by OIC 31, new provisions for risks and charges are, where possible, classified in the relevant income statement classes (B, C or D). Whenever it is not possible to correlate a new provision with a caption in one of the above classes, it is classified in income statement caption B12 or B13.

Provision for pensions and similar commitments

They represent the liabilities for supplementary pension benefits and for the "one-off" indemnities due to employees, self-employed workers and other collaborators, in force of law and contract, on termination of the relationship.

Employee termination indemnities

Employee termination indemnities represent the total amount that the company would have to pay to all employees had they terminated their employment on the reporting date. The charge for the year, comprising the new provision and the revaluation of the accumulated provision (based on the change in the relevant ISTAT index), is determined in accordance with current regulations, having regard for the specific employment contracts and the professional categories concerned. Employee termination indemnities are classified in liability caption C, while the provision for the year is classified in income statement caption B9.

The changes made to the regulations governing termination indemnities by Law 296 dated 27 December 2006 (2007 Finance Law) and subsequent decrees and enabling regulations, amended the accounting for the indemnities earned by 31 December 2006 and those earned from 1 January 2007. In particular, following creation of the INPS Treasury Fund to manage the termination indemnities of private sector employees, employers with more than 50 employees are obliged to pay the new provisions relating to them into the Treasury Fund, unless the persons concerned have specifically opted for their indemnities to be paid to a supplementary pension fund. The employee termination indemnities reported in the balance sheet are therefore shown net of the amounts paid to the above INPS Treasury Fund.

Payables

Payables are stated at amortised cost, as defined in art. 2426, para. 2 c.c., having regard for the time factor envisaged in art. 2426, para. 1, point 8 c.c. Payables are however stated at their nominal amount if application of the amortised cost and/or discounting methods would not be significant for the purpose of providing a true and fair view of the financial position and results of operations. This situation arises in the case of payables due within twelve months or, with regard to the amortised cost method, if the transaction costs, commissions and all other differences between the initial value and the maturity value are insignificant or, again, with regard to the discounting method, if the interest rate inherent in the contractual conditions is not significantly different to the market rate of interest.

The amounts due to employees for untaken holidays and deferred payroll, including the related social security contributions, are accrued with reference to the amount that would have been payable had their employment ceased on the reporting date.

Finance leases

Finance leases are accounted for under the so-called "capital method", with the fees paid being booked to the income statement on an accruals basis. A specific section of these explanatory notes contains the supplementary information required by the law on the effect of recognising these contracts using finance lease methodology.

Derivatives

Derivatives consist of financial assets and liabilities measured at fair value.

They are only classified as hedging instruments when, at the time of arrangement, there is a strict, documented correlation between the characteristics of the hedged item and those of the hedging instrument, and that hedging relationship is both formally documented and, based on periodic checks, highly effective.

When derivatives hedge the risk of changes in the fair value of the hedged instruments ("fair value hedges"), they are measured at fair value through profit or loss; for consistency, the carrying amounts of the hedged items are adjusted to reflect the changes in fair value associated with the hedged risk.

When derivatives hedge the risk of changes in future cash flows of the hedged instruments ("cash flow hedges"), the effective portion of the profits or losses on the derivative financial instrument is put into suspense in shareholders' equity (under "Cash-flow hedging reserve", net of tax). The ineffective portion of the profits and losses associated with a hedge is recognised in the income statement. On completion of the transaction, the accumulated profits and losses, previously deferred to shareholder's equity, are released to the income statement (to adjust the income statement items affected by the hedged cash flows).

When hedge accounting is used, the changes in the related fair value of the hedging derivatives are recognised:

- in income statement captions D18 or D19, in the case of a fair value hedge of a reported asset or liability, together with the changes in the fair value of the hedged items (if the change in the fair value of the hedged item is greater in absolute terms than the change in the fair value of the hedging instrument, the difference is recognised in the income statement caption affected by the hedged item);
- in a specific equity reserve (caption AVII "Reserve for cash flow hedges") in a way that offsets the effects of the hedged flows (the ineffective portion, like the change in the time value of options and forwards, is classified in captions D18 and D19).

The changes in the fair value of financial instruments that are classified as trading derivatives, either because they do not qualify for treatment as hedging derivatives or because they were not designated as hedges, even though they were arranged operationally to hedge the risk of changes in interest rates and/or exchange rates and/or commodity prices, are recorded in the balance sheet and recognised in income statement captions D18 or D19.

Any derivatives embedded in other financial instruments must also be measured at fair value. In particular, embedded instruments are only separated from the primary contract and recognised as derivatives if, and only if:

a) the economic characteristics and risks of the embedded derivative are not closely correlated with the economic characteristics and risks of the primary contract. Close correlation exists if hybrid contracts are arranged in accordance with market practice;
b) all the elements included in the definition of a derivative financial instrument specified in OIC 32.11 are satisfied.

Revenues

Revenues from the sale of goods are recognised when ownership passes in substance, rather than in formal terms, being when the related risks and benefits are transferred (which in practice coincides with the time of delivery or shipment of the goods).
Revenues from services are recognised upon completion and/or when earned.
Revenues from the sale of products, goods and services in the ordinary course of business are stated net of returns, discounts, allowances and rebates, as well as the direct taxes charged on the sale of products and services.
Transactions with related parties take place on normal market terms and conditions.

Costs

Costs stated net of returns, discounts, allowances and rebates are recognised on an accruals basis in accordance with the matching principle, regardless of the date of collection or payment. Compliance with the matching principle requires an estimate to be made of the invoices to be received.

Dividends

Dividends are recognised in the year in which they are declared by the shareholders' meeting.

Financial income and charges

Financial income and charges are recognised on an accruals basis. Costs relating to the disposal of receivables for whatever reason are charged to the income statement on an accruals basis.

Taxation

Income taxes are recognised with reference to an estimate of taxable income in compliance with current regulations, having regard for any applicable exemptions and tax credits.
Deferred tax assets and liabilities are calculated on the temporary differences between the reported carrying amount of assets and liabilities and their corresponding values for tax purposes. Their measurement takes account of the tax rates expected to be in force in the year in which such differences contribute to the formation of taxable income, being the rates in force or already communicated at the reporting date (24% for IRES and 3.9% for IRAP). They are classified respectively among the current assets as “deferred tax assets” and among the provisions for risks and charges as “deferred tax liabilities”.
In accordance with the concept of prudence, deferred tax assets are recognised on all deductible temporary differences if it is reasonably certain that taxable income in the years in which they reverse will not be less than the amount of the differences to be absorbed.

By contrast, deferred tax liabilities are recognised on all taxable temporary differences.
Deferred tax liabilities are not recognised in relation to reserves subject to the deferral of taxation if they are unlikely to be distributed to the shareholder.

Translation of foreign currency items

Non-monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the exchange rates applying at the time of their acquisition, being their initial recognition cost.
Monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the spot exchange rates applying on the reporting date; the related exchange gains and losses are recognised in the income statement and any net unrealised gains are allocated to a non-distributable reserve until they have been realised.
The company does not have any assets or liabilities denominated in foreign currency at the balance sheet date.

Other information

Repurchase agreements

Pursuant to art. 2427 point 6-ter of the Italian Civil Code, the company confirms that no repurchase agreements were arranged during the year.

Explanatory notes - assets

The movements in the individual balance sheet items are analysed in detail below, according to current law.

Fixed assets

Intangible assets

Movements in intangible assets

After amortisation for the year of € 1,230, the balance of intangible assets at 31 March 2024 is € 3,690.

	Start-up and expansion costs	Concessions, licences, trademarks and similar rights	Goodwill	Other intangible assets	Total intangible assets
Balance at the beginning of the year					
Cost	16,017	430,570	327,000	287,915	1,061,502
Amortisation (Accumulated amortisation)	16,017	425,650	261,600	287,915	991,182
Write-downs	-	-	65,400	-	65,400
Carrying amount	**-**	**4,920**	**-**	**-**	**4,920**
Changes during the year					
Amortisation for the year	-	1,230	-	-	1,230
Total changes	-	*(1,230)*	-	-	*(1,230)*
Balance at year end					
Cost	16,017	430,570	327,000	287,915	1,061,502
Amortisation (Accumulated amortisation)	16,017	426,880	261,600	287,915	992,412
Write-downs	-	-	65,400	-	65,400
Carrying amount	**-**	**3,690**	**-**	**-**	**3,690**

Intangible assets not yet amortised relate to management software with a long-term useful life.

Tangible assets

This category comprises assets that will be employed over the long term, forming part of the permanent organisation of the company. This statement reflects their intended use by the company, rather than their intrinsic

life. These assets are normally employed in the production of income in the ordinary course of business, which means that they are not held for sale or for transformation into products of the company. Gross tangible assets total € 22,507,511, accumulated depreciation amounts to € 13,725,417 including the charge for the year of € 954,234.
"Assets under construction and advance payments" amount to € 252,872 (€ 698,487 at 31 March 2023) and comprise the residual value of advances paid to suppliers for the purchase of plant and machinery, together with the value of assets purchased but not completely ready for inclusion in the production cycle.

Movements in tangible assets

Tangible assets are analysed below, together with the related accumulated depreciation and information about the changes that took place during the year.

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Assets under construction and advance payments	Total tangible assets
Balance at the beginning of the year						
Cost	5,923,161	12,777,584	381,304	1,068,311	698,487	20,848,847
Depreciation (Accumulated depreciation)	2,477,202	8,558,758	377,665	987,929	-	12,401,554
Write-downs	-	455,058	-	72	-	455,130
Carrying amount	**3,445,959**	**3,763,768**	**3,639**	**80,310**	**698,487**	**7,992,163**
Changes during the year						
Additions	15,802	1,491,196	3,499	23,550	200,164	1,734,211
Reclassifications (of the carrying amount)	-	645,779	-	-	(645,779)	-
Disposals (at carrying amount)	-	11,449	-	-	-	11,449
Depreciation for the year	157,538	763,150	1,564	31,982	-	954,234
Write-downs made during the year	-	(21,403)	-	-	-	(21,403)
Total changes	*(141,736)*	*1,383,779*	*1,935*	*(8,432)*	*(445,615)*	*789,931*
Balance at the end of the year						
Cost	5,938,963	14,839,012	384,803	1,091,861	252,872	22,507,511
Depreciation (Accumulated depreciation)	2,634,740	9,257,810	379,229	1,019,911	-	13,291,690
Write-downs	-	433,655	-	72	-	433,727
Carrying amount	**3,304,223**	**5,147,547**	**5,574**	**71,878**	**252,872**	**8,782,094**

The additions made during the year, with particular regard to plant and machinery, are to modernise the production lines (acquisition of a new 1000 ton die-casting island) and complete the photovoltaic systems as part of the company's energy efficiency plan. With specific reference to the signs of impairment, the directors responded to a Group-level requirement by analysing carefully the cash flows forecast on the basis of current information, concluding that the value of tangible assets at 31 March 2024 will be recoverable from future cash flows.

Finance leases

The tables which follow provide the information required by the legislator in order to present, in the form of a disclosure, the impact of the difference that would arise from accounting for finance leases, with which the user company would record the asset received as a lease under fixed assets and calculate the related depreciation rates on the asset, while at the same time recognising the debt for the principal portion of the instalments to be paid. In this case, the interest portion and the depreciation charge for the year would be recognised in the income statement.

Effects on Shareholders' Equity - Assets		
Contracts in progress		
Assets under finance leases at the end of the previous year		781,980
- of which the gross amount	3,731,804	
- of which accumulated depreciation	(2,949,825)	
Assets purchased under finance leases during the year		-
Assets under finance leases redeemed during the year		-
Depreciation charge for the year		(424,075)
Write-downs/writebacks on assets under finance leases		-
Assets under finance leases at the end of the year		357,904
- of which the gross amount	3,731,804	
- of which accumulated depreciation	(3,373,900)	
Prepaid interest on lease instalments at the end of the year		
Curtailment of prepaid expenses under the capital method		(38,747)
Redeemed assets		
Higher/lower total value of redeemed assets, determined using finance lease methodology, with respect to their carrying amounts at year end)		1,388,443
Effects on Shareholders' Equity - Liabilities		
Lease liabilities		
Lease liabilities at the end of the previous year		390,021
- of which due within one year	371,722	
- of which due beyond one and within 5 years	18,299	
- of which due beyond 5 years	-	
Lease liabilities that arose during the year		-
Repayment of principal and redemptions during the year		371,722
Lease liabilities at the end of the year		18,298
- of which due within one year	18,298	
- of which due beyond one and within 5 years	-	
- of which due beyond 5 years	-	
Accrued interest on instalments at the end of the year		-
Change in trade payables		-
Total gross effect at the end of the year [a.6+(a.7-a.8)+b.1-c.4+(c.5-c.6)]		1,689,301
Tax effect		(471,315)
Effect on Shareholders' Equity at the end of the year (d-e)		1,217,986

Effects on the Income Statement	
Effect on income before taxes (lower/higher costs) (g.1-g.2-g.3+g.4+g.5)	32,383
Reversal of instalments on finance lease transactions	457,471
Recognition of financial charges on finance lease transactions	(1,013)
Recognition of depreciation charges on outstanding contracts	(424,075)
Recognition of depreciation charges on redeemed assets	-
Recognition of write-downs/writebacks on assets under finance leases	-
Recognition of the tax effect	(9,035)
Net effect on the result for the year (g-h)	23,348

The value of future lease instalments under outstanding lease contracts totals € 17,286 at 31 March 2024.

Long-term financial assets

Long-term financial assets amount to € 20,165 at 31 March 2024.

Movements in equity investments, other securities and non-current derivative financial instruments

The following table shows the movements in long-term financial assets during the year.

	Equity investments in other businesses	Total equity investments
Balance at the beginning of the year		
Cost	2,088	2,088
Carrying amount	2,088	2,088
Balance at the end of the year		
Cost	2,088	2,088
Carrying amount	2,088	2,088

These equity investments refer to holdings in consortia (CONAI, Brescia Export) and membership fees related to financing transactions carried out in previous years.

Changes in and maturity of non-current receivables

The following table shows the movements in long-term financial assets during the year.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Other receivables	12,331	5,746	18,077	18,077	-
Total	**12,331**	**5,746**	**18,077**	**18,077**	**-**

The item relates to security deposits referring to multi-year contracts such as car rental and customs warehouse for the electric workshop licence.

Current assets

Current assets are measured in the manner described in paragraphs 8 to 11-bis of art. 2426 of the Civil Code. The accounting policies applied are explained in the notes on the respective financial statement items.

Inventories

The inventories reported in the balance sheet at 31/03/2024 total €5,773,310, net of an allowance amounting to €774,308, the same as last year based on an assessment of the potential risks associated with obsolete and slow-moving items.
The following table shows the changes in inventories.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
raw materials, ancillary materials and consumables	1,238,234	22,292	1,260,526
work in process and semi-finished products	1,465,521	(413,233)	1,052,288
finished products and goods	3,107,536	328,960	3,436,496
advances	-	24,000	24,000
Total	**5,811,291**	**(37,981)**	**5,773,310**

The amount of inventories is substantially the same as last year, in line with the trend in sales volumes. It should also be noted that at 31/03/2023, advances (for a total of €27,570) were shown under other receivables.

Current receivables

They total € 11,680,077 at 31 March 2024. They are shown at their estimated realisable value as application of the amortised cost or discounting methods would not have been suitable for providing a true and fair view of the financial position and results of operations.

Changes and maturities of current receivables

The following table shows the information related to changes in current receivables and, if material, their due date.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Trade receivables	3,675,185	(1,278,991)	2,396,194	2,396,194	-
Receivables due from parent companies	-	95,090	95,090	95,090	-
Receivables due from fellow subsidiaries	5,639,665	1,675,366	7,315,031	7,315,031	-
Tax receivables	1,165,901	(191,883)	974,018	383,618	590,400
Deferred tax assets	788,134	7,633	795,767	-	-
Other receivables	48,978	54,999	103,977	103,977	-
Total	**11,317,863**	**362,214**	**11,680,077**	**10,293,910**	**590,400**

Trade receivables (€ 2,396,194 at 31 March 2024) are expressed at their presumed realization value, given the irrelevance of the application of the amortized cost approach. The nominal value of trade receivables has been adjusted to their estimated realisable value by means of a specific allowance for doubtful accounts of € 117,319, including the provision made during the year for a total of € 17,316 without any utilisations.

Receivables due from parent companies (€95,090 at 31 March 2024) refer to the accrual of interest income on positive balances on the cash pooling account.

Receivables due from fellow subsidiaries (€7,315,031 at 31 March 2024) concern commercial relationships with the associate Endurance S.p.A. for €7,280,812, commercial relationships with the associate Endurance Adler S.p.A. for €33,136 and trade receivables from the associate Endurance Engineering S.r.l. for the balance.

Tax receivables (€974,018 at 31 March 2024) mainly consist of IRES credits (€40,360), the credit connected to investments in new capital goods (€880,888, of which €590,400 long term) made pursuant to Law 160/2019 and Law 178/2020 and sundry tax receivables for the balance.

Deferred tax assets amount to € 795,767 at 31 March 2024 and mainly relate to tax losses not yet used and differences between the carrying amount of goodwill in the statutory accounts and fiscal accounts, as well as in the deferred deductibility of risk provisions and write-downs. These deferred tax assets have been recognised as they are likely to be recoverable against expected future taxable income, as reflected in management's most recent forecasts.

Other receivables (€103,977 at 31 March 2024) consist of miscellaneous non-trade receivables (including advances paid to INAIL). At 31 March 2023, this item included (for a total of €27,570) receivables deriving from advances paid to suppliers, which at 31 March 2024 were included in inventories.

Breakdown of current receivables by geographical area

It is not deemed meaningful to analyse receivables by geographical area, given that all receivables other than the amounts due from customers are due from Italian counterparties, while the trade receivables are due from multinationals operating in the automotive sector that each have legal entities and factories located in several countries. In fact, at the year-end foreign trade receivables amount to 26% of all trade receivables.

Current financial assets

Movements in current financial assets

Pursuant to art. 2423-ter, para. 3 c.c. and after ensuring recoverability in the short term, as required by OIC 14, the company has classified separately the amount due from the company that manages the cash pooling activities of the group in asset caption C.3.7) under "Current financial assets"; this caption is additional to those envisaged in art. 2424 of the Italian Civil Code.

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
cash pooling assets	5,503,044	(2,069,729)	3,433,315
Total	**5,503,044**	**(2,069,729)**	**3,433,315**

This balance represents the amounts due from Endurance Overseas S.r.l. under the agreed cash pooling arrangements.

Cash and cash equivalents

The following table shows the changes in cash and cash equivalents.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
bank and postal deposits	2,247,662	(378,546)	1,869,116
cash on hand	539	(257)	282
Total	**2,248,201**	**(378,803)**	**1,869,398**

This item principally comprises the balance on bank current accounts at 31 March 2024.
As regards the movement of cash flows for the year in question, please refer to what is indicated in the cash flow statement.

Accrued income and prepaid expenses

The following table shows the changes in accrued income and prepaid expenses.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Accrued income	-	134	134
Prepaid expenses	195,218	(169,833)	25,385
Total accrued income and prepaid expenses	**195,218**	**(169,699)**	**25,519**

Prepaid expenses mainly include the future portion of lease instalments and at various costs.
Accrued income mainly includes the portion of financial income pertaining to the year, but which will actually be paid in the following year.

Capitalised financial charges

All interest expense and other financial charges have been expensed during the year. In compliance with paragraph 1.8 of art. 2427 of the Italian Civil Code, we can confirm that no financial charges have been capitalised.

Explanatory notes - liabilities and shareholders' equity

The movements in individual balance sheet items are analysed below, according to current law.

Shareholders' equity

The components are stated at their carrying amount in accordance with accounting standard OIC 28.

Changes in shareholders' equity items

With reference to the year just ended, the table below sets out changes - with reference to the years ended 31/03/2023 and 31/03/2024 - in the components of shareholder's equity, as well as details of other reserves, if any. The following table summarises the changes in equity with respect to the previous year (01/04/2022 – 31/03/2023):

Year ended 31/03/2023

	Balance at the beginning of the year	Allocation of the prior year result - Distribution of dividends	Allocation of the prior year result - Other allocations	Other changes - Decreases	Result for the year	Balance at the end of the year
Share capital	900,000	-	-	-	-	900,000
Revaluation reserves	1,339,901	-	-	-	-	1,339,901
Legal reserve	180,000	-	-	-	-	180,000
Extraordinary reserve	4,693,035	-	-	-	-	4,693,035
Payments towards increase in capital	760,126	-	-	-	-	760,126
Cash flow hedging reserve	35,904	-	-	35,904	-	-
Retained earnings (accumulated losses)	2,868,192	(2,000,000)	1,409,309	-	-	2,277,501
Net income (loss) for the year	1,409,309	-	(1,409,309)	-	2,707,045	2,707,045
Total	**12,186,467**	**(2,000,000)**	**-**	**35,904**	**2,707,045**	**12,857,608**

Details of movements during the year ended 31/03/2024 are shown below:

	Balance at the beginning of the year	Allocation of the prior year result - Distribution of dividends	Other changes - Decreases	Result for the year	Balance at the end of the year
Share capital	900,000	-	-	-	900,000
Revaluation reserves	1,339,901	-	-	-	1,339,901
Legal reserve	180,000	-	-	-	180,000
Extraordinary reserve	4,693,035	-	-	-	4,693,035
Payments towards increase in capital	760,126	-	-	-	760,126
Retained earnings (accumulated losses)	2,277,501	2,707,045	1	-	4,984,545
Net income (loss) for the year	2,707,045	(2,707,045)	-	707,575	707,575
Total	**12,857,608**	**-**	**1**	**707,575**	**13,565,182**

Share capital, which consists of 900,000 shares with a par value of € 1.00 each, is fully subscribed and paid in.

Availability and use of shareholder's equity

The following table provides details of the components of shareholders' equity, including their origin, their potential utilisation and whether they are distributable, as well as the utilisation thereof in the prior three years.

Description	Amount	Origin/Nature	Potential utilisation	Amount available
Share capital	900,000	Share capital		-
Revaluation reserves	1,339,901	Share capital	A;B	-
Legal reserve	180,000	Revenue	B	-
Extraordinary reserve	4,693,035	Revenue	A;B;C	4,693,035
Payments towards increase in capital	760,126	Share capital	A;B;C	760,126
Retained earnings (accumulated losses)	4,984,545	Share capital	A;B;C	4,984,545
Total	**12,857,607**			**10,437,706**
Amount not distributable				795,767
Residual amount distributable				9,641,939
Key: A: increase in capital; B: to cover losses; C: for distribution to the shareholders; D: for other statutory requirements; E: other				

With reference to the use made by the company of the revaluation reserves, as shown in the statement of changes in equity, we would like to point out that the company will not be able to distribute profits until these reserves have been reinstated for the same amount or reduced accordingly with a shareholders' resolution (pursuant to article 6 of Law 72/83 and subsequent revaluation laws).
The non-distributable portion of available equity reserves, determined in accordance with art. 2426 c.c., covers the deferred tax assets recognised in the balance sheet, which are deemed to represent unrealised amounts.

Provisions for risks and charges

The provisions for risks and charges have been created to cover known or likely liabilities, the timing or extent of which cannot be determined at the reporting date.
These provisions were recognised on a prudence and accrual basis, in accordance with the instructions contained in accounting principle OIC 31. The related provisions are charged to the income statement in the year to which they refer and classified according to the nature of the costs.

	Balance at the beginning of the year	Changes during the year - Provision	Changes during the year - Utilisation	Changes during the year - Total	Balance at the end of the year
Provision for current and deferred taxation	160,546	71,934	-	71,934	232,480
Other provisions	1,292,138	-	170,081	(170,081)	1,122,057
Total	**1,452,684**	**71,934**	**170,081**	**(98,147)**	**1,354,537**

Provision for current and deferred taxation

This item refers entirely to deferred taxes set aside during the year to give an idea of the amount of temporary differences that required the use of deferred taxation. The provision made during the year refers to the tax effect of the difference between the depreciation and amortisation rates used for accounting purposes and those applied for tax purposes.

Other provisions

Provisions recorded in the financial statements at 31/03/2024 were made in the year to cover various liabilities (trade, tax, employment, etc), and were based on the best estimate with reference to the information available. The uses recorded during the year relate to the settlement of a labour dispute.

Employee termination indemnities

Employee termination indemnities amount to € 196,700 at 31 March 2024 (€ 202,238 at 31 March 2023). The changes during the year are summarised below.

	Balance at the beginning of the year	Changes during the year - Provision	Changes during the year - Utilisation	Changes during the year - Total	Balance at the end of the year
Provision for termination indemnities	202,238	7,201	12,739	(5,538)	196,700
Total	**202,238**	**7,201**	**12,739**	**(5,538)**	**196,700**

This provision includes the revaluation of the liability in accordance with current legislation. The uses recorded in the period are related to advances paid to employees on termination of employment. The portion of cost shown in the financial statements (allocation to the termination indemnities recorded under item B9 c) of the income statement) includes the accrual for employee termination indemnities held by the company, while the payments made to the INPS Treasury Fund, Previndai and Fondo Cometa or to supplementary pension funds, if chosen by employees, are reclassified to item B9 e) of the income statement.

Payables

Payables total € 14,728,681 at 31 March 2024.
Pursuant to art. 12, para. 2, of Decree 139/2015, the company elected to measure payables using the amortised cost method. This election was made on a prospective basis and, therefore, only applies to eligible payables that have arisen subsequent to 1 April 2016.

Changes and maturities of payables

The following table shows the changes in payables and any information on their maturities.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Due to banks	1,950,324	(599,971)	1,350,353	600,086	750,267
Advances	-	47,000	47,000	47,000	-
Trade payables	14,155,856	(2,585,921)	11,569,935	11,569,935	-
Payables due to parent companies	318,800	(158,620)	160,180	160,180	-
Payables due to fellow subsidiaries	104,794	(85,044)	19,750	19,750	-
Tax payables	132,916	119,551	252,467	252,467	-
Due to pension and social security institutions	154,472	74,065	228,537	228,537	-
Other payables	1,030,794	69,665	1,100,459	1,100,459	-
Total	**17,847,956**	**(3,119,275)**	**14,728,681**	**13,978,414**	**750,267**

The amounts due to banks include both the short-term portion (€600,086) and the long-term portion (€750,267) of the loan taken out during previous years from Unicredit Banca for a total of €3,000,000.

Bank	Initial amount paid	Arrangement date and duration in years	Residual balance at 31/03/2024	Within one year	Beyond one year
UNICREDIT [2021] (*)	3,000,000	07/05/2021 - 5 years	1,350,353	600,086	750,267
Amortised cost adjustment	-	-	-	-	-
Total	**3,000,000**		**1,350,353**	**600,086**	**750,267**

(*) the payable relates to a contract stipulated with an MCC guarantee

Advances (€ 47,000 at 31 March 2024) mainly includes advance payments received from customers.

Trade payables (€11,569,935 at 31 March 2024) posted a significant decrease compared with the previous year, linked among other things to the presence at the end of last year of payables relating to significant investments made at the end of the year 2022-23.

Payables due to parent companies (€160,180 at 31 March 2024) relate mainly to trade payables for administrative, financial services and support provided by the parent company Endurance Overseas S.r.l. to Group companies (based on specific service agreements), which are settled on an arm's length basis.

Payables due to fellow subsidiaries (€19,750 at 31 March 2024) include trade payables to Endurance S.p.A.

Tax payables, €252,467, refer for € 92,843 to withholdings due for various reasons on staff payroll and self-employed fees, for €137,680 to VAT due for the period and the rest to miscellaneous tax payables.

Other payables totalling € 1,100,459 principally include amounts due to employees for payroll and related accruals (€ 1,090,526) and other amounts due.

Breakdown of payables by geographical area

It is not meaningful to analyse payables by geographical area, as most of them are due to domestic suppliers and counterparties.

Debt secured by collateral on company assets

Pursuant to paragraph 1.6 of art. 2427 of the Italian Civil Code, we can confirm that there is no debt secured by collateral.

Loans from shareholders

The company has not received any loans from its shareholders.

Accrued expenses and deferred income

The following table shows the changes in accrued expenses and deferred income.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Accrued expenses	21,986	(6,441)	15,545
Deferred income	704,647	1,022,276	1,726,923
Total accrued expenses and deferred income	**726,633**	**1,015,835**	**1,742,468**

Deferred income relates entirely to operating grants and income linked to investments in new capital assets that will accrue in future years.

Explanatory notes - income statement

The income statement reports the results for the year. This statement presents the results of operations by summarising the positive and negative components of income that contributed to them. These positive and negative components of income, recognised pursuant to art. 2425-bis of the Italian Civil Code, can be broken down into the following categories: core business, ancillary activities and financial activities. Core business activities include the components of income that were generated from continuing operations in the principal sector, and which identify and distinguish the economic activities carried out by the company in the pursuit of its corporate objectives. Financial activities comprise those operations that generate financial income and expense.
Ancillary activities comprise those residual operations that generate income in the ordinary course of business that cannot be classified as financial or core business activities.

Value of production

The value of production in 2023-2024 is analysed below with comparative figures:

Description	FY 2023/2024	FY 2022-2023	Change
Revenues from sales of goods and services	40,425,714	39,739,598	686,116
Change in inventories of work in progress, semi-finished and finished products	(207,639)	1,081,353	(1,288,992)
Other income and revenues			
Operating grants	222,425	1,534,669	(1,312,244)
Other	240,337	200,210	40,127
Total	**40,680,837**	**42,555,830**	**(1,874,993)**

The value of production as a whole posted a decrease on the previous year of approximately 4%. In detail, note that while core business revenues saw an increase of approximately 2%, the decreases refer to the change in inventories of semi-finished and finished products and, above all, to the decline in operating grants during the year which in the previous year included the contra-entry of tax credits that were not confirmed for the current year, as a support measure for gas-intensive and energy-intensive companies to cope with the rise in energy costs.

Cost of production

The following table provides a breakdown of production cost with comparative figures from the previous year:

Description	FY 2023/2024	FY 2022-2023	Change
Cost of raw and ancillary materials, consumables and goods for resale	19,553,051	20,290,416	(737,365)
Cost of services	13,768,206	13,877,548	(109,342)
Lease and rental charges	597,882	599,393	(1,511)
Payroll costs			
Wages and salaries	3,585,034	3,578,709	6,325
Social contributions	1,020,544	991,407	29,137
Employee termination indemnities	47,496	55,869	(8,373)
Other costs	169,501	166,718	2,783
Amortisation of intangible assets	1,230	1,230	-
Depreciation of tangible assets	954,234	664,632	289,602
Write-down of receivables included in current assets	17,316	17,316	-
Change in inventory of raw and ancillary materials, consumables and goods	(145,657)	(644,531)	498,874
Other operating expenses	194,338	215,665	(21,327)
Total	**39,763,175**	**39,814,372**	**(51,197)**

Production costs as a proportion of the value of production appear to be increasing compared with the previous year, particularly with regard to the purchase costs of raw materials.

Payroll costs include the entire expense for employees including the effects of merit bonuses, promotions, unused holidays and provisions for legal and collective labour agreements. It also includes the cost of temporary workers (around € 0.45 million), except for the fees paid to the interim employment agencies which have been charged to income statement line B7.
Depreciation and amortisation saw an increase due to the capital investments made the previous year and during the current one, while other operating costs fell due to a decrease in charges of a qualitative nature compared with the previous year.

Financial income and charges

Financial income and charges are recorded on an accruals basis.
Financial income, equal to €95,468, refers (for €95,090) to the remuneration received from Endurance Overseas Srl on positive balances on the cash pooling account and bank interest for the balance.
Financial charges (€ 148,605) mainly relate to the financing of working capital and interest paid on the outstanding loan.

Amount and nature of revenues/costs of individual significance

During the year, no revenues or other positive components deriving from exceptional events were recorded. No costs deriving from exceptional events were recorded during the year.

Income taxes for the year, current and deferred

The company has accrued for taxation for the year based on the application of tax legislation in force. The tax charge for the year consists of current taxation, as resulting from the tax returns, of deferred taxation relating to positive or negative components of income, taxable or deductible, respectively, in fiscal years that differ from the year in which the item is booked for statutory reporting purposes.
The composition of taxation for the year split between current taxation and the deferred tax asset item is provided in the following table:

	FY 2023/2024	FY 2022-2023
Income taxes	**156,950**	**59,961**
Current taxation		
of which: IRES for the year (current)	-	-
of which: IRAP for the year (current)	90,031	92,850
of which: Taxation relating to prior years	2,618	-
Deferred taxation	64,301	(32,889)

Recognition of deferred tax assets and liabilities and their impact

	IRES	IRAP
A) Temporary differences		
Total deductible temporary differences	267,921	-
Net temporary differences	(267,921)	-
B) Tax effects		
Provision for deferred tax liabilities (assets) at the beginning of the year	(576,312)	(51,276)
Deferred tax liabilities (assets) of the year	64,301	-
Provision for deferred tax liabilities (assets) at the end of the year	(512,011)	(51,276)

Deferred tax assets and liabilities have been calculated using the following rates, which are expected to be in force during the years when it is reckoned that the temporary differences will reverse (IRES at 24% and IRAP at 3.9%).
The balance of deferred tax assets and liabilities shown in the table reflects the reversal of deferred tax assets and liabilities recognised in prior years.
Specifically, for IRES purposes, the following entries have been made: i) a provision for deferred tax liabilities relating to the difference between the depreciation and amortisation rates used for accounting purposes and those applied for tax purposes. i) the release of deferred tax assets set aside previously in connection with labour disputes iii) the release of deferred tax assets on tax losses set aside in previous years.
As far as IRAP is concerned, there were no changes in deferred taxation for this tax in the year under review.

Explanatory notes - other information

The additional disclosures required by the Italian Civil Code are presented below.

Employment data

The following table sets out average employee numbers by labour category computed on the basis of daily averages. Note that the following table does not consider the workers at the unit on secondment from subsidiaries in the administrative department.

	Executives	White collar	Blue collar	Total employees
Average number	1	17	52	69

The workforce at 31 March 2024 (only company employees) consists of 70 people.

Fees, advances and loans granted to directors and statutory auditors and commitments accepted on their behalf

The following table sets out the information required by art. 2427, no. 16 of the Civil Code.

Amount of fees, advances and loans granted to directors and statutory auditors and commitments undertaken on their behalf

	Directors	Statutory Auditors
Fees	88,015	33,386

Directors' and statutory auditors' fees are shown gross of social security contributions.

Fees of the independent auditor or firm of auditors

As required by art. 2427 c.c., the following table analyses the total fees earned by the legal auditor (or firm of legal auditors) for the legal audit of the annual financial statements, the total fees earned for other auditing services, the total fees earned for tax advisory services and the total fees earned for other non-audit services.

	Independent audit of the annual financial statements	Other non-audit services	Total fees earned by the independent auditor or firm of auditors
Amount	12,000	1,000	13,000

Deloitte & Touche S.p.A. has been engaged to perform the independent audit. The costs for auditing the annual accounts also include the fees for checking that the books of account have been kept regularly, while the other services performed refer to activities required prior to signing the tax return.

Securities issued by the company

The company has not issued any securities that fall under the provisions of art. 2427, para. 18 of the Civil Code.

Details on other financial instruments issued by the company

The company has not issued any other financial instruments pursuant to art. 2346, para. 6, of the Italian Civil Code.

Commitments, guarantees and contingent liabilities not reported in the balance sheet

There are no commitments, guarantees or contingent liabilities that have not been reported in the balance sheet.

Information about capital and loans allocated to a specific business project

Allocation of capital to a specific business project

We can confirm that, at the balance sheet date, there has been no allocation of capital to a specific business project as per no. 20 of art. 2427 of the Italian Civil Code.

Loans for a specific business project

We can confirm that, at the balance sheet date, there are no loans provided for a specific business project as per no. 21 of art. 2427 of the Italian Civil Code.

Information about related-party transactions

Transactions were carried out with related parties during the year; these transactions were entered into on an arm's length basis and, accordingly, in accordance with current legislation, no additional disclosure has been provided.

Information about off-balance sheet agreements

No off-balance sheet agreements were entered into in the year.

Information about significant events arising subsequent to the reporting date

Pursuant to point 22-quater of art. 2427 c.c., it is confirmed that no events with a significant effect on the economic and financial position have occurred subsequent to the reporting date.

It is worth mentioning that the company does not operate directly on either the Russian or the Ukrainian market, so it is not suffering direct consequences from the war, except for the impact of the increase in cost of raw materials, including energy and gas, like everyone else. The company has endeavoured to mitigate them wherever possible.

Companies that prepare consolidated financial statements for the larger/smaller group of companies to which the company belongs as a subsidiary

The following information is provided about the companies that prepare consolidated financial statements for the larger/smaller group of companies to which the company belongs as a subsidiary:

	Larger group	Smaller group
Company name	Endurance Technologies Limited (*)	Endurance Overseas S.r.l.
Town (if in Italy) or foreign State	Aurangabad (India)	Lombardore (Turin)
Tax code (Italian companies)	-	05754620960
Place where the consolidated financial statements are filed	Registered office: Aurangabad (India) India Stock Exchange: NSE and BSE	Registered office: Lombardore (Turin) Turin Chamber of Commerce

(*) Endurance Technologies Limited, the parent company, is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Information about derivatives pursuant to art. 2427-bis of the Italian Civil Code

We can confirm that the company is not party to any derivatives.

Summary financial statements of the company which exercises management control and coordination

The company is subject to management control and coordination by its indirect parent company, Endurance Technologies Limited, with registered offices at E-92, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India, which directly and indirectly owns the entire share capital of the company.
The following amounts taken from the latest approved financial statements of Endurance Technologies Limited are stated in millions of Indian Rupees. For the sake of clarity, the Rupee/Euro exchange rate at 31 March 2023 was 89.3995 (84.134 on 31 March 2022) - (source: European Central Bank):

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Assets		
Non-current assets		
Fixed assets, net	18,078.08	16,541.36
Investments and other non-current assets	5,746.01	4,188.14
Current assets	17,266.36	16,663.90
Assets held for sale	-	-
Total assets	**41,090.45**	**37,393.40**

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Liabilities and shareholder's equity		
Shareholders equity	**33,309.41**	**30,068.48**
Non-current liabilities		
Non-current financial liabilities	78.72	19.67
Other non-current liabilities	301.04	368.16
Current liabilities		
Current financial liabilities	6,233.75	5,981.66
Other current liabilities	1,167.53	955.43
Total liabilities and shareholders' equity	**41,090.45**	**37,393.40**

Income statement	Year ended 31/03/2023	Year ended 31/03/2022
Revenues	**67,957.07**	**57,214.81**
Operating costs	59,882.73	49,684.29
Depreciation and amortisation	2,407.08	2,037.38
Financial charges	42.70	18.20
Non-recurring income/(expense)	(102.85)	(314.50)
Income before tax	**5,521.71**	**5,160.44**
Taxation for the year (current and deferred)	1,432.54	1,343.01
Net income (loss) for the year	**4,089.17**	**3,817.43**
OCI - Other comprehensive income	30.90	12.46
Total statement of comprehensive income	**4,120.07**	**3,829.89**

The following section describes relations with the company that provides management control and coordination services and with the other affiliates, as well as the effect of those activities on the operations of the company and its results.

Information pursuant to art. 1, paragraph 125, of Law 124 of 4 August 2017

In relation to the provisions of art. 1, paragraph 125-bis, of Law 124/2017, regarding the obligation to disclose in the notes any sums of money received during the financial year by way of subsidies, advantages, contributions or aid, in cash or in kind, not having a general nature and having no consideration, remuneration or compensation of any kind, by public administrations and by the subjects referred to in paragraph 125-bis of the same article, the company certifies that they are recorded in the National Register of State Aid.

Proposed allocation of profits or coverage of losses

Shareholders,
In light of the matters explained above, the Board of Directors proposes to allocate the net income for the year of € 707,575 to retained earnings.

Explanatory notes - closing section

To the Shareholders,
We confirm that these financial statements, which comprise the balance sheet, income statement, statement of cash flows and explanatory notes, give a true and fair view of the Company's financial position and results for the year and agree with the books of account. We therefore invite you to approve the draft financial statements for the year ended 31/03/2024, together with the proposed allocation of net income, as submitted by the Board of Directors.
The financial statements are true and fair and agree with the accounting records.

Bione, 10 May 2024

For the Board of Directors

The Managing Director

Samuele Gabutto

ENDURANCE CASTINGS SPA

Company with sole shareholder:

Head office: VIA CONCA D'ORO 14 - 14/A BIONE (BRESCIA)

Tax Code and Brescia Companies Register no. 00293110177

BRESCIA Chamber of Commerce (REA) no. 55600

Share capital: € 900,000.00 subscribed and fully paid

VAT Number: 00551150980

Management control and coordination: ENDURANCE TECHNOLOGIES LIMITED

Report of the Board of Statutory Auditors

Financial statements at 31/03/2024

Pursuant to the current articles of association, the Board of Statutory Auditors has been assigned the task of administrative supervision, while the independent audit was assigned to Deloitte & Touche S.p.a. by the Shareholders' Meeting of 20/06/2023. Accordingly, this report only explains the supervisory work that we performed in accordance with the law.

Report to the Shareholder's Meeting pursuant to art. 2429, para. 2 of the Italian Civil Code - Administrative supervision

During the course of the financial year ended 31/03/2024, our activities were performed in compliance with applicable legislation and the principles of conduct for the Board of Statutory Auditors issued by the Italian Accounting Profession (as represented by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

Activities carried out by the Board of Statutory Auditors during the year ended 31/03/2024

We supervised compliance with the law, with the articles of association and with principles of proper administration.

We attended Shareholders' Meetings and Board Meetings, in respect of which, based on information made available, no matters came to our attention to indicate that there had been any infringements of the law or of the articles of

association, nor transactions which were clearly imprudent, risky, likely to give rise to a conflict of interest or such as to compromise the integrity of the company's assets.
We acquired information from the directors on the status of capital transactions, with respect to which we have no particular observations to make.
We obtained information from the directors on the company's performance and the likely outlook, as well as on the most significant transactions, in terms of size or characteristics, entered into by the company and by its subsidiaries and, based on the information obtained, we have no particular findings to report.
We met with the independent auditors and, with reference to those meetings, no significant information or data emerged that should be disclosed in this report.
We gained knowledge on and supervised, within the scope of our duties, the adequacy of and the operations of the company's organisational structure by obtaining information from function heads, with respect to which we have no particular findings to report.
We gained knowledge on and supervised, within the scope of our duties, the adequacy of and the operations of the company's administrative-accounting system, as well as on the reliability of the latter in correctly presenting the results of operations, by obtaining information from function heads, from the independent auditors and from an examination of corporate documents, and, with respect thereto, we have no particular findings to report.
No complaints were presented to us as per Art. 2408 of the Italian Civil Code.
During the course of the year, we did not issue any opinions required by law.
During the course of our supervisory activities, as described above, no other significant matters arose that are worthy of inclusion in this report.

This report therefore summarises our activity with regard to the requirements of art. 2429, para. 2 of the Italian Civil Code, namely information on:

- the results for the financial year;
- the work performed in fulfilment of our legal duties; the observations and proposals regarding the financial statements, with particular regard to any use made by the administrative body of the exception permitted by art. 2423, para. 5 of the Italian Civil Code;

In any case, we are at your complete disposal to examine any other aspects during the Shareholders' Meeting.
The work performed by us covered the entire financial year and regular meetings were held during the year pursuant to art. 2404 of the Italian Civil Code.
During our periodic checks, we gained knowledge on how the Company's activities were evolving, paying particular attention to contingent problems in order to identify the economic and financial impact on the result for the year and on the balance sheet, as well as any risks.
Minutes were drawn up of these meetings and duly signed for unanimous approval.

Supervisory activities pursuant to art. 2403 et seq. of the Civil Code

The draft financial statements for the year ended 31/03/2024, provided to us for our examination by the Board of Directors pursuant to art. 2429 of the Italian Civil Code, have been prepared in accordance with the requirements of Legislative Decree no. 127/91 and consist of:

- Balance sheet
- Income Statement
- Statement of cash flows
- Explanatory notes

The result for the year is net income of € 707,575, as may be seen from the summary figures provided below.

Balance sheet

Description	FY 2023/2024	FY 2022-2023	Difference
FIXED ASSETS	8,805,949	8,011,502	794,447
CURRENT ASSETS	22,756,100	24,880,399	(2,124,299)
ACCRUED INCOME AND PREPAID EXPENSES	25,519	195,218	(169,699)
TOTAL ASSETS	31,587,568	33,087,119	(1,499,551)

Description	FY 2023/2024	FY 2022-2023	Difference
SHAREHOLDERS' EQUITY	13,565,182	12,857,608	707,574
PROVISION FOR RISKS AND CHARGES	1,354,537	1,452,684	(98,147)
PROVISION FOR EMPLOYEE TERMINATION INDEMNITIES	196,700	202,238	(5,538)
PAYABLES	14,728,681	17,847,956	(3,119,275)
ACCRUED EXPENSES AND DEFERRED INCOME	1,742,468	726,633	1,015,835
TOTAL LIABILITIES AND EQUITY	31,587,568	33,087,119	(1,499,551)

Income Statement

Description	FY 2023/2024	FY 2022-2023	Difference
VALUE OF PRODUCTION	40,680,837	42,555,830	(1,874,993)
REVENUES FROM SALES OF GOODS AND SERVICES	40,425,714	39,739,598	686,116
PRODUCTION COST	39,763,175	39,814,372	(51,197)
DIFFERENCE BETWEEN PRODUCTION VALUE AND COST (A - B)	917,662	2,741,458	(1,823,796)
Income (loss) before taxes (A-B+-C+-D)	864,525	2,767,006	(1,902,481)
INCOME TAXES FOR THE YEAR, CURRENT AND DEFERRED	156,950	59,961	96,989
NET INCOME (LOSS) FOR THE YEAR	707,575	2,707,045	(1,999,470)

We have examined the draft financial statements for the year ended 31/03/2024, including the Report on Operations, in relation to which we point out the following.

Due to the fact that we were not appointed as independent auditors of the financial statements, we have limited ourselves to monitoring the overall approach to their preparation and their general compliance with the law as regards their format and structure and we do not have any particular observations to make in this regard.

More precisely, we note that:

- The accounting policies used in preparing the financial statements at 31/03/2024 comply with the Italian Civil Code as amended by Decree Law 139/2015;
- the Directors have provided information on the Company's performance and on the outlook for operations;
- the balance sheet and income statement formats adopted by the Company comply with articles 2424, 2424-bis, 2425 and 2425-bis of the Italian Civil Code;

We have verified compliance with the law regarding the structure of the directors' report on operations and we do not have any particular observations to make thereon. As far as we are aware, in the preparation of the financial statements, there was no failure by the directors to comply with the law pursuant to paragraph 5 of Art. 2423 para. 5 of the Italian Civil Code.

Result for the year

The net result ascertained by the Directors for the year ended 31/03/2024, as shown in the financial statements, is positive for € 707,575. We do not have any observations to make on the allocation of the net result for the year proposed by the Directors.

Conclusion

Considering the results of the work performed by the independent auditors, as explained in their unqualified audit report, issued without any emphasis of matter on 14/05/2024, we unanimously believe that there are no impediments to approval at the Shareholder's Meeting of the draft annual financial statements at 31/03/2024, as prepared and presented by the Directors.

Milan, 14/05/2024

The Board of Statutory Auditors

Fulvio Mastrangelo

Massimo Carera

Mattia Doria

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Sole Shareholder of
Endurance Castings S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Endurance Castings S.p.A. (the "Company"), which comprise the balance sheet as at March 31, 2024, the statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Pursuant to art. 2497-bis, first paragraph, of the Italian Civil Code, Endurance Castings S.p.A. has disclosed that it is subject to management and coordination of its activities by Endurance Technologies Limited (India) and, therefore, has indicated in the notes to the financial statements the key financial data from the most recent financial statements of such company. Our opinion on the financial statements of Endurance Castings S.p.A. does not extend to such data.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian law governing financial statements, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e) of Legislative Decree 39/10

The Directors of Endurance Castings S.p.A. are responsible for the preparation of the report on operations of the Company as at March 31, 2024, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of the Company as at March 31, 2024 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the financial statements of Endurance Castings S.p.A. as at March 31, 2024 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
May 14, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

ENDURANCE ADLER SPA

Head office: VIA DI VITTORIO, 20/22 ROVERETO (TN)

Trento Companies Register of the Trento Chamber of Commerce, Tax Code, and registration No. 00106120223

Trento Business Register (REA) no.TN 53464

Share capital: €840,000.00 subscribed and fully paid

VAT number: 00106120223

Sole shareholder company

Management control and coordination: ENDURANCE TECHNOLOGIES LIMITED

Report on operations

Financial statements at 31/03/2024

Shareholders,
The explanatory notes provide disclosures on the financial statements for the year ended 31/03/2024; this document provides information on the Company's situation and performance in compliance with art. 2428 of the Italian Civil Code. The report, prepared with amounts shown in Euros, is presented as an accompaniment to the financial statements and provides information on the Company's earnings, financial position and operations, together, where possible, with historical facts and an indication of the future outlook.

Matters concerning the economy in general and the results of operations

The general economic situation is still heavily conditioned by the persistently high inflationary pressures which have induced the main Central Banks to keep interest rates high. Although the prices of energy factors (electricity and gas) have fallen considerably compared with the average levels for the last two years, inflation continues to remain high and, in any case, higher than the targets set by the Central Banks. International tensions continue to be an obstacle for supply chains, favouring the maintenance of commodity prices above historical averages (even if, in many cases, they are below the highs of the previous two years).
The substantial budget deficits financed by higher government debt, subsequently monetised, have fuelled the injection of liquidity into the various economic systems, but without generating significant economic growth in Europe.

According to the figures released by the International Monetary Fund (IMF), world economy growth in 2023 was 3.2%, but that of the Eurozone was only 0.4%. Germany was in moderate recession (-0.3%), Italy and France in moderate growth (+0.9%) with Spain at +2.5%. Outside of the Eurozone, the United States grew by 2.5%, Japan by 1.9%, China by 5.2% and India by 7.8%.

For 2024, the International Monetary Fund forecasts world economic growth of 3.2%, which drops to 2.7% for the USA and 0.8% for the Eurozone (including +0.2% for Germany and +0.7% for France and Italy).

In the calendar year 2023, the motorcycle market showed a very positive trend with growth of +10.5% after a flat prior year (+0.1%). New registrations reached 1,049,898 compared with 950,400 the previous year. The situation by country shows growth in all of the main countries, including Italy +18%, Spain +13.6%, Germany +7.2% and France +6.9%.

The positive performance by the of reference sector and the reduction in energy prices, which fell significantly for the material component compared with 2023 (electricity -60% and gas -69%), allowed the Company to boost its results. It is worth remembering, however, that despite the reductions compared with the peaks of previous years, prices have nevertheless levelled off, impacting performance, at levels that are significantly higher than in the past, with electricity on average 150%, and gas 180%, more expensive than before the crisis. Nonetheless, with the measures put in place, it was possible for the Company to achieve an overall positive results, which are also improving compared with the previous year.

Management control and coordination activities

Pursuant to para. 5 of art. 2497-bis of the Italian Civil Code, it is confirmed that the Company belongs to the ENDURANCE Group (India) and is subject to management and coordination by ENDURANCE TECHNOLOGIES LIMITED (India), whose shares have been listed on the National Stock Exchange of India (NSE) and the Bombay Stock Exchange (BSE) since October 2016.

The management control and coordination activities carried out have not had any particular impact on the Company's activities or its results. We can also confirm that no decisions were made under the influence of the Company that performs the management control and coordination activities, that might require an indication of the reasons and interests affecting them.

Financial position

A reclassified balance sheet is provided below to facilitate a better understanding of the Company's financial position.

Balance Sheet - Assets

Item	FY 2024	%	FY 2023	%	Change	% Change
WORKING CAPITAL	**5,516,135**	**49.58%**	**5,383,781**	**42.92%**	**132,354**	**2.46%**
Immediate liquidity	**2,040,207**	**18.34%**	**1,200,883**	**9.57%**	**839,324**	**69.89%**
Cash and cash equivalents	2,040,207	18.34%	1,200,883	9.57%	839,324	69.89%
Deferred liquidity	**2,217,066**	**19.93%**	**2,231,507**	**17.79%**	**(14,441)**	**(0.65%)**
Current receivables included in working capital	1,847,093	16.60%	1,814,900	14.47%	32,193	1.77%
Financial assets	323,349	2.91%	366,776	2.92%	(43,427)	(11.84%)
Accrued income and prepaid expenses	46,624	0.42%	49,831	-	(3,207)	(6.44%)
Inventories	1,258,862	11.31%	1,951,391	0.40%	(692,529)	(35.49%)
FIXED ASSETS	**5,609,989**	**50.42%**	**7,160,137**	**15.56%**	**(1,550,148)**	**(21.65%)**
Intangible assets	1,207,860	10.86%	1,758,160	57.08%	(550,300)	(31.30%)
Tangible fixed assets	3,450,981	31.02%	3,742,351	14.02%	(291,370)	(7.79%)
Long-term financial assets	22	0.00%	22	29.83%	-	-
Non-current portion of receivables included in working capital	951,126	8.55%	1,659,604	0.00%	(708,478)	(42.69%)
CAPITAL EMPLOYED	**11,126,124**	**100.00%**	**12,543,918**	**100.00%**	**(1,417,794)**	**(11.30%)**

Balance Sheet - Liabilities and Equity

Item	FY 2024	%	FY 2023	%	Change	% Change
MINORITY INTEREST	**5,023,565**	**45.15%**	**6,860,879**	**54.69%**	**(1,837,314)**	**(26.78%)**
Current liabilities	**4,529,812**	**40.71%**	**5,093,301**	**40.60%**	**(563,489)**	**(11.06%)**
Current payables	2,852,528	25.64%	3,426,708	27.32%	(574,180)	(16.76%)
Accrued expenses and deferred income	1,677,284	15.08%	1,666,593	13.29%	10,691	0.64%
Non-current liabilities	**493,753**	**4.44%**	**1,767,578**	**14.09%**	**(1,273,825)**	**(72.07%)**
Accrued expenses and deferred income - non-current	-	-	1,162,500	9.27%	(1,162,500)	(100.00%)
Provision for risks and charges	320,682	2.88%	423,564	3.38%	(102,882)	(24.29%)
Employee termination indemnities	173,071	1.56%	181,514	1.45%	(8,443)	(4.65%)
EQUITY	**6,102,559**	**54.85%**	**5,683,039**	**45.31%**	**419,520**	**7.38%**
Share capital	840,000	7.55%	840,000	6.70 %	-	-
Reserves	6,767,457	60.82%	6,599,457	52.61 %	168,000	2.55%
Retained earnings (accumulated losses)	(1,924,418)	(17.30%)	(1,938,170)	(15.45) %	13,752	(0.71%)
Net income (loss) for the year	419,520	3.77%	181,752	1.45 %	237,768	130.82%
SOURCES OF FINANCE	**11,126,124**	**100.00%**	**12,543,918**	**100.00 %**	**(1,417,794)**	**(11.30%)**

Key indicators of financial position

On the basis of the above reclassification, the following economic indicators have been determined:

RATIO	FY 2024	FY 2023	% Change
Fixed asset coverage	130.99%	103.32%	26.78%
Debt ratio	0.82	1.21	-31.81%
Financial debt ratio	0.10	0.03	244.81%
Equity/Capital employed	54.85%	45.31%	21.07%
Financial charges/Turnover	0.09%	0.71%	-87.92%
Current ratio	138.04%	92.36%	49.47%
Fixed assets/Equity	1,443,696	182,506	691.04%
Primary coverage ratio	1.31	1.03	26.78%
(Equity + non current liabilities) - fixed assets	1,937,449	787,584	146.00%
Secondary coverage ratio	1.42	1.14	23.85%
Net working capital	1,723,150	(478,242)	-460.31%
Acid test margin	464,288	(2,429,633)	-119.11%
Acid test ratio	110.25%	61.16%	80.26%

Results

A reclassified income statement is provided below to facilitate a better understanding of the Company's results.

Income Statement

Item	FY 2023/2024	%	FY 2022-2023	%	Change	% Change
VALUE OF PRODUCTION	**9,409,433**	**100.00%**	**11,215,041**	**100.00%**	**(1,805,608)**	**(16.10%)**
- Consumption of raw materials	3,574,812	37.99%	4,473,563	39.89%	(898,751)	(20.09%)
- General expenses	2,556,432	27.17%	3,119,174	27.81%	(562,742)	(18.04%)
VALUE ADDED	**3,278,189**	**34.84%**	**3,622,304**	**32.30%**	**(344,115)**	**(9.50%)**
- Payroll costs	1,685,742	17.92%	1,987,761	17.72%	(302,019)	(15.19%)
- Provisions	-	-	-	-	-	-
GROSS OPERATING MARGIN	**1,592,447**	**16.92%**	**1,634,543**	**14.57%**	**(42,096)**	**(2.58%)**
- Depreciation, amortisation and writedowns	979,248	10.41%	1,305,578	11.64%	(326,330)	(25.00%)
- Other operating expenses	65,954	0.70%	43,430	0.39%	22,524	51.86%
INCOME BEFORE FINANCIAL ITEMS (EBIT)	**547,245**	**5.82%**	**285,535**	**2.55%**	**261,710**	**91.66%**
+ Financial items	28,658	0.30%	(31,883)	(0.28%)	60,541	(189.88%)
INCOME BEFORE TAX	**575,903**	**6.12%**	**253,652**	**2.26%**	**322,251**	**127.04%**
- Taxation	156,383	1.66%	71,900	0.64%	84,483	117.50%
NET INCOME	**419,520**	**4.46%**	**181,752**	**1.62%**	**237,768**	**130.82%**
EBITDA	**1,526,493**	**16.22%**	**1,591,113**	**14.19%**	**(64,620)**	**(4.06%)**

Key performance indicators

On the basis of the above reclassification, the following economic indicators have been determined:

RATIO	FY 2023/2024	FY 2022/2023	% Change
R.O.E.	6.87%	3.20%	114.95%
R.O.I.	14.64%	6.94%	110.95%
R.O.S.	5.55%	2.65%	109.33%
R.O.A.	4.92%	2.28%	116.08%

Information required by art. 2428 of the Civil Code

The detailed information specifically required by art. 2428 of the Italian Civil Code is presented below.

Main risks and uncertainties that the Company is exposed to

As required by the first paragraph of Art. 2428 of the Italian Civil Code, set out below is a description of the main risks and uncertainties to which the Company is exposed:

RISKS RELATED TO THE GENERAL STATE OF THE ECONOMY: the Company's results are influenced by trends in the national and international economy.
Developments regarding GDP, the cost of raw materials, the unemployment rate, interest rates and the level of confidence shown by consumers and businesses can condition the sales performance of end customers and, thus, the Company's sales performance.
There are also further elements of uncertainty linked to geopolitical tensions, in particular due to the current crisis between Russia and Ukraine, as well as the possible emergence of new variants of Covid-19. The persistence of international sanctions has also continued to fuel uncertainties about the trend in prices for energy commodities (which settled at levels much higher than the historical reference levels prior to the pandemic and international market crises), raw materials (especially metals) and agricultural produce with repercussions on consumer prices and growth prospects for the Eurozone. These elements of uncertainty could alter normal market dynamics and, more generally, business operating conditions, with the risk of undermining the reliability of the growth forecasts for the Eurozone in the near future. These elements of uncertainty could lead to an alteration of normal market dynamics and, more generally, of business conditions.

RISKS RELATED TO THE SECTOR IN WHICH THE COMPANY OPERATES: the sector of metal parts components for the two-wheeler sector in which the Company operates is characterized by fierce competition also in relation to the trend in sales volumes on the motorcycle market. As much as the Company has taken action deemed necessary

to improve its level of flexibility, a significant fall in end customers' needs and consequent further pressure on prices caused by heated competition could adversely impact the Company's results and financial position.
What was mentioned previously with regard to the ability to recover from the negative impacts of the pandemic, geopolitical conflicts and the effectiveness of the tools made available to the various economies, will undoubtedly have repercussions on the company's business in relation to the customers' propensity to buy in the automotive market, as well as in consideration of the possible impacts on the mobility habits that consumers will adopt in the near future as a result of current technological transitions and changes in behaviour caused by the pandemic.

RISKS RELATED TO THE ABILITY TO CREATE INNOVATIVE PRODUCTS: the two-wheeler market components sector is characterised by continuous product development needed to satisfy product performance required by car manufacturers and by environmental legislation (governing emissions).
Furthermore, the sector's technological updating in terms of market redistribution with respect to propulsion alternatives (internal combustion, hybrid, electric or alternative) determines and will continue to determine an increase in the centrality of the ability to innovate and undertake diversification initiatives by the supply chain as a distinctive element for market competitiveness.
Future investment by the Company will seek to increase the portfolio of products and diversify the types of production - according to the lines of development that are currently applicable in our sector - thereby increasing our ability to meet the needs of our customers. Any failure to follow (or in certain cases anticipate) the development of products and to meet needs in terms of price, quality and functionality imposed by end customers could adversely affect the Company's prospects.

FINANCIAL RISKS: The Company is exposed to the following financial risks in the conduct of its operations:
- credit risks in relation to normal commercial transactions with customers;
- liquidity risks, with particular reference to the availability of financial resources and access to the market for credit and financial instruments in general;
- market risk, mainly relating to changes in interest rates and, to a lesser extent, exchange rates.

The Company constantly monitors the financial risks that it is exposed to, in order to evaluate in advance any potential negative effects and to take appropriate action to mitigate them.

<u>Credit risk</u>
Given the nature of its industrial activities - the production of car components for motorcycles - the Company's receivables are structurally concentrated since customers comprise a limited number of industrial groups. The integration of the company within the Endurance Group makes possible the indirect diversification of customers, by supplying other group companies with unfinished components for the manufacture of products that are then supplied to multiple end customers.
The Company monitors receivables constantly and regularly adjusts the related allowances for collection risks.

Liquidity risks

The two main factors that determine the Company's liquidity position are, on one hand, the resources generated or absorbed by operations and by investments and, on the other hand, the timing of the repayment and renewal of debt and of the liquidity of financial investments.

The Company seeks the most appropriate sources of finance bearing in mind the current and prospective financial position. Any difficulties encountered in obtaining financing needed to meet the needs of current operations and needs relating to investments could negatively impact the Company's results and financial position.

Management believes that funds currently available, the keeping of suitable contacts for access to credit, as well as funds generated from operating activities, will allow the Company to meet the needs of investing activities, of working capital management and for the repayment of debt as it falls due.

Market risk

In the conduct of its activities, the Company is exposed to various market risks, particularly the risk of fluctuations in interest rates and, to a lesser extent, exchange rates.

Risks relating to changes in interest rates

The Company utilises financial resources provided mainly in the form of bank debt and employs the funds to finance operations and investment and development initiatives. The Company can also factor its trade receivables. Changes in market interest rates impact the cost of various types of financing and factoring, which in turn affect the level of the Company's financial charges.

To cope with these risks, the Company strives to maintain a suitable relationship between its financing structure and its capital employed, in line with the opportunities on offer and actual market conditions.

For this purpose, the Company has appropriately structured floating-rate loans with medium/long-term repayment terms, in the presence of favourable conditions (with the aim of managing the current unfavourable conditions and strong volatility of interest rates).

Lastly, where considered appropriate, the Company makes use of interest rate derivatives (interest rate caps) with the aim of hedging the risks described.

Risks relating to changes in exchange rates

The functional currency used by the Company for the majority of its transactions (the Euro) does not currently appear to be subject to significant risks relating to exchange rate fluctuations.

Key non-financial indicators

Pursuant to Art. 2428 of the Italian Civil Code, we can confirm that, due to the specific activities performed and for a better understanding of the Company's results and financial position, it is not considered meaningful to present non-financial indicators.

Information on the environment

The Company dedicates special attention to ensuring that production and operating activities comply with the applicable regulations and international agreements, seeking to introduce and disseminate a culture that continuously improves environmental performance and the safety of products and processes, while also safeguarding personnel and installations.
General training on the environment and safety has been provided, as well as specific job-related safety sessions for employees and managers.

Information on personnel management

The workforce totals 31 employees in the financial year ending on 31/03/2024, while the average during the year was 33.
The main training activities during the twelve months ended 31/03/2024 covered both manufacturing and staff functions, in order to pursue the continuous improvement of production processes and business processes as a whole.

Research and development activities

In accordance with point 1) of the third paragraph of art. 2428 of the Italian Civil Code, we can confirm that development activities were carried out during the year, applied in particular to the product and focused on optimising the performance of the APTC EVO and APTC PLUS clutches, aimed at solving the needs identified in the applications used in the various target markets.
The use of the test bench has enabled both the validation of innovative clutch concepts (reducing their time to market) and the initiation of testing activities for solutions applied to electric 2-wheelers.

Transactions with subsidiaries, associates, parent companies and fellow subsidiaries

With regard to the provisions of paragraph 3.2 of art. 2428 of the Italian Civil Code, we can confirm that the Company does not have any controlling equity investments and, accordingly, has not entered into any transactions with subsidiaries.
As required by OIC 12.130 and art. 2427, para. 1, point 22-bis c.c., it is confirmed that relations with related parties comprise transactions with the parent company and fellow subsidiaries (together referred to as “affiliates”), as summarised below:

Receivables from affiliates classified as current assets

Description	FY 2023/2024	FY 2022-2023	Change
from parent companies	403,569	20,072	383,497
from fellow subsidiaries	11,497	2,778	8,719
Total	*415,066*	*22,850*	*392,216*

Receivables due from the parent company (€403,569 at 31/03/2024) refer to the trade receivables due from Endurance Overseas S.r.l. under the group tax election made pursuant to arts. 117-129 of the Consolidated Income Tax Agreement (€356,206), as well as commercial receivables from the parent company Endurance Technologies Limited (€24,280).
Receivables due from fellow subsidiaries (€11,497 at 31/03/2024) refer to trade receivables from Frenotecnica Srl (€4,966) and New Fren S.r.l. (€6,531).

Payables to and loans from affiliates

Description	FY 2023/2024	FY 2022-2023	Change
due to parent companies	583,629	162,734	420,895
due to fellow subsidiaries	37,043	4,895	32,148
Total	*620,672*	*167,629*	*453,043*

Payables due to the parent company are trade payables due to the direct parent Endurance Overseas S.r.l. (€321,000) and to the indirect parent Endurance Technologies Limited (€262,629).
Payables due to fellow subsidiaries refer to outstanding relationship with l other Group companies; in particular from Endurance Castings S.r.l. (€33,136) NewFren S.r.l. (€547) and Frenotecnica S.r.l. (€3,361).

Treasury shares

Pursuant to Arts. 2435-bis and 2428 of the Italian Civil Code, we can confirm that the Company did not hold any treasury shares at the year end.

Shares/quotas in the parent company

In accordance with paragraphs 3.3 and 3.4 of Art. 2435-bis and Art. 2428 of the Italian Civil Code, it is hereby confirmed that the Company did not hold any shares or quotas in the parent company during the year.

Business outlook

In accordance with art. 2428, paragraph 3, point 6 of the Italian Civil Code, we would like to point out that the results of the first few months of the current year are showing signs of positive prospects compared with the trend recorded during the period just closed.
It is worth mentioning that the Company does not operate directly on either the Russian or the Ukrainian market, so it is not suffering direct consequences from the war, except for the impact of the increase in cost of raw materials, including energy and gas, like everyone else. The Company has endeavoured to mitigate them wherever possible.
Due to the medium-term effects of the loss of purchasing power suffered by the majority of consumers, the reintroduction of public budget constraints in the European Union (after their suspension during the Covid period) and the restoration of maximum ceilings on deficits and the parameters for reducing excessive debt, it is reasonable to presume that high inflation can be definitively eliminated (at least for the domestic portion). This should leave room for a reduction in interest rates, which could in turn encourage private borrowing again as a source of fuel for growth. However, alternative scenarios could be one of recession, if the central banks' intervention is tardy, even one of stagflation if externally generated inflation continues. These are prospects characterised by a high level of uncertainty, difficult to imagine due to the complexities of current phenomena; also due to the conditions that could arise from the implementation of European initiatives of a strategic nature (such as Carbon Neutrality 2050) and the dramatic prolongation of the various wars that afflict the international scene.
For the time being, there is still a general sense of uncertainty which makes it hard to imagine how the various scenarios could affect the fate of the world economy and what the repercussions might be for the automotive sector.
Even though the macroeconomic situation shows various fragilities (trends in the real estate market, consumption, interest rates and inflation), the automotive sector has just been through a year of sustained growth (+10.5% on the previous year) and the forecasts for next year are looking good.
The commercial action carried out by the company during the 2023/2024 financial year was positive. Based on current forecasts and taking into account the above, management is of the opinion that the Company will be able to achieve positive results.

The use of financial instruments that should be taken into account when assessing the results and financial position

In accordance with art. 2428, paragraph 3, point 6-bis of the Civil Code, we can attest that the Company has not undertaken any particular policies of financial risk management, as not considered relevant to the Company's circumstances.

Conclusion

In light of the considerations set out above and of the disclosures made in the notes, we invite the shareholders:

- to approve the financial statements at 31/03/2024 together with the explanatory notes and this report on operations that accompany them;
- to allocate the result for the year in accordance with the proposal made in the explanatory notes.

Rovereto, 12/05/2024

For the Board of Directors

The Managing Director

Silvio Barbieri

General information on the company

Company data

Name:	ENDURANCE ADLER SPA
Registered office:	VIA DI VITTORIO, 20/22 ROVERETO (TN)
Share capital:	840,000.00
Share capital fully paid in:	yes
Chamber of Commerce:	TN
VAT Number:	00106120223
Tax code:	00106120223
REA Number:	53464
Legal form:	JOINT-STOCK COMPANY
Core business (ATECO):	293209
Company in liquidation:	no
Company with sole shareholder:	yes
Company subject to management control and coordination:	yes
Name of the company or entity that exercises management control and coordination:	ENDURANCE TECHNOLOGIES LIMITED
Belonging to a Group:	yes
Name of the parent company:	ENDURANCE OVERSEAS S.R.L.
Country of the parent company:	ITALY
Cooperatives register number:	n/a

Financial statements at 31/03/2024

Balance sheet

	31/03/2024	31/03/2023
Assets		
B) Fixed assets		
I - Intangible assets	-	-
1) Start-up and expansion costs	1,139	2,659
2) Development costs	35,000	65,000
3) Industrial patents and intellectual property rights	401,073	792,206

	31/03/2024	31/03/2023
4) Concessions, licences, trademarks and similar rights	750,847	872,344
6) Assets in process of formation and advance payments	15,400	15,400
7) Other	4,401	10,551
Total intangible assets	*1,207,860*	*1,758,160*
II - Tangible assets	-	-
1) Land and buildings	1,744,747	1,844,419
2) Plant and machinery	1,581,981	1,604,832
3) Industrial and commercial equipment	109,805	182,188
4) Other assets	14,448	34,772
5) Assets under construction and advance payments	-	76,140
Total tangible assets	*3,450,981*	*3,742,351*
III - Long-term financial assets	-	-
1) Equity investments in	-	-
d-bis) other companies	22	22
Total equity investments	*22*	*22*
Total long-term financial assets	*22*	*22*
Total fixed assets (B)	*4,658,863*	*5,500,533*
C) Current assets		
I - Inventories	-	-
1) Raw materials, ancillary materials and consumables	614,859	858,800
2) Work in process and semi-finished products	284,580	579,958
4) Finished products and goods	359,423	512,633
Total inventories	*1,258,862*	*1,951,391*
II - Receivables	-	-
1) from customers	523,115	1,008,703
due within one year	523,115	1,008,703
4) from parent companies	403,569	20,072
due within one year	403,569	20,072
5) from fellow subsidiaries	11,497	2,778
due within one year	11,497	2,778
5-bis) tax receivables	891,259	872,141
due within one year	694,370	872,141
due beyond one year	196,889	-
5-ter) deferred tax assets	736,827	1,249,416

	31/03/2024	31/03/2023
5-quater) due from others	231,952	321,394
due within one year	214,542	304,984
due beyond one year	17,410	16,410
Total receivables	*2,798,219*	*3,474,504*
III - Current financial assets	-	-
Cash pooling assets	323,349	366,776
Total current financial assets	*323,349*	*366,776*
IV - Cash and cash equivalents	-	-
1) Bank and postal deposits	2,037,983	1,198,230
3) Cash on hand	2,224	2,653
Total cash and cash equivalents	*2,040,207*	*1,200,883*
Total current assets (C)	*6,420,637*	*6,993,554*
D) Accrued income and prepaid expenses	**46,624**	**49,831**
Total assets	*11,126,124*	*12,543,918*
Liabilities and shareholders' equity		
A) Shareholders' equity	**6,102,559**	**5,683,039**
I - Share capital	840,000	840,000
II - Share premium reserve	3,599,457	3,599,457
IV - Legal reserve	168,000	-
VI - Other reserves, shown separately	-	-
Extraordinary reserve	3,000,000	3,000,000
Total other reserves	*3,000,000*	*3,000,000*
VIII - Retained earnings (accumulated losses)	(1,924,418)	(1,938,170)
IX - Net income (loss) for the year	419,520	181,752
Total shareholders' equity	6,102,559	5,683,039
B) Provision for risks and charges		
4) other	320,682	423,564
Total provisions for risks and charges	*320,682*	*423,564*
C) Employee termination indemnities	**173,071**	**181,514**
D) PAYABLES		
6) advances	189,952	339,485
due within one year	189,952	339,485
7) trade payables	1,391,497	2,199,428
due within one year	1,391,497	2,199,428

	31/03/2024	31/03/2023
11) due to parent companies	583,629	162,734
due within one year	583,629	162,734
11-bis) due to fellow subsidiaries	37,043	4,895
due within one year	37,043	4,895
12) tax payables	79,603	86,876
due within one year	79,603	86,876
13) due to pension and social security institutions	332,343	333,513
due within one year	332,343	333,513
14) other payables	238,461	299,777
due within one year	238,461	299,777
Total payables	*2,852,528*	*3,426,708*
E) Accrued expenses and deferred income	**1,677,284**	**2,829,093**
Total liabilities and shareholder's equity	*11,126,124*	*12,543,918*

Income statement

	FY 2023/2024	FY 2022/2023
A) Value of production		
1) Revenues from sales of goods and services	9,449,448	10,568,516
2) Change in inventories of work in progress, semi-finished and finished products	(445,345)	451,634
5) Other income and revenues	-	-
Operating grants	147,288	144,398
Other	258,042	50,493
Total other income and revenues	*405,330*	*194,891*
Total value of production	*9,409,433*	*11,215,041*
B) COST OF PRODUCTION		
6) raw and ancillary materials, consumables and goods for resale	3,327,631	4,715,614
7) services	2,484,130	3,064,660
8) lease and rental charges	72,302	54,514
9) payroll	-	-
a) wages and salaries	1,213,616	1,436,247
b) social contributions	368,120	422,812
c) employee termination indemnities	78,344	95,600

	FY 2023/2024	FY 2022/2023
e) other costs	25,662	33,102
Total payroll costs	*1,685,742*	*1,987,761*
10) Depreciation, amortisation and write-downs	-	-
a) amortisation of intangible assets	550,300	973,494
b) depreciation of tangible assets	428,948	332,084
Total depreciation, amortisation and write-downs	*979,248*	*1,305,578*
11) Change in inventory of raw and ancillary materials, consumables and goods	247,183	(242,051)
14) Other operating expenses	65,952	43,430
Total cost of production	*8,862,188*	*10,929,506*
DIFFERENCE BETWEEN PRODUCTION VALUE AND COST (A - B)	**547,245**	**285,535**
C) FINANCIAL INCOME AND CHARGES		
16) Other financial income	-	-
d) Income other than the above	-	-
from parent companies	6,493	-
Other	18,163	36,248
Total income other than the above	*24,656*	*36,248*
Total other financial income	*24,656*	*36,248*
17) Interest and other financial charges	-	-
parent companies	-	73,411
Other	8,141	1,980
Total interest and other financial charges	*8,141*	*75,391*
17-bis) Exchange gains and losses	12,143	7,260
Total financial income and charges (15+16-17+-17-bis)	*28,658*	*(31,883)*
Income (loss) before taxes (A-B+-C+-D)	**575,903**	**253,652**
20) Income taxes for the year, current and deferred		
taxation relating to prior years	-	(1,023)
deferred taxation	512,589	72,589
income (charges) from tax consolidation/tax transparency	356,206	(334)
Total income taxes for the year, current and deferred	*156,383*	*71,900*
21) Net income (loss) for the year	**419,520**	**181,752**

Statement of cash flows (indirect method)

	FY 2003/2024	FY 2022/2023
A) Cash flows from operating activities (indirect method)		
Net income (loss) for the year	419,520	181,752
Taxation	156,383	71,900
Interest expense/(interest income)	(28,658)	31,883
(Gains)/Losses from the disposal of assets	(19,602)	-
1) Income (loss) for the year before income taxes, interest, dividends and gains/losses from disposals	*527,643*	*285,535*
Adjustments for non-cash items that had no contra-entry in net working capital		
Provisions	78,344	95,600
Depreciation and amortisation of fixed assets	979,248	1,305,578
Total adjustments for non-cash items that had no contra-entry in net working capital	*1,057,592*	*1,401,178*
2) Cash flow before changes in net working capital	*1,585,235*	*1,686,713*
Change in net working capital		
Decrease/(Increase) in inventory	692,529	(693,684)
Decrease/(Increase) in trade receivables	456,071	728,594
Increase/(Decrease) in trade payables	(354,888)	891,499
Decrease/(Increase) in accrued income and prepaid expenses	3,207	747
Increase/(Decrease) in accrued expenses and deferred income	(1,151,809)	(696,987)
Other decreases/(Other Increases) in net working capital	(153,967)	(845,893)
Total changes in net working capital	*(508,857)*	*(615,724)*
3) Cash flow after changes in net working capital	*1,076,378*	*1,070,989*
Other adjustments		
Interest collected/(paid)	28,658	(31,883)
(Income taxes paid)	(1,493)	(40,774)
(Use of provisions)	(189,669)	(206,333)
Total other adjustments	*(162,504)*	*(278,990)*
Cash flow from operating activities (A)	***913,874***	***791,999***
B) Cash flows from investing activities		
Tangible assets		
(Additions)	(153,012)	(1,032,474)
Proceeds of disposals	35,035	--
Intangible assets		
(Additions)	-	(3,521)

	FY 2003/2024	FY 2022/2023
Long-term financial assets		
Disposals	-	320,000
Cash flow from investing activities (B)	***(117,977)***	***(715,995)***
C) Cash flows from financing activities		
Third-party funds		
Increase (Decrease) in current bank loans	43,427	563,100
Cash flow from financing activities (C)	***43,427***	***563,100***
Increase (decrease) in cash and cash equivalents (a ± b ± c)	***839,324***	***639,104***
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	1,198,230	560,953
Cash on hand	2,653	826
Total cash and cash equivalents at the beginning of the year	1,200,883	561,779
Cash and cash equivalents at the end of the year		
Bank and postal deposits	2,037,983	1,198,230
Cash on hand	2,224	2,653
Total cash and cash equivalents at the end of the year	2,040,207	1,200,883

Information on the statement of cash flows

The statement of cash flows for the year is presented on a comparative basis in accordance with OIC 10.
This statement was prepared using the indirect method, in order to identify the sources and applications of funds deriving from operating, financing and investing activities.
Note that the item "Increase (decrease) in current bank loans" includes the change in the positive balance of the cash pooling accounts managed by Endurance Overseas S.r.l. (this recorded an overall decrease of €43,427 in the financial year under review).

Explanatory notes - first part

Shareholders,

These explanatory notes are an integral part of the financial statements for the year ended 31/03/2024.

The financial statements that we are submitting for your approval close with a net income of €419,520 after providing for current and deferred taxes and consolidation adjustments which resulted in charges of €156,383 and net of depreciation and amortisation of €979,246.

Preparation of the financial statements

The financial statements for the year ended 31 March 2024 have been prepared in compliance with the Italian Civil Code, as interpreted and supplemented by the accounting standards issued by the OIC (Italian Accounting Board) and, if these are unavailable and to the extent not in conflict with Italian Accounting Standards, by those issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a going concern basis, as there are no significant uncertainties in this regard.

However, the ongoing conflict in Ukraine had serious consequences on the cost and supply of raw materials during the year. These are all indirect effects as the Company does not have direct relationships with customers and suppliers in the territories affected by the conflict, nor does it have any production facilities there. The sharp rise in energy prices was only partially mitigated by the measures put in place

Despite the continuation of generalised uncertainty, the current liquidity of the Company together with that of the Group means that, at present, there are no threats to the ability of the business to continue operations over the next 12 months.

The financial statements comprise the balance sheet, the income statement, the statement of cash flows (prepared in conformity with the respective requirements of arts. 2424 and 2424 bis of the Italian Civil Code (c.c.), arts. 2425 and 2425 bis c.c. and art. 2425 ter c.c.) and these explanatory notes.

The balance sheet, the income statement, the statement of cash flows and the accounting disclosures contained in these notes agree with the books of account, from which they have been directly prepared. The items preceded by Arabic numerals in the balance sheet and income statement have not been grouped together, which is optional under art. 2423 ter of the Italian Civil Code.

The accounting policies adopted for the various items comply with those specified in art. 2426 c.c. and the relevant accounting standards. These criteria are consistent with those applied for the preparation of the financial statements of the prior year, having regard for the changes in the relevant regulatory framework described below.

The financial statement items are stated in accordance with the prudence concept and on a going concern basis. Pursuant to art. 2423-bis, para. 1, point 1-bis of the Italian Civil Code, items are recognised and presented having regard for the substance of the operations or contracts concerned.

Pursuant to art. 2424 of the Civil Code, we can confirm that no asset or liability items have been allocated to more than one balance sheet line.

In the preparation of the financial statements, income and expenses are recorded on an accruals basis, regardless of the timing of collection and expenditure. Contingencies and losses relating to the year are recognised, even if they become known after the reporting date.
The purpose of the explanatory notes is to describe, analyse and, in some cases, supplement the data reported on the face of the financial statements. They contain the information required by arts. 2427 and 2427 bis c.c., other provisions of the civil code and other legislation. In addition, they provide all the complementary information deemed necessary in order to present the most transparent and complete view possible, even if such information is not required by specific legislation.
Amounts are stated in whole euro, unless specified otherwise.
The financial statements comply with the requirements of article 2423 et seq. of the Italian Civil Code and with the Italian accounting standards issued by the OIC (Italian Accounting Board); they have thus been prepared clearly and give a true and fair view of the company's financial position and results of operations.

Basis of preparation

The information contained in this document is presented in the order in which the related components are indicated in the balance sheet and income statement.
With reference to the matter indicated in the introduction to the notes, we can confirm that, pursuant to paragraph 3 of Art. 2423 of the Civil Code, where the information required by legislative provisions is not sufficient to give a true and fair view of the company's situation, supplementary information is provided for this purpose.
No exceptional cases have arisen that have made it necessary to seek exemptions under paragraphs 4 and 5 of art. 2423 and paragraph 2 of art. 2423-bis of the Italian Civil Code.

Exceptional situations pursuant to paragraph 5 of art. 2423 of the Italian Civil Code

There are no exceptional situations that might have made it necessary to seek exemptions under paragraphs 4 and 5 of art. 2423 of the Italian Civil Code.

Changes in accounting policies

There are no exceptional situations that might have made it necessary to seek exemptions under paragraph 2 of art. 2423-bis of the Italian Civil Code.

Comparability and compliance

Pursuant to Art. 2423 ter of the Civil Code, we can confirm that all of the financial statement items are comparable with the prior year; no restatement of prior year items has been necessary.

Accounting policies

The accounting policies applied for the preparation of these financial statements, described below, take account of the amendments, additions and new provisions included in the civil code by Decree 139/2015, which transposed Directive 34/2013/EU into Italian law. In particular, the domestic accounting standards were reformulated by the OIC in the latest version issued on 22 December 2016, inclusive of the amendments published on 29 December 2017.

The accounting policies applied for the measurement of financial statement items and for their adjustment comply with the provisions of the Italian Civil Code and with the indications included in the Italian accounting standards reformulated by the Italian Accounting Board.

Pursuant to art. 2427 paragraph 1 no. 1 of the Civil Code, we explain the more significant accounting policies applied in compliance with the provisions of art. 2426 of the Civil Code, particularly for those items for which the legislator permits the use of options for measurement and adjustments or for which no specific accounting policy exists.

Intangible assets

When the established criteria are met, these are recorded at purchase or production cost, inclusive of direct costs and related charges, and amortised systematically each year on a straight-line basis. Intangible assets are recognised with the consent of the Board of Statutory Auditors where prescribed by law.

Their book value is stated net of accumulated amortisation and write-downs.

Amortisation is applied as indicated below, in order to allocate the cost incurred over the useful life of the assets:

Intangible asset items	Amortisation period
Start-up and expansion costs	5 years on a straight-line basis
Development costs / Know-how	5 years on a straight-line basis
Industrial patents	5 years on a straight-line basis
Concessions, licences and similar rights	5 years on a straight-line basis
Trademarks	10 years on a straight-line basis
Other intangible assets	5 years / 3 years on a straight-line basis

Advertising and research costs are expensed in full in the accounting period in which they are incurred.

Leasehold improvements are capitalised and classified as "other intangible assets" if they cannot be separated from the assets concerned (in which case they are recognised in the relevant category of "tangible fixed assets"). They are amortised systematically over the period they are expected to benefit (prudently determined to be 5 years) or, if shorter, over the residual duration of the lease after taking account of any renewal period available at the discretion of the Company.

If permanent impairment is identified regardless of the amortisation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs. This reinstatement does not apply to goodwill or the deferred charges referred to in point 5 of art. 2426 c.c.

Pursuant to art. 10 of Law 72 of 19 March 1983 and subsequent laws on the revaluation of assets, we confirm that the intangible assets recorded in the books have never been revalued.

Tangible assets

These are recorded at purchase or internal construction cost and stated net of the depreciation charged in the current and prior years. Costs comprise related charges and the direct and indirect expenses that can reasonably be allocated to assets during the construction period and until they become available for use. They also include any borrowing costs incurred to finance the construction work (whether internal or carried out by third parties) until the asset become available for use, without however exceeding its recoverable value. Tangible fixed assets are only revalued if this is required or allowed by special laws.

Assets purchased in foreign currencies are recorded at cost using the exchange rate in force on the transaction date, or using the lower rate applying on the reporting date if the reduction is deemed to be permanent.

Tangible assets are depreciated systematically each year, using the following rates:

Tangible asset items	Depreciation rate
Industrial buildings	3%
Temporary constructions	10%
Plant and machinery	10%
Industrial and commercial equipment	25%
Furnaces and appurtenances	15%
Furniture and furnishings	12%
Electronic office machines	20%
Cars/motor vehicles	25%

When fixed assets enter into service during the year, their depreciation commences on a time-apportioned basis calculated on the actual number of days.

Depreciation is also charged on fixed assets that are temporarily out of use. Land is not depreciated, as its useful life is not finite.

If applicable, buildings held as a financial investment are not depreciated if their residual value is greater than or equal to their net carrying amount.

If permanent impairment is identified regardless of the depreciation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs.

Routine maintenance and repair costs are charged in full to the income statement. Improvement costs are allocated to the fixed assets concerned and depreciated over their residual useful lives.
Costs incurred to expand, modernise or improve the structural elements of a tangible fixed asset are capitalised if they significantly and measurably increase its productive capacity, safety or useful life. If the costs concerned do not have the above effect, they are treated as routine maintenance and charged to the income statement.
Start-up grants are recognised when it becomes reasonably certain that the conditions for their collection will be satisfied and the grants will be paid. They are deducted from cost indirectly, as they are credited to income statement caption A5 “other income and revenues” and then deferred for recognition on an accruals basis via classification as “deferred income”.

Impairment (tangible and intangible assets)

At each reporting date, the Company determines if there is any evidence that the value of its tangible and intangible fixed assets might be impaired. If such evidence is found, the Company estimates the recoverable value of each asset concerned and records an impairment write-down if it is lower than the corresponding net carrying amount.
Recoverable value is not determined if there is no evidence of possible impairment.
The recoverable value of tangible and intangible assets is deemed to be their value in use (calculated by discounting their future cash flows) or, if greater, their fair value (being the amount obtainable at the reporting date, based on the best available information, from their sale in an arm's-length transaction between knowledgeable and willing parties, net of the related selling costs).

Equity investments and securities (classified as long-term financial assets)

The equity investments and debt securities classified as non-current assets will be held by the Company over the long term. Equity investments are measured at cost, as adjusted for any impairment.
The cost recorded in the financial statements is determined with reference to purchase or subscription price, inclusive of related expenses. If impairment is identified, the carrying amount of equity investments is reduced to their recoverable value, which is determined with reference to the future benefits that are expected to accrue to the Company. Should the Company be obliged or intend to cover the (non-permanent) losses incurred by an equity investment, a suitable provision is recorded to cover the liability to which the Company is exposed. If in future years the reasons for the write-down cease to apply, the equity investment is written back to its original carrying amount.
Debt securities are measured using the amortised cost method, being their original carrying amount net of any redemptions of principal, as increased or decreased by the accumulated amortisation, calculated using the effective interest method, of any difference between its initial and maturity values after deducting any impairment (recognised directly or by a provision) following a loss in value; the original carrying amount is represented by purchase or subscription cost, net of any commissions.

Inventories

Inventories are stated at the lower of purchase and/or production cost and realisable value, based on market prices.
In particular, set out below are details of the specific accounting policies used for the valuation of each inventory category (consistent with those used for the prior year):

- Raw materials: annual weighted average cost (including components purchased from third parties and alloys).
- Work in process (semi-finished) and finished products: specific production cost including all costs directly attributable to the product, as well as a reasonable share of manufacturing overheads.
- Goods and Consumables: purchase cost, also inclusive of spare parts.

Purchase cost includes any directly attributable ancillary charges, with the exclusion of borrowing costs. Production cost includes the indirect costs that are reasonably attributable to each asset during the production period until it becomes available for use.

Receivables

Receivables are stated at amortised cost, having regard for the time factor and their estimated realisable value. The amortised cost method is not applied when its effects are insignificant, being when the transaction costs, the commissions paid between the parties and all other difference between initial value and maturity value are immaterial or when the receivables are recoverable in the short term (within 12 months).
Trade receivables due beyond 12 months at the time of initial recognition, without the payment of interest or with interest that differs significantly from market rates, and the related revenues are recognised initially at the value of their future cash flows discounted using the market rate (being that applied by two independent parties when negotiating a loan transaction with similar terms and conditions). The difference between the amount of the receivable recognised initially and its maturity value is recognised as financial income in the income statement over the duration of the receivable, using the effective interest method.
The amount of receivables, as determined above, is adjusted when necessary by a specific allowance for doubtful accounts, which is deducted directly from their gross amount in order to report them at their estimated realisable value. The provision (which takes account of collection losses, returns and invoicing adjustments, discounts and allowances, interest not yet earned and other reasons for reduced recoverability) is charged to the income statement.
Receivables assigned to factors are only derecognised if they are sold without recourse, collected and essentially all the related risks are transferred (the difference between the consideration received on the assignment and the carrying amount of the receivable is recognised in income statement item C17). If the assignment does not involve derecognition (for example, assignment with recourse), since not all the related risks are transferred, the receivable continues to be reported in the balance sheet and is measured in the manner described above. If advance consideration is received from the assignee, the amount is recognised as a financial payable.
Receivables taking the form of bank receipts that have not been assigned remain classified as receivables until final collection of the amounts concerned.

Cash and cash equivalents

Cash and cash equivalents at the reporting date are measured at their nominal value. Amounts denominated in foreign currencies are measured using the closing exchange rates.

Accruals and deferrals

Accruals and deferrals comprise costs and revenues relating to the year that will be formally recorded in future years, and costs and revenues recorded by the reporting date that relate to future years. The related amounts are determined on a time-apportioned basis.

Provisions for risks and charges

The provisions for risks and charges cover known or likely losses or liabilities, the timing or extent of which cannot be determined at the reporting date. These provisions, including those for deferred tax liabilities, which are classified in this caption, reflect the best possible estimates based on the information available. Risk that only might give rise to a liability are described in the notes on the provisions, without actually recording a provision. As required by OIC 31, new provisions for risks and charges are, where possible, classified in the relevant income statement classes (B, C or D). Whenever it is not possible to correlate a new provision with a caption in one of the above classes, it is classified in income statement caption B12 or B13.

Provision for pensions and similar commitments

They represent the liabilities for supplementary pension benefits and for the "one-off" indemnities due to employees, self-employed workers and other collaborators, in force of law and contract, on termination of the relationship.

Employee termination indemnities

Employee termination indemnities represent the total amount that the company would have to pay to all employees had they terminated their employment on the reporting date. The charge for the year, comprising the new provision and the revaluation of the accumulated provision (based on the change in the relevant ISTAT index), is determined in accordance with current regulations, having regard for the specific employment contracts and the professional categories concerned. Employee termination indemnities are classified in liability caption C, while the provision for the year is classified in income statement caption B9.

The changes made to regulations governing termination indemnities by Law 296 dated 27 December 2006 (2007 Finance Law) and subsequent decrees and enabling regulations, amended the accounting for the indemnities earned by 31 December 2006 and those earned from 1 January 2007. In particular, following the creation of the INPS Treasury Fund to manage the termination indemnities of private sector employees, employers with more than 50 employees are obliged to pay the new provisions relating to them into the Treasury Fund, unless the persons concerned have specifically opted for their indemnities to be paid to a supplementary pension fund. The employee termination indemnities reported in the balance sheet are therefore stated net of the amounts paid to the above INPS Treasury Fund.

Payables

Payables are stated at amortised cost, as defined in art. 2426, para. 2 c.c., having regard for the time factor envisaged in art. 2426, para. 1, point 8 c.c.. Payables are however stated at their nominal amount if application of

the amortisation cost and/or discounting methods would not be significant for the purpose of providing a true and fair view of the financial position and results of operations. This situation arises in the case of payables due within twelve months or, with regard to the amortised cost method, if the transaction costs, commissions and all other differences between the initial value and the maturity value are insignificant or, again, with regard to the discounting method, if the interest rate inherent in the contractual conditions is not significantly different to the market rate of interest.
The amounts due to employees for untaken holidays and deferred payroll, including the related social security contributions, are accrued with reference to the amount that would have been payable had their employment ceased on the reporting date.

Finance leases

Finance leases are recognised using the payments method, by charging the instalments paid to the income statement on an accruals basis. A specific section of these explanatory notes contains the supplementary information required by the law on the effect of recognising these contracts using finance lease methodology.

Revenues

Revenues from the sale of goods are recognised when ownership passes in substance, rather than in formal terms, being when the related risks and benefits are transferred (which in practice coincides with the time of delivery or shipment of the goods).
Revenues from the sale of products, goods and services in the ordinary course of business are stated net of returns, discounts, allowances and rebates, as well as the direct taxes charged on the sale of products and services.
Revenues from services are recognised upon completion and/or when earned.
Transactions with related parties take place on normal market terms and conditions.

Costs

Costs stated net of returns, discounts, allowances and rebates are recognised on an accruals basis in accordance with the matching principle, regardless of the date of collection or payment. Compliance with the matching principle requires an estimate to be made of the invoices to be received.

Dividends

Dividends are recognised in the year in which they are declared by the shareholders' meeting. Dividends are recognised as financial income, regardless of the nature of the reserves that are distributed.

Financial income and charges

Financial income and charges are recognised on an accruals basis. Costs relating to the disposal of receivables for whatever reason are charged to the income statement on an accruals basis.

Taxation

Income taxes are recognised with reference to an estimate of taxable income in compliance with current regulations, having regard for any applicable exemptions and tax credits.

Deferred tax assets and liabilities are calculated on the temporary differences between the reported carrying amount of assets and liabilities and their corresponding values for tax purposes. Their measurement takes account of the tax rates expected to be in force in the year in which such differences contribute to the formation of taxable income, being the rates in force or already communicated at the reporting date (24% for IRES and 3.9% for IRAP). They are classified respectively among the current assets as deferred tax assets and among the provisions for risks and charges as deferred tax liabilities.

In accordance with the concept of prudence, deferred tax assets are recognised on all deductible temporary differences if it is reasonably certain that taxable income in the years in which they reverse will not be less than the amount of the differences to be absorbed.

By contrast, deferred tax liabilities are recognised on all taxable temporary differences.

Deferred tax liabilities are not recognised in relation to reserves subject to the deferral of taxation if they are unlikely to be distributed to the shareholder.

Translation of foreign currency items

Non-monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the exchange rates applying at the time of their acquisition, being their initial recognition cost.

Monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the spot exchange rates applying on the reporting date; the related exchange gains and losses are recognised in the income statement and any net unrealised gains are allocated to a non-distributable reserve until they have been realised. However, the Company does not have any assets or liabilities denominated in foreign currency at the balance sheet date.

Other information

Repurchase agreements

Pursuant to art. 2427 point 6-ter of the Italian Civil Code, the Company confirms that no repurchase agreements were arranged during the year.

Explanatory notes, assets

The assets recorded in the balance sheet are measured in accordance with art. 2426 c.c. and Italian accounting standards.

Fixed assets

Intangible assets

"Intangible assets" total €1,207,860 at 31/03/2024, after charging amortisation of €550,298 to the income statement.

Movements in intangible assets

Intangible assets are analysed below, together with the related accumulated amortisation and information about the changes that took place during the year:

	Start-up and expansion costs	Develop-ment costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Goodwill	Intangible assets in process of formation and advance payments	Other intangible assets	Total intangible assets
Balance at the beginning of the year								
Cost	10,061	580,280	3,037,960	1,214,962	228,459	15,400	118,422	5,205,544
Amortisation (Accum. amortisation)	7,402	515,280	2,245,754	342,618	228,459	-	107,871	3,447,384
Carrying amount	**2,659**	**65,000**	**792,206**	**872,344**	**-**	**15,400**	**10,551**	**1,758,160**
Changes during the year								
Amortisation for the year	1,520	30,000	391,133	121,497	-	-	6,150	550,300
Total changes	*(1,520)*	*(30,000)*	*(391,133)*	*(121,497)*	-	-	*(6,150)*	*(550,300)*
Balance at the end of the year								
Cost	10,061	580,280	3,037,960	1,214,962	228,459	15,400	118,422	5,205,544
Amortisation (Accum. amortisation)	8,922	545,280	2,636,887	464,115	228,459	-	114,021	3,997,684
Carrying amount	**1,139**	**35,000**	**401,073**	**750,847**	**-**	**15,400**	**4,401**	**1,207,860**

“Start-up and expansion costs” reflect the capitalisation of costs incurred by the Company during the previous year to adjust to the new corporate structure.

"Development costs" include the capitalisation of costs incurred during the previous year in relation to the activities carried on by the Company for the development of new products and the implementation of improvements and innovative processes, carried out in the context of the activities of the technical and industrialisation offices.

“Industrial patents and intellectual property rights” principally include the value recognised by the Company of the patents and know-how relating to the production of clutches and braking systems for motorcycles.

“Concessions, licences, trademarks and similar rights” principally include trademarks registered by the Company as distinctive signs.

“Other intangible assets” relate to improvements and maintenance to leasehold properties.
No evidence was found during the year based on the latest forward-looking scenarios to indicate the possible impairment of intangible assets and, accordingly, no write-downs have been recorded pursuant to art. 2426, para. 1, point 3, of the Italian Civil Code and the requirements of OIC 9.

Tangible assets

Gross tangible assets, including assets under construction and advances, prior to accumulated depreciation, amount to €22,861,061 at 31/03/2024, taking into consideration the write-downs made in previous years for a total of €1,568,017. Accumulated depreciation totals €19,410,080 at 31/03/2024, including the depreciation charge for the year of €428,948.
The principal assets in this category comprise land and buildings (a net amount of €1,744,747 at 31 March 2024), including the net carrying amount of portion of the industrial complex located in Rovereto (TN), and those of plant and machinery (booked with a net value of €€1,581,981 at 31/03/2024) used in the Company's production activities.

Movements in tangible assets

Tangible assets are analysed below, together with the related accumulated depreciation and information about the changes that took place during the year:

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Assets under construction and advance payments	Total tangible assets
Balance at the beginning of the year						
Cost	4,931,823	10,241,708	9,158,960	1,019,795	76,140	25,428,426
Depreciation (Accumulated depreciation)	2,215,566	7,341,682	8,890,552	985,023	-	19,432,823
Write-downs	871,838	1,295,194	86,220	-	-	2,253,252
Carrying amount	**1,844,419**	**1,604,832**	**182,188**	**34,772**	**76,140**	**3,742,351**
Changes during the year						
Additions	7,400	112,985	6,250	4,876	22,000	153,511
Reclassifications (of the carrying amount)	-	98,140	-	-	(98,140)	-
Disposals (at carrying amount)	-	9,053	-	6,880	-	15,933
Depreciation for the year	107,072	224,923	78,633	18,320	-	428,948
Total changes	(99,672)	(22,851)	(72,383)	(20,324)	(76,140)	(291,370)
Balance at the end of the year						
Cost	4,939,223	10,016,739	9,165,210	993,141	-	25,114,313
Depreciation (Accumulated depreciation)	2,322,638	7,139,564	8,969,185	978,693	-	19,410,080

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Assets under construction and advance payments	Total tangible assets
Write-downs	871,838	1,295,194	86,220	-	-	2,253,252
Carrying amount	**1,744,747**	**1,581,981**	**109,805**	**14,448**	**-**	**3,450,981**

The additions to plant and machinery form part of the modernisation of production lines at the Rovereto plant to increase production capacity and make it more efficient.

Finance leases

As at the balance sheet date the company is not party to any finance lease contracts.

Long-term financial assets

Movements in equity investments, other securities and non-current derivative financial instruments

Long-term financial assets at 31/03/2024 amount to €22 and consist of equity investments in other companies.

Current assets

Current assets are measured in the manner described in paragraphs 8 to 11-bis of art. 2426 of the Civil Code. The accounting policies applied are illustrated in the respective financial statements items

Inventories

The inventories reported in the balance sheet at 31/03/2024 total €1,258,862, net of an allowance amounting to €1,470,490, set aside in previous years and inclusive of the adjustments for the year totalling €40,645, used for €3,242 in proportion of the valuation of the impact of the potential risks associated with obsolete and slow-moving items.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
raw materials, ancillary materials and consumables	858,800	(243,941)	614,859
work in process and semi-finished products	579,958	(295,378)	284,580
finished products and goods	512,633	(153,210)	359,423
Total	**1,951,391**	**(692,529)**	**1,258,862**

The decrease in the net amount of inventories is the combined effect of the trend in the Company's turnover compared with 2022/2023 (volumes down slightly but with higher margins) and the policies implemented to optimize the level of working capital.

Current receivables

The receivables booked to current assets amount to €2,798,219 at 31/03/2024. They are shown at their estimated realisable value as application of the amortised cost or discounting methods would not have been suitable for providing a true and fair view of the financial position and results of operations

Changes and maturities of current receivables

The following table shows the information related to changes in current receivables and, if material, their due date.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Trade receivables	1,008,703	(485,588)	523,115	523,115	-
Receivables due from parent companies	20,072	383,497	403,569	403,569	-
Receivables due from fellow subsidiaries	2,778	8,719	11,497	11,497	-
Tax receivables	872,141	19,118	891,259	694,370	196,889
Deferred tax assets	1,249,416	(512,589)	736,827	-	-
Other receivables	321,394	(89,442)	231,952	214,542	17,410
Total	**3,474,504**	**(676,285)**	**2,798,219**	**1,847,093**	**214,299**

Trade receivables (€523,115 at 31/03/2024) suffered a decline compared with the previous year due to the different sales performance (particularly in the latter part of the year), also due to a different distribution of customers (with different payment terms). The nominal amount of trade receivables is adjusted to reflect their expected realisable value by the allowance for doubtful accounts of €61,968, which is unchanged since last year.

Receivables due from the parent company (€403,569 at 31/03/2024) refer to the trade receivables due from Endurance Overseas S.r.l. under the group tax election made pursuant to arts. 117-129 of the Consolidated Income Tax Agreement (€356,206), as well as commercial receivables from the parent company Endurance Technologies Limited (€24,280).

Receivables due from fellow subsidiaries (€11,497 at 31/03/2024) refer to trade receivables from Frenotecnica Srl (€4,966) and New Fren S.r.l. (€6,531).

Tax receivables (€891,529 at 03/31/2024) mainly refer to VAT credits versus the Italian treasury (€176,370), to the tax credit for Research and Development activities as per art. 1, paragraph 35, Law no. 190 of 23 December 2014, and for technologically advanced capital goods as per Law no. 232 of 11 December 2016, (€547,686, of which €196,889 can be used beyond 12 months) and sundry receivables for the balance.

Deferred tax assets total €736,827 at 31/03/2024 and mainly relate to tax losses not yet used and the deferred deductibility of certain provisions and impairment adjustments. These deferred tax assets have been recognised as they are likely to be recoverable against expected future taxable income, as reflected in management's latest forecasts.
Other receivables (€231,952 at 31/03/2024) comprise various non-trade receivables including €206,867 due from the Rovereto INPS treasury funds.

Breakdown of current receivables by geographical area

It is not deemed meaningful to analyse receivables by geographical area, given that all receivables other than the amounts due from customers are due from Italian counterparties, while the trade receivables are due from multinationals operating in the motorcycle and automotive sectors and that they have legal entities and factories located in several countries.

Current financial assets

Movements in current financial assets

Pursuant to art. 2423-ter, para. 3 of the c.c. and after ensuring recoverability in the short term, as required by OIC 14, the Company has classified separately the amount due from the Endurance Overseas S.r.l. that manages the central treasury activities of the group in asset caption C.3.7) within "Current financial assets".

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Cash pooling assets	366,776	(43,427)	323,349
Total	*366,776*	*(43,427)*	*323,349*

Cash and cash equivalents

The following table shows the changes in cash and cash equivalents.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
bank and postal deposits	1,198,230	839,753	2,037,983
cash on hand	2,653	(429)	2,224
Total	*1,200,883*	*839,324*	*2,040,207*

This item principally comprises the balance on bank current accounts at 31 March 2024.

The changes in cash and cash equivalents are analysed in the statement of cash flows.

Accrued income and prepaid expenses

The following table shows the changes in prepaid expenses and accrued income.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Prepaid expenses	49,831	(3,207)	46,624
Total prepaid expenses and accrued income	**49,831**	**(3,207)**	**46,624**

Prepaid expenses mainly include the portions for future years relating to leasing fees, insurance costs and other costs.

Capitalised financial charges

All interest expense and other financial charges have been expensed during the year. In compliance with paragraph 1.8 of art. 2427 of the Italian Civil Code, we can confirm that no financial charges have been capitalised.

Explanatory notes, liabilities and shareholders' equity

Movements in individual balance sheet items are analysed below, according to current law.

Shareholders' equity

The components are stated at their carrying amount in accordance with accounting standard OIC 28.

Changes in shareholders' equity items

With reference to the year just ended, the table below sets out changes - with reference to the years ended 31/03/2023 and 31/03/2024 - in the components of shareholders' equity, as well as details of other reserves, if any.

Year ended 31/03/2023:

	Balance at the beginning of the year	Allocation of the prior year result - Other allocations	Other changes - Increases	Result for the year	Balance at the end of the year
Share capital	840,000	-	-	-	840,000
Share premium reserve	3,599,457	-	-	-	3,599,457
Extraordinary reserve	-	-	3,000,000	-	3,000,000
Retained earnings (accumulated losses)	(2,106,039)	167,869	-	-	(1,938,170)
Net income (loss) for the year	167,869	(167,869)	-	181,752	181,752
Total	**2,501,287**	**-**	**3,000,000**	**181,752**	**5,683,039**

Year ended 31/03/2024:

	Balance at the beginning of the year	Allocation of the prior year result - Other allocations	Result for the year	Balance at the end of the year
Share capital	840,000	-	-	840,000
Share premium reserve	3,599,457	-	-	3,599,457
Legal reserve	-	168,000	-	168,000
Extraordinary reserve	3,000,000	-	-	3,000,000
Retained earnings (accumulated losses)	(1,938,170)	13,752	-	(1,924,418)
Net income (loss) for the year	181,752	(181,752)	419,520	419,520
Total	**5,683,039**	**-**	**419,520**	**6,102,559**

The share capital, which consists of 840,000 shares with a par value of €1.00 each, is fully subscribed and paid.

Availability and use of shareholder's equity

The following table provides details of the components of shareholders' equity, including their origin, their potential utilisation and whether they are distributable, as well as the utilisation thereof in the prior three years.

Description	Amount	Origin/Nature	Potential utilisation	Amount available	Summary of utilisation in previous three financial years - to cover losses
Share capital	840,000	Capital		-	-
Share premium reserve	3,599,457	Capital	A;B;C	3,599,457	-
Legal reserve	168,000	Revenue	B	-	-
Extraordinary reserve	3,000,000	Capital	A;B;C	3,000,000	-
Retained earnings (accumulated losses)	(1,924,418)	Capital	A;B;C	-	181,621
Total	**5,683,039**			**6,599,457**	**181,621**
Amount not distributable				2,697,384	
Residual amount distributable				3,902,073	
Key: A: for increase in capital; B: to cover losses; C: for distribution to the shareholders; D: for other statutory requirements; E: other					

The non-distributable portion shown in the table above refers to a combination of carry forward losses, start-up and expansion costs and development costs which have not yet completed their amortisation, and deferred tax assets which fall within the category of assets not yet realised.

Provisions for risks and charges

The provisions for risks and charges have been created to cover known or likely liabilities, the timing or extent of which cannot be determined at the reporting date.
These provisions were recognised on a prudence and accrual basis, in accordance with the instructions contained in accounting principle OIC 31. The related provisions are charged to the income statement in the year to which they refer and classified according to the nature of the costs.

	Balance at the beginning of the year	Changes during the year - Utilisation	Changes during the year - Total	Balance at the end of the year
Other provisions	423,564	102,882	(102,882)	320,682
Total	**423,564**	**102,882**	**(102,882)**	**320,682**

Other provisions

This item refers to potential liabilities of various nature (trade, tax, employment, etc.). The utilisations are to cover liabilities under labour law as part of the corporate reorganisation.

Employee termination indemnities

Employee termination indemnities amount to €173,071 at 31/03/2024 (€181,514 at 31/03/2023). The changes during the year are summarised below.

	Balance at the beginning of the year	Changes during the year - Provision	Changes during the year - Utilisation	Changes during the year - Total	Balance at the end of the year
Provision for employee termination indemnities	181,514	6,876	15,319	(8,443)	173,071
Total	**181,514**	**6,876**	**15,319**	**(8,443)**	**173,071**

This provision includes the period revaluation of the liability concerned in accordance with current legislation. The uses recorded in the period are related to advances paid to employees on termination of employment. The amount shown in the financial statements (provision for termination indemnities classified in income statement caption B9 c) includes the provision retained by the Company and the payments made to the INPS Treasury Fund, Previndai, the Cometa Fund or the supplementary pension fund specified by each employee, where applicable, which are illustrated in the other change column. The significant reduction in the provision for severance indemnities is attributable to utilisations for staff departures, mainly to implement the mobility plan agreed with the social partners.

Payables

Payables total €2,852,528 at 31/03/2024.

Changes and maturities of payables

The following table shows the changes in payables and any information on their maturities.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Advances	339,485	(149,533)	189,952	189,952	-
Trade payables	2,199,428	(807,931)	1,391,497	1,391,497	-
Payables due to parent companies	162,734	420,895	583,629	583,629	-
Payables due to fellow subsidiaries	4,895	32,148	37,043	37,043	-
Tax payables	86,876	(7,273)	79,603	79,603	-
Due to pension and social security institutions	333,513	(1,170)	332,343	332,343	-
Other payables	299,777	(61,316)	238,461	238,461	-
Total	**3,426,708**	**(574,180)**	**2,852,528**	**2,852,528**	**-**

Advances of €189,952 at 31/03/2024 refer to amounts due from customers for the realisation of orders.

Trade payables, €1,391,497 at 31/03/2024, recorded a decrease of €807,931 during the year, in line with the decrease in business volumes achieved compared with the previous period and the investments made during the year.

Payables due to the parent company are trade payables due to the direct parent Endurance Overseas S.r.l. (€321,000) and to the indirect parent Endurance Technologies Limited (€262,629).

Payables due to fellow subsidiaries refer to outstanding relationship with l other Group companies; in particular from Endurance Castings S.r.l. (€33,136) NewFren S.r.l. (€547) and Frenotecnica S.r.l. (€3,361).

Tax payables of €79,603 at 31/03/2024 refer predominantly to withholding taxes on wages and salaries with the rest being other tax payables.

Other payables include amounts due to employees for wages and salaries and accruals to be paid (€204,205), as well as sundry other payables of a non-commercial nature.

Breakdown of payables by geographical area

It is not meaningful to analyse payables by geographical area, as most of them are due to domestic suppliers and counterparties.

Debt secured by collateral on company assets

Pursuant to paragraph 1.6 of art. 2427 of the Italian Civil Code, we can confirm that there is no debt secured by collateral.

Loans from shareholders

The company has not received any loans from its shareholders.

Accrued expenses and deferred income

The following table shows the changes in accrued expenses and deferred income.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Accrued expenses	108,892	(23,410)	85,482
Deferred income	2,720,201	(1,128,399)	1,591,802
Total accrued expenses and deferred income	**2,829,093**	**(1,151,809)**	**1,677,284**

Accrued expenses refer to costs pertaining to the year but for which payment will be made in future years.
Deferred income relates to revenues from the licences to use patents and know-how granted to the current immediate parent company, Endurance Overseas S.r.l., in prior years. This income, fully taxed and deferred, is being recognised as revenue over the residual economic life of the concession.

Explanatory notes - income statement

The income statement reports the results for the year.
This statement presents the results of operations by summarising the positive and negative components of income that contributed to them. These positive and negative components of income, recognised pursuant to art. 2425-bis of the Italian Civil Code, can be broken down into the following categories: core business, ancillary activities and financial activities.
Core business activities include the components of income that were generated from continuing operations in the principal sector, and which identify and distinguish the economic activities carried out by the Company in the pursuit of its corporate objectives.
Financial activities comprise those operations that generate financial income and expense.
Ancillary activities comprise those residual operations that generate income in the ordinary course of business that cannot be classified as financial or core business activities.

Value of production

Revenues are recorded in the financial statements on an accrual basis, net of returns, allowances, discounts and bonuses, as well as the taxes directly connected to them.
Increases in non-current assets from in-house production are recognised on the basis of production cost which includes direct costs (material and direct labour, design costs, external supplies, etc.) and production overheads, for the portion reasonably attributable to the asset for the period of its manufacture until the asset is ready for use; using the same criteria, any charges relating to the financing of its manufacture are added.
Operating grants, which are recognised on an accrual basis in the year in which their receipt becomes certain, are included in line item A5 given that they supplement operating revenue and/or are deducted from operating costs.

The value of production in2023-2024 is analysed below with comparative figures:

Description	FY 2023/2024	FY 2022/2023	Change
Revenues from sales of goods and services	9,449,448	10,568,516	(1,119,068)
Change in inventories of work in progress, semi-finished and finished products	(445,345)	451,634	(896,979)
Other income and revenues	405,330	194,891	210,439
Total	**9,409,433**	**11,215,041**	**(1,805,608)**

During the year there was a reduction in revenues mainly attributable to a contraction in volumes, in line with the market trend, mitigated by the higher margins achieved by the last few orders of the year.
Other income and revenue refer to: operating grants (€147,288) for Research, Development and Innovation costs incurred (pursuant to art. 1, paragraphs 198 -209 of Law no. 160 of 27 December 2019) and for €258,042 to other non-commercial revenues (mainly relating to the recovery/charge-back of costs incurred in previous years).

Production cost

The following table provides a breakdown of production cost with comparative figures from the previous year.

Description	FY 2023/2024	FY 2022/2023	Change
Cost of raw and ancillary materials, consumables and goods for resale	3,327,631	4,715,614	(1,387,983)
Cost of services	2,484,130	3,064,660	(580,530)
Lease and rental charges	72,302	54,514	17,788
Payroll costs			
Wages and salaries	1,213,616	1,436,247	(222,631)
Social contributions	368,120	422,812	(54,692)
Employee termination indemnities	78,344	95,600	(17,256)
Other costs	25,662	33,102	(7,440)
Amortisation of intangible assets	550,300	973,494	(423,194)
Depreciation of tangible assets	428,948	332,084	96,864
Change in inventory of raw and ancillary materials, consumables and goods	247,183	(242,051)	489,234
Other operating expenses	65,952	43,430	22,522
Total	**8,862,188**	**10,929,506**	**(2,067,318)**

Cost of raw and ancillary materials, consumables and goods for resale and Cost of services

These items, whose the percentage of production value declines compared with last year (64% versus 67%), have declined on the previous year in line with the trend in turnover and despite the increase in the cost raw materials caused, among other things, by the worsening of war in Ukraine.

Payroll costs

This item, whose amount decreased during the year compared with the previous year, due to an internal reorganisation, comprises all of the costs related to employees, including bonuses, promotions, the cost of unused holidays and the various provisions required by law and collective labour agreements. It also includes the cost of temporary workers, except for the cost of interim employment agencies that has been charged to income statement line B7.

Lease and rental charges

This item mainly includes the rental of operating facilities used by the Company, as well as rental charges for cars and other pieces of equipment. The reduction recorded during the year is mainly related to the conclusion of certain contracts and the revision of the conditions for other agreements outstanding.

Depreciation and amortisation

Depreciation and amortisation are charged over the useful life of each asset, considering how they are used in production. We note the reduction in amortisation of intangible assets compared with the previous year (also evident in the impact on the value of production), due to the completion of amortisation of certain intangible assets.

Other operating expenses and Other accruals
This item (which includes, among others, penalties charged by customers, local taxes and in general non-recurring costs not pertaining to the core business) posted an increase compared with the previous year, mainly attributable to cost components of an extraordinary and non-recurring nature.

Financial income and charges

Financial income and charges are recorded on an accruals basis.
Financial income from third parties (€18,163) mainly refers to the effect of the extended payment terms granted to customers, while the financial income from the parent company (€ 6,493) relates to the amount accrued on the positive balances on the Group's cash pooling account.
Financial charges (€8,141) mainly refer to bank interest and charges.

Composition of income from equity investments

There has been no income from equity investments as indicated by paragraph 15 of Art. 2425 of the Italian Civil Code.

Exchange gains and losses

Information on exchange gains or losses is shown below, distinguishing the realised portion from the portion deriving from valuations of assets and liabilities in foreign currency recorded in the financial statements at the end of the year.

Description	Amount in the financial statements	Valuation portion	Realised portion
Exchange gains and losses	*12,143*		
Exchange gains		-	23,839
Exchange losses		-	11,696
Total item		**-**	**12,143**

Amount and nature of revenues/costs of individual significance

During the current year, no revenues or other positive components deriving from exceptional events were recorded.
During the current year, no costs deriving from exceptional events were recorded.

Income taxes for the year, current and deferred

The company has accrued for taxation for the year based on the application of tax legislation in force. The tax charge for the year consists of current taxation, as resulting from the tax returns, of deferred taxation relating to positive or negative components of income, taxable or deductible, respectively, in fiscal years that differ from the year in which the item is accounted for for statutory reporting purposes.

Note that starting from the financial year under review, the Company joined the group taxation regime pursuant to art. 117-129 of the TUIR (tax code), together with its parent company Endurance Overseas S.r.l.. The composition of taxation for the year split between current taxation and the deferred tax asset item is provided in the following table:

	FY 2023/2024	FY 2022-2023
Income taxes	**156,383**	**71,900**
Current taxation		
of which: IRES for the year (current)	-	-
of which: IRAP for the year (current)	-	-
Taxation relating to prior years		(1,023)
Deferred tax (assets) liabilities	512,589	72,589
Income (charges) from tax consolidation	356,206	(334)

The income for joining the tax consolidation highlights the effect of the Company's adhesion to the group taxation regime.

Recognition of deferred tax assets and liabilities and their impact

	IRES	IRAP
A) Temporary differences		
Total deductible temporary differences	2,874,468	2,301,530
Total taxable temporary differences	915,630	1,221,270
Net temporary differences	(1,958,838)	(1,080,260)
B) Tax effects		
Provision for deferred tax liability (assets) at the beginning of the year	(1,151,507)	(97,909)
Deferred tax liability (assets) of the year	470,121	42,468
Provision for deferred tax liability (assets) at the end of the year	(681,386)	(55,441)

The balance of deferred tax assets and liabilities shown in the table reflects the reversal of deferred tax assets recognised in prior years and the current year recognition of new deferred tax assets and liabilities.

For IRES purposes, the main temporary differences that affected deferred taxation relate to the release of the deferred portion of the proceeds on sale of the licence which, for fiscal purposes, was entirely subject to taxation in the year which the sale took place, and to the use of prior year tax losses.
For IRAP purposes, the principal temporary differences relate to the release of the deferred portion of the proceeds on sale of the licence which, for fiscal purposes, was entirely subject to taxation in the year which the sale took place, and to the use of prior year tax losses.

Explanatory notes - other information

The additional disclosures required by the Italian Civil Code are presented below.

Employment data

The following table sets out average employee numbers by labour category computed on the basis of daily averages.

	Executives	White collar	Blue collar	Total employees
Average number	1	16	16	33

The workforce at 31 March 2024 (consisting solely of Company employees) comprises 31 persons.

Fees, advances and loans granted to directors and statutory auditors and commitments accepted on their behalf

The following schedule provides the information required by art. 2427, point 16 of the Italian Civil Code, with the clarification that no advances or loans have been granted and no commitments, in the form of guarantees of any kind, have been accepted on behalf of the members of the Board of Directors.

	Directors	Statutory Auditors
Fees	9,086	15,600

Fees of the independent auditor or firm of auditors

As required by art. 2427 c.c., the following table analyses the total fees earned by the legal auditor (or firm of legal auditors) for the legal audit of the annual financial statements, the total fees earned for other auditing services, the total fees earned for tax advisory services and the total fees earned for other non-audit services.

	Independent audit of the annual financial statements	Other non-audit services	Total fees earned by the independent auditor or firm of auditors
Amount	12,600	1,050	13,650

Deloitte & Touche S.p.A. has been engaged to perform the independent audit. The costs for auditing the annual accounts also include the fees for checking that the books of account have been kept regularly, while the other services performed refer to activities required prior to signing the tax return.

Securities issued by the company

The Company has not issued any securities that fall under the provisions of art. 2427, para. 18 of the Italian Civil Code.

Details on other financial instruments issued by the Company

The Company has not issued any other financial instruments pursuant to art. 2346, para. 6, of the Italian Civil Code.

Commitments, guarantees and contingent liabilities not reported in the balance sheet

There are no commitments, guarantees or contingent liabilities that have not been reported in the balance sheet.

Information about capital and loans allocated to a specific business project

Allocation of capital to a specific business project

We can confirm that, at the balance sheet date, there has been no allocation of capital to a specific business project as per no. 20 of art. 2427 of the Italian Civil Code.

Loans for a specific business project

We can confirm that, at the balance sheet date, there are no loans provided for a specific business project as per no. 21 of art. 2427 of the Italian Civil Code.

Information about related-party transactions

Transactions were carried out with related parties during the year; these transactions were entered into on an arm's length basis and, accordingly, in accordance with current legislation, no additional disclosure has been provided.

Information about off-balance sheet agreements

No off-balance sheet agreements were entered into in the year.

Information about significant events arising subsequent to the reporting date

Pursuant to point 22-quater of art. 2427 c.c., it is confirmed that no events with a significant effect on the economic and financial position have occurred subsequent to the reporting date.

Companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary

The following table shows the information about the companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary, as per art. 2427, points 22-quinquies and 22-sexies of the Italian Civil Code.

	Larger group	**Smaller group**
Company name	Endurance Technologies Limited (*)	Endurance Overseas S.r.l.
Town (if in Italy) or foreign State	Aurangabad (India)	Lombardore (Turin)
Tax code (Italian companies)	-	05754620960
Place where the consolidated financial statements are filed	Registered office: Aurangabad (India) India Stock Exchange: NSE and BSE	Registered office: Lombardore (Turin) Turin Chamber of commerce

(*) Endurance Technologies Limited, the parent company, is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Information about derivative financial instruments pursuant to art. 2427-bis of the Italian Civil Code

We can confirm that the company is not party to any derivatives.

Summary financial statements of the company which exercises management control and coordination

The Company is subject to management control and coordination by its indirect parent company, Endurance Technologies Limited, with registered offices at E-92, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India, which directly and indirectly owns the entire share capital of the Company.
The following amounts taken from the latest approved financial statements of Endurance Technologies Limited are stated in millions of Indian Rupees. For the sake of clarity, the Rupee/Euro exchange rate at 31 March 2023 was 89.3995 (84.134 on 31 March 2022) - (source: European Central Bank):

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Assets		
Non-current assets		
Fixed assets, net	18,078.08	16,541.36
Investments and other non-current assets	5,746.01	4,188.14
Current assets	17,266.36	16,663.90
Assets held for sale	-	-
Total assets	**41,090.45**	**37,393.40**

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Liabilities and shareholders' equity		
Shareholders' equity	**33,309.41**	**30,068.48**
Non-current liabilities		
Non-current financial liabilities	78.72	19.67
Other non-current liabilities	301.04	368.16
Current liabilities		
Current financial liabilities	6,233.75	5,981.66
Other current liabilities	1,167.53	955.43
Total liabilities and shareholders' equity	**41,090.45**	**37,393.40**

Income Statement	Year ended 31/03/2023	Year ended 31/03/2022
Revenues	**67,957.07**	**57,214.81**
Operating costs	59,882.73	49,684.29
Depreciation and amortisation	2,407.08	2,037.38
Financial charges	42.70	18.20

Non-recurring income/(expense)	(102.85)	(314.50)
Income before tax	**5,521.71**	**5,160.44**
Taxation for the year (current and deferred)	1,432.54	1,343.01
Income (loss) for the year	**4,089.17**	**3,817.43**
OCI - Other comprehensive income	30.90	12.46
Total statement of comprehensive income	**4,120.07**	**3,829.89**

The following section describes relations with the company that provides management control and coordination services and with the other affiliates, as well as the effect of those activities on the operations of the Company and its results.

Information pursuant to art. 1, paragraph 125, of Law 124 of 4 August 2017

In relation to the provisions of art. 1, paragraph 125-bis, of Law 124/2017, regarding the obligation to provide evidence in the explanatory note of any sums of money received during the financial year by way of subsidies, advantages, contributions or aid, in cash or in nature, not having a general nature and having no consideration, remuneration or compensation of any kind, by public administrations and by the subjects referred to in paragraph 125-bis of the same article, the Company certifies that they are recorded in the National Register of State Aid.

Proposed allocation of profits or coverage of losses

To the Shareholders, in light of the matters explained above, the Board of Directors proposes to allocate the income for the year of €419,520 to "retained earnings".

Explanatory notes - closing section

Shareholders,
We confirm that these financial statements, which comprise the balance sheet, income statement, statement of cash flows and explanatory notes, give a true and fair view of the Company's assets and liabilities, financial position and results for the year and agree with the accounting records. We therefore invite you to approve the draft financial statements for the year ended 31/03/2024, together with the proposed allocation of net income, as submitted by the Board of Directors.
The financial statements are true and fair and agree with the accounting records.

Rovereto, 12/05/2024

For the Board of Directors

The Managing Director

Silvio Barbieri

ENDURANCE ADLER SPA

Company with sole shareholder:

Head office: VIA DI VITTORIO, 20/22 ROVERETO (TN)

Trento Companies Register of the Trento Chamber of Commerce, Tax Code, and registration No. 00106120223

Trento Business Register (REA) no.TN 53464

Share capital: € 840,000.00 subscribed and fully paid

VAT number: 00106120223

Management control and coordination: ENDURANCE TECHNOLOGIES LIMITED

Report of the Board of Statutory Auditors

Financial statements at 31/03/2024

Pursuant to the current articles of association, the Board of Statutory Auditors has been assigned the task of administrative supervision, while the independent audit was assigned to Deloitte & Touche S.p.a. by the Shareholders' Meeting of 27/03/2023. Accordingly, this report only explains the supervisory work that we performed in accordance with the law.

Report to the Shareholder's Meeting pursuant to art. 2429, para. 2 of the Italian Civil Code - Administrative supervision

During the course of the financial year ended 31/03/2024, our activities were performed in compliance with applicable legislation and the principles of conduct for the Board of Statutory Auditors issued by the Italian Accounting Profession (as represented by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

Activities carried out by the Board of Statutory Auditors during the year ended 31/03/2024

We supervised compliance with the law, with the articles of association and with principles of proper administration. We attended Shareholders' Meetings and Board Meetings, in respect of which, based on information made available, no matters came to our attention to indicate that there had been any infringements of the law or of the articles of association, nor transactions which were clearly imprudent, risky, likely to give rise to a conflict of interest or such as to compromise the integrity of the company's assets.

We acquired information from the directors on the status of capital transactions, with respect to which we have no particular observations to make.
We obtained information from the directors on the company's performance and the likely outlook, as well as on the most significant transactions, in terms of size or characteristics, entered into by the company and by its subsidiaries and, based on the information obtained, we have no particular findings to report.
We met with the independent auditors and, with reference to those meetings, no significant information or data emerged that should be disclosed in this report.
We gained knowledge on and supervised, within the scope of our duties, the adequacy of and the operations of the company's organisational structure by obtaining information from function heads, with respect to which we have no particular findings to report.
We gained knowledge on and supervised, within the scope of our duties, the adequacy of and the operations of the company's administrative-accounting system, as well as on the reliability of the latter in correctly presenting the results of operations, by obtaining information from function heads, from the independent auditors and from an examination of corporate documents, and, with respect thereto, we have no particular findings to report.
No complaints were presented to us as per Art. 2408 of the Italian Civil Code.
During the course of the year, we did not issue any opinions required by law.
During the course of our supervisory activities, as described above, no other significant matters arose that are worthy of inclusion in this report.

This report therefore summarises our activity with regard to the requirements of art. 2429, para. 2 of the Italian Civil Code, namely information on:

- the results for the financial year;
- the work performed in fulfilment of our legal duties; the observations and proposals regarding the financial statements, with particular regard to any use made by the administrative body of the exception permitted by art. 2423, para. 5 of the Italian Civil Code;

In any case, we are at your complete disposal to examine any other aspects during the Shareholders' Meeting.
The work performed by us covered the entire financial year and regular meetings were held during the year pursuant to art. 2404 of the Italian Civil Code.
During our periodic checks, we gained knowledge on how the Company's activities were evolving, paying particular attention to contingent problems in order to identify the economic and financial impact on the result for the year and on the balance sheet, as well as any risks.
Minutes were drawn up of these meetings and duly signed for unanimous approval.

Supervisory activities pursuant to art. 2403 et seq. of the Civil Code

The draft financial statements for the year ended 31/03/2024, provided to us for our examination by the Board of Directors pursuant to art. 2429 of the Italian Civil Code, have been prepared in accordance with the requirements of Legislative Decree no. 127/91 and consist of:

- Balance sheet
- Income Statement
- Statement of cash flows
- Explanatory notes

The result for the year is net income of € 419,520, as may be seen from the summary figures provided below.

Balance sheet

Description	FY 2023/2024	FY 2022-2023	Difference
FIXED ASSETS	4,658,863	5,500,533	(841,670)
CURRENT ASSETS	6,420,637	6,993,554	(572,917)
ACCRUED INCOME AND PREPAID EXPENSES	46,624	49,831	(3,207)
TOTAL ASSETS	11,126,124	12,543,918	(1,417,794)

Description	FY 2023/2024	FY 2022-2023	Difference
SHAREHOLDERS' EQUITY	6,102,559	5,683,039	419,520
PROVISION FOR RISKS AND CHARGES	320,682	423,564	(102,882)
PROVISION FOR EMPLOYEE TERMINATION INDEMNITIES	173,071	181,514	(8,443)
PAYABLES	2,852,528	3,426,708	(574,180)
ACCRUED EXPENSES AND DEFERRED INCOME	1,677,284	2,829,093	(1,151,809)
TOTAL LIABILITIES AND EQUITY	11,126,124	12,543,918	(1,417,794)

Income Statement

Description	FY 2023/2024	FY 2022-2023	Difference
VALUE OF PRODUCTION	9,409,433	11,215,041	(1,805,608)
REVENUES FROM SALES OF GOODS AND SERVICES	9,449,448	10,568,516	(1,119,068)
PRODUCTION COST	8,862,188	10,929,506	(2,067,318)
DIFFERENCE BETWEEN PRODUCTION VALUE AND COST (A - B)	547,245	285,535	261,710
Income (loss) before taxes (A-B+-C+-D)	575,903	253,652	322,251
INCOME TAXES FOR THE YEAR, CURRENT AND DEFERRED	156,383	71,900	84,483
NET INCOME (LOSS) FOR THE YEAR	419,520	181,752	237,768

We have examined the draft financial statements for the year ended 31/03/2024, including the Report on Operations, in relation to which we point out the following.

Due to the fact that we were not appointed as independent auditors of the financial statements, we have limited ourselves to monitoring the overall approach to their preparation and their general compliance with the law as regards their format and structure and we do not have any particular observations to make in this regard.

More precisely, we note that:

- The accounting policies used in preparing the financial statements at 31/03/2024 comply with the Italian Civil Code as amended by Decree Law 139/2015;
- the Directors have provided information on the Company's performance and on the outlook for operations;
- the balance sheet and income statement formats adopted by the Company comply with articles 2424, 2424-bis, 2425 and 2425-bis of the Italian Civil Code;
- Pursuant to art. 2426, para. 5 of the Italian Civil Code, we acknowledge that, with our consent, development costs have been recognised in balance sheet assets and we have verified that they met the recognition criteria of ascertainable future economic benefits;
- pursuant to art. 2426, para. 6, of the Italian Civil Code, the financial statements at 31/03/2024 do not contain any amounts representing goodwill under intangible assets;
- pursuant to OIC 25, deferred tax assets have been allocated on the tax loss for the year as there is a reasonable certainty of their future recovery.

We have verified compliance with the law regarding the structure of the directors' report on operations and we do not have any particular observations to make thereon.

As far as we are aware, in the preparation of the financial statements, there was no failure by the directors to comply with the law pursuant to paragraph 5 of Art. 2423 para. 5 of the Italian Civil Code.

Result for the year

The net result ascertained by the Directors for the year ended 31/03/2024, as shown in the financial statements, is positive for € 419,520.

We do not have any observations to make on the allocation of the net result for the year proposed by the Directors.

Conclusion

Considering the results of the work performed by the independent auditors, as explained in their unqualified audit report, issued without any emphasis of matter on 14/05/2024, we unanimously believe that there are no impediments to approval at the Shareholder's Meeting of the draft annual financial statements at 31/03/2024, as prepared and presented by the Directors.

Milan, 14/05/2024

The Board of Statutory Auditors

Fulvio Mastrangelo

Fabio Greco

Massimo Carera

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Sole Shareholder of
Endurance Adler S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Endurance Adler S.p.A. (the "Company"), which comprise the balance sheet as at March 31, 2024, the statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Pursuant to art. 2497-bis, first paragraph of the Italian Civil Code, Endurance Adler S.p.A. has disclosed that it is subject to management and coordination of its activities by Endurance Technologies Limited (India) and, therefore, has indicated in the notes to the financial statements the key financial data from the most recent financial statements of such company. Our opinion on the financial statements of Endurance Adler S.p.A. does not extend to such data.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian law governing financial statements, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e) of Legislative Decree 39/10

The Directors of Endurance Adler S.p.A. are responsible for the preparation of the report on operations of the Company as at March 31, 2024, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of the Company as at March 31, 2024 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the financial statements of Endurance Adler S.p.A. as at March 31, 2024 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
May 14, 2024

This independent auditor’s report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

General information on the company

Company data

Name:	VEICOLI SRL
Registered office:	VIA DELL'ARSENALE 33 TURIN TO
Quota capital:	500,000.00
Quota capital fully paid in:	yes
Chamber of Commerce:	TO
VAT Number:	11225130019
Tax code:	11225130019
REA Number:	1197428
Legal form:	LIMITED LIABILITY COMPANY
Core business (ATECO):	620100
Company in liquidation:	no
Company with sole quotaholder:	yes
Company subject to management control and coordination:	yes
Name of the company or entity that exercises management control and coordination:	ENDURANCE TECHNOLOGIES LIMITED
Belonging to a Group:	yes
Name of the parent company:	ENDURANCE OVERSEAS S.R.L.
Country of the parent company:	ITALY
Cooperatives register number:	n/a

Financial statements at 31/03/2024

Condensed balance sheet

	31/03/2024	31/03/2023
Assets		
B) Fixed assets		
I - Intangible assets	123,267	46,392
II - Tangible assets	76,463	59,988
Total fixed assets (B)	*199,730*	*106,380*
C) Current assets		
I - Inventories	19,668	22,762

	31/03/2024	31/03/2023
II - Receivables	456,185	254,657
due within one year	456,185	254,657
III - Current financial assets	1,610,256	1,723,933
IV - Cash and cash equivalents	388,932	240,043
Total current assets (C)	*2,475,041*	*2,241,395*
D) Accrued income and prepaid expenses	**28,399**	**5,307**
Total assets	*2,703,170*	*2,353,082*
Liabilities and quotaholders' equity		
A) Quotaholder's equity		
I - Quota capital	500,000	500,000
II - Share premium reserve	49,929	49,929
IV - Legal reserve	4,260	100
VI - Other reserves	1,332,651	1,332,651
VIII - Retained earnings (accumulated losses)	(19,456)	(82,054)
IX - Net income (loss) for the year	224,923	66,758
Total quotaholder's equity	*2,092,307*	*1,867,384*
B) Provision for risks and charges	**90,000**	**90,000**
C) Employee termination indemnities	**23,826**	**17,991**
D) PAYABLES	**374,570**	**309,221**
due within one year	360,158	309,221
due beyond one year	14,412	-
E) Accrued expenses and deferred income	**122,467**	**68,486**
Total liabilities and quotaholder's equity	*2,703,170*	*2,353,082*

Condensed income statement

	FY 2023/2024	FY 2022/2023
A) Value of production		
1) Revenues from sales of goods and services	1,296,538	931,135
2/3) Change in inventory of WIP semi-finished and finished products and in contract WIP	(3,094)	15,696
5) Other income and revenues	-	-
Other	1,989	478
Total other income and revenues	*1,989*	*478*
Total value of production	*1,295,433*	*947,309*
B) COST OF PRODUCTION		
6) raw and ancillary materials, consumables and goods for resale	111,526	61,853
7) services	581,719	493,985
8) lease and rental charges	607	7,694
9) payroll	-	-
a) wages and salaries	182,557	178,876
b) social contributions	45,464	48,590
c/d/e) employee termination indemnities, pensions, other payroll costs	24,850	19,356
c) employee termination indemnities	12,152	9,401
e) other costs	12,698	9,955
Total payroll costs	*252,871*	*246,822*
10) Depreciation, amortisation and write-downs	-	-
a/b/c) amortisation, depreciation, write-downs	64,046	55,439
a) amortisation of intangible assets	32,218	39,106
b) depreciation of tangible assets	31,828	16,333
Total depreciation, amortisation and write-downs	*64,046*	*55,439*
14) Other operating expenses	6,198	2,570
Total cost of production	*1,016,967*	*868,363*
DIFFERENCE BETWEEN PRODUCTION VALUE AND COST (A - B)	**278,466**	**78,946**
C) FINANCIAL INCOME AND CHARGES		
16) Other financial income	-	-
d) Income other than the above	-	-
from parent companies	29,563	-
other	20	-

	FY 2023/2024	FY 2022/2023
Total income other than the above	*29,583*	-
Total other financial income	*29,583*	-
17) Interest and other financial charges	-	-
other	204	517
Total interest and other financial charges	*204*	*517*
17-bis) Exchange gains and losses	(128)	(144)
Total financial income and charges (15+16-17+-17-bis)	*29,251*	*(661)*
Income (loss) before taxes (A-B+-C+-D)	**307,717**	**78,285**
20) Income taxes for the year, current and deferred		
current taxation	82,784	14,725
taxation relating to prior years	10	(3,198)
Total income taxes for the year, current and deferred	*82,794*	*11,527*
21) Net income (loss) for the year	**224,923**	**66,758**

Explanatory notes - first part

Quotaholders,

These explanatory notes form an integral part of the financial statements for the year ended 31/03/2024.

The financial statements have been prepared in a condensed format, since the limits set by Art. 2435-bis of the Italian Civil Code have not been exceeded for two consecutive financial years.

The financial statements comply with the requirements of article 2423 onwards of the Civil Code and with Italian accounting standards published by the OIC (Italian Accounting Board); they have thus been prepared clearly and give a true and fair view of the company's financial position and results of operations.

The content of the balance sheet and the income statement is that required by articles 2424 and 2425 of the Civil Code.

The explanatory notes, which have been prepared in accordance with Art. 2427 of the Civil Code, contain all the information needed for a correct interpretation of the financial statements.

This document will also provide the information required by points 3 and 4 of art. 2428 of the Civil Code, given that a directors' report on operations has not been drawn up as permitted by art. 2435-bis of the Civil Code.

The financial statements at 31/03/2024 show net income for the year of € 224,923.

Preparation of the financial statements

The information contained in the present document is presented following the order in which the related components are indicated in the balance sheet and income statement.

With reference to the matter indicated in the introduction to the explanatory notes, it is hereby confirmed that, pursuant to paragraph 3 of Art. 2423 of the Civil Code, where the information required by legislative provisions is not sufficient to give a true and fair view of the company's situation, supplementary information is provided for this purpose.

The financial statements, as these explanatory notes, have been drawn up in Euro.

Basis of preparation

The items in the financial statements are measured in accordance with the prudence and materiality concepts on a going concern basis.

Pursuant to art. 2423-bis, para. 1, point 1-bis of the Italian Civil Code, items are recognised and presented having regard for the substance of the operations or contracts concerned. In preparing the financial statements, income and expenses have been recorded on an accruals basis, regardless of the timing of collection and expenditure, and only profits that have been realised by the year end have been included. Contingencies and losses relating to the year are recognised, even if they become known after the reporting date.

Each component of every asset and liability caption is measured separately, in order to prevent any gains in one area from offsetting losses in another.

In cases where offsetting is permitted by law, the gross amounts to be offset are indicated in the notes.

Preparation of the financial statements

The balance sheet, income statement and the accounting disclosures contained in these notes agree with the books of account from which they have been taken directly.
In the presentation of the balance sheet and income statement, the items preceded by Arabic numerals have not been grouped, which is optional under Art. 2423 ter of the Italian Civil Code.
Pursuant to Art. 2424 of the Civil Code, it is hereby confirmed that no balance sheet items have been allocated to more than one balance sheet line.

Exceptional situations pursuant to paragraph 5 of art. 2423 of the Italian Civil Code

There are no exceptional situations that might have made it necessary to seek exemptions under paragraphs 4 and 5 of art. 2423 of the Italian Civil Code.

Changes in accounting policies

There are no exceptional situations that might have made it necessary to seek exemptions under paragraph 2 of art. 2423-bis of the Italian Civil Code.

Comparability and compliance

Pursuant to Art. 2423 ter of the Civil Code, we can confirm that all of the financial statement items are comparable with the prior year; no restatement of prior year items has been necessary.

Accounting policies

The accounting policies applied for the preparation of these financial statements, described below, take account of the amendments, additions and new provisions included in the civil code by Decree 139/2015, which transposed Directive 34/2013/EU into Italian law. In particular, the domestic accounting standards were reformulated by the OIC in the latest version issued on 22 December 2016, inclusive of the amendments published on 29 December 2017.

The accounting policies applied for the measurement of financial statement items and for their adjustment comply with the provisions of the Civil Code and with the indications included in the Italian accounting standards reformulated by the Italian Accounting Board.
Pursuant to art. 2427 paragraph 1 no. 1 of the Civil Code, we explain the more significant accounting policies applied in compliance with the provisions of art. 2426 of the Civil Code, particularly for those items for which the legislator permits the use of options for measurement and adjustments or for which no specific accounting policy exists.

Intangible assets

When the established criteria are met, these are recorded at purchase or production cost, inclusive of direct costs and related charges, and amortised systematically each year on a straight-line basis.
Their book value is stated net of accumulated amortisation and write-downs.
Amortisation is applied as indicated below, in order to allocate the cost incurred over the useful life of the assets:

Intangible asset items	Amortisation period
Start-up and expansion costs	5 years on a straight-line basis
Development costs	5 years on a straight-line basis

In exceptional cases in which the useful lives of development costs cannot be estimated reliably, they are in all cases amortised over a period that does not exceed five years. Until these assets are fully amortised, dividends cannot be distributed unless the remaining available reserves are sufficient to cover the unamortised balance.
Advertising and research costs are expensed in full in the accounting period in which they are incurred.
Leasehold improvements are capitalised and classified as "other intangible assets" if they cannot be separated from the assets concerned (in which case they are recognised in the relevant category of "tangible fixed assets"). They are amortised systematically over the period they are expected to benefit (prudently determined to be 5 years) or, if shorter, over the residual duration of the lease after taking account of any renewal period available at the discretion of the Company.
If permanent impairment is identified regardless of the amortisation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs. This reinstatement does not apply to goodwill or the deferred charges referred to in point 5 of art. 2426 c.c.
Pursuant to Art. 10 of Law 72 of 19 March 1983 and subsequent laws on revaluations of assets, it is hereby confirmed that the intangible assets recorded in the books have never been revalued.

Tangible assets

These are recorded at purchase or internal construction cost and stated net of the depreciation charged in the current and prior years. Costs comprise related charges and the direct and indirect expenses that can reasonably be

allocated to assets during the construction period and until they become available for use. They also include any borrowing costs incurred to finance the construction work (whether internal or carried out by third parties) until the asset become available for use, without however exceeding its recoverable value. Tangible fixed assets are only revalued if this is required or allowed by special laws.
Assets purchased in foreign currencies are recorded at cost using the exchange rate in force on the transaction date, or using the lower rate applying on the reporting date if the reduction is deemed to be permanent.
Tangible assets are depreciated systematically each year. The rates applied are summarised in the following table:

Tangible asset items	Depreciation rate
Tools and equipment	20.00%
Electronic office machines	20.00%
Ordinary office machines and furniture and furnishings	20.00%
Motor cars	20.00%
Assets costing less than € 516.46	100.00%

When fixed assets enter into service during the year, their depreciation commences on a time-apportioned basis from the month after the one in which they become available and ready for use in the year of acquisition.
Depreciation is also charged on fixed assets that are temporarily out of use. Land is not depreciated, as its useful life is not finite.
If applicable, buildings held as a financial investment are not depreciated if their residual value is greater than or equal to their net carrying amount.
If permanent impairment is identified regardless of the depreciation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs.
Routine maintenance and repair costs are charged in full to the income statement. Improvement costs are allocated to the fixed assets concerned and depreciated over their residual useful lives.
Costs incurred to expand, modernise or improve the structural elements of a tangible fixed asset are capitalised if they significantly and measurably increase its productive capacity, safety or useful life. If the costs concerned do not have the above effect, they are treated as routine maintenance and charged to the income statement.
Start-up grants are recognised when it becomes reasonably certain that the conditions for their collection will be satisfied and the grants will be paid. They are deducted from cost indirectly, as they are credited to income statement caption A5 “other income and revenues” and then deferred for recognition on an accruals basis via classification as “deferred income”.

Impairment (tangible and intangible assets)

At each reporting date, the Company determines if there is any evidence that the value of its tangible and intangible fixed assets might be impaired. If such evidence is found, the Company estimates the recoverable value of each asset concerned and records an impairment write-down if it is lower than the corresponding net carrying amount.
Recoverable value is not determined if there is no evidence of possible impairment.

The recoverable value of tangible and intangible assets is deemed to be their value in use (calculated by discounting their future cash flows) or, if greater, their fair value (being the amount obtainable at the reporting date, based on the best available information, from their sale in an arm's-length transaction between knowledgeable and willing parties, net of the related selling costs).
With regard to the above, the Company has looked for evidence that the value of its tangible and intangible assets might be impaired, but did not find any and, accordingly, has not determined the recoverable value of the above assets.

Equity investments and securities (classified as long-term financial assets)

The equity investments and debt securities classified as long-term financial assets will be held by the Company over the long term. Equity investments are measured at cost, as adjusted for any impairment.
The cost recorded in the financial statements is determined with reference to purchase or subscription price, inclusive of related expenses. If impairment is identified, the carrying amount of equity investments is reduced to their recoverable value, which is determined with reference to the future benefits that are expected to accrue to the Company. Should the Company be obliged or intend to cover the (non-permanent) losses incurred by an equity investment, a suitable provision is recorded to cover the liability to which the Company is exposed. If in future years the reasons for the write-down cease to apply, the equity investment is written back to its original carrying amount.
Debt securities are measured using the amortised cost method, being their original carrying amount net of any redemptions of principal, as increased or decreased by the accumulated amortisation, calculated using the effective interest method, of any difference between its initial and maturity values after deducting any impairment (recognised directly or by a provision) following a loss in value; the original carrying amount is represented by purchase or subscription cost, net of any commissions.

Intercompany loans

Intercompany loans with a duration of more than 12 months are usually governed by contracts arranged on market terms and conditions; interest-free intercompany loans and those arranged at significantly below market rates are recognised initially at the value of the related future cash flows, as discounted using the market rate (being the average funding rate of the Company or the Group). The difference with respect to the liquidity collected by the parent company is credited to quotaholders' equity.

Inventories

Inventories are stated at the lower of purchase and/or production cost and realisable value, based on market prices.
In particular, set out below are details of the specific accounting policies used for the valuation of each inventory category (consistent with those used for the prior year):

- Raw materials: annual weighted average cost (including components purchased from third parties).
- Work in process (semi-finished products): manufacturing cost based on the stage of completion of the production process, being the cost of production.
- Finished products: manufacturing cost.
- Dies for resale: purchase cost.
- Consumables: purchase cost, inclusive of spare parts.

Purchase cost includes any directly attributable ancillary charges, with the exclusion of borrowing costs. Production cost includes the indirect costs that are reasonably attributable to each asset during the production period until it becomes available for use.

The realisable value of goods, finished products, semi-finished products and work in process inferred from market conditions is deemed to be their net realisable value. Raw and ancillary materials held for the production of finished products are not written down if the finished products in which they will be used are realisable for an amount that is greater than or equal to their production cost.

Inventories are written down when their realisable value estimated with reference to market conditions is lower than their carrying amount. Obsolete and slow-moving inventories are written down with reference to their possible uses or realisable value. If in future years the reasons for any write-down cease to apply, the related inventories are written back to not more than their original cost.

Current receivables

Receivables are stated at amortised cost, having regard for the time factor and their estimated realisable value. The amortised cost method is not applied when its effects are insignificant, being when the transaction costs, the commissions paid between the parties and all other difference between initial value and maturity value are immaterial or when the receivables are recoverable in the short term (within 12 months).

Trade receivables due beyond 12 months at the time of initial recognition, without the payment of interest or with interest that differs significantly from market rates, and the related revenues are recognised initially at the value of their future cash flows discounted using the market rate (being that applied by two independent parties when negotiating a loan transaction with similar terms and conditions). The difference between the amount of the receivable recognised initially and its maturity value is recognised as financial income in the income statement over the duration of the receivable, using the effective interest method.

The amount of receivables, as determined above, is adjusted when necessary by a specific allowance for doubtful accounts, which is deducted directly from their gross amount in order to report them at their estimated realisable value. The provision (which takes account of collection losses, returns and invoicing adjustments, discounts and allowances, interest not yet earned and other reasons for reduced recoverability) is charged to the income statement.

Receivables assigned to factors are only derecognised if they are sold without recourse and essentially all the related risks are transferred (the difference between the consideration received on the assignment and the carrying amount of the receivable is recognised in income statement caption C17). If the assignment does not involve derecognition (for example, assignment with recourse), since not all the related risks are transferred, the receivable

continues to be reported in the balance sheet and is measured in the manner described above. If advance consideration is received from the assignee, the amount is recognised as a financial payable.
Receivables taking the form of bank receipts that have not been assigned remain classified as receivables until final collection of the amounts concerned.
Receivables deriving from centralised treasury management activities are classified separately within current assets, if recoverable in the short term. If this is not the case, they are classified as long-term financial assets.

Current financial assets

This caption comprises the equity investments and debt securities that will not be held over the long term by the Company. They are recorded at specific cost or, if lower, at their market value that, for listed investments, is determined with reference to their market price on the reporting date.
These equity investments are written down to their realisable value case by case, rather than on an overall basis. If the reasons for any adjustments cease to apply, in whole or in part, the adjustments are reversed without exceeding the original cost.

Cash and cash equivalents

Cash and cash equivalents are carried at face value. Amounts denominated in foreign currencies are measured using the closing exchange rates.

Accrued income and prepaid expenses

Accruals and deferrals comprise costs and revenues relating to the year that will be formally recorded in future years, and costs and revenues recorded by the reporting date that relate to future years. The related amounts are determined on a time-apportioned basis.

Provisions for risks and charges

The provisions for risks and charges cover known or likely losses or liabilities, the timing or extent of which cannot be determined at the reporting date. These provisions, including those for deferred tax liabilities, which are classified in this caption, reflect the best possible estimates based on the information available. Risk that only might give rise to a liability are described in the notes on the provisions, without actually recording a provision. As required by OIC 31, new provisions for risks and charges are, where possible, classified in the relevant income statement classes (B, C or D). Whenever it is not possible to correlate a new provision with a caption in one of the above classes, it is classified in income statement caption B12 or B13.

Employee termination indemnities

Employee termination indemnities represent the total amount that would have been payable to all employees had they terminated their employment on the reporting date. The charge for the year, comprising the new provision and the revaluation of the accumulated provision (based on the change in the relevant ISTAT index), is determined in accordance with current regulations, having regard for the specific employment contracts and the professional categories concerned. Employee termination indemnities are classified in liability caption C, while the provision for the year is classified in income statement caption B9.
The changes made to the regulations governing termination indemnities by Law 296 dated 27 December 2006 (2007 Finance Law) and subsequent decrees and enabling regulations, amended the accounting for the indemnities earned by 31 December 2006 and those earned from 1 January 2007. In particular, following creation of the INPS Treasury Fund to manage the termination indemnities of private sector employees, employers with more than 50 employees are obliged to pay the new provisions relating to them into the Treasury Fund, unless the persons concerned have specifically opted for their indemnities to be paid to a supplementary pension fund. The employee termination indemnities reported in the balance sheet are therefore stated net of the amounts paid to the above INPS Treasury Fund.

Payables

Payables are stated at amortised cost, as defined in art. 2426, para. 2 c.c., having regard for the time factor envisaged in art. 2426, para. 1, point 8 c.c.. Payables are however stated at their nominal amount if application of the amortisation cost and/or discounting methods would not be significant for the purpose of providing a true and fair view of the financial position and results of operations. This situation arises in the case of payables due within twelve months or, with regard to the amortised cost method, if the transaction costs, commissions and all other differences between the initial value and the maturity value are insignificant or, again, with regard to the discounting method, if the interest rate inherent in the contractual conditions is not significantly different to the market rate of interest.
The amounts due to employees for untaken holidays and deferred payroll, including the related social security contributions, are accrued with reference to the amount that would have been payable had their employment ceased on the reporting date.

Revenues

Revenues from the sale of goods are recognised when ownership passes in substance, rather than in formal terms, being when the related risks and benefits are transferred (which in practice coincides with the time of delivery or shipment of the goods).
Revenues from the sale of products and goods or the provision of services relating to core operations (including income from the sale of production machinery and equipment, if envisaged under contractual agreements with

customers) are recognised net of returns, discounts, allowances and rebates, as well as the taxes directly associated with the sale of products and the provision of services.
Revenues from services are recognised upon completion and/or when earned.
Transactions with related parties take place on normal market terms and conditions.

Costs

Costs stated net of returns, discounts, allowances and rebates are recognised on an accruals basis in accordance with the matching principle, regardless of the date of collection or payment. Compliance with the matching principle requires an estimate to be made of the invoices to be received.

Dividends

Dividends are recognised in the year in which they are declared by the quotaholders' meeting. Dividends are recognised as financial income, regardless of the nature of the reserves that are distributed.

Financial income and charges

Financial income and charges are recognised on an accruals basis. Costs relating to the disposal of receivables for whatever reason are charged to the income statement on an accruals basis.

Income taxes

Income taxes are recognised with reference to an estimate of taxable income in compliance with current regulations, having regard for any applicable exemptions and tax credits.
Deferred tax assets and liabilities are calculated on the temporary differences between the reported carrying amount of assets and liabilities and their corresponding values for tax purposes. Their measurement takes account of the tax rates expected to be in force in the year in which such differences contribute to the formation of taxable income, being the rates in force or already communicated at the reporting date (24% for IRES and 3.9% for IRAP). They are classified respectively among the current assets as “deferred tax assets” and among the provisions for risks and charges as “deferred tax liabilities”.
In accordance with the concept of prudence, deferred tax assets are recognised on all deductible temporary differences if it is reasonably certain that taxable income in the years in which they reverse will not be less than the amount of the differences to be absorbed.
By contrast, deferred tax liabilities are recognised on all taxable temporary differences.
Deferred tax liabilities are not recognised in relation to reserves subject to the deferral of taxation if they are unlikely to be distributed to the quotaholder.

Translation of foreign currency items

Non-monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the exchange rates applying at the time of their acquisition, being their initial recognition cost.
Monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the spot exchange rates applying on the reporting date; the related exchange gains and losses are recognised in the income statement and any net unrealised gains are allocated to a non-distributable reserve until they have been realised.

Other information

Repurchase agreements

Pursuant to art. 2427 point 6-ter of the Italian Civil Code, the Company confirms that no repurchase agreements were arranged during the year.

Explanatory notes, assets

The movements in the individual balance sheet items are analysed in detail below, according to current law.

Fixed assets

This paragraph of the notes analyses the movements in intangible, tangible and long-term financial assets.

Intangible assets

	Start-up and expansion costs	Development costs	Other	Total intangible assets
Balance at the beginning of the year				
Cost	33,676	197,607	-	231,283
Amortisation (Accumulated amortisation)	33,676	151,215	-	184,891
Carrying amount	**-**	**46,392**	**-**	**46,392**
Changes during the year				
Additions	-	104,593	4,500	109,093
Amortisation for the year	-	31,343	875	32,218
Total changes	*-*	*73,250*	*3,625*	*76,875*
Balance at the end of the year				
Cost	33,676	302,201	4,500	340,377

Amortisation (Accumulated amortisation)	33,676	182,559	875	217,110
Carrying amount	**-**	**119,642**	**3,625**	**123,267**

The value of the intangible assets recorded in these financial statements, net of accumulated amortisation, refer to development costs incurred for the development of the know-how and IT products designed by the Company.

Tangible assets

	Industrial and commercial equipment	Other tangible assets	Total tangible assets
Balance at the beginning of the year			
Cost	66,045	37,125	103,170
Depreciation (Accumulated depreciation)	11,796	31,386	43,182
Carrying amount	54,249	5,739	59,988
Changes during the year			
Additions	42,850	5,453	48,303
Depreciation for the year	29,000	2,828	31,828
Total changes	*13,850*	*2,625*	*16,475*
Balance at the end of the year			
Cost	108,895	42,578	151,473
Depreciation (Accumulated depreciation)	40,796	34,214	75,010
Carrying amount	68,099	8,364	76,463

The amount of tangible assets at 3/31/2024 mainly refers to the equipment represented by devices (satellite locators) for monitoring fleet vehicles in circulation.

Finance leases

The company is not party to any finance lease contracts at the balance sheet date.

Current assets

Inventories

The following table shows the changes in inventories:

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Inventories (finished products and goods)	22,762	(3,094)	19,668
Total	**22,762**	**(3,094)**	**19,668**

The item includes the material and devices purchased for subsequent installation on the vehicles being monitored.

Current receivables

The receivables shown under current assets have been measured at their estimated realisable value, making use of the option granted by art. 2435-bis of the Italian Civil Code.
They are made up of the following sub-items, which have seen the following changes during the year:

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Trade receivables	208,026	190,025	398,051	398,051	-
Receivables due from parent companies	-	29,563	29,563	29,563	-
Receivables due from fellow subsidiaries	25,620	(3,050)	22,570	22,570	-
Tax receivables	12,933	(12,927)	6	6	-
Other receivables	8,078	(2,083)	5,995	5,995	-
Total	**254,657**	**201,528**	**456,185**	**456,185**	**-**

Trade receivables (€ 398,051 at 31 March 2024) have increased versus the previous year, attributable to the rise in turnover during the last part of the year.
Receivables from the parent company, Endurance Overseas S.r.l., refer to the accrual of interest income on the cash pooling account.
Receivables due from fellow subsidiaries comprise trade receivables due from Endurance S.p.A. direct subsidiary of Endurance Overseas S.r.l.

Current financial assets

Movements in current financial assets

The movements in current financial assets are analysed in the following table:

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Current financial assets	1,723,933	(113,677)	1,610,256
Total	**1,723,933**	**(113,677)**	**1,610,256**

Pursuant to article 2423-ter, paragraph 3 of the Italian Civil Code, and having verified the short-term collectability as required by OIC 14, the Company has recorded in the item C.3. "Current financial assets" the receivable from Endurance Overseas S.r.l., the company that administers the Group's cash pooling system. The balance is down € 113,677 on the previous year.

Cash and cash equivalents

Cash and cash equivalents are carried at their face value corresponding to the cash balance at the end of the year and the credit balances on bank current accounts. The following table shows the changes that took place during the year:

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Bank and postal deposits	240,012	148,835	388,847
Cash on hand	31	54	85
Total	**240,043**	**148,889**	**388,932**

The increase in this item is linked to the positive operating cash flows generated during the year, used to pay for current financial payables and investments made by the Company during the year.

Accrued income and prepaid expenses

This item (which amounts to € 28,399) includes portions of revenues pertaining to the current year, which will be received in subsequent years.

Capitalised financial charges

All interest expense and other financial charges have been expensed during the year. In compliance with paragraph 1.8 of art. 2427 of the Italian Civil Code, we can confirm that no financial charges have been capitalised.

Explanatory notes, liabilities and quotaholders' equity

Movements in individual balance sheet items are analysed below, according to current law.

Quotaholders' equity

The components are stated at their carrying amount in accordance with accounting standard OIC 28.

The following table summarises the changes in equity with respect to the previous year (01/04/2022 – 31/03/2023):

	Balance at the beginning of the year	Allocation of the prior year result	Result for the year	Balance at the end of the year
Capital	500,000	-	-	500,000
Share premium reserve	49,929	-	-	49,929
Legal reserve	100	-	-	100
Extraordinary reserve	32,180	-	-	32,180
Other reserves	1,300,471	-	-	1,300,471
Retained earnings (accumulated losses)	(98,505)	16,451	-	(82,054)
Net income (loss) for the year	16,451	(16,451)	66,758	66,758
Total	**1,800,626**	**-**	**66,758**	**1,867,384**

The detail of the movements that occurred during the financial year in question is shown below (at 03/31/2024):

	Balance at the beginning of the year	Allocation of the prior year result	Result for the year	Balance at the end of the year
Capital	500,000	-	-	500,000
Share premium reserve	49,929	-	-	49,929
Legal reserve	100	4,160	-	4,260
Extraordinary reserve	32,180	-	-	32,180
Other reserves	1,300,471	-	-	1,300,471
Retained earnings (accumulated losses)	(82,054)	62,598	-	(19,456)
Net income (loss) for the year	66,758	(66,758)	224,923	224,923
Total	**1,867,384**	**-**	**224,923**	**2,092,307**

Availability and use of quotaholder's equity

The following table provides details of the components of quotaholders' equity, including their origin, their potential utilisation and whether they are distributable, as well as the utilisation thereof in the prior three years.

Description	Amount	Origin/ Nature	Potential utilisation	Amount available	Summary of utilisation in previous three financial years - to cover losses
Capital	500,000	Capital	-	-	-
Share premium reserve	49,929	Capital	A,B	-	-
Legal reserve	4,260	Revenue	B	-	-
Extraordinary reserve	32,180	Revenue	A,B,C	32,180	-
Other reserves	1,300,471	Capital	A,B	-	-

Description	Amount	Origin/ Nature	Potential utilisation	Amount available	Summary of utilisation in previous three financial years - to cover losses
Retained earnings (accumulated losses)	(19,456)	Revenue	A,B,C	-	79,049
Total	*1,867,384*			*32,180*	
Amount not distributable				215,382	-
Residual amount distributable				-	-
KEY: "A" increase in capital; "B" cover of losses; "C" distribution to shareholders; "D: for other statutory requirements; "E": other					

The non-distributable portion of the reserves refers to the amount that still has to be transferred to the legal reserve to reach one fifth of the quota capital pursuant to Article 2431 of the Italian Civil Code, as well as the R&D costs included in intangible assets that still have to be amortised.

Provisions for risks and charges

The provisions for risks and charges were recognised in accordance with the instructions contained in accounting principle OIC 31, the related provisions are charged to the income statement in the year to which they refer. The provisions (which amount to € 90,000) were set aside during the previous year to cover certain risks, while there were no changes during the current year.

Employee termination indemnities

Changes in the provision for employee termination indemnities are shown in the following table.

	Balance at the beginning of the year	Changes during the year - Provision	Other changes during the year	Balance at the end of the year
Provision for employee termination indemnities	17,991	5,835	-	23,826
Total	**17,991**	**5,835**	**-**	**23,826**

The charge for the year (provision for employee termination indemnities classified in income statement caption B9 c) includes the provision retained by the Company and the payments made to the INPS Treasury Fund and the supplementary pension fund specified by each employee, where applicable.

Payables

Payables are shown in the financial statements at their face value, making use of the option granted by art. 2435-bis of the Italian Civil Code.

The classification of payables in the various payable items is based on their nature (or origin) with respect to ordinary operations, regardless of the period of time within which the liabilities have to be extinguished.
The item in question is made up as follows:

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Due to banks	40,543	(18,639)	21,904	7,492	14,412
Trade payables	100,781	5,230	106,011	106,011	-
Payables due to parent companies	84,000	11,000	95,000	95,000	-
Tax payables	25,917	77,923	103,840	103,840	-
Due to pension and social security institutions	13,473	(2,877)	10,596	10,596	-
Other payables	44,507	(7,288)	37,219	37,219	-
Total	**309,221**	**65,349**	**374,570**	**360,158**	**14,412**

At 31 March 2024, the amounts due to banks refer to loan agreement entered into with Unicredit, based on the following characteristics:

Bank	Initial amount paid	Arrangement date and duration in years	Residual balance at 31/03/2024	Within one year	Beyond one year
Unicredit	30,000	08/03/2021 - 6	21,904	7,492	14,412
Amortised cost adjustment	-	-	-	-	-
Total	**30,000**		**21,904**	**7,492**	**14,412**

Payables due to parent companies total € 95,000 and relate mainly to administrative, financial services and support provided by the parent company Endurance Overseas S.r.l. to Group companies (based on specific service agreements), which have been entered into on an arm's length basis.
Tax payables mainly refer to IRES and IRAP for € 68,049 and to VAT for € 30,498.
Other payables include amounts due to employees for salaries and accruals to be paid (€ 36,579).

Debt secured by collateral on company assets

In accordance with art. 2427, paragraph 1, no. 6 of the Civil Code, we can confirm that there are no payables with a duration of more than five years nor payables secured by liens on company assets

Accrued expenses and deferred income

The following table shows the changes in accrued expenses and deferred income.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Deferred income	68,486	(53,981)	122,467

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Total	**68,486**	**(53,981)**	**122,467**

Deferred income (€ 122,467) is of various kinds, mainly commercial, and the deferral of grants pertaining to future years.

Explanatory notes - income statement

The income statement reports the results for the year.
This statement presents the results of operations by summarising the positive and negative components of income that contributed to them. These positive and negative components of income, recognised pursuant to art. 2425-bis of the Italian Civil Code, can be broken down into the following categories: core business, ancillary activities and financial activities.
Core business activities include the components of income that were generated from continuing operations in the principal sector, and which identify and distinguish the economic activities carried out by the Company in the pursuit of its corporate objectives.
Financial activities comprise those operations that generate financial income and expense.
Ancillary activities comprise those residual operations that generate income in the ordinary course of business that cannot be classified as financial or core business activities.

Value of production

Revenues are recorded in the financial statements on an accrual basis, net of returns, allowances, discounts and bonuses, as well as the taxes directly connected to them.
Revenues from the provision of services are recognised when the service is rendered, i.e. when the service has been performed; in the case of services being provided on a continuous basis, the revenues are recognised for the portion that has accrued.
As regards purchases of goods, the costs are recorded when the transfer of ownership has taken place, in substance and not just in form, assuming the transfer of all risks and benefits as a parameter.
Revenues are recorded in the financial statements on an accrual basis, detailed as follows:

Description	FY 2023/2024	FY 2022-2023	Change
Revenues from sales of goods and services	1,296,538	931,135	365,403
Change in inventories of work in progress, semi-finished and finished products	(3,094)	15,696	18,790
Other income and revenues	-	-	-
Operating grants	-	-	-
Other	1,989	478	1,511

Total	**1,295,433**	**947,309**	**348,124**

The growth in revenue for sales and services is attributable to commercial relationships with new customers acquired during the year.

Production cost

In accordance with the matching principle, costs and charges are recognised on an accruals basis by type of expenditure; they are stated net of returns, allowances, discounts and rebates and classified in the respective captions pursuant to OIC 12. As regards purchases of goods, the costs are recorded when the transfer of ownership has taken place, in substance and not just in form, assuming the transfer of all risks and benefits as a parameter. In the case of the purchase of services, the costs are recorded when the service has been received, or when provision of the service has been completed; if the services are provided on a continuous basis, the costs are recorded for the amount accrued.

The detail of the costs for the financial year in question and the previous one are illustrated below:

Description	FY 2023/2024	FY 2022-2023	Change
Cost of raw and ancillary materials, consumables and goods for resale	111,526	61,853	49,673
Cost of services	581,719	493,985	87,734
Lease and rental charges	607	7,694	7,087
Payroll costs			
Wages and salaries	182,557	178,876	3,681
Social contributions	45,464	48,590	3,126
Employee termination indemnities	12,152	9,401	2,751
Other costs	12,698	9,955	2,743
Amortisation of intangible assets	32,218	39,106	6,888
Depreciation of tangible assets	31,828	16,333	15,495
Other operating expenses	6,198	2,570	3,628
Total	**1,016,967**	**868,363**	**148,604**

Note the growth in operating costs which is less than proportional to the growth in sales revenue, the same as for personnel costs, depreciation and amortisation, testifying to the effectiveness of the market penetration initiatives, which have led to an increase in the Company's profitability compared with the previous year (approximately +17%).

Financial income and charges

Financial income and charges are recorded on an accruals basis.

Financial income and charges (giving a positive net balance of € 29,787) are recorded on an accrual basis during the year and refer to the remuneration received from Endurance Overseas S.r.l. on the Company's cash pooling account.
There are also € 128 of charges relating to exchange differences realised during the period.

Amount and nature of revenues/costs of individual significance

During the current year, no revenues or other positive components deriving from exceptional events were recorded
During the current year, no costs deriving from exceptional events were recorded.

Income taxes for the year, current and deferred

The company has accrued for taxation for the year based on the application of tax legislation in force. Current taxes refer to taxes for the year as shown in the Company's tax returns; taxation relating to prior years includes direct taxes from previous years, as well as interest and penalties and also refer to the positive (or negative) difference between the amount due following the settlement of a dispute or an assessment with respect to the provision set aside in previous years. Lastly, deferred tax liabilities and assets involve positive or negative elements of income, respectively, subject to taxation or deduction in years other than those of the statutory accounts.

Taxation relating to prior years

No provision has been made in the income statement for deferred tax assets or liabilities, as it is believed that the temporary differences between the theoretical tax charge and the actual tax charge are of an immaterial amount compared with total taxable income. The composition of current taxation for the year is shown in the following table:

	FY 2023/2024	FY 2022-2023
Income taxes	**82,794**	**11,527**
Current taxation		
of which: IRES for the year (current)	71,621	12,173
of which: IRAP for the year (current)	11,163	2,552
of which: Taxation relating to prior years	10	(3,198)
Deferred taxation	-	-

Explanatory notes - other information

The additional disclosures required by the Italian Civil Code are presented below.

Employment data

The average number of employees is analysed by category below

	White collar	Total employees
Average number	5	5

The workforce at 31 March 2024 consists of 6 people.

Commitments, guarantees and contingent liabilities not reported in the balance sheet

There are no commitments, guarantees or contingent liabilities that have not been reported in the balance sheet.

Information about related-party transactions

Transactions were carried out with related parties during the year; these transactions were entered into on an arm's length basis and, accordingly, in accordance with current legislation, no additional disclosure has been provided.

Information about off-balance sheet agreements

No off-balance sheet agreements were entered into in the year.

Information about significant events arising subsequent to the reporting date

Pursuant to point 22-quater of art. 2427 c.c., it is confirmed that no events with a significant effect on the economic and financial position have occurred subsequent to the reporting date.

Companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary

The following information is provided about the companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary:

	Larger group	Smaller group
Company name	Endurance Technologies Limited (*)	Endurance Overseas S.r.l.
Town (if in Italy) or foreign State	Aurangabad (India)	Lombardore (Turin)
Tax code (Italian companies)	-	05754620960
Place where the consolidated financial statements are filed	Registered office: Aurangabad (India) India Stock Exchange: NSE and BSE	Registered office: Lombardore (Turin) Turin Chamber of commerce

(*) Endurance Technologies Limited, the parent company, is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Information about derivative financial instruments pursuant to art. 2427-bis of the Italian Civil Code

We can confirm that the company is not party to any derivatives.

Summary financial statements of the company which exercises management control and coordination

The Company is subject to management control and coordination by its indirect parent company, Endurance Technologies Limited, with registered offices at E-92, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India, which directly and indirectly owns the entire share capital of the Company.

The following amounts taken from the latest approved financial statements of Endurance Technologies Limited are stated in millions of Indian Rupees. For the sake of clarity, the Rupee/Euro exchange rate at 31 March 2023 was 89.399 (84.134 on 31 March 2022) - (source: European Central Bank):

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Assets		
Non-current assets		
Fixed assets, net	18,078.08	16,541.36
Investments and other non-current assets	5,746.01	4,188.14
Current assets	17,266.36	16,663.90
Assets held for sale	-	-
Total assets	**41,090.45**	**37,393.40**

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Liabilities and quotaholders' equity		
Quotaholders' equity	**33,309.41**	**30,068.48**
Non-current liabilities		
Non-current financial liabilities	78.72	19.67
Other non-current liabilities	301.04	368.16
Current liabilities		
Current financial liabilities	6,233.75	5,981.66
Other current liabilities	1,167.53	955.43
Total liabilities and quotaholders' equity	**41,090.45**	**37,393.40**

Income statement	Year ended 31/03/2023	Year ended 31/03/2022
Revenues	**67,957.07**	**57,214.81**
Operating costs	59,882.73	49,684.29
Depreciation and amortisation	2,407.08	2,037.38
Financial charges	42.70	18.20
Non-recurring income/(expense)	(102.85)	(314.50)
Income before tax	**5,521.71**	**5,160.44**
Taxation for the year (current and deferred)	1,432.54	1,343.01
Income (loss) for the year	**4,089.17**	**3,817.43**
OCI - Other comprehensive income	30.90	12.46
Total statement of comprehensive income	**4,120.07**	**3,829.89**

Treasury shares and shares in parent companies

In accordance with paragraphs 3.3 and 3.4 of Art. 2435-bis and Art. 2428 of the Italian Civil Code, it is hereby confirmed that the Company did not hold any shares or quotas in the parent company during the year.

Information relating to start-ups, including those with a social vocation, and innovative SMEs

As regards the information required by art. 4 of Legislative Decree no. 3 of 24 January 2015 about research, development and innovation costs, the Company's expenditure on research, development and innovation was higher than 3% of its total value of production. The Company is also the holder of the rights to an original computer program registered in the special public register for computer programs; this patent is directly related to the corporate purpose and business activity.

Information pursuant to art. 1, paragraph 125, of Law 124 of 4 August 2017

In relation to the provisions of art. 1, paragraph 125-bis, of Law 124/2017, regarding the obligation to provide evidence in the explanatory note of any sums of money received during the financial year by way of subsidies, advantages, contributions or aid, in cash or in nature, not having a general nature and having no consideration, remuneration or compensation of any kind, by public administrations and by the subjects referred to in paragraph 125-bis of the same article, the Company certifies that it received no such sums during the year.

Proposed allocation of profits or coverage of losses

Quotaholders,
In light of the above, the Board of Directors would like to propose allocating the net income for the year of € 224,923 as follows:

- 19,456 to cover prior year losses
- 11,246 to the legal reserve
- 194,221 carried forward

Explanatory notes - closing section

We confirm that these financial statements, which comprise the balance sheet, income statement and explanatory notes, give a true and fair view of the financial position and results for the year and agree with the books of account.
We therefore invite you to approve the draft financial statements for the year ended 31/03/2024, together with the proposed allocation of net income, as submitted by the Board of Directors.
The financial statements are true and fair and agree with the accounting records.
Turin, 09/05/2024

For the Board of Directors
The Managing Director

Alessio Tirone

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Sole Quotaholder of
Veicoli S.r.l.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Veicoli S.r.l. (the "Company"), prepared in condensed format pursuant to Article 2435-bis of the Italian Civil Code, which comprise the balance sheet as at March 31, 2024 and the statement of income for the year then ended and the explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2024, and of its financial performance for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Pursuant to art. 2497-bis, first paragraph of the Italian Civil Code, Veicoli S.r.l. has disclosed that it is subject to management and coordination of its activities by Endurance Technologies Limited (India) and, therefore, has indicated in the notes to the financial statements the key financial data from the most recent financial statements of such company. Our opinion on the financial statements of Veicoli S.r.l. does not extend to such data.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian law governing financial statements, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
May 14, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

General information on the company

Company data

Name:	FRENOTECNICA SRL
Registered office:	VIALE CAPRONI, 15 ROVERETO TN
Quota capital:	120,000.00
Quota capital fully paid in:	yes
Chamber of Commerce:	TN
VAT Number:	01568330227
Tax code:	01568330227
REA Number:	161539
Legal form:	LIMITED LIABILITY COMPANY
Core business (ATECO):	293209
Company in liquidation:	no
Company with sole quotaholder:	yes
Company subject to management control and coordination:	yes
Name of the company or entity that exercises management control and coordination:	ENDURANCE TECHNOLOGIES LIMITED
Belonging to a Group:	yes
Name of the parent company:	ENDURANCE OVERSEAS SRL
Country of the parent company:	ITALY
Cooperatives register number:	n/a

Financial statements at 31/03/2024

Condensed balance sheet

	31/03/2024	31/03/2023
Assets		
B) Fixed assets		
I - Intangible assets	-	-
II - Tangible assets	239,820	317,059
III - Long-term financial assets	45,085	37,699
Total fixed assets (B)	*284,905*	*354,758*

	31/03/2024	31/03/2023
C) Current assets		
I - Inventories	506,674	634,063
II - Receivables	1,068,398	1,065,382
due within one year	981,134	942,842
due beyond one year	15,309	50,558
Deferred tax assets	71,955	71,982
IV - Cash and cash equivalents	1,546,741	801,825
Total current assets ©	*3,121,813*	*2,501,270*
D) Accrued income and prepaid expenses	**44,066**	**76,256**
Total assets	*3,450,784*	*2,932,284*
Liabilities and quotaholders' equity		
A) Shareholder's equity		
I - Quota capital	120,000	120,000
III - Revaluation reserves	156,600	156,600
IV - Legal reserve	25,447	25,447
VI - Other reserves	430,000	430,000
VIII - Retained earnings (accumulated losses)	329,526	293,497
IX - Net income (loss) for the year	409,537	36,028
Total quotaholder's equity	*1,471,110*	*1,061,572*
B) Provision for risks and charges	**20,000**	**20,000**
C) Employee termination indemnities	**170,501**	**193,546**
D) PAYABLES	**1,666,512**	**1,505,311**
due within one year	1,346,682	913,736
due beyond one year	319,830	591,575
E) Accrued expenses and deferred income	**122,661**	**151,855**
Total liabilities and quotaholder's equity	*3,450,784*	*2,932,284*

Condensed income statement

	FY 2023/2024	FY 2022/2023
A) Value of production		
1) Revenues from sales of goods and services	4,301,879	995,448
2/3) change in inventory of WIP, semi-finished and finished products and contract work in progress	(114,125)	(1,285)
2) Change in inventories of work in progress, semi-finished and finished products	(114,125)	(1,285)
5) Other income and revenues	-	-
operating grants	12,691	-
other	38,098	6,522
Total other income and revenues	50,789	*6,522*
Total value of production	*4,238,543*	*1,000,685*
B) COST OF PRODUCTION		
6) raw and ancillary materials, consumables and goods for resale	1,316,969	306,162
7) services	1,032,508	213,413
8) lease and rental charges	215,658	56,176
9) payroll	-	-
a) wages and salaries	860,426	160,979
b) social contributions	52,107	49,224
c/d/e) employee termination indemnities, pensions, other payroll costs	69,283	17,868
c) employee termination indemnities	42,679	10,368
e) other costs	26,604	7,500
Total payroll costs	*981,816*	*228,071*
10) depreciation, amortisation and write-downs	-	-
a/b/c) amortisation of intangible assets, depreciation of tangible assets, other write-downs	104,502	26,716
a) amortisation of intangible assets	-	457
b) depreciation of tangible assets	104,502	26,259
Total depreciation, amortisation and write-downs	*104,502*	*26,716*
11) change in inventory of raw and ancillary materials, consumables and goods	13,264	24,990
14) other operating expenses	8,669	35,437
Total cost of production	*3,673,386*	*890,965*
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A - B)	**565,157**	**109,720**
C) FINANCIAL INCOME AND CHARGES		
16) other financial income	-	-

	FY 2023/2024	FY 2022/2023
d) income other than the above	-	-
Other	3,954	1,868
Total income other than the above	*3,954*	*1,868*
Total other financial income	*3,954*	*1,868*
17) interest and other financial charges	-	-
other	39,199	12,844
Total interest and other financial charges	*39,199*	*12,844*
Total financial income and charges (15+16-17+-17-bis)	*(35,245)*	*(10,976)*
Income (loss) before taxes (A-B+-C+-D)	**529,912**	**98,744**
20) Income taxes for the year, current and deferred		
current taxation	153,464	40,333
taxation relating to prior years	(33,116)	22,410
deferred taxation	27	(27)
Total income taxes for the year, current and deferred	*120,375*	*62,716*
21) Net income (loss) for the year	**409,537**	**36,028**

Explanatory notes - first part

Shareholders,

These explanatory notes are an integral part of the financial statements for the year ended 31/03/2024.

First of all, please note that the financial year ended 31/03/2024 was a complete year of 12 months, whereas the comparative period, which ended on 31/03/2023, only lasted 3 months (01/01/2023 – 31/03/2023). This was necessary to bring its year end into line with that of the Endurance Group, which the Company joined in 2022.

The financial statements are drawn up in a short form as the conditions for this (as laid down in art. 2435-bis of the Italian Civil Code) are met.

The financial statements comply with the requirements of article 2423 onwards of the Italian Civil Code and with Italian accounting standards published by the OIC (Italian Accounting Board); they have thus been prepared clearly and give a true and fair view of the company's financial position and results of operations.

The content of the balance sheet and the income statement is that required by articles 2424 and 2425 of the Civil Code.

The explanatory notes, which have been prepared in accordance with Art. 2427 of the Civil Code, contain all the information needed for a correct interpretation of the financial statements.

This document will also provide the information required by points 3 and 4 of art. 2428 of the Civil Code, given that a directors' report on operations has not been drawn up as permitted by art. 2435-bis of the Civil Code.

The financial statements at 31/03/2024 show net income for the year of € 409,537.

Basis of preparation

Preparation of the financial statements

The information contained in this document is presented following the order in which the related components are indicated in the balance sheet and income statement.

With reference to the matter indicated in the introduction to the explanatory notes, it is hereby confirmed that, pursuant to paragraph 3 of Art. 2423 of the Italian Civil Code, where the information required by legislative provisions is not sufficient to give a true and fair view of the company's situation, supplementary information is provided for this purpose.

The financial statements, as well as these explanatory notes, have been prepared in Euro.

Basis of preparation

The items in the financial statements are measured in accordance with the prudence and materiality concepts on a going concern basis. Pursuant to art. 2423-bis, para. 1, point 1-bis of the Italian Civil Code, items are recognised and presented having regard to the substance of the transaction or contract concerned. In preparing the financial

statements, income and expenses have been recorded on an accruals basis, regardless of the timing of collection and expenditure, and only profits that have been realised by the year end have been included. Contingencies and losses relating to the year are recognised, even if they become known after the reporting date.
Each component of every asset and liability caption is measured separately, in order to prevent any gains in one area from offsetting losses in another.
In cases where offsetting is permitted by law, the gross amounts to be offset are indicated in the notes.

Preparation of the financial statements

The balance sheet, income statement and the accounting disclosures contained in these notes agree with the books of account from which they have been taken directly.
In the presentation of the balance sheet and income statement, the items preceded by Arabic numerals have not been grouped, which is optional under Art. 2423 ter of the Italian Civil Code.
Pursuant to Art. 2424 of the Civil Code, it is hereby confirmed that no balance sheet items have been allocated to more than one balance sheet line.

Exceptional situations pursuant to paragraph 5 of art. 2423 of the Italian Civil Code

There are no exceptional situations that might have made it necessary to seek exemptions under paragraphs 4 and 5 of art. 2423 of the Italian Civil Code.

Changes in accounting policies

There are no exceptional situations that might have made it necessary to seek exemptions under paragraph 2 of art. 2423-bis of the Italian Civil Code.

Comparability and compliance

As mentioned in the introduction, we would remind you that the income statement figures for the period ended 31/03/2024 as shown in these financial statements are not comparable with those of the previous year, shown for information purposes, as they refer to a period of 12 months, from 01/04/2023 to 31/03/2024, whereas the previous year's figures refer to an accounting period of 3 months from 01/01/2023 to 31/03/2023.

Accounting policies

The accounting policies applied for the preparation of these financial statements, described below, take account of the amendments, additions and new provisions included in the civil code by Decree 139/2015, which transposed Directive 34/2013/EU into Italian law. In particular, the domestic accounting standards were reformulated by the OIC in the latest version issued on 22 December 2016, inclusive of the amendments published on 29 December 2017.
The accounting policies applied for the measurement of financial statement items and for their adjustment comply with the provisions of the Italian Civil Code and with the indications included in the Italian accounting standards reformulated by the Italian Accounting Board.
Pursuant to art. 2427 paragraph 1 no. 1 of the Italian Civil Code, we explain the more significant accounting policies applied in compliance with the provisions of art. 2426 of the Italian Civil Code, particularly for those items for which the legislator permits the use of options for measurement and adjustments or for which no specific accounting policy exists.

Intangible assets

When the established criteria are met, these are recorded at purchase or production cost, inclusive of direct costs and related charges, and amortised systematically each year on a straight-line basis.
The book value is stated net of accumulated amortisation and write-downs.
Amortisation is applied as indicated below, in order to allocate the cost incurred over the useful life of the assets:

Intangible asset items	Amortisation period
Concessions, licences, trademarks and similar rights	10 years on a straight line basis

In exceptional cases in which the useful lives of development costs cannot be estimated reliably, they are in all cases amortised over a period that does not exceed five years. Until these assets are fully amortised, dividends cannot be distributed unless the remaining available reserves are sufficient to cover the unamortised balance.
Advertising and research costs are expensed in full in the accounting period in which they are incurred.
Leasehold improvements, if any, are capitalised and classified as “other intangible assets” if they cannot be separated from the assets concerned (in which case they are recognised in the relevant category of “tangible assets”). They are amortised systematically over the period they are expected to benefit (prudently determined to be 5 years) or, if shorter, over the residual duration of the lease after taking account of any renewal period available at the discretion of the Company.
If permanent impairment is identified, the asset is written down accordingly, regardless of the amortisation already recorded; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs. This reinstatement does not apply to goodwill or the deferred charges referred to in point 5 of art. 2426 of the Italian Civil Code.

Concessions, licences, trademarks and similar rights are amortised on a straight-line basis over the expected useful life (calculated prudentially for trademarks as 10 years)
Pursuant to art. 10 of Law 72 of 19 March 1983 and subsequent laws on the revaluation of assets, we confirm that the intangible assets recorded in the books have never been revalued.

Tangible assets

These are recorded at purchase or internal construction cost and stated net of the depreciation charged in the current and prior years. Costs comprise related charges and the direct and indirect expenses that can reasonably be allocated to assets during the construction period and until they become available for use. They also include any borrowing costs incurred to finance the construction work (whether internal or carried out by third parties) until the asset become available for use, without however exceeding its recoverable value. Tangible assets are only revalued if this is required or allowed by special laws.
Assets purchased in foreign currencies are recorded at cost using the exchange rate in force on the transaction date, or using the lower rate applying on the reporting date if the reduction is deemed to be permanent.
Tangible assets are depreciated systematically each year. The rates applied are summarised in the following table:

Tangible asset items	Depreciation rate
Plant and machinery	10% - 17.50%
Tools and equipment	25.00%
Ordinary office machines and furniture and furnishings	12.00%
Electronic office machines	20.00%
Assets costing less than € 516.46	100.00%

When tangible assets enter service during the year, their depreciation commences on a time-apportioned basis from the month after the one in which they become available and ready for use in the year of acquisition.
Depreciation is also charged on tangible assets that are temporarily out of use. Land is not depreciated, as its useful life is not finite.
If applicable, buildings held as a financial investment are not depreciated if their residual value is greater than or equal to their net carrying amount.
If permanent impairment is identified regardless of the depreciation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs.
Routine maintenance and repair costs are charged in full to the income statement. Improvement costs are allocated to the fixed assets concerned and depreciated over their residual useful lives.
Costs incurred to expand, modernise or improve the structural elements of a tangible fixed asset are capitalised if they significantly and measurably increase its productive capacity, safety or useful life. If the costs concerned do not have the above effect, they are treated as routine maintenance and charged to the income statement.
Start-up grants are recognised when it becomes reasonably certain that the conditions for their collection will be satisfied and the grants will be paid. They are deducted from cost indirectly, as they are credited to income

statement caption A5 “other income and revenues” and then deferred for recognition on an accruals basis via classification as “deferred income”.

Impairment (tangible and intangible assets)

At each reporting date, the Company determines if there is any evidence that the value of its tangible and intangible fixed assets might be impaired. If such evidence is found, the Company estimates the recoverable value of each asset concerned and records an impairment write-down if it is lower than the corresponding net carrying amount.
Recoverable value is not determined if there is no evidence of possible impairment.
The recoverable value of tangible and intangible assets is deemed to be their value in use (calculated by discounting their future cash flows) or, if greater, their fair value (being the amount obtainable at the reporting date, based on the best available information, from their sale in an arm’s-length transaction between knowledgeable and willing parties, net of the related selling costs).
With regard to the above, the Company has looked for evidence that the value of its tangible and intangible assets might be impaired, but did not find any and, accordingly, has not determined the recoverable value of the above assets.

Equity investments and securities (classified as long-term financial assets)

The equity investments and debt securities classified as non-current assets will be held by the Company over the long term. Equity investments are measured at cost, as adjusted for any impairment.
The cost recorded in the financial statements is determined with reference to purchase or subscription price, inclusive of related expenses. If impairment is identified, the carrying amount of equity investments is reduced to their recoverable value, which is determined with reference to the future benefits that are expected to accrue to the Company. Should the Company be obliged or intend to cover the (non-permanent) losses incurred by an equity investment, a suitable provision is recorded to cover the liability to which the Company is exposed. If in future years the reasons for the write-down cease to apply, the equity investment is written back to its original carrying amount.
Debt securities are measured using the amortised cost method, being their original carrying amount net of any redemptions of principal, as increased or decreased by the accumulated amortisation, calculated using the effective interest method, of any difference between its initial and maturity values after deducting any impairment (recognised directly or by a provision) following a loss in value; the original carrying amount is represented by purchase or subscription cost, net of any commissions.

Intercompany loans

Intercompany loans with a duration of more than 12 months are usually governed by contracts arranged on market terms and conditions; interest-free intercompany loans and those arranged at significantly below market rates are recognised initially at the value of the related future cash flows, as discounted using the market rate (being the

average funding rate of the Company or the Group). The difference with respect to the liquidity collected by the parent company is credited to quotaholders' equity.

Inventories

Inventories are stated at the lower of purchase and/or production cost and realisable value, based on market prices.
In particular, set out below are details of the specific accounting policies used for the valuation of each inventory category (consistent with those used for the prior year):

- Raw materials: annual weighted average cost (including components purchased from third parties).
- Work in process (semi-finished products): manufacturing cost based on the stage of completion of the production process, being the cost of production.
- Finished products: manufacturing cost.
- Dies for resale: purchase cost.
- Consumables: purchase cost.

Purchase cost includes any directly attributable ancillary charges, with the exclusion of borrowing costs. Production cost includes the indirect costs that are reasonably attributable to each asset during the production period until it becomes available for use.
The realisable value of goods, finished products, semi-finished products and work in process inferred from market conditions is deemed to be their net realisable value. Raw and ancillary materials held for the production of finished products are not written down if the finished products in which they will be used are realisable for an amount that is greater than or equal to their production cost.
Inventories are written down when their realisable value estimated with reference to market conditions is lower than their carrying amount. Obsolete and slow-moving inventories are written down with reference to their possible uses or realisable value. If in future years the reasons for any write-down cease to apply, the related inventories are written back to not more than their original cost.

Receivables

Receivables are stated at amortised cost, having regard for the time factor and their estimated realisable value. The amortised cost method is not applied when its effects are insignificant, being when the transaction costs, the commissions paid between the parties and all other difference between initial value and maturity value are immaterial or when the receivables are recoverable in the short term (within 12 months).
Trade receivables due beyond 12 months at the time of initial recognition, without the payment of interest or with interest that differs significantly from market rates, and the related revenues are recognised initially at the value of their future cash flows discounted using the market rate (being that applied by two independent parties when negotiating a loan transaction with similar terms and conditions). The difference between the amount of the receivable recognised initially and its maturity value is recognised as financial income in the income statement over the duration of the receivable, using the effective interest method.

The amount of receivables, as determined above, is adjusted when necessary by a specific allowance for doubtful accounts, which is deducted directly from their gross amount in order to report them at their estimated realisable value. The allowance (which takes account of collection losses, returns and invoicing adjustments, discounts and allowances, interest not yet earned and other reasons for reduced recoverability) is charged to the income statement.
Receivables assigned to factors are only derecognised if they are sold without recourse and essentially all the related risks are transferred (the difference between the consideration received on the assignment and the carrying amount of the receivable is recognised in income statement caption C17). If the assignment does not involve derecognition (for example, assignment with recourse), since not all the related risks are transferred, the receivable continues to be reported in the balance sheet and is measured in the manner described above. If advance consideration is received from the assignee, the amount is recognised as a financial payable.
Receivables taking the form of bank receipts that have not been assigned remain classified as receivables until final collection of the amounts concerned.
Receivables deriving from centralised treasury management activities are classified separately within current assets, if recoverable in the short term. If this is not the case, they are classified as long-term financial assets.

Equity investments and securities not held as fixed assets

This caption comprises the equity investments and debt securities that will not be held over the long term by the Company. They are recorded at specific cost or, if lower, at their market value that, for listed investments, is determined with reference to their market price on the reporting date.
These equity investments are written down to their realisable value case by case, rather than on an overall basis. If the reasons for any adjustments cease to apply, in whole or in part, the adjustments are reversed without exceeding the original cost.

Cash and cash equivalents

Cash and cash equivalents at the reporting date are measured at their nominal value. Amounts denominated in foreign currencies are measured using the closing exchange rates.

Accruals and deferrals

Accruals and deferrals comprise costs and revenues relating to the year that will be formally recorded in future years, and costs and revenues recorded by the reporting date that relate to future years. The related amounts are determined on a time-apportioned basis.

Provisions for risks and charges

The provisions for risks and charges cover known or likely losses or liabilities, the timing or extent of which cannot be determined at the reporting date. These provisions, including those for deferred tax liabilities, which are classified in this caption, reflect the best possible estimates based on the information available. Risk that only might give rise to a liability are described in the notes on the provisions, without actually recording a provision. As required by OIC 31, new provisions for risks and charges are, where possible, classified in the relevant income statement classes (B, C or D). Whenever it is not possible to correlate a new provision with a caption in one of the above classes, it is classified in income statement caption B12 or B13.

Employee termination indemnities

Employee termination indemnities represent the total amount that would have been payable to all employees had they terminated their employment on the reporting date. The charge for the year, comprising the new provision and the revaluation of the accumulated provision (based on the change in the relevant ISTAT index), is determined in accordance with current regulations, having regard for the specific employment contracts and the professional categories concerned. Employee termination indemnities are classified in liability caption C, while the provision for the year is classified in income statement caption B9.
The changes made to the regulations governing termination indemnities by Law 296 dated 27 December 2006 (2007 Finance Law) and subsequent decrees and enabling regulations, amended the accounting for the indemnities earned by 31 December 2006 and those earned from 1 January 2007. In particular, following the creation of the INPS Treasury Fund to manage the termination indemnities of private sector employees, employers with more than 50 employees are obliged to pay the new provisions relating to them into the Treasury Fund, unless the persons concerned have specifically opted for their indemnities to be paid to a supplementary pension fund. The employee termination indemnities reported in the balance sheet are therefore stated net of the amounts paid to the above INPS Treasury Fund.

Payables

Payables are stated at amortised cost, as defined in art. 2426, para. 2 c.c., having regard for the time factor envisaged in art. 2426, para. 1, point 8 c.c.. Payables are however stated at their nominal amount if application of the amortisation cost and/or discounting methods would not be significant for the purpose of providing a true and fair view of the financial position and results of operations. This situation arises in the case of payables due within twelve months or, with regard to the amortised cost method, if the transaction costs, commissions and all other differences between the initial value and the maturity value are insignificant or, again, with regard to the discounting method, if the interest rate inherent in the contractual conditions is not significantly different to the market rate of interest.

The amounts due to employees for untaken holidays and deferred payroll, including the related social security contributions, are accrued with reference to the amount that would have been payable had their employment ceased on the reporting date.

Revenues

Revenues from the sale of goods are recognised when ownership passes in substance, rather than in formal terms, being when the related risks and benefits are transferred (which in practice coincides with the time of delivery or shipment of the goods).
Revenues from the sale of products and goods or the provision of services relating to core operations (including income from the sale of production machinery and equipment, if envisaged under contractual agreements with customers) are recognised net of returns, discounts, allowances and rebates, as well as the taxes directly associated with the sale of products and the provision of services.
Revenues from services are recognised upon completion and/or when earned.
Transactions with related parties take place on normal market terms and conditions.

Costs

Costs stated net of returns, discounts, allowances and rebates are recognised on an accruals basis in accordance with the matching principle, regardless of the date of collection or payment. Compliance with the matching principle requires an estimate to be made of the invoices to be received.

Dividends

Dividends are recognised in the year in which they are declared by the quotaholders' meeting. Dividends are recognised as financial income, regardless of the nature of the reserves that are distributed.

Financial income and charges

Financial income and charges are recognised on an accruals basis. Costs relating to the disposal of receivables for whatever reason are charged to the income statement on an accruals basis.

Income taxes

Income taxes are recognised with reference to an estimate of taxable income in compliance with current regulations, having regard for any applicable exemptions and tax credits.
Deferred tax assets and liabilities are calculated on the temporary differences between the reported carrying amount of assets and liabilities and their corresponding values for tax purposes. Their measurement takes account

of the tax rates expected to be in force in the year in which such differences contribute to the formation of taxable income, being the rates in force or already communicated at the reporting date (24% for IRES and 3.9% for IRAP). They are classified respectively among the current assets as “deferred tax assets” and among the provisions for risks and charges as “deferred tax liabilities”.
In accordance with the concept of prudence, deferred tax assets are recognised on all deductible temporary differences if it is reasonably certain that taxable income in the years in which they reverse will not be less than the amount of the differences to be absorbed.
By contrast, deferred tax liabilities are recognised on all taxable temporary differences.
Deferred tax liabilities are not recognised in relation to reserves subject to the deferral of taxation if they are unlikely to be distributed to the quotaholder.

Translation of foreign currency items

Non-monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the exchange rates applying at the time of their acquisition, being their initial recognition cost.
Monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the spot exchange rates applying on the reporting date; the related exchange gains and losses are recognised in the income statement and any net unrealised gains are allocated to a non-distributable reserve until they have been realised.

Other information

Repurchase agreements

Pursuant to art. 2427 point 6-ter of the Italian Civil Code, the Company confirms that no repurchase agreements were arranged during the year.

Explanatory notes - assets

The movements in the individual balance sheet items are analysed in detail below, according to current law.

Fixed assets

Movements in fixed assets

This paragraph of the notes analyses the movements in intangible, tangible and long-term financial assets.

Intangible assets

	Industrial patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Total intangible assets
Balance at the beginning of the year			
Cost	12,831	4,570	17,401
Amortisation (Accumulated amortisation)	12,831	4,570	17,401
Carrying amount	**-**	**-**	**-**
Changes during the year			
Amortisation for the year	-	-	-
Total changes	*-*	*-*	*-*
Balance at the end of the year			
Cost	12,831	4,570	17,401
Amortisation (Accumulated amortisation)	12,831	4,570	17,401
Carrying amount	**-**	**-**	**-**

“Industrial patents and intellectual property rights” include fully amortised software while “Concessions, licences, trademarks and similar rights”, also fully amortised, refer to company trademarks.

Tangible assets

	Plant and machinery	Tools and equipment	Other tangible assets	Total tangible assets
Balance at the beginning of the year				
Cost	671,531	734,152	130,344	1,536,027
Depreciation (Accumulated depreciation)	456,184	673,009	89,775	1,218,968
Carrying amount	**215,347**	**61,143**	**40,569**	**317,059**
Changes during the year				
Additions	2,650	22,800	1,813	27,263
Disposals (at carrying amount)	-	-	-	-
Depreciation for the year	69,213	23,799	11,490	104,502
Total changes	*(66,563)*	*(999)*	*(9,677)*	*(77,239)*
Balance at the end of the year				
Cost	674,181	749,271	132,158	1,555,610
Depreciation (Accumulated depreciation)	525,397	689,127	101,266	1,315,790
Carrying amount	**148,784**	**60,144**	**30,892**	**239,820**

Tangible fixed assets mainly refer to the production equipment of the Rovereto (TO) plant, where the Company’s business is carried out.

Long-term financial assets

Financial fixed assets refer for € 44,478 to security deposits paid to third parties and for the difference (€ 607) to other minor investments.

Finance leases

The tables which follow provide the information required by the legislator in order to present, in the form of a disclosure, the impact of the difference that would arise from accounting for finance leases, with which the user company would record the asset received as a lease under fixed assets and calculate the related depreciation rates on the asset, while at the same time recognising the debt for the principal portion of the instalments to be paid. In this case, the interest portion and the depreciation charge for the year would be recognised in the income statement.

Leases - Effect of lease accounting	Amount
Total amount of leased assets at the end of the year (net carrying amount)	250,250
Depreciation that would have been charged for the year	42,000
Current value of unexpired lease instalments at the end of the year	90,130
Financial charges for the year based on the effective interest rate	19,270

Current assets

Current assets are measured in the manner described in paragraphs 8 to 11-bis of art. 2426 of the Civil Code. The accounting policies applied are illustrated in the respective financial statements items

Inventories

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Raw materials	172,385	(13,264)	159,121
Work in progress, semi-finished and finished products	461,678	(114,125)	347,553
Total	**634,063**	**(127,389)**	**506,674**

Inventories of work in progress, semi-finished and finished products are shown net of an inventory provision for slow-moving or obsolete goods (€ 276,799), which was increased during the year by a total of € 26,799.

Current receivables

Current receivables have been measured at their estimated realisable value, making use of the option granted by art. 2435-bis of the Italian Civil Code.

They are made up of the following sub-items, which have seen the following changes during the year:

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Trade receivables	646,625	94,696	741,321	741,321	-
Receivables due from fellow subsidiaries	162,555	(13,021)	149,534	149,534	-
Tax receivables	170,638	(96,939)	73,699	58,390	15,309
Deferred tax assets	71,982	(27)	71,955	-	-
Other receivables	13,581	18,308	31,889	31,889	-
Total	**1,065,382**	**3,016**	**1,068,398**	**981,134**	**15,309**

Trade receivables are shown net of an allowance for doubtful accounts, which at the end of the year came to € 12,676 with no change from the previous year.
Receivables due from fellow subsidiaries include the balances relating to existing trade relations with the affiliates New Fren S.r.l. (€ 146,173) and Endurance Adler S.p.A. (€ 3,361).
Tax credits include, among other things, € 18,710 for the balance of the VAT credit, € 51,162 (of which € 15,309 expiring after the financial year) relating to tax credits ex Laws 160/19-178/20 with the rest being the IRES credit deriving from the excess payment of advances compared with the balance due for the year.

Cash and cash equivalents

Cash and cash equivalents are carried at their face value corresponding to the cash balance at the end of the year and the credit balances on bank current accounts. The following table shows the changes that took place during the year:

Description	Balance at the end of the year	Changes during the year	Balance at the end of the year
Bank and postal deposits	799,178	743,754	1,542,932
Cash on hand	2,647	1,162	3,809
Total	**801,825**	**744,916**	**1,546,741**

Accrued income and prepaid expenses

This item (which amounts to € 44,066) includes portions of revenue pertaining to the current year, which will be received in subsequent years.

Capitalised financial charges

All interest expense and other financial charges have been expensed during the year. In compliance with paragraph 1.8 of art. 2427 of the Italian Civil Code, we can confirm that no financial charges have been capitalised.

Explanatory notes, liabilities and quotaholders' equity

The components are stated at their carrying amount in accordance with accounting standard OIC 28.

Quotaholders' equity

The components are stated at their carrying amount in accordance with accounting standard OIC 28.
The following table summarises the changes in equity in the comparative period (01/01/2023 – 31/03/2023):

Description	Balance at the beginning of the year	Allocation of the prior year result	Other changes - Increase in capital	Result for the year	Balance at the end of the year
Capital	50,000	-	70,000	-	120,000
Revaluation reserve	156,600	-	-	-	156,600
Legal reserve	10,000	15,447		-	25,447
Other reserves	-	-	430,000	-	430,000
Retained earnings (accumulated losses)	-	293,497	-	-	293,497
Net income (loss) for the year	308,944	(308,944)	-	36,028	36,028
Total	**525,544**	**-**	**500,000**	**36,028**	**1,061,572**

The following table summarises the changes in equity during the period (01/04/2023 – 31/03/2024):

Description	Balance at the beginning of the year	Allocation of the prior year result	Other changes	Result for the year	Balance at the end of the year
Capital	120,000	-	-	-	120,000
Revaluation reserve	156,600	-	-	-	156,600
Legal reserve	25,447	-	-	-	25,447
Other reserves	430,000	-	-	-	430,000
Retained earnings (accumulated losses)	293,497	36,028	1	-	329,526
Net income (loss) for the year	36,028	(36,028)	-	409,537	409,537
Total	**1,061,572**	**-**	**1**	**409,537**	**1,471,110**

Provision for risks and charges

The provisions for risks and charges were recognised in accordance with the instructions contained in accounting principle OIC 31; the related provisions are charged to the income statement in the year to which they refer. The provisions (which amount to € 20,000, with no change during the year) were made to cover various kinds of liabilities (commercial, tax, employment, etc.), based on the best estimate according to the information available at the time.

Employee termination indemnities

The following table analyses the change in employee severance indemnities that took place during the year.
The charge for the year (provision for employee termination indemnities classified in income statement caption B9 c) includes the provision retained by the Company and the payments made to the INPS Treasury Fund and the supplementary pension fund specified by each employee, where applicable.

Description	Balance at the beginning of the year	Changes during the year - Provision	Utilisations	Balance at the end of the year
Provision for employee termination indemnities	193,546	47,007	(70,052)	170,501
Total	**193,546**	**47,007**	**(70,052)**	**170,501**

Payables

Payables are shown in the financial statements at their face value, making use of the option granted by art. 2435-bis of the Italian Civil Code. The classification of payables in the various payable items is based on their nature (or origin) with respect to ordinary operations, regardless of the period of time within which the liabilities have to be extinguished.
The item in question is made up as follows:

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Due to banks	841,836	(237,087)	604,749	284,919	319,830
Trade payables	486,042	254,517	740,559	740,559	-
Advances	-	4,330	4,330	4,330	-
Payables due to parent companies	-	143,500	143,500	143,500	-
Payables due to fellow subsidiaries	-	4,775	4,775	4,775	-
Tax payables	56,238	(22,710)	33,528	33,528	-
Due to pension and social security institutions	23,394	4,960	28,354	28,354	-
Other payables	97,802	8,915	106,717	106,717	-
Total	**1,505,312**	**161,200**	**1,666,512**	**1,346,682**	**319,830**

Amounts due to banks are part of the residual debt for a loan taken out with Cassa di Trento; the decrease reflects repayment of the contractually envisaged instalments.
Payables due to parent companies relate to trade payables for administrative, financial services and support provided by the parent company Endurance Overseas S.r.l. to Group companies (based on specific service agreements), entered into on an arm's length basis.

Payables due to fellow subsidiaries comprise trade payables due to Newfren S.r.l. (€ 4,551) and Endurance Adler S.p.A. for the difference.
Tax payables include the balance of IRAP for the year (€ 8,297), withholding tax due on the remuneration of employees and self-employed workers (€ 17,591), while the rest is the substitute tax due on termination indemnities.
Other payables are mainly for remuneration due to employees and directors.

Debt secured by collateral on company assets

In accordance with art. 2427, paragraph 1, no. 6 of the Civil Code, we can confirm that there are no payables with a duration of more than five years nor payables secured by liens on company assets.

Accrued expenses and deferred income

The following table shows the changes in accrued expenses and deferred income.

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Accrued expenses	23,184	10,766	33,950
Deferred income	128,671	(39,960)	88,711
Total accrued expenses and deferred income	**151,855**	**(29,194)**	**122,661**

The item relates to costs pertaining to the year but payable in future years and income collected during the year but pertaining to future years.

Explanatory notes - income statement

The income statement shows the results for the year. This statement presents the results of operations by summarising the positive and negative components of income that contributed to them. These positive and negative components of income, recognised pursuant to art. 2425-bis of the Italian Civil Code, can be broken down into the following categories: core business, ancillary activities and financial activities.
Core business activities include the components of income that were generated from continuing operations in the principal sector, and which identify and distinguish the economic activities carried out by the Company in the pursuit of its corporate objectives. Financial activities comprise those operations that generate financial income and expense.
Ancillary activities comprise those residual operations that generate income in the ordinary course of business that cannot be classified as financial or core business activities.

Attention is drawn to the fact that the current and previous accounting periods are not comparable as they are of different lengths (12 months for the current period, as opposed to 3 months for the previous one, from 01/01/2023 to 31/03/2023, following the change of year end to bring it into line with that of the Endurance Group).

Value of production

Revenues are recorded in the financial statements on an accrual basis, net of returns, allowances, discounts and bonuses, as well as the taxes directly connected to them. Revenues from the provision of services are recognised when the service is rendered, i.e. when the service has been performed; in the case of services being provided on a continuous basis, the revenues are recognised for the portion that has accrued. As regards purchases of goods, the costs are recorded when the transfer of ownership has taken place, in substance and not just in form, assuming the transfer of all risks and benefits as a parameter. As mentioned in the introduction, even if the accounting principles applied are consistent, the figures are not comparable as the previous accounting period was only three months long).

Revenues are recorded in the financial statements on an accrual basis, detailed as follows:

Description	Period 2023/2024 (12 months)	FY 2023 (3 months)	Change
Revenues from sales of goods and services	4,301,879	995,448	3,306,431
Changes in inventories of WIP, semi-finished and finished products	(114,125)	(1,285)	(112,840)
Other income and revenues			
Operating grants	12,691	-	12,691
Other	38,098	6,522	31,576
Total	**4,238,543**	**1,000,685**	**3,237,858**

As mentioned previously, the prior year figures are not comparable because they refer to a period of only three months to bring the year end into line with that of the other companies in the Endurance Group.

The volume of business achieved by the Company has benefited from the coordination and integration measures carried out with the other Group companies operating in the two-wheel component sector.

Production cost

In accordance with the matching principle, costs and charges are recognised on an accruals basis by type of expenditure; they are stated net of returns, allowances, discounts and rebates and classified in the respective captions pursuant to OIC 12. As regards purchases of goods, the costs are recorded when the transfer of ownership has taken place, in substance and not just in form, assuming the transfer of all risks and benefits as a parameter. In the case of the purchase of services, the costs are recorded when the service has been received, or when provision of the service has been completed; if the services are provided on a continuous basis, the costs are recorded for the amount accrued

It should be noted that, as for revenue, the figures are not comparable, as the year in question, of 12 months, is being compared with a prior year of only 3 months.

Details of costs for the year compared with the previous period are as follows:

Description	Period 2023/2024 (12 months)	FY 2023 (3 months)	Change
Cost of raw and ancillary materials, consumables and goods for resale	1,316,969	306,162	1,010,807
Cost of services	1,032,508	213,413	819,095
Lease and rental charges	215,658	56,176	159,482
Payroll costs			
Wages and salaries	860,426	160,979	699,447
Social contributions	52,107	49,224	2,883
Employee termination indemnities	42,679	10,368	32,311
Other costs	26,604	7,500	19,104
Amortisation of intangible assets	-	457	(457)
Depreciation of tangible assets	104,502	26,259	78,243
Change in inventory of raw and ancillary materials, consumables and goods	13,264	24,990	(11,726)
Other operating expenses	8,669	35,437	(26,768)
Total	**3,673,386**	**890,965**	**2,782,421**

There is evidence of a trend in the cost structure in relation to the Company's turnover and related margins comparable with the previous year (even though it was shorter), with the effect of operating margins rising from 11% of sales in the previous year to 13% this year.

Financial income and charges

Financial income and charges are recorded on an accruals basis.

Amount and nature of revenues/costs of individual significance

During the current year, no revenues or other positive components deriving from exceptional events were recorded. Nor were there any costs deriving from exceptional events.

Income taxes for the year, current and deferred

The company has accrued for taxation for the year based on the tax legislation currently in force. Current taxes refer to taxes for the year as shown in the Company's tax returns; taxation relating to prior years includes direct taxes from previous years, as well as interest and penalties and also refer to the positive (or negative) difference between the amount due following the settlement of a dispute or an assessment with respect to the provision set aside in previous years. Lastly, deferred tax liabilities and assets involve positive or negative elements of income, respectively, subject to taxation or deduction in years other than those of the statutory accounts. Current taxes are not comparable with the previous year as the Company left the optional regime of taxation of profits for transparency pursuant to articles 115 and 116 of the TUIR following the acquisition of the entire capital by Endurance Overseas Srl.

The following table provides details of current and deferred tax assets for the year:

Description	Period 2023/2024 (12 months)	FY 2023 (3 months)	Change
Current taxation:	**153,464**	**40,333**	**113,131**
IRES	127,476	35,073	92,403
IRAP	25,988	5,260	20,728
Taxation relating to prior years	**(33,116)**	**22,410**	**(55,526)**
IRES	(31,812)	30,000	(61,812)
IRAP	(1,304)	(7,590)	6,286
Deferred tax (assets) liabilities:	**27**	**(27)**	**54**
IRES	27	(27)	54
IRAP	-	-	-
Total	**120,375**	**62,716**	**57,659**

Recognition of deferred tax liabilities and assets and their impact

	IRES	IRAP
A) Temporary differences		
Total deductible temporary differences	114	-
Net temporary differences	(114)	-
B) Tax effects		
Provision for deferred tax liabilities (assets) at the beginning of the year	(64,827)	(7,155)
Deferred tax liabilities (assets) of the year	27	-
Provision for deferred tax liabilities (assets) at the end of the year	(64,800)	(7,155)

Explanatory notes - other information

The additional disclosures required by the Italian Civil Code are presented below.

Employment data

The following table sets out average employee numbers by labour category computed on the basis of daily averages

	White collar	Blue collar	Total employees
Average number	6	19	25

The workforce at 31 March 2024 (consisting solely of Company employees) comprises 23 persons.

Fees, advances and loans granted to directors and statutory auditors and commitments accepted on their behalf

The following schedule provides the information required by art. 2427, point 16 of the Italian Civil Code, with the clarification that no advances or loans have been granted and no commitments, in the form of guarantees of any kind, have been accepted on behalf of the members of the Board of Directors.

	Directors
Fees	90,000

Fees of the independent auditor or firm of auditors

Deloitte & Touche S.p.A. has been engaged to perform the independent audit.
The annual audit fee (€ 5,800) also include the cost of checking the tax returns, while the other verification services refer to checks on the regularity of the bookkeeping (€ 1,200).

Commitments, guarantees and contingent liabilities not reported in the balance sheet

There are no commitments, guarantees or contingent liabilities that have not been reported in the balance sheet.

Information about related-party transactions

Transactions were carried out with related parties during the year; these transactions were entered into on an arm's length basis and, accordingly, in accordance with current legislation, no additional disclosure has been provided.

Information about off-balance sheet agreements

No off-balance sheet agreements were entered into in the year.

Information about significant events arising subsequent to the reporting date

Pursuant to point 22-quater of art. 2427 c.c., it is confirmed that no events with a significant effect on the economic and financial position have occurred subsequent to the reporting date.
It is worth mentioning that the Company does not operate directly on either the Russian or the Ukrainian market, so it is not suffering direct consequences from the war, except for the impact of the increase in cost of raw materials, including energy and gas, like everyone else. The Company has endeavoured to mitigate them wherever possible.

Companies that prepare consolidated financial statements for the smaller group of companies to which the Company belongs as a subsidiary

The following information is provided about the companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary:

	Larger group	Smaller group
Company name	Endurance Technologies Limited (*)	Endurance Overseas S.r.l.
Town (if in Italy) or foreign State	Aurangabad (India)	Lombardore (Turin)
Tax code (Italian companies)	-	05754620960
Place where the consolidated financial statements are filed	Registered office: Aurangabad (India) India Stock Exchange: NSE and BSE	Registered office: Lombardore (Turin) Turin Chamber of commerce

(*) Endurance Technologies Limited, the parent company, is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Summary financial statements of the company which exercises management control and coordination

The Company is subject to management control and coordination by its indirect parent company, Endurance Technologies Limited, with registered offices at E-92, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India, which directly and indirectly owns the entire share capital of the Company.

The following amounts taken from the latest approved financial statements of Endurance Technologies Limited are stated in millions of Indian Rupees. For the sake of clarity, the Rupee/Euro exchange rate at 31 March 2023 was 89.399 (84.134 on 31 March 2022) - (source: European Central Bank):

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Assets		
Non-current assets		
Fixed assets, net	18,078.08	16,541.36
Investments and other non-current assets	5,746.01	4,188.14
Current assets	17,266.36	16,663.90
Assets held for sale	-	-
Total assets	**41,090.45**	**37,393.40**

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Liabilities and quotaholders' equity		
Quotaholders' equity	**33,309.41**	**30,068.48**
Non-current liabilities		
Non-current financial liabilities	78.72	19.67
Other non-current liabilities	301.04	368.16
Current liabilities		
Current financial liabilities	6,233.75	5,981.66
Other current liabilities	1,167.53	955.43
Total liabilities and shareholders' equity	**41,090.45**	**37,393.40**

Income Statement	Year ended 31/03/2023	Year ended 31/03/2022
Revenues	**67,957.07**	**57,214.81**
Operating costs	59,882.73	49,684.29
Depreciation and amortisation	2,407.08	2,037.38
Financial charges	42.70	18.20
Non-recurring income/(expense)	(102.85)	(314.50)
Income before tax	**5,521.71**	**5,160.44**
Taxation for the year (current and deferred)	1,432.54	1,343.01
Net income (loss) for the year	**4,089.17**	**3,817.43**
OCI - Other comprehensive income	30.90	12.46
Total statement of comprehensive income	**4,120.07**	**3,829.89**

Please refer to the previous sections of this document for the description of any relationships with those exercising management control and coordination and with the other companies subject to them, as well as the effect that this activity has had on the running of the business and its results.

Information about derivative financial instruments pursuant to art. 2427-bis of the Italian Civil Code

We can confirm that the company is not party to any derivatives.

Information pursuant to art. 1, paragraph 125, of Law 124 of 4 August 2017

In relation to the provisions of art. 1, paragraph 125-bis, of Law 124/2017, regarding the obligation to provide evidence in the explanatory note of any sums of money received during the financial year by way of subsidies, advantages, contributions or aid, in cash or in nature, not having a general nature and having no consideration, remuneration or compensation of any kind, by public administrations and by the subjects referred to in paragraph 125-bis of the same article, the Company certifies that they are recorded in the National Register of State Aid.

Proposed allocation of profits or coverage of losses

Quotaholders, In light of what has been set out above, the Board of Directors proposes the following allocation of net income for the year:
• € 409,537 to retained earnings.

Explanatory notes - closing section

We confirm that these financial statements, which comprise the balance sheet, income statement and explanatory notes, give a true and fair view of the financial position and results for the year and agree with the accounting records. We therefore invite you to approve the draft financial statements for the year ended 31/03/2024, together with the proposed allocation of net income, as submitted by the Board of Directors.
The financial statements are true and fair and agree with the accounting records.
Rovereto, 09/05/2024

For the Board of Directors
The Managing Director

Davide Stenech

Deloitte & Touche S.p.A.
Galleria San Federico, 54
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Italia

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Sole Quotaholder of
Frenotecnica S.r.l.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Frenotecnica S.r.l. (the "Company"), prepared in condensed format pursuant to Article 2435-bis of the Italian Civil Code, which comprise the balance sheet as at March 31, 2024 and the statement of income for the year then ended and the explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2024, and of its financial performance for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

As disclosed by the Directors in paragraphs "First Part" and "Comparability and compliance" of the explanatory notes, the figures included in the financial statements for the year ended March 31, 2024 are not comparable with those of the financial statements for the year ended March 31, 2023. The financial statements for the year ended March 31, 2024 refer to the 12-month period from April 1, 2023 to March 31, 2024, whereas the financial statements for the year ended March 31, 2023 refer to a 3-month period from January 1, 2023 to March 31, 2023.

Our opinion is not modified in respect of this matter.

Other matters

Pursuant to art. 2497-bis, first paragraph of the Italian Civil Code, Frenotecnica S.r.l. has disclosed that it is subject to management and coordination of its activities by Endurance Technologies Limited (India) and, therefore, has indicated in the notes to the financial statements the key financial data from the most recent financial statements of such company. Our opinion on the financial statements of Frenotecnica S.r.l. does not extend to such data.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian law governing financial statements, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
May 14, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

General information on the company

Company data

Name:	NEW FREN SRL
Registered office:	VIA SANDRO PERTINI, 1 CIRIE' TO
Quota capital:	120,000.00
Quota capital fully paid in:	yes
Chamber of Commerce:	TO
VAT Number:	12756900010
Tax code:	12756900010
REA Number:	1313917
Legal form:	LIMITED LIABILITY COMPANY
Core business (ATECO):	309120
Company in liquidation:	no
Company with sole quotaholder:	yes
Company subject to management control and coordination:	yes
Name of the company or entity that exercises management control and coordination:	ENDURANCE TECHNOLOGIES LIMITED
Belonging to a Group:	yes
Name of the parent company:	ENDURANCE OVERSEAS SRL
Country of the parent company:	ITALY
Cooperatives register number:	n/a

Financial statements at 31/03/2024

Condensed balance sheet

	31/03/2024	31/03/2023
Assets		
B) Fixed assets		
I - Intangible assets	40,979	42,470
II - Tangible assets	199,999	348,717
III - Long-term financial assets	254,081	254,081
Total fixed assets (B)	*495,059*	*645,268*

	31/03/2024	31/03/2023
C) Current assets		
I - Inventories	1,994,621	1,756,042
II - Receivables	1,982,674	1,610,990
due within one year	1,819,858	1,510,511
due beyond one year	20,416	13,207
Deferred tax assets	142,400	87,272
IV - Cash and cash equivalents	23,560	13,786
Total current assets (C)	*4,000,855*	*3,380,818*
D) Accrued income and prepaid expenses	**44,367**	**70,736**
Total assets	*4,540,281*	*4,096,822*
Liabilities and quotaholders' equity		
A) Shareholder's equity		
I - Share capital	120,000	120,000
II - Share premium reserve	1,230,000	1,230,000
VIII - Retained earnings (accumulated losses)	(383,109)	-
IX - Net income (loss) for the year	58,593	(383,109)
Total quotaholder's equity	*1,025,484*	*966,891*
B) Provision for risks and charges	**44,396**	**47,559**
C) Employee termination indemnities	**294,468**	**459,713**
D) PAYABLES	**3,044,551**	**2,515,419**
due within one year	1,986,010	1,510,448
due beyond one year	1,058,541	1,004,971
E) Accrued expenses and deferred income	**131,382**	**107,240**
Total liabilities and shareholder's equity	*4,540,281*	*4,096,822*

Condensed income statement

	FY 2023/2024	FY 2022/2023
A) Value of production		
1) Revenues from sales of goods and services	6,408,238	2,155,325
2/3) Change in inventories of WIP, semi-finished and finished products and contract WIP	321,452	176,816
2) Change in inventories of work in progress, semi-finished and finished products	321,452	176,816
5) Other income and revenues	-	-
operating grants	6,074	-
other	33,055	24,198
Total other income and revenues	*39,129*	*24,198*
Total value of production	*6,768,819*	*2,356,339*
B) COST OF PRODUCTION		
6) raw and ancillary materials, consumables and goods for resale	3,906,937	1,578,010
7) services	1,334,841	539,905
8) lease and rental charges	104,737	40,872
9) payroll	-	-
a) wages and salaries	636,982	277,350
b) social contributions	210,056	83,642
c/d/e) employee termination indemnities, pensions, other payroll costs	132,506	28,941
c) employee termination indemnities	52,842	27,493
e) other costs	79,664	1,448
Total payroll costs	*979,544*	*389,933*
10) Depreciation, amortisation and write-downs	-	-
a/b/c) amortisation of intangible assets, depreciation of tangible assets, other write-downs.	168,196	131,462
a) amortisation of intangible assets	14,155	104,090
b) depreciation of tangible assets	154,041	27,372
c) other write-downs of fixed assets	-	-
d) write-downs of current receivables and liquid funds	-	7,315
Total depreciation, amortisation and write-downs	*168,196*	*138,777*
11) Change in inventory of raw and ancillary materials, consumables and goods	82,872	(78,004)
14) Other operating expenses	25,002	9,645
Total cost of production	*6,602,129*	*2,619,138*
DIFFERENCE BETWEEN PRODUCTION VALUE AND COST (A - B)	**166,690**	**(262,799)**

	FY 2023/2024	FY 2022/2023
C) FINANCIAL INCOME AND CHARGES		
16) Other financial income	-	-
d) Income other than the above	-	-
Other	1	4
Total income other than the above	*1*	*4*
Total other financial income	*1*	*4*
17) Interest and other financial charges	-	-
parent companies	6,151	-
Other	49,128	18,603
Total interest and other financial charges	*55,279*	*18,603*
17-bis) Exchange gains and losses	(278)	27
Total financial income and charges (15+16-17+-17-bis)	*(55,556)*	*(18,572)*
D) Adjustments to financial assets and liabilities		
19) write-downs	-	-
a) equity investments	-	216,710
Total write-downs	*-*	*216,710*
Total adjustments to financial assets and liabilities (18-19)	*-*	*(216,710)*
Income (loss) before taxes (A-B+-C+-D)	**111,134**	**(498,081)**
20) Income taxes for the year, current and deferred		
current taxation	107,669	-
deferred taxation	(55,128)	(114,972)
Total income taxes for the year, current and deferred	*52,541*	*(114,972)*
21) Net income (loss) for the year	**58,593**	**(383,109)**

Explanatory notes - first part

Quotaholders,

These explanatory notes form an integral part of the financial statements for the year ended 31/03/2024.

The financial statements have been prepared in a condensed format, since the limits set by Art. 2435-bis of the Italian Civil Code have not been exceeded for two consecutive financial years.

The financial statements comply with the requirements of article 2423 onwards of the Italian Civil Code and with Italian accounting standards published by the OIC (Italian Accounting Board); they have thus been prepared clearly and give a true and fair view of the company's financial position and results of operations.

The content of the balance sheet and the income statement is that required by articles 2424 and 2425 of the Civil Code.

The explanatory notes, which have been prepared in accordance with Art. 2427 of the Civil Code, contain all the information needed for a correct interpretation of the financial statements.

This document will also provide the information required by points 3 and 4 of art. 2428 of the Italian Civil Code, given that a directors' report on operations has not been drawn up as permitted by art. 2435-bis of the Italian Civil Code.

The financial statements as at 31/03/2024 show net income for the year of €58,593.

Basis of preparation

Preparation of the financial statements

The information contained in the present document is presented following the order in which the related components are indicated in the balance sheet and income statement.

With reference to the matter indicated in the introduction to the explanatory notes, it is hereby confirmed that, pursuant to paragraph 3 of Art. 2423 of the Civil Code, where the information required by legislative provisions is not sufficient to give a true and fair view of the company's situation, supplementary information is provided for this purpose.

The financial statements, as these explanatory notes, have been drawn up in euro units.

Principles of preparation

The items in the financial statements are measured in accordance with the prudence and materiality concepts on a going concern basis. Pursuant to art. 2423-bis, para. 1, point 1-bis of the Italian Civil Code, items are recognised and presented having regard for the substance of the operations or contracts concerned. In preparing the financial statements, income and expenses have been recorded on an accruals basis, regardless of the timing of collection

and expenditure, and only profits that have been realised by the year end have been included. Contingencies and losses relating to the year are recognised, even if they become known after the reporting date.
Each component of every asset and liability caption is measured separately, in order to prevent any gains in one area from offsetting losses in another.
In cases where offsetting is permitted by law, the gross amounts to be offset are indicated in the notes.

Structure and content of the financial statement

The balance sheet, income statement and the accounting disclosures contained in these notes agree with the books of account from which they have been taken directly.
In the presentation of the balance sheet and income statement, the items preceded by Arabic numerals have not been grouped, which is optional under Art. 2423 ter of the Italian Civil Code.
Pursuant to Art. 2424 of the Italian Civil Code, it is hereby confirmed that no balance sheet items have been allocated to more than one balance sheet line.

Exceptional situations pursuant to paragraph 5 of art. 2423 of the Italian Civil Code

There are no exceptional situations that might have made it necessary to seek exemptions under paragraphs 4 and 5 of art. 2423 of the Italian Civil Code.

Changes in accounting policies

There are no exceptional situations that might have made it necessary to seek exemptions under paragraph 2 of art. 2423-bis of the Italian Civil Code.

Comparability and compliance

Pursuant to art. 2423 ter of the Italian Civil Code, note that the comparative figures, for the Company's first financial year, are for a period of less than 12 months; in fact, the comparative figures are for the period from 29 September 2022 (date of the Company's incorporation) to 31 March 2023. The figures for FY 01.04.2023 – 31.03.2024 are therefore not comparable with the previous year.

Accounting policies

The accounting policies applied for the preparation of these financial statements, described below, take account of the amendments, additions and new provisions included in the Italian Civil Code by Decree 139/2015, which transposed Directive 34/2013/EU into Italian law. In particular, the domestic accounting standards were reformulated by the OIC in the latest version issued on 22 December 2016, inclusive of the amendments published on 29 December 2017.
The accounting policies applied for the measurement of financial statement items and for their adjustment comply with the provisions of the Civil Code and with the indications included in the Italian accounting standards reformulated by the Italian Accounting Board.
Pursuant to art. 2427 paragraph 1 no. 1 of the Civil Code, we explain the more significant accounting policies applied in compliance with the provisions of art. 2426 of the Civil Code, particularly for those items for which the legislator permits the use of options for measurement and adjustments or for which no specific accounting policy exists.

Intangible assets

As per the accounting standards, intangible assets are stated in the balance sheet at purchase or production cost and are amortised on a straight line basis over their expected useful lives.
The book value is stated net of accumulated amortisation and write-downs.
Amortisation is applied as indicated below, in order to allocate the cost incurred over the useful lives of the relevant assets:

Intangible assets	Amortisation period
Start-up and expansion costs	5 years on a straight line basis
Concessions, licences and similar rights	5 years on a straight line basis
Trademarks	18 years on a straight-line basis
Other intangible assets	5 years on a straight line basis

Advertising and research costs are expensed in full in the accounting period in which they are incurred
If permanent impairment is identified regardless of the amortisation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs. This reinstatement does not apply to goodwill or the deferred charges referred to in point 5 of art. 2426 of the Italian Civil Code.
Pursuant to art. 10 of Law 72 of 19 March 1983 and subsequent laws on the revaluation of assets, we confirm that the intangible assets recorded in the books have never been revalued.

Tangible assets

Tangible assets are stated at purchase or internal construction cost, net of depreciation charged in the year.. Costs comprise related charges and the direct and indirect expenses that can reasonably be allocated to assets during the construction period and until they become available for use. They also include any borrowing costs incurred to finance the construction work (whether internal or carried out by third parties) until the asset become available for use, without however exceeding its recoverable value. Tangible assets are only revalued if this is required or allowed by special laws.
Assets purchased in foreign currencies are recorded at cost using the exchange rate in force on the transaction date, or using the lower rate applying on the reporting date if the reduction is deemed to be permanent. Tangible fixed assets are depreciated systematically each year on a straight-line basis using the following rates:

Tangible asset items	Depreciation rate
General plant	10.00%
Machinery	12.00%
Testing and control instruments	30.00%
Sundry and minor equipment	25.00%
Dies	12.50%
Trucks, internal transport vehicles	20.00%
Electronic office machines	20.00%
Furniture and furnishings	12.00%

When fixed assets enter into service during the year, their depreciation commences on a time-apportioned basis from the month after the one in which they become available and ready for use in the year of acquisition.
Depreciation is also charged on fixed assets that are temporarily out of use. Land is not depreciated, as its useful life is not finite.
If permanent impairment is identified regardless of the depreciation already recorded, the asset is written down accordingly; should the reasons for write-downs cease to apply in subsequent years, the original amounts are reinstated without exceeding the carrying amounts that the assets would have had in the absence of the earlier write-downs.
Routine maintenance and repair costs are charged in full to the income statement. Improvement costs are allocated to the fixed assets concerned and depreciated over their residual useful lives.
Costs incurred to expand, modernise or improve the structural elements of a tangible fixed asset are capitalised if they significantly and measurably increase its productive capacity, safety or useful life. If the costs concerned do not have the above effect, they are treated as routine maintenance and charged to the income statement.

Impairment (tangible and intangible assets)

At each reporting date, the Company determines if there is any evidence that the value of its tangible and intangible assets might be impaired. If such evidence is found, the Company estimates the recoverable value of each asset concerned and records an impairment write-down if it is lower than the corresponding net carrying amount.
Recoverable value is not determined if there is no evidence of possible impairment.
The recoverable value of tangible and intangible assets is deemed to be their value in use (calculated by discounting their future cash flows) or, if greater, their fair value (being the amount obtainable at the reporting date, based on the best available information, from their sale in an arm's-length transaction between knowledgeable and willing parties, net of the related selling costs).
With regard to the above, the Company has looked for evidence that the value of its tangible and intangible assets might be impaired, but did not find any and, accordingly, has not determined the recoverable value of the above assets.

Long-term financial assets

Equity investments

The equity investments and debt securities classified as fixed assets will be held by the Company over the long term. Equity investments are measured at cost, as adjusted for any impairment. Debt securities are measured using the amortised cost method.
The cost recorded in the financial statements is determined with reference to purchase or subscription price, inclusive of related expenses. If lasting impairment is identified, the carrying amount of equity investments is reduced to their recoverable value, which is determined with reference to the future benefits that are expected to accrue to the Company. Should the Company be obliged or intend to cover the (non-permanent) losses incurred by an equity investment, a suitable provision is recorded to cover the liability to which the Company is exposed. If in future years the reasons for the write-down cease to apply, the equity investment is written back to its original carrying amount.
The amortised cost of a security is its original carrying amount, net of any redemptions of principal, as increased or decreased by the accumulated amortisation, calculated using the effective interest method, of any difference between its initial and maturity values after deducting any impairment (recognised directly or by a provision) following a loss in value. The original carrying amount is represented by purchase or subscription cost, net of any commissions.

Intercompany loans

Intercompany loans with a duration of more than 12 months are usually governed by contracts arranged on market terms and conditions; interest-free intercompany loans and those arranged at significantly below market rates are recognised initially at the value of the related future cash flows, as discounted using the market rate (being the

average funding rate of the Company or the Group). The difference with respect to the liquidity collected by the parent company is credited to quotaholders' equity.

Inventories

Inventories are stated at the lower of purchase and/or production cost and realisable value, based on market prices.
In particular, the specific criteria used to measure the various categories of inventory are summarised below:

- Raw materials: annual weighted average cost.
- Work in process (semi-finished products): specific cost with the weighted average cost approach based on the stage of completion of the production process, which represents the cost of production.
- Finished products: specific cost with the weighted average cost approach.
- Dies for resale: purchase cost
- Consumables: purchase cost.

Purchase cost includes any directly attributable ancillary charges, with the exclusion of borrowing costs. Production cost includes the indirect costs that are reasonably attributable to each asset during the production period until it becomes available for use.
The realisable value of goods, finished products, semi-finished products and work in process inferred from market conditions is deemed to be their net realisable value. Raw and ancillary materials held for the production of finished products are not written down if the finished products in which they will be used are realisable for an amount that is greater than or equal to their production cost.
Inventories are written down when their realisable value estimated with reference to market conditions is lower than their carrying amount. Obsolete and slow-moving inventories are written down with reference to their possible uses or realisable value. If in future years the reasons for any write-down cease to apply, the related inventories are written back to not more than their original cost.

Current receivables

Receivables are stated at amortised cost, having regard for the time factor and their estimated realisable value. The amortised cost method is not applied when its effects are insignificant, being when the transaction costs, the commissions paid between the parties and all other difference between initial value and maturity value are immaterial or when the receivables are recoverable in the short term (within 12 months).
Trade receivables due beyond 12 months at the time of initial recognition, without the payment of interest or with interest that differs significantly from market rates, and the related revenues are recognised initially at the value of their future cash flows discounted using the market rate (being that applied by two independent parties when negotiating a loan transaction with similar terms and conditions). The difference between the amount of the receivable recognised initially and its maturity value is recognised as financial income in the income statement over the duration of the receivable, using the effective interest method.

The amount of receivables, as determined above, is adjusted when necessary by a specific allowance for doubtful accounts, which is deducted directly from their gross amount in order to report them at their estimated realisable value. The provision (which takes account of collection losses, returns and invoicing adjustments, discounts and allowances, interest not yet earned and other reasons for reduced recoverability) is charged to the income statement.
Receivables assigned to factors are only derecognised if they are sold without recourse and essentially all the related risks are transferred (the difference between the consideration received on the assignment and the carrying amount of the receivable is recognised in income statement caption C17). If the assignment does not involve derecognition (for example, assignment with recourse), since not all the related risks are transferred, the receivable continues to be reported in the balance sheet and is measured in the manner described above. If advance consideration is received from the assignee, the amount is recognised as a financial payable.
Receivables taking the form of bank receipts that have not been assigned remain classified as receivables until final collection of the amounts concerned.

Cash and cash equivalents

Cash and cash equivalents are carried at face value. Amounts denominated in foreign currencies are measured using the closing exchange rates.

Accrued income and prepaid expenses

Accruals and deferrals comprise costs and revenues relating to the year that will be formally recorded in future years, and costs and revenues recorded by the reporting date that relate to future years. The related amounts are determined on a time-apportioned basis.

Quotaholders' equity

The components are stated at their carrying amount in accordance with accounting standard OIC 28.

Provisions for risks and charges

The provisions for risks and charges cover known or likely losses or liabilities, the timing or extent of which cannot be determined at the reporting date.
These provisions, including those for deferred tax liabilities, which are classified in this caption, reflect the best possible estimates based on the information available. Risk that only might give rise to a liability are described in the notes on the provisions, without actually recording a provision. As required by OIC 31, new provisions for risks and charges are, where possible, classified in the relevant income statement classes (B, C or D). Whenever it is not

possible to correlate a new provision with a caption in one of the above classes, it is classified in income statement caption B12 or B13.

Employee termination indemnities

Employee termination indemnities represent the total amount that would have been payable to all employees had they terminated their employment on the reporting date. The charge for the year, comprising the new provision and the revaluation of the accumulated provision (based on the change in the relevant ISTAT index), is determined in accordance with current regulations, having regard for the specific employment contracts and the professional categories concerned. Employee termination indemnities are classified in liability caption C, while the provision for the year is classified in income statement caption B9.
The changes made to the regulations governing termination indemnities by Law 296 dated 27 December 2006 (2007 Finance Law) and subsequent decrees and enabling regulations, amended the accounting for the indemnities earned by 31 December 2006 and those earned from 1 January 2007. In particular, following creation of the INPS Treasury Fund to manage the termination indemnities of private sector employees, employers with more than 50 employees are obliged to pay the new provisions relating to them into the Treasury Fund, unless the persons concerned have specifically opted for their indemnities to be paid to a supplementary pension fund. The employee termination indemnities reported in the balance sheet are therefore stated net of the amounts paid to the above INPS Treasury Fund.

Payables

Payables are stated at amortised cost, as defined in art. 2426, para. 2 c.c., having regard for the time factor envisaged in art. 2426, para. 1, point 8 of the Italian Civil Code. Payables are however stated at their nominal amount if application of the amortisation cost and/or discounting methods would not be significant for the purpose of providing a true and fair view of the financial position and results of operations. This situation arises in the case of payables due within twelve months or, with regard to the amortised cost method, if the transaction costs, commissions and all other differences between the initial value and the maturity value are insignificant or, again, with regard to the discounting method, if the interest rate inherent in the contractual conditions is not significantly different to the market rate of interest.
The amounts due to employees for untaken holidays and deferred payroll, including the related social security contributions, are accrued with reference to the amount that would have been payable had their employment ceased on the reporting date.

Revenues

Revenues from the sale of goods are recognised when ownership passes in substance, rather than in formal terms, being when the related risks and benefits are transferred (which in practice coincides with the time of delivery or shipment of the goods).

Revenues from the sale of products and goods or the provision of services relating to core operations (including income from the sale of production machinery and equipment, if envisaged under contractual agreements with customers) are recognised net of returns, discounts, allowances and rebates, as well as the taxes directly associated with the sale of products and the provision of services.
Revenues from services are recognised upon completion and/or when earned.
Transactions with related parties take place on normal market terms and conditions.

Costs

Costs stated net of returns, discounts, allowances and rebates are recognised on an accruals basis in accordance with the matching principle, regardless of the date of collection or payment. Compliance with the matching principle requires an estimate to be made of the invoices to be received.

Dividends

Dividends are recognised in the year in which they are declared by the quotaholders' meeting. Dividends are recognised as financial income, regardless of the nature of the reserves that are distributed.

Financial income and charges

Financial income and charges are recognised on an accruals basis. Costs relating to the disposal of receivables for whatever reason are charged to the income statement on an accruals basis.

Income taxes

Income taxes are recognised with reference to an estimate of taxable income in compliance with current regulations, having regard for any applicable exemptions and tax credits.
Deferred tax assets and liabilities are calculated on the temporary differences between the reported carrying amount of assets and liabilities and their corresponding values for tax purposes. Their measurement takes account of the tax rates expected to be in force in the year in which such differences contribute to the formation of taxable income, being the rates in force or already communicated at the reporting date (24% for IRES and 3.9% for IRAP). They are classified respectively among the current assets as “deferred tax assets” and among the provisions for risks and charges as “deferred tax liabilities”.
In accordance with the concept of prudence, deferred tax assets are recognised on all deductible temporary differences if it is reasonably certain that taxable income in the years in which they reverse will not be less than the amount of the differences to be absorbed.
By contrast, deferred tax liabilities are recognised on all taxable temporary differences.

Deferred tax liabilities are not recognised in relation to reserves subject to the deferral of taxation if they are unlikely to be distributed to the quotaholder.

Translation of foreign currency items

Non-monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the exchange rates applying at the time of their acquisition, being their initial recognition cost.
Monetary assets and liabilities originally denominated in foreign currencies are recognised in the balance sheet using the spot exchange rates applying on the reporting date; the related exchange gains and losses are recognised in the income statement and any net unrealised gains are allocated to a non-distributable reserve until they have been realised.

Other information

Repurchase agreements

Pursuant to art. 2427 point 6-ter of the Italian Civil Code, the Company confirms that no repurchase agreements were arranged during the year.

Explanatory notes, assets

The movements in the individual balance sheet items are analysed in detail below, according to current law.

Fixed assets

This paragraph of the notes analyses the movements in intangible, tangible and long-term financial assets
Intangible assets

	Start-up and expansion costs	Concessions, licences, trademarks	Goodwill	Other intangible assets	Total intangible assets
Balance at the beginning of the year					
Cost	7,662	24,536	99,282	50,360	181,840
Amortisation (Accumulated amortisation)	605	8,389	99,282	31,094	139,370
Carrying amount	7,057	16,147	-	19,266	42,470
Changes during the year					

Additions	-	4,714	-	7,950	12,664
Disposals	-	-	-	-	-
Amortisation of the year	1,532	2,468	-	10,155	14,155
Total changes	*1,532*	*2,246*		*(2,205)*	*3,778*
Balance at the end of the year					
Cost	7,662	28,376	-	54,693	90,731
Amortisation (Accumulated amortisation)	2,137	9,983	-	37,632	49,752
Carrying amount	5,525	18,393	-	17,061	40,979

The additions for acquisitions refer to the value of the assets purchased during the year.

Tangible assets

	Plant and machinery	Industrial and commercial equipment	Other assets	Total tangible assets
Balance at the beginning of the year				
Cost	428,558	932,883	340,351	1,701,792
Depreciation (Accumulated depreciation)	311,385	757,925	283,765	1,353,075
Carrying amount	117,173	174,958	56,586	348,717
Changes during the year				
Additions	-	1,538	4,313	5,851
Disposals	-	6	522	528
Depreciation of the year	105,654	32,344	16,043	154,041
Total changes	*(105,654)*	*(30,812)*	*(12,252)*	*(148,718)*
Balance at the end of the year				
Cost	428,558	934,331	344,040	1,706,929
Depreciation (Accumulated depreciation)	417,039	790,185	299,706	1,506,930
Carrying amount	11,519	144,146	44,334	199,999

The additions for acquisitions refer to the value of the assets purchased during the year. The decreases for sales and disposals refer to the assets sold or disposed of during the financial year, incorporating both the value of the disposed/sold asset and the related accumulated depreciation. During the year, depreciation was recorded in line with the revised useful life of specific machinery (based on their residual use in the production process) for €86,678.

Long-term financial assets

	Equity investments	Receivables	Total long-term financial assets
Cost	258,595	212,196	470,791
Write-down	216,710	-	216,710
Carrying amount	41,885	212,196	254,081

Equity investments refer to the 99% stake in GDS S.a.r.l. (the other 1% is held by parent company Endurance Overseas S.r.l.), based in Rue Mars 4011, Hammam-Sousse (Tunisia), which manufactures brake pads and brake shoes for motorcycles. The historical purchase cost used in the transfer had been written down in the previous year to adjust the investment to the corresponding amount of the subsidiary's net equity resulting from the financial statements for the year ended 31/12/2022. The amounts receivable classified as long-term financial assets relate to the long-term interest free loan granted to the Tunisian subsidiary GDS S.a.r.l. unchanged on the previous year.

Finance leases

The Company is not party to any finance lease contracts at the balance sheet date.

Current assets

Current assets are measured in the manner described in paragraphs 8 to 11-bis of art. 2426 of the Civil Code. The accounting policies applied are illustrated in the respective financial statements items

Inventories

The following table shows the changes in inventories

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Raw materials, ancillary materials and consumables	179,763	(62,186)	117,577
Work in process and semi-finished products	1,146,127	290,204	1,436,331
Inventories (finished products and goods)	430,152	10,561	440,713
Total	**1,756,042**	**238,579**	**1,994,621**

Inventories are shown above net of a provision for slow-moving goods of €466,327 at 31/03/2024.

Current receivables

The receivables shown under current assets have been measured at their estimated realisable value, making use of the option granted by art. 2435-bis of the Italian Civil Code.

They are made up of the following sub-items:

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Trade receivables	1,169,593	397,852	1,567,445	1,567,445	-
Receivables due from subsidiaries	276,996	(77,475)	199,521	199,521	-
Receivables due from fellow subsidiaries	9,124	(4,026)	5,098	5,098	-
Tax receivables	29,373	(6,963)	22,410	14,494	7,916
Deferred tax assets	87,272	55,128	142,400	-	-
Due from others	38,632	7,168	45,800	33,300	12,500
Total	**1,610,990**	**371,684**	**1,982,674**	**1,819,858**	**20,416**

Trade receivables are recorded in the financial statements net of the allowance for doubtful accounts of € 7,147. During the year it was used for €168.

Receivables due from subsidiaries refer to amounts owed by GDS S.a.r.l. for current trade relations.

Receivables due from fellow subsidiaries comprise trade receivables due from companies of the Endurance Group, especially Endurance Adler S.p.A. (€547) and Frenotecnica S.r.l. (€4,551).

Tax receivables due within one year mainly include the amount due for taxes paid abroad equal to €6,484 and the receivables for investments in capital goods pursuant to Law 160/2019 and Law 178/2020 that can be used in compensation.
Deferred tax assets are recorded, in case of foreseeable recoverability, with reference to the provision for risks and write-downs, the deductibility of which is deferred over time.
The item Other receivables due within the following financial year is mainly made up of advances to suppliers and receivables from the transferring company Newfren S.r.l., while the portion due after one financial year concerns receivables for security deposits paid in relation to existing rental contracts .

Cash and cash equivalents

Cash and cash equivalents are carried at their face value corresponding to the cash balance at the end of the year and the credit balances on bank current accounts. The following table shows the changes that took place during the year:

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Bank and postal deposits	13,123	9,898	23,021
Cash on hand	663	(124)	539
Total	**13,786**	**9,774**	**23,560**

Accrued income and prepaid expenses

This item (which amounts to €44,367) includes portions of costs paid but pertaining to future years (insurance premiums) and portions of revenues pertaining to the current year, which will be received in subsequent years.

Capitalised financial charges

All interest expense and other financial charges have been expensed during the year. In compliance with paragraph 1.8 of art. 2427 of the Italian Civil Code, we can confirm that no financial charges have been capitalised.

Explanatory notes, liabilities and quotaholders' equity

Movements in individual balance sheet items are analysed below, according to current law.

Quotaholders' equity

The components are stated at their carrying amount in accordance with accounting standard OIC 28.

The following table summarises the changes in quotaholders' equity during the previous year ended 31/03/2023):

Description	Balance at the beginning of the year	Allocation of the prior year result	Other changes - Increase in capital	Result for the year	Balance at the end of the year
Capital	10,000	-	110,000	-	120,000
Share premium reserve	-	-	1,230,000	-	1,230,000
Legal reserve	-	-	-	-	-
Net income (loss) for the year	-	-	-	(383,109)	(383,109)
Total	**10,000**	**-**	**1,340,000**	**(383,109)**	**966,891**

The following table summarises the changes in quotaholders' equity during the year in question (ended 31/03/2024):

Description	Balance at the beginning of the year	Allocation of the prior year result	Other changes	Result for the year	Balance at the end of the year
Capital	120,000	-	-	-	120,000
Share premium reserve	1,230,000	-	-	-	1,230,000
Legal reserve	-	-	-	-	-
Retained earnings (accumulated losses)	-	(383,109)			(383,109)
Net income (loss) for the year	(383,109)	383,109	-	58,593	58,593
Total	**966,891**	**-**	**-**	**58,593**	**1,025,484**

Availability and use of quotaholder's equity

The following table provides details of the components of quotaholders' equity, including their origin, their potential utilisation and whether they are distributable, as well as the utilisation thereof in the prior three years

Description	Amount	Origin/Nature	Potential utilisation	Amount available
Capital	120,000	Capital	-	-
Share premium reserve	1,230,000	Capital	A; B	-
Retained earnings (accumulated losses)	(383,109)	Revenue	A; B; C	-
Total	**966,891**	**-**	**-**	**-**
Amount not distributable				171,925
Residual amount distributable				-
KEY: "A" increase in capital; "B" cover of losses; "C" distribution to shareholders; "D: for other statutory requirements; "E": other				

The non-distributable portion of the reserves refers to the amount still lacking from the legal reserve to reach one fifth of the capital pursuant to Article 2431 of the Italian Civil Code, the amount of unamortised start-up costs recorded under intangible assets, as well as the credit for deferred tax assets which falls under the category of assets not yet realised.

Provisions for risks and charges

The provisions for risks and charges were recognised in accordance with the instructions contained in accounting principle OIC 31, the related provisions are charged to the income statement in the year to which they refer. The provision for risks and charges amounts to €44,396 and decreased by €3,162 during the year in relation to the utilisations during the period.

Provision for employee termination indemnities

The following table analyses the change in employee severance indemnities that took place during the year.

	Balance at the beginning of the year	Changes during the year - Provision	Changes during the year - Utilisation	Balance at the end of the year
Provision for employee termination indemnities	459,713	35,264	259,204	294,468
Total	**459,713**	**35,264**	**259,204**	**294,468**

The charge for the year (provision for employee termination indemnities classified in income statement caption B9 c) includes the provision retained by the Company and the payments made to the INPS Treasury Fund and the supplementary pension fund specified by each employee, where applicable.

Payables

Payables are shown in the financial statements at their face value, making use of the option granted by art. 2435-bis of the Italian Civil Code.
The classification of payables in the various payable items is based on their nature (or origin) with respect to ordinary operations, regardless of the period of time within which the liabilities have to be extinguished.

The following table shows the detail of outstanding payables as of 31/03/2024:

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year	Within one year	Beyond one year
Due to banks	1,094,971	(338,778)	756,193	547,652	208,541
Due to other lenders	500,000	(125,000)	375,000	125,000	250,000
Advances	13,244	(10,733)	2,511	2,511	-
Trade payables	676,521	109,043	785,564	785,564	-
Payables due to fellow subsidiaries	164,232	(6,786)	157,446	157,446	-
Due to parent companies	-	695,151	695,151	95,151	600,000
Taxation payable	17,761	142,383	160,144	160,144	-
Due to pension and social security institutions	27,437	7,770	35,207	35,207	-
Other payables	21,253	56,082	77,335	77,335	-
Total	**2,515,419**	**529,132**	**3,044,551**	**1,986,010**	**1,058,541**

The amounts due to banks include the medium/long-term loan from UniCredit S.p.A. which was taken on as part of the initiatives aimed at supporting the liquidity needs created following the COVID-19 health emergency (backed by a MedioCredito Centrale S.p.A. guarantee). To optimize conditions, loans were repaid early during the year for a residual capital amount of €292,345, in addition to the contractually envisaged reimbursements of €46,433.

The amounts due to other lenders include the loan of €500,000 disbursed in 2020 by SIMEST S.p.A. on the basis of the availability of the revolving fund established by Law no. 394/1981, aimed at improving and safeguarding the capital solidity of exporters. During the period the company made the contractually foreseen reimbursements for a total of €125,000.

Payables due to fellow subsidiaries refer to contractual relationships in place with Endurance Adler S.p.A. (€11,273) and Frenotecnica S.r.l. (€146,173).

Payables due to parent companies total €89,000 and relate mainly to administrative, financial services and support provided by the parent company Endurance Overseas S.r.l. to Group companies (based on specific service agreements), which have been entered into on an arm's length basis, as well as payables for principal (€600,000 classified as falling due after one year) and for interest expense (€6,151, short-term) relating to the interest-bearing loan received by the parent company Endurance Overseas S.r.l.

Tax payables mainly include the amount due for income taxes equal to €18,584 for IRAP and €89,085 for IRES as well as withholdings on employment income.

Other payables mainly include amounts due to employees for wages and salaries.

Debt secured by collateral on company assets

In accordance with art. 2427, paragraph 1, no. 6 of the Civil Code, we can confirm that there are no payables with a duration of more than five years nor payables secured by liens on company assets.

Accrued expenses and deferred income

The following table shows the changes in accrued expenses and deferred income.

Description	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Accrued expenses and deferred income	107,241	24,141	131,382
Total	**107,241**	**24,141**	**131,382**

Explanatory notes - income statement

The income statement reports the results for the year.
This statement presents the results of operations by summarising the positive and negative components of income that contributed to them. These positive and negative components of income, recognised pursuant to art. 2425-bis of the Italian Civil Code, can be broken down into the following categories: core business, ancillary activities and financial activities.
Core business activities include the components of income that were generated from continuing operations in the principal sector, and which identify and distinguish the economic activities carried out by the Company in the pursuit of its corporate objectives.
Financial activities comprise those operations that generate financial income and expense.
Ancillary activities comprise those residual operations that generate income in the ordinary course of business that cannot be classified as financial or core business activities.
Note that the comparative figures, for the Company's first financial year, are for a period of less than 12 months; in fact, the comparative figures are for the period from 29 September 2022 (date of the Company's incorporation) to 31 March 2023. The figures for the two years are therefore not comparable.

Value of production

Revenues are recorded in the financial statements on an accrual basis, net of returns, allowances, discounts and bonuses, as well as the taxes directly connected to them.
Revenues from the provision of services are recognised when the service is rendered, i.e. when the service has been performed; in the case of services being provided on a continuous basis, the revenues are recognised for the portion that has accrued.
As regards purchases of goods, the costs are recorded when the transfer of ownership has taken place, in substance and not just in form, assuming the transfer of all risks and benefits as a parameter.

Revenues are recorded in the financial statements on an accrual basis, detailed as follows:

Description	FY 2023-2024 (12 months)	FY 2022-2023 (5 months)	Change
Revenues from sales of goods and services	6,408,238	2,155,325	4,252,913
Change in inventories of work in progress, semi-finished and finished products	321,452	176,816	144,636
Other income and revenues	39,129	24,198	14,931
Total	**6,768,819**	**2,356,339**	**4,412,480**

Other revenues include operating grants (€6,074) relating to the tax credit on depreciable capital assets (Law 160/2019 - Law 178/2020) and on energy consumption.

Production cost

In accordance with the matching principle, costs and charges are recognised on an accruals basis by type of expenditure; they are stated net of returns, allowances, discounts and rebates and classified in the respective captions pursuant to OIC 12. As regards purchases of goods, the costs are recorded when the transfer of ownership has taken place, in substance and not just in form, assuming the transfer of all risks and benefits as a parameter. In the case of the purchase of services, the costs are recorded when the service has been received, or when provision of the service has been completed; if the services are provided on a continuous basis, the costs are recorded for the amount accrued

Description	FY 2023-2024 (12 months)	FY 2022-2023 (5 months)	Change
Raw and ancillary materials, consumables and goods for resale	3,906,937	1,578,010	2,328,927
Cost of services	1,334,841	539,905	794,936
Lease and rental charges	104,737	40,872	63,865
Payroll costs			
Wages and salaries	636,982	277,350	359,632
Social contributions	210,056	83,642	126,414
Employee termination indemnities	52,842	27,493	25,349
Other costs	79,664	1,448	78,216
Amortisation of intangible assets	14,155	104,090	(89,935)
Depreciation of tangible assets	154,041	27,372	126,669
Other write-downs of fixed assets	-	-	-
Write-downs of current receivables and liquid funds	-	7,315	(7,315)
Change in inventory of raw and ancillary materials, consumables and goods	82,872	(78,004)	160,876
Other operating expenses	25,002	9,645	15,357
Total	**6,602,129**	**2,619,138**	**3,982,991**

Note that the financial year in question shows an increase in the margins of the Company's core business, thanks to an increase in efficiency of the production factors.

Financial income and charges

Financial income and charges for net charges of €55,279 (of which €6,151 refer to interest expense accrued on the loan from the parent Endurance Overseas S.r.l.) are recognised on an accruals basis in relation to the portion accrued during the year.
There are also €278 of charges relating to exchange differences realised during the period.

Adjustments to financial assets and liabilities

There were no adjustments to financial assets and liabilities during the year.

Amount and nature of revenues/costs of individual significance

During the current year, no revenues, other positive components or costs deriving from exceptional events were recorded.

Income taxes for the year, current and deferred

The company has accrued for taxation for the year based on the application of tax legislation in force. Current taxes refer to taxes for the year as shown in the Company's tax returns. Lastly, deferred tax liabilities and assets involve positive or negative elements of income, respectively, subject to taxation or deduction in years other than those of the statutory accounts.

Deferred taxation

This item includes the impact of deferred taxation on these financial statements. This is due to the temporary differences between the values attributed to an asset or liability according to statutory accounting criteria and the corresponding values recognised for tax purposes
The Company has calculated the deferred tax with reference to IRES and IRAP.

The composition of current taxation for the year is shown in the following table:

	FY 2023-2024 (12 months)	FY 2022-2023 (5 months)
Income taxes	**52,541**	**(114,972)**
Current taxation	107,669	
of which: IRES for the year (current)	89,085	-
of which: IRAP for the year (current)	18,584	-
of which: Taxation relating to prior years	-	-
Deferred tax (assets) liabilities	(55,128)	(114,972)

Explanatory notes - other information

The additional disclosures required by the Italian Civil Code are presented below.

Employment data

The average number of employees is analysed by category below.

	White collar	Blue collar	Total employees
Average number	10	7	17

The workforce at 31 March 2024 consists of 13 people.

Fees, advances and loans granted to directors and statutory auditors and commitments accepted on their behalf

The following schedule provides the information required by art. 2427, point 16 of the Italian Civil Code., with the clarification that no advances or loans have been granted and no commitments, in the form of guarantees of any kind, have been accepted on behalf of the members of the Board of Directors.

	Directors
Fees	100,000

Fees to auditors

Deloitte & Touche S.p.A. has been engaged to perform the independent audit from the current year.
The annual audit fee also include the cost of checking the tax returns, while the other verification services refer to checks on the regularity of the bookkeeping. The fee due to the auditing firm amounts to €7,350

Commitments, guarantees and contingent liabilities not reported in the balance sheet

There are no commitments, guarantees or contingent liabilities that have not been reported in the balance sheet.

Information about related-party transactions

Transactions were carried out with related parties during the year; these transactions were entered into on an arm's length basis and, accordingly, in accordance with current legislation, no additional disclosure has been provided.

Information about off-balance sheet agreements

No off-balance sheet agreements were entered into in the year.

Information about significant events arising subsequent to the reporting date

Pursuant to point 22-quater of art. 2427 of the Italian Civil Code, it is confirmed that no events with a significant effect on the economic and financial position have occurred subsequent to the reporting date.

Companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary

The following information is provided about the companies that prepare consolidated financial statements for the larger/smaller group of companies to which the Company belongs as a subsidiary:

	Larger group	Smaller group
Company name	Endurance Technologies Limited (*)	Endurance Overseas S.r.l.
Town (if in Italy) or foreign State	Aurangabad (India)	Lombardore (Turin)
Tax code (Italian companies)	-	5754620960
Place where the consolidated financial statements are filed	Registered office: Aurangabad (India) India Stock Exchange: NSE and BSE	Registered office: Lombardore (Turin) Turin Chamber of commerce

(*) Endurance Technologies Limited, the parent company, is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE)

Information about derivative financial instruments pursuant to art. 2427-bis of the Italian Civil Code

We can confirm that the company is not party to any derivatives.

Summary financial statements of the company which exercises management control and coordination

The Company is subject to management control and coordination by its indirect parent company, Endurance Technologies Limited, with registered offices at E-92, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India, which directly and indirectly owns the entire share capital of the Company.

The following amounts taken from the latest approved financial statements of Endurance Technologies Limited are stated in millions of Indian Rupees. For the sake of clarity, the Rupee/Euro exchange rate at 31 March 2023 was 89.399 (84.134 on 31 March 2022) - (source: European Central Bank):

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Assets		
Non-current assets		
Fixed assets, net	18,078.08	16,541.36
Investments and other non-current assets	5,746.01	4,188.14
Current assets	17,266.36	16,663.90
Assets held for sale	-	-
Total assets	**41,090.45**	**37,393.40**

Balance sheet	Year ended 31/03/2023	Year ended 31/03/2022
Liabilities and quotaholders' equity		
Quotaholders' equity	**33,309.41**	**30,068.48**
Non-current liabilities		
Non-current financial liabilities	78.72	19.67
Other non-current liabilities	301.04	368.16
Current liabilities		
Current financial liabilities	6,233.75	5,981.66
Other current liabilities	1,167.53	955.43
Total liabilities and quotaholders' equity	**41,090.45**	**37,393.40**

Income Statement	Year ended 31/03/2023	Year ended 31/03/2022
Revenues	**67,957.07**	**57,214.81**
Operating costs	59,882.73	49,684.29
Depreciation and amortisation	2,407.08	2,037.38
Financial charges	42.70	18.20
Non-recurring income/(expense)	(102.85)	(314.50)
Income before tax	**5,521.71**	**5,160.44**
Taxation for the year (current and deferred)	1,432.54	1,343.01
Income (loss) for the year	**4,089.17**	**3,817.43**
OCI - Other comprehensive income	30.90	12.46
Total statement of comprehensive income	**4,120.07**	**3,829.89**

The report on operations describes relations with the company that provides management and coordination services and with the other affiliates, as well as the effect of those activities on the operations of the Company and its results.

Treasury shares and shares in parent companies

In accordance with paragraphs 3.3 and 3.4 of Art. 2435-bis and Art. 2428 of the Italian Civil Code, it is hereby confirmed that the Company did not hold any shares or quotas in the parent company during the year.

Information pursuant to art. 1, paragraph 125, of Law 124 of 4 August 2017

In relation to the provisions of art. 1, paragraph 125-bis, of Law 124/2017, regarding the obligation to provide evidence in the explanatory note of any sums of money received during the financial year by way of subsidies, advantages, contributions or aid, in cash or in nature, not having a general nature and having no consideration, remuneration or compensation of any kind, by public administrations and by the subjects referred to in paragraph

125-bis of the same article, the Company certifies that it received a tax credit during the year of €873 for energy costs incurred.

Proposed allocation of profits or coverage of losses

Quotaholders, In light of the above, the Board of Directors proposes to allocate the net income for the year, equal to €58,593, to cover the loss of the previous year.

Explanatory notes - closing section

We confirm that these financial statements, which comprise the balance sheet, income statement and explanatory notes, give a true and fair view of the financial position and results for the year and agree with the books of account.
We therefore invite you to approve the draft financial statements for the year ended 31/03/2024, together with the proposed allocation of net income, as submitted by the Board of Directors.
The financial statements are true and fair and agree with the accounting records.
Cirié, 09/05/2024

For the Board of Directors
The Managing Director

Silvio Barbieri

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Sole Quotaholder of
New Fren S.r.l.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of New Fren S.r.l. (the "Company"), prepared in condensed format pursuant to Article 2435-bis of the Italian Civil Code, which comprise the balance sheet as at March 31, 2024 and the statement of income for the year then ended and the explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2024, and of its financial performance for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

We draw your attention to the information provided by the Directors in paragraph "Comparability and compliance" of the explanatory notes, where they explain that the financial year ended on March 31, 2023 lasted less than one year; more precisely, the comparative figures refer to the period between September 29, 2022 (date of incorporation of the company) and March, 31 2023. Therefore, the figures shown with reference to the final year ending March 31, 2024 are not comparable with the previous year.

Our opinion is not modified in respect of this matter.

Other matters

Pursuant to art. 2497-bis, first paragraph, of the Italian Civil Code, New Fren S.r.l. has disclosed that it is subject to management and coordination of its activities by Endurance Technologies Limited (India) and, therefore, has indicated in the notes to the financial statements the key financial data from the most recent financial statements of such company. Our opinion on the financial statements of New Fren S.r.l. does not extend to such data.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian law governing financial statements, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
May 14, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

SEVENTH ANNUAL REPORT

OF

MAXWELL ENERGY SYSTEMS PRIVATE LIMITED

FINANCIAL YEAR 2023-24

MAXWELL

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF MAXWELL ENERGY SYSTEMS PRIVATE LIMITED WILL BE HELD THROUGH VIDEO CONFERENCING (VC) / OTHER AUDIO-VISUAL MODE (OAVM) FACILITY ON THURSDAY, 12TH SEPTEMBER 2024 AT 3.00 P.M. (IST), TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

ITEM NO. 1:

To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended 31st March, 2024 together with the reports of the Board of Directors and Auditors thereon.

ITEM NO. 2:

To appoint a Director in place of Mr. Sunil Kolhe (DIN: 09650178), Director of the Company, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

For and on behalf of the Board

sd/-
Sunil Vitthalrao Kolhe
Chairman
DIN: 09650178
Address: B-20, Pinnac Garden,
Karve Road, Near Kothrud Bus Stand,
Kothrud, Pune - 411038, Maharashtra, India

Date: 24th July, 2024
Place: Pune

Notes:

- The Ministry of Corporate Affairs ("MCA") has vide its general circular no. 14/2020 dated 08th April, 2020, No. 17/2020 dated 13th April, 2020, No. 22/2020 dated 15th June, 2020, No. 33/2020 dated 28th September, 2020, No. 39/2020 dated 31st December, 2020, No. 10/2021 dated 23rd June, 2021, No. 20/2021 dated 8th December, 2021, No. 3/2022 dated 5th May, 2022 and No. 11/2022 dated 28th December, 2022 issued by Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') have permitted the holding of AGM by companies through VC / OAVM upto September 30, 2024, without the physical presence of the Members. Accordingly, in compliance with the provisions of the Companies Act, 2013 ('Act') and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The Registered office of the Company situated at Ground Floor, Plot no. A/2, Central Road (MIDC), Opp. Telephone Exchange Marg, Andheri (East), Mumbai – 400 093 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made there at in accordance with the Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India (ICSI).

- As the AGM is being held through VC/OVAM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the proxy form and the attendance slip are not annexed to the notice.

- Institutional/ Corporate Members are required to send the scanned copy of the Certified True Copy of the Board resolution authorizing its representative to attend and vote on their behalf at the Meeting.

- Request to the members holding shares in DEMAT form to share their Client ID and DP ID for easy identification for attendance at the meeting.

- Any query relating to the Financial Statements must be sent to the Company's registered office at least seven days before the date of the AGM.

- Members attending the Meeting through VC/OAVM will be counted for the purposes of reckoning of Quorum under Section 103 of the Companies Act, 2013.

- Since, the AGM is held through VC/OVAM facility, the route map of the venue is not annexed to the Notice.

- The facility for joining the meeting shall be kept open atleast 15 minutes before the scheduled time for the meeting and not to be closed till the expiry of 15 minutes after the scheduled time for meeting.

- Members are requested to kindly keep the Annual Report sent to their registered e-mail id with them while attending the AGM through VC/OVAM mode.

- In compliance of Section 101 and 136 of the Companies Act, 2013 read with rules made thereunder, electronic copy of the Annual Report is being sent to all the Members whose e-mail ids are registered with the Company/DPs for the purpose of communication. Members may note that the Notice and Annual Report will be available on the website of the Company's website, i.e. www.maxwellenergy.co.

  The Register of Members, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act will be made available for inspection by electronic mode.

Details of Director seeking re-appointment at the 7th AGM of the Company
[Pursuant to SS - 2 on General Meetings]

Sr. no.	Particulars	Details
1.	Name	Mr. Sunil Kolhe
2.	Date of Birth / Age	27th April 1962
3.	Date of first Appointment on the Board	1st July 2022
4.	Experience in functional area	Over 40 years of experience in Auto Industry which includes 7 years with OEMs & 26 years with Tier-1 companies. Experience covers all functional areas including setting up Green Field projects, overseas facilities, joint ventures & collaborations, Sourcing & Vendor Development, Global Sourcing, International supply chain & EXIM, Capex & Indirect material Sourcing and Quality Systems.
5.	Qualification	BE (Production Engineering)
6.	Directorship in other Companies	NIL
7.	Membership of Committees of other Companies	NIL
8.	No. of Shares held in the Company (Shareholding)	NIL
9.	Terms and conditions of appointment	Retirement by rotation and subsequent Re-appointment
10.	Relationship with another Director, Manager & KMP	NIL
11.	No. of Board meeting attended during the FY 2023-24	6
12.	Remuneration last drawn in the FY 2023-24	NIL

Mr. Sunil Kolhe was not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The proposal for his re-appointment as a director liable to retire by rotation is placed before the Members for their approval by way of Ordinary Resolution as Item no. 2 of this Notice.

For and on behalf of the Board

sd/-
Sunil Vitthalrao Kolhe
Chairman
DIN: 09650178
Address: B-20, Pinnac Garden,
Karve Road, Near Kothrud Bus Stand,
Kothrud, Pune - 411038, Maharashtra, India

Date: 24th July, 2024
Place: Pune

BOARD'S REPORT

OF

MAXWELL ENERGY SYSTEMS PRIVATE LIMITED

FINANCIAL YEAR 2023-24

NAMES OF PAST AND PRESENT DIRECTORS OF THE COMPANY WITH DIRECTOR IDENTIFICATION NUMBERS (DIN)

Sr. No	Name of the Director	Designation	DIN	Date of Appointment	Date of Resignation
1.	Sunil Vitthalrao Kolhe	Non-Executive Director	09650178	01st July, 2022	-
2.	Akhil Prakash Panjwani	Managing Director	03214205	23rd August, 2017	-
3.	Alexandre Jacques Collet	Whole-time Director	09648192	01st July, 2022	-
4.	Jignesh Mahendrakumar Gandhi	Non-Executive Director	09651207	01st July, 2022	-
5.	Subhashis Dhara Sharma	Non-Executive Director	03204610	01st July, 2022	03rd April, 2023
6.	Muralikrishna Giddaluru	Non-Executive Director	10137743	4th May, 2023	-

The above disclosure has been given in accordance with Section 158 of Companies Act 2013, and reference of any of the above Directors made in this document be read along with the above disclosure of their respective Director Identification Numbers.

Dear Shareholders,

Your Directors present herewith the Seventh Annual Report on the business and operations of the Company together with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2024.

SUMMARISED STATEMENT OF PROFIT & LOSS:

(₹ in million)

Particulars	Financial Year 2023-24	Financial Year 2022-23
Revenue from operations	616.12	208.48
Other income	14.97	3.84
Total Income	**631.09**	**212.32**
Raw Material Cost	499.62	126.48
Employee Benefit expenses	179.92	181.32
Finance cost	5.98	2.82
Depreciation	81.01	57.35
Other expenses	69.85	72.83
Total expenditure	**836.38**	**440.80**
(Loss) before exceptional items and tax	**(205.29)**	**(228.48)**
Exceptional items	0	0
(Loss) before tax	**(205.29)**	**(228.48)**
Net tax expenses	0	2.99
Net (loss) for the year	**(205.29)**	**(231.47)**

COMPANY'S PERFORMANCE:

During the year under review, the Company posted a total income of INR 631.09 million against INR 212.32 million in the previous year, reporting growth of 197.2%. This growth is supported by increase in Product sales across all the variants as well as the revenue from Non-Recurring Engineering services provided to various existing and new customers. The below factors have dented the overall growth of income and the margins.

- The Company was able to successfully launch two new products: AVA, a value engineered version of the functionally safe BMS for 2W and CT-Lite - new variant low cost / high performance BMS.
- During the year, the Company entered into commercial relationships with key players in Indian / International markets.
- Revised guidelines of Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME) - II by the Government of India (GOI) has impacted the subsidy program for Original Equipment Manufacturers (OEMs) and thus resulted in low offtake by key customers.

The net loss for the year under review has reduced to INR 205.29 million as against the net loss of INR 231.47 million in the previous year.

DIVIDEND:

In view of losses during the financial year under review, your Directors do not recommend dividend for the FY 2023-24.

AMOUNT PROPOSED TO CARRY TO RESERVES:
The Board of Directors of the Company have decided not to transfer any amount to the reserves for the year under review.

INVESTOR EDUCATION AND PROTECTION FUND:
During the period under review, the Company was not required to transfer any amount to the Investor Education & Protection Fund ("IEPF") under sub-section (2) of Section 125 of the Act and the IEPF (Accounting, Audit, Transfer and Refund Rules, 2016).

CHANGE IN NATURE OF THE BUSINESS:
During the financial year under review, there was no change in the nature of the business of the Company.

HOLDING COMPANY:
During the financial year under review, as per the Share Subscription and Purchase Agreement ("SSPA"), ION Energy Inc. ("ION") transferred 6,850 shares on 17th July, 2023 to Endurance Technologies Limited ("ETL"). Considering this, the stake of ETL in the Company increases from 51% to 55.99%.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:
The Company does not have any subsidiary, associate or joint venture company.

DEPOSITS:
During the financial year under review, the Company has not accepted any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.

LOANS FROM THE DIRECTORS OR DIRECTORS' RELATIVES:
During the financial year under review, the Company has not borrowed any amount from the Directors or their relatives.

RELATED PARTY TRANSACTIONS:
During the financial year under review, the Company entered into contract/arrangement /transaction with related parties at arm's Length basis and in ordinary course of Business. Hence no approval was required under Section 188 of the Companies Act, 2013. The particulars of transactions in terms of Indian Accounting Standard (IND-AS 24) are forming part of the Financial Statements. Hence, as per proviso of Section 134 (3), there is no information to be disclosed in Form AOC-2.

APPLICABILITY OF CORPORATE SOCIAL RESPONSIBILITY ("CSR"):
Pursuant to the provisions of the Companies Act, 2013, CSR is not applicable to the Company.

MAINTENANCE OF COST RECORDS:
The provisions with respect to the maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 are not applicable on the Company and accordingly such accounts and records are not maintained.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed as **Annexure I**.

ANNUAL RETURN:

In terms of Section 92 (3) read with Section 134 (3) (a) of the Companies Act, 2013, the Annual Return of the Company for the financial year ended 31st March, 2024 shall be available on the Company's website : www.maxwellenergy.co/investor-relations.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company has not advanced any loans, given guarantees and made investments under the provisions of Section 186 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN 31ST MARCH, 2024 AND TILL THE DATE OF BOARD'S REPORT:

There have been no material changes and commitments, affecting the financial position of the Company, which occurred between the end of the financial year to which the financial statements relate and the date of this report.

INTERNAL FINANCIAL CONTROLS:

In terms of Section 134 of the Act, the term internal financial control means the policies and procedures adopted by a company for ensuring orderly and efficient conduct of its business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

The Company has adequate internal financial control systems in the form of policies and procedures. It follows a structured mechanism of function-specific reviews and risk reporting by senior management of the Company and critical matters are brought to the attention of the Board. Further, internal Standard Operating Procedures (SOPs) and Schedule of Authority (SOA) are well defined and documented to provide clear guidance to ensure that all financial transactions are authorised, recorded and reported correctly.

In order to record day-to-day financial transactions and ensure accuracy in reporting thereof, the Company uses an established Enterprise Resource Planning (ERP) system, which is equipped with a 'maker and checker' mechanism and has an audit trail of all transactions. Adequate controls and checks are built in the ERP system to integrate the underlying books of account and prevent any kind of control failure. Mapping of policies and procedures including SOPs and SOA is done through ERP and audit of these processes forms part of the work scope of statutory auditors of the Company.

REGISTERED OFFICE OF THE COMPANY:

The Registered office of the Company is situated at Ground Floor, Plot No. A/2, Central Road (MIDC), Opp. Telephone Exchange Marg, Andheri (East), Mumbai - 400 093, Maharashtra, India.

BOARD OF DIRECTORS:

Pursuant to SSPA and as per clause 90.2 of the Articles Association, the Board shall comprise upto three Directors nominated by ETL and upto two Directors nominated by ION. As per clause 90.6 of the Articles of Association of the Company, the Chairman of the Board shall be one among the Directors nominated by ETL.

As on 31st March, 2024, the Board of Directors of the Company were as follows:

Sr. No.	Name of Director	DIN	Position
1.	Mr. Sunil Vitthalrao Kolhe	09650178	Chairman & Non-Executive Director
2.	Mr. Akhil Prakash Panjwani	03214205	Managing Director
3.	Mr. Alexandre Jacques Collet	09648192	Whole Time Director
4.	Mr. Jignesh Mahendrakumar Gandhi	09651207	Non-Executive Director
5.	Mr. Muralikrishna Giddaluru	10137743	Non-Executive Director

CHANGE IN DIRECTORATE

Resignation of Director
Pursuant to his pre-occupation, Mr. Subhashis Dhara Sharma has resigned from the Directorship of the Company with effect from 3rd April, 2023.

Appointment of Director
Mr. Muralikrishna Giddaluru was appointed as an Additional Director (in the capacity of Non-Executive Director) w.e.f. 4th May, 2023. His appointment as a Non-Executive Director was approved by the Members in the 6th Annual General Meeting of the Company held on 29th August, 2023.

KEY MANAGERIAL PERSONNEL (KMP)
The following officials are 'Key Managerial Personnel' of the Company in terms of the provisions of section 2(51) of the Companies Act, 2013:

- Mr. Akhil Prakash Panjwani, Managing Director w.e.f. 30th January, 2023.
- Mr. Vishwas VS, Chief Executive Officer w.e.f. 27th March, 2023.
- Mr. Alexandre Jacques Collet, Whole Time Director w.e.f 1st July, 2022

RETIREMENT BY ROTATION
As per the provisions of Section 152(6) of the Companies Act, 2013, Mr. Sunil Vitthalrao Kolhe (DIN: 09650178) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

SHARE CAPITAL:

AUTHORISED SHARE CAPITAL
The Authorised Share Capital of the Company is INR 5,00,000/- (Rupees Five Lakh) divided into 5,00,000 (Five Lakh) equity shares of INR 1/- (Rupee one) each.

PAID UP CAPITAL
The Paid-up Capital of the Company is 1,37,007 (One Lakh Thirty Seven Thousand and Seven) of INR 1/- (Rupee one).

During the period under review, the Company has not issued any shares with differential voting rights or sweat equity shares. Additionally, neither has it granted any employee stock options nor issued any convertible securities.

BOARD MEETINGS:

During the financial year 2023-24, the Board of Directors met six times on the following dates, i.e. 4th May, 2023, 17th July, 2023, 1st August, 2023, 26th October, 2023, 6th December, 2023 and 24th January, 2024 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The intervening gap between the meetings was within the period prescribed under the Act.

The statement below tabulates the attendance of each of the Directors at aforesaid Board Meetings.

Director Attendance	Name of the Director	Mr. Sunil Kolhe (Chairman and Non-Executive Director)	Mr. Akhil Panjwani (Managing Director)	Mr. Alexander Collet (Executive Director)	Mr. Jignesh Gandhi (Non-Executive Director)	Mr. Muralikrishna Giddaluru (Non-Executive Director)
Date of the Meeting	**Sr. no. of Meeting (FY 2023-24)**					
4th May 2023	1	Yes	Yes	Yes	LOA	NA
17th July 2023	2	Yes	Yes	Yes	Yes	Yes
1st August 2023	3	Yes	Yes	Yes	LOA	Yes
26th October 2023	4	Yes	Yes	Yes	Yes	LOA
6th December 2023	5	Yes	Yes	Yes	Yes	Yes
24th January 2024	6	Yes	Yes	Yes	Yes	Yes

SECRETARIAL STANDARDS:

The Company is in compliance with the Secretarial Standards on Meeting of Board of Directors (SS-1) and General Meetings (SS-2).

RISK MANAGEMENT POLICY:

The Management of the Company has designed various policies on program management, Standard Operating Procedures (SOPs) for various processes, etc. to avoid events & circumstances which may lead to negative consequences on the Company's business. The Company has also defined a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

STATUTORY AUDITORS:

M/s. SRBC & Co LLP ("SRBC"), Chartered Accountants (ICAI Registration Number 324982E/E300003), the Statutory Auditors of the Company have issued an unqualified audit report on the financial statements for the financial year ended 31st March, 2024. The Auditors Report for the financial year ended 31st March, 2024 on the financial statements of the Company forms part of this Annual Report.

REPORTING OF FRAUDS BY STATUTORY AUDITORS:

During the financial year under review, no instances of fraud have been reported by the Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013.

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

There were no orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors based on the representations received from the Management, confirm that:

i. in the preparation of the Annual accounts for the year ended 31st March, 2024, the applicable accounting standards had been followed.

ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors have prepared the annual accounts on a going concern basis;

v. the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively;

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has adopted a "Policy on Safety & Security and Prevention of Sexual harassment of Women Employees" ("POSH Policy") in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The POSH Policy aims to provide a safe, friendly, positive and productive working environment and promote an atmosphere in which employees can realise their maximum potential. The policy applies to all permanent and temporary employees and also to the workforce engaged by the Company through contractors.

The Company observes zero tolerance towards any kind of violation of the aforementioned POSH Policy. As per POSH Policy, the Company has constituted an Internal Committee ("IC"). The IC is chaired by a female employee and other officials of the Company are its members along with an external member who has experience in dealing with cases relating to sexual harassment. The IC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the POSH Policy.

There were no cases pending at the beginning of the year and filed during the year.

REMUNERATION DETAILS AS PER SCHEDULE V:
In terms of Schedule V Part II (Remuneration) of the Companies Act, 2013, the remuneration details of the Directors appointed under Chapter XII of the Companies Act, 2013 is provided under **Annexure II.**

DISCLOSURE OF PROCEEDINGS PENDING OR APPLICATION MADE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:
No application was filed for the corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT.

WHISTLE BLOWER POLICY:
The Company has adopted Whistle Blower Policy and the objective of this policy is to create a window for any person who observes any unethical behaviour, actual or suspected fraud, or violation of the Company Code of Conduct and to report the same to the officials appointed under the same policy. The said policy also encompasses reporting of instances of leak of Unpublished Price Sensitive Information (UPSI).

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express their sincere appreciation towards the commitment, hard work and support of all its employees during the financial year ended 31st March, 2024.

The Directors also express their gratitude towards the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

For and on behalf of the Board

sd/-
Sunil Vitthalrao Kolhe
Chairman
DIN: 09650178
Address: B-20, Pinnac Garden,
Karve Road, Near Kothrud Bus Stand,
Kothrud, Pune - 411038, Maharashtra, India

Date: 9th May, 2024
Place: Pune

ANNEXURE I

DISCLOSURE PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

(A) Conservation of energy:

Steps taken or impact on conservation of energy	The Company has not spent any substantial amount on Conservation of Energy to be disclosed here.
Steps taken by the company for utilizing alternate sources of energy	
Capital investment on energy conservation equipments	

(B) Technology absorption:

Efforts made towards technology absorption	During the financial year under review, the Company has not specifically absorbed any new technology. However, the Company has invested its resources towards development of new products using the Intellectual Property (Technology, assets and inventions) pertaining to the Battery Management Systems (BMS), which was absorbed during previous years.
Benefits derived like product improvement, cost reduction, product development or import substitution	The above investment helps the Company to upgrade the technology to be compatible with the technical developments, guidelines issued by the Government of India (GoI) and also contribute towards product improvement / new product development.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
• **Details of technology imported**	During the financial year 2022-23, the Company had acquired the Intellectual Property (Technology, assets and inventions) pertaining to the Battery Management Systems (BMS), from ION Energy Inc.
• **Year of import**	Financial Year 2022-23
• **Whether the technology has been fully absorbed**	Yes

• **If not fully absorbed, areas where absorption has not taken place, and the reasons thereof**	Not Applicable
Expenditure incurred on Research and Development (Rupees in million)	Direct material cost of INR 3.57 million incurred on Research and Development, aside to the Man hours consumed.

(C) Foreign exchange earnings and Outgo:

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows is as follows:

	April 01, 2023 to March 31, 2024
	(₹ in million)
Actual Foreign Exchange earnings	61.99
Actual Foreign Exchange outgo	13.47

For and on behalf of Board

sd/-
Sunil Vitthalrao Kolhe
Chairman
DIN: 09650178
Address: B-20, Pinnac Garden,
Karve Road, Near Kothrud Bus Stand,
Kothrud, Pune - 411038, Maharashtra, India

Date: 9th May, 2024
Place: Pune

ANNEXURE II

REMUNERATION DETAILS OF MANAGERIAL PERSONNEL APPOINTED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013

Mr. Akhil Prakash Panjwani – Managing Director

1. All elements of remuneration package such as salary, benefits, bonus, stock options, pension, etc.: given below
2. Details of fixed component and performance linked incentives along with performance criteria: given below.
3. Service Contract, Notice period, Severance fees: The appointment as Managing Director shall be for the tenure of 24 months, i.e. 30th January, 2023 to 30th January, 2025.
4. Stock options details, if any, and whether the same has been issued at a discount as well the period over which accrued and over which exercisable: Nil

Remuneration for financial year 2023-24:

Fixed Remuneration:

Sr. No	Payment Component	Monthly (INR)	Yearly (INR)
1	Basic	2,75,000	33,00,000
2	House Rent Allowance	1,37,500	16,50,000
3	Medical Allowance	1,320	15,840
4	Conveyance	2,530	30,360
5	Employer Contribution to Provident Fund	1,800	21,600
6	Special Allowance	2,69,170	32,30,040
7	**Total Fixed Pay**	**6,87,320**	**82,47,840**
	Deductions		
8	Employer Contribution to Provident Fund	1,800	21,600
9	Executive Contribution to Provident Fund	1,800	21,600
10	Professional Tax	200	2,400
11	Provision for Gratuity	13,225	1,58,700
12	**Net Salary**	**6,70,295**	**80,43,540**

Long Term Incentive Plan (LTIP):

- LTIP for the financial year 2022-23, paid in 2023-24: INR 158,487.00
- LTIP pertaining to financial year 2023-24 shall be in the range of INR 246,939.00 to INR 987,755.00

The terms and conditions of appointment is as per the employment Agreement dated 18th May, 2022 executed between Mr. Akhil Prakash Panjwani and the Company.

Mr. Alexandre Jacques Collet – Whole Time Director

Pursuant to the Consultancy Agreement dated 18th May, 2022, Mr. Alexandre Jacques Collet was appointed as Chief Technical Officer (CTO) of the Company and the professional fees paid to him for the financial year 2023-24 is INR 55,20,000 (Fifty Five lakh twenty thousand) i.e. INR 4,60,000/- (Rupees four lakh sixty thousand) on pro rata basis.

Mr. Vishwas V S – Chief Executive Officer

Pursuant to the clause 4.2 (i) of the Shareholders Agreement dated 18th May, 2022, Mr. Akhil Panjwani, Managing Director of the Company nominated Mr. Vishwas V S for the position of Chief Executive Officer. Mr. Vishwas V S was appointed as the Chief Executive Officer of the Company on 27th March, 2023

Remuneration for financial year 2023-24:

Fixed Remuneration:

Sr. No	Payment Component	Monthly (INR)	Yearly (INR)
1	Basic	2,17,000	2,60,4000
2	House Rent Allowance	1,08,500	13,02,000
3	Medical Allowance	1,200	14,400
4	Conveyance	2,300	27,600
5	Employer Contribution to Provident Fund	1,800	2,1600
6	Special Allowance	2,11,700	25,40,400
7	**Total Fixed Pay**	**5,42,500**	**65,10,000**
	Deductions		
8	Employer Contribution to Provident Fund	1,800	21,600
9	Executive Contribution to Provident Fund	1,800	21,600
10	Professional Tax	200	2,500
11	**Net Salary**	**5,38,700**	**64,64,300**

Long Term Incentive Plan (LTIP):

- LTIP for the financial year 2022-23, paid in 2023-24: INR 29,716.00
- LTIP pertaining to financial year 2023-24 shall be in the range of INR 106,457.00 to INR 425,829.00

For and on behalf of the Board

sd/-
Sunil Vitthalrao Kolhe
Chairman
DIN: 09650178
Address: B-20, Pinnac Garden,
Karve Road, Near Kothrud Bus Stand,
Kothrud, Pune - 411038, Maharashtra, India

Date: 9th May, 2024
Place: Pune

INDEPENDENT AUDITOR'S REPORT

To the Members of Maxwell Energy Systems Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Maxwell Energy Systems Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of

accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. Insofar as the modification on maintaining an audit trail in the accounting software is concerned, refer paragraph (i) (vi);

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The modification arising from the maintenance of the audit trail on the accounting software, comprising the application and database are as stated in the paragraph (i) (vi) on reporting under Rule 11(g);

(h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the Company has used SAP accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility in respect of the application and the same has operated throughout the year for all relevant transactions. We did not come across any instance of the audit trail feature being tampered with in respect of accounting software. Normal/Regular users are not granted direct database or super user level access. However, changes to the back-end database by a super user does not carry the feature of a concurrent real time audit trail.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

sd/-
per Mustafa Saleem
Partner
Membership Number: 136969
UDIN: 24136969BKFGRM7864
Place of Signature: Pune
Date: May 09, 2024

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Maxwell Energy Systems Private Limited (the "Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such physical verification.

(ii) (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to reporton clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) During the year Company has not provided loans, advances in nature of loans, made investment, stood guarantee or provided security to Companies, firm, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not beendeposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in thepayment of interest thereon to any lender.

(ix) (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) Term loans were applied for the purpose for which the loans were obtained.

(ix) (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix) (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(ix) (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to theCompany.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed orreported during the year.

(xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi) (c) As represented to us by the management, there are no whistle blower complaintsreceived by the Company during the year.

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirements to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and (b) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi) (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) ofthe Order is not applicable to the Company.

(xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses amounting to Rs. 123.78 million in the current year and amounting to Rs. 168.38 million in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 36 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not required to spend any amount in respect of Corporate Social Responsibility activities under section 135 (5) of the Companies Act, 2013 for the year ended March 31, 2024, Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

sd/-
per Mustafa Saleem
Partner
Membership Number: 136969
UDIN: 24136969BKFGRM7864
Place of Signature: Pune
Date: May 09, 2024

Annexure 2 to the Independent Auditor's report of even date on the financial statements of Maxwell Energy Systems Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Maxwell Energy Systems Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

sd/-
per Mustafa Saleem
Partner
Membership Number: 136969
UDIN: 24136969BKFGRM7864
Place of Signature: Pune
Date: May 09, 2024

Maxwell Energy Systems Private Limited
Balance sheet as at 31 March, 2024
CIN : U72900MH2017PTC298930

₹ in million

Particulars	Note	As at 31 March, 2024	As at 31st March, 2023
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3 (i)	26.25	23.00
(b) Capital work in progress	3 (v)	-	-
(c) Intangible assets	3 (iii)	282.80	349.13
(d) Intangible assets under development	3 (iv)	-	0.59
(e) Right-of-use assets	3 (ii)	15.55	14.31
(f) Financial assets			
(i) Other non current financial assets	4	2.84	1.65
(g) Other non-current assets	5	1.46	4.11
		328.90	**392.79**
2. Current assets			
(a) Inventories	7	73.61	23.40
(b) Financial assets			
(i) Trade receivables	9	56.05	64.38
(ii) Cash and cash equivalents	8	36.90	48.35
(iii) Other financial assets	10	-	0.05
(c) Other current assets	6	96.26	94.92
		262.82	**231.10**
Total assets (1 + 2)		**591.72**	**623.89**
EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity share capital	11	0.14	0.14
(b) Other equity	12	274.24	476.92
		274.38	**477.06**
LIABILITIES			
2. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	18	7.65	10.42
(ii) Borrowings	13	100.00	-
(b) Provisions	14	3.97	5.40
(c) Deferred tax liabilities (net)	32	0.88	-
		112.50	**15.82**
3. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	15		
(a) total outstanding dues of micro enterprises and small enterprises		-	0.64
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		170.31	87.06
(ii) Lease liabilities	18	10.02	5.23
(iii) Other financial liabilities	16	9.68	5.90
(b) Provisions	14	2.48	0.97
(c) Other current liabilities	17	12.35	31.21
		204.84	**131.01**
Total equity and liabilities (1 + 2 + 3)		**591.72**	**623.89**

Summary of material accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

per Mustafa Saleem
Partner
Membership no. 136969
Place:
Date:

For and on behalf of the Board of Directors of
Maxwell Energy Systems Private Limited

Sunil V Kolhe	**Akhil Panjwani**	**Vishwas V S**
Chairman	Managing Director	CEO
DIN:09650178	DIN:03214205	ADDPV1188L
Place:	Place:	Place:
Date:	Date:	Date:

Maxwell Energy Systems Private Limited
Statement of Profit and Loss for the year ended 31 March, 2024
CIN : U72900MH2017PTC298930

₹ in million

Particulars	Notes	For the year ended 31 March, 2024	For the year ended 31st March, 2023
INCOME			
I. Revenue from operations	19	616.12	208.48
II. Other income	20	14.97	3.84
III Total income (I + II)		**631.09**	**212.32**
IV. EXPENSES:			
(a) Cost of raw materials & components consumed	21A	549.83	130.78
(b) Changes in stock of raw materials & components	21A	(41.38)	(4.30)
(c) Changes in stock of finished goods and work in progress	21B	(8.83)	-
(d) Employee benefits expense	22	179.92	181.32
(e) Finance costs	25	5.98	2.82
(f) Depreciation and amortisation expense	24	81.01	57.35
(g) Other expenses	23	69.85	72.83
Total expenses (IV)		**836.38**	**440.80**
V. Loss before tax (III - IV)		**(205.29)**	**(228.48)**
VI. Tax expense:			
(a) Current tax expense		-	-
(b) Deferred tax charge		-	2.99
Total tax expense		**-**	**2.99**
VII. Loss for the year (V - VI)		**(205.29)**	**(231.47)**
VIII. Other comprehensive income			
(a) items that will not to be reclassified to profit or loss in subsequent years:			
(i) Re-measurement of defined benefit plans		3.49	3.63
(b) Income tax effect		(0.88)	(0.91)
Total other comprehensive gain for the year, net of tax		**2.61**	**2.72**
IX. Total comprehensive income for the year (comprising loss and other comprehensive income for the year) (VI + VIII)		**(202.68)**	**(228.75)**
X. Earnings per equity share (face value of Rs. 1 each)			
Basic and Diluted (in Rs.)	26	(1,498.36)	(1,811.83)

Summary of material accounting policies 2
The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

For and on behalf of the Board of Directors of
Maxwell Energy Systems Private Limited

per Mustafa Saleem
Partner
Membership no. 136969
Place:
Date:

Sunil V Kolhe
Chairman
DIN:09650178
Place:
Date:

Akhil Panjwani
Managing Director
DIN:03214205
Place:
Date:

Vishwas V S
CEO
ADDPV1188L
Place:
Date:

Maxwell Energy Systems Private Limited
Cash flow statement for the year ended 31 March, 2024
CIN : U72900MH2017PTC298930

₹ in million

Particulars	For the year ended 31 March, 2024	For the year ended 31st March, 2023
A. Cash flow from operating activities		
Loss before tax	**(205.29)**	**(228.48)**
Adjustment for:		
- Depreciation and amortisation expense	81.01	57.35
- Trade receivables and advances written off	8.51	1.10
- Allowance for impairment of trade receivable	2.83	-
- Excess provisions /creditors' balances written back	-	(0.82)
- Unrealised exchange gain (net)	(0.17)	(0.07)
- (Profit)/Loss on sale of property, plant and equipment/ PPE discarded (net)	(11.21)	0.02
- Finance costs	5.98	2.82
- Unwinding of interest income on security deposits	(0.11)	(0.10)
- Interest income	(0.75)	(2.88)
Operating loss before working capital changes	**(119.20)**	**(171.06)**
Movements in working capital :		
Adjustment for (increase) / decrease in operating assets		
- Trade receivables	8.46	(31.10)
- Inventories	(50.21)	(4.30)
- Other current assets	(1.34)	(77.47)
- Other current financial assets	0.05	0.22
- Non-current financial assets	(1.19)	0.69
Adjustment for increase / (decrease) in operating liabilities		
- Trade payables	82.65	47.94
- Current provision	1.51	0.88
- Other current financial liabilities	3.78	(4.07)
- Other current liabilities	(18.85)	(35.54)
- Non-current provision	1.19	4.05
Sub Total	**26.05**	**(98.71)**
Cash used in operating activities	**(93.15)**	**(269.76)**
Direct taxes paid (net of refunds)	2.57	4.70
Net cash used in operating activities (A)	**(90.58)**	**(265.06)**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment; and intangible assets (including capital work in progress, intangible assets under development and capital advances)	(21.01)	(401.79)
Interest received	0.69	2.82
Proceeds from sale of property, plant and equipment	12.58	0.04
Net cash used in investing activities (B)	**(7.74)**	**(398.93)**

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Maxwell Energy Systems Private Limited
Cash flow statement for the year ended 31 March, 2024
CIN : U72900MH2017PTC298930

C. Cash flow from financing activities

Payment of principal portion of lease liabilities	(8.06)	(3.49)
Payment of interest on lease liabilities	(1.79)	(1.49)
Finance costs paid	(3.28)	(1.33)
Proceeds from Borrowings - from the holding company (refer note 13)	100.00	-
Proceeds from issue of equity share (including securities premium)	-	715.01
Net cash generated from financing activities (C)	**86.87**	**708.70**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**(11.45)**	**44.71**
Cash and cash equivalents as at beginning of the year	48.35	3.64
Cash and cash equivalents as at year end	**36.90**	**48.35**
Components of cash and cash equivalents (Refer note 8)		
Balances with banks	**36.88**	**48.35**
Cash on hand *	**0.02**	**0.00**
Total cash and bank balances	**36.90**	**48.35**

* Amount is below ₹ 0.01 million
Movements in financial liabilities - refer note 17.

As per our report of even date

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

per Mustafa Saleem
Partner
Membership no. 136969
Place:
Date:

For and on behalf of the Board of Directors of
Maxwell Energy Systems Private Limited

Sunil V Kolhe
Chairman
DIN:09650178
Place:
Date:

Akhil Panjwani
Managing Director
DIN:03214205
Place:
Date:

Vishwas V S
CEO
ADDPV1188L
Place:
Date:

Maxwell Energy Systems Private Limited
Statement of changes in equity for the year ended 31 March, 2024
CIN : U72900MH2017PTC298930

a) Equity share capital

₹ in million

Particulars	Nos.	Amount
Equity shares of Rs. 1 each issued, subscribed and fully paid		
At 1st April, 2022	**1,00,000**	**0.10**
Issued during the year *	37,007	0.04
At 31st March, 2023	**1,37,007**	**0.14**
Issued during the year *	-	-
As at 31st March 2024	**1,37,007**	**0.14**

* There are no changes in share capital due to prior period errors.

b) Changes in other equity

Particulars	Retained earnings	Securities premium	Total equity
Balance at 1st April, 2022	**(9.30)**	**-**	**(9.30)**
Loss for the year	(231.47)	-	(231.47)
Other comprehensive income for the year, net of tax	2.72	-	2.72
Securities Premium	-	714.97	714.97
Balance at 31st March, 2023	**(238.05)**	**714.97**	**476.92**
Loss for the year	(205.29)	-	(205.29)
Other comprehensive income for the year, net of tax	2.61	-	2.61
Securities Premium	-	-	-
Balance at 31st March, 2024	**(440.73)**	**714.97**	**274.24**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

per Mustafa Saleem
Partner
Membership no. 136969
Place:
Date:

For and on behalf of the Board of Directors of
Maxwell Energy Systems Private Limited

Sunil V Kolhe	**Akhil Panjwani**	**Vishwas V S**
Chairman	Managing Director	CEO
DIN:09650178	DIN:03214205	ADDPV1188L
Place:	Place:	Place:
Date:	Date:	Date:

Note 3(i): Property, plant and equipment

₹ in million

Particulars	Office equipment	Data processing equipment	Furniture and fittings	Plant and machinery	Vehicles	Leasehold improvements	Total
Deemed Cost*							
At 1st April, 2022	**0.69**	**3.03**	**2.11**	**8.85**	**0.04**	**7.83**	**22.55**
Additions	0.33	3.23	0.26	4.30	-	0.59	**8.71**
Adjustment	-	-	-	(0.97)	-	-	**(0.97)**
Disposals	-	-	-	-	0.04	-	**0.04**
At 31st March, 2023	**1.02**	**6.26**	**2.37**	**12.18**	**-**	**8.42**	**30.25**
Additions	0.81	1.94	-	6.75	-	-	9.50
Disposals	-	0.54	-	0.83	-	-	1.37
At 31st March, 2024	**1.83**	**7.66**	**2.37**	**18.10**	**-**	**8.42**	**38.38**
Accumulated depreciation							
At 1st April, 2022	**0.20**	**1.07**	**0.41**	**1.00**	**0.01**	**0.44**	**3.13**
Charge for the year	0.17	1.46	0.24	0.68	0.00	1.60	**4.15**
Disposals	-	-	-	-	0.01	-	**0.01**
At 31st March, 2023	**0.37**	**2.53**	**0.65**	**1.68**	**-**	**2.04**	**7.27**
Charge for the year	0.30	2.08	0.25	1.08	-	1.63	5.34
Disposals	-	0.47	-	0.01	-	-	0.48
At 31st March, 2024	**0.67**	**4.14**	**0.90**	**2.75**	**-**	**3.67**	**12.13**
Net block							
At 31st March, 2023	**0.65**	**3.73**	**1.72**	**10.50**	**-**	**6.38**	**23.00**
At 31st March, 2024	**1.16**	**3.52**	**1.47**	**15.35**	**-**	**4.75**	**26.25**

*On transition to Ind AS (i.e. 01st April, 2021), the Company elected to continue with the carrying value of all property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

Note 3(ii): Right of use assets

Set out below, are the carrying amounts of the Company's ROU assets and the movements during the years:

₹ in million

Particulars	Building*	Total
At 1st April, 2022	18.71	18.71
Additions	-	-
Depreciation expense for the year	4.40	4.40
As at 31st March, 2023	14.31	14.31
Additions	10.08	10.08
Depreciation expense for the year	8.84	8.84
At 31st March, 2024	15.55	15.55

* Building includes office premises situated at Andheri, Mumbai leased for period upto 5 years and at Bangalore leased for period upto 2 years.

The Company, on transition to Ind AS applied the transitional provisions and recognised the right-of-use asset as on 01st April, 2021.

The Company has short term or low value assets on lease at Manesar, Haryana.

Maxwell Energy Systems Private Limited
Notes to financial statements for the year ended 31 March, 2024
CIN : U72900MH2017PTC298930

Note 3(iii): Intangible assets

₹ in million

Particulars	Softwares	Intellectual Property*	Total
Cost			
At 1st April, 2022	**5.32**	**1.35**	**6.67**
Additions	4.21	389.34	393.55
At 31st March, 2023	**9.53**	**390.69**	**400.22**
Additions	0.50	-	0.50
At 31st March, 2024	**10.03**	**390.69**	**400.72**
Accumulated amortisation			
At 1st April, 2022	**1.75**	**0.53**	**2.28**
Charge for the year	1.49	47.32	48.81
At 31st March, 2023	**3.24**	**47.85**	**51.09**
Charge for the year	1.56	65.27	66.83
At 31st March, 2024	**4.80**	**113.12**	**117.92**
Net block			
At 31st March, 2023	**6.29**	**342.84**	**349.13**
At 31st March, 2024	**5.23**	**277.57**	**282.80**

*Intellectual property mainly pertaining to INR 378 million was paid to ION Energy, Inc. for acquisition of intellactual property pertaining to battery management platforms.

Note 3(iv): Intangible assets under development ageing schedule as at March 31, 2024
There is no intangible asset under development as at March 31, 2024.

Intangible assets under development ageing schedule as at March 31, 2023

₹ in million

	Amount in intangible assets under development for a period of				
Particulars	**Less than 1 year**	**Between 1-2 years**	**Between 2-3 years**	**More than 3 years**	**Total**
Projects in progress	0.59	-	-	-	0.59
Projects temporarily suspended	-	-	-	-	-
Total	**0.59**	**-**	**-**	**-**	**0.59**

Note 3(v): Capital work in progress ageing schedule as at March 31, 2024
There is no capital work in progress as at 31st March, 2024 (31st March, 2023: Nil)

Note 4: Other non current financial assets ₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non-current		
Unsecured considered good		
Security deposits, at amortised cost*	1.78	1.65
Balances with banks		
(i) In deposit accounts - with original maturity of more than 12 months	1.00	-
Interest accrued on deposits (at amortised cost)	0.06	
Total	**2.84**	**1.65**

*Security deposits are non-derivative financial assets and are refundable in cash.

Note 5: Other non-current assets (unsecured, considered good unless otherwise stated) ₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital advances	-	0.08
Income tax paid in advance	1.46	4.03
Total	**1.46**	**4.11**

Note 6: Other current assets (unsecured, considered good unless otherwise stated) ₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current		
Balances with government authorities	93.86	87.04
Advances to vendors	1.12	6.56
Prepaid expenses	1.28	1.32
Total	**96.26**	**94.92**

Note 7: Inventories (valued at lower of cost and net realisable value) ₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw materials and components (mainly includes electronic circuit boards)*	64.78	23.40
Work in progress	0.22	-
Finished Goods	8.61	-
Total	**73.61**	**23.40**

*As at 31st March, 2024 a provision of slow moving inventory of INR 1.8 million (31st March, 2023: Nil) was created during the year as per company's policy on slow moving inventory.

Note 8: Cash and cash equivalents ₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Cash on hand	0.02	0.00
(b) Balances with banks*:		
(i) In current accounts	36.88	18.35
(ii) In deposit accounts - with original maturity of less than 3 months	-	30.00
Total	**36.90**	**48.35**

*Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The Company has not availed any borrowing facilities from banks or financial institutions.

Note 9: Trade receivables ₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables	47.32	64.38
Receivables from related parties (refer note 30)	8.73	-
Total trade receivables	**56.05**	**64.38**

Break up for security details	As at 31st March, 2024	As at 31st March, 2023
Trade receivables		
Unsecured, considered good	56.05	64.38
Total	**56.05**	**64.38**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. No trade or other receivable are due from firms or private companies respectively in which any director is a partner. Trade receivables are non-interest bearing and are generally on terms of 45-60 days.

As at 31st March, 2024 ₹ in million

Particulars	Outstanding for the following periods from the due date						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	14.71	30.73	10.61		-	-	56.05
Total	**14.71**	**30.73**	**10.61**	**-**	**-**	**-**	**56.05**

As at March 31, 2023 ₹ in million

Particulars	Outstanding for the following periods from the due date						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	37.98	26.40	-	-	-	-	64.38
Total	**37.98**	**26.40**	**-**	**-**	**-**	**-**	**64.38**

Note 10: Other current financial assets (Unsecured considered good unless otherwise stated) ₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
At amortized cost		
Interest accrued on deposits	-	0.05
Total	**-**	**0.05**

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Note 11: Equity share capital **₹ in million**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised share capital		
5,00,000 equity shares of Rs. 1/- each (31st March, 2023: 5,00,000 of Rs. 1 each)	0.50	0.50
Total authorised share capital	**0.50**	**0.50**
Issued, subscribed and fully paid-up share capital		
1,37,007 equity shares of Rs. 1/- each (31st March, 2023: 1,37,007 equity shares at Rs. 1/- each)	0.14	0.14
Total issued, subscribed and fully paid-up share capital	**0.14**	**0.14**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Amount	Nos.	Amount	Nos.
Authorised shares				
At the beginning of the year	0.50	5,00,000	0.10	1,00,000
Increase in authorised shares limit	-	-	0.40	4,00,000
Balance at the end of the year	**0.50**	**5,00,000**	**0.50**	**5,00,000**
Issued, subscribed and fully paid-up shares				
At the beginning of the year	0.14	1,37,007	0.10	1,00,000
Issued during the year	-	-	0.04	37,007
Outstanding at the end of the year	**0.14**	**1,37,007**	**0.14**	**1,37,007**

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ ultimate holding company and/or their subsidiaries/associates

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Nos.	% holding	Nos.	% holding
Endurance Technologies Limited, the immediate holding company	76,719	56.00%	69,873	51.00%
ION Energy, Inc.*	-	-	67,133	49.00%
	76,719	**56.00%**	**1,37,006**	**100.00%**

(d) Shares held by the holding Company

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Nos.	% holding	Nos.	% holding
(Equity shares of Rs. 1 each fully paid)				
Holding Company				
Endurance Technologies Limited*	76,719	56.00%	69,873	51.00%

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Nos.	% holding	Nos.	% holding
(Equity shares of Rs. 1 each fully paid)				
Endurance Technologies Limited*	76,719	56.00%	69,873	51.00%
ION Energy, Inc.*	60,283	44.00%	67,133	49.00%

(f) Details of shares held by promoters

As at 31st March, 2024

Name of the promoters	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares
Equity shares of Rs. 1 each fully paid				
Mr. Akhil Prakash Panjwani	1	-	1	0.00%
Endurance Technologies Limited*	69,873	6,850	76,723	56.00%
Total	**69,874**	**6,850**	**76,724**	**56.00%**

As at 31st March, 2023

Name of the promoters	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares
Equity shares of Rs. 1 each fully paid				
ION Energy, Inc.	99,998	(32,865)	67,133	49.00%
Mr. Prakash Hiralal Panjwani	1	(1)	-	0.00%
Mr. Akhil Prakash Panjwani	1	-	1	0.00%
Endurance Technologies Limited*	-	69,873	69,873	51.00%
Total	**1,00,000**	**37,007**	**1,37,007**	**100.00%**

The shareholding information is based on the legal ownership of shares and has been extracted from the records of the Company including register of shareholder/members. There are no shares reserved for issue under bonus, options, contracts/commitments for sale of shares/disinvestments.

* Endurance Technologies Limited has acquired 51% of the equity share capital of the Company on 1st July, 2022, through a combination of primary issuance and secondary purchase. Consequent to above, the Company has become a subsidiary of Endurance Technologies Limited with effect from the said date.

On 17th July, 2023, Endurance Technologies Limited has acquired additional 5% equity stake in the Company from ION Energy, Inc. thereby increasing its shareholding to 56%. The additional stake has been acquired for a cash consideration of Rs. 69.43 million, based on the valuation methodology as per the terms of the Share Subscription and Purchase Agreement dated 18th May, 2022.

Note 12: Other equity

₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Retained earnings		
Balance at the beginning of the year	(238.05)	(9.30)
Add: Loss for the year	(205.29)	(231.47)
Other comprehensive income for the year, net of tax	2.61	2.72
Balance at the close of the year	**(440.73)**	**(238.05)**
Securities premium		
Balance at the beginning of the year (refer note below)	714.97	-
Add: Addition during the year	-	714.97
Balance at the close of the year	**714.97**	**714.97**
Total	**274.24**	**476.92**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Note 13: Non Current Borrowings

₹ in million

Particulars	As at 31 March, 2024	As at 31st March, 2023
Measured at amortized cost		
A. Unsecured borrowings		
Indian rupee term loan from the holding company*	100.00	-
Total A	**100.00**	**-**

*During the year ended 31st March, 2024 the Company had taken an unsecured working capital loan from the holding company of INR 100 million. Long term rupee denominated borrowings from holding company carry interest cost linked to MCLR with mutually agreed spread [effective interest rate ranges from 10.55% to 10.65% p.a.]

The loan granted under shall be repaid by the Borrower to the extent of the cash and bank balances in excess of an amount of up to INR 5,00,00,000 (Rupees Five Crore only) in each Financial Year after the Financial Year 2023-24 ("Minimum Cash Balance") provided the cash and bank balances on a daily average basis for a continuous period of 3 (three) calendar months (determined by dividing the closing balance for each working day by the number of working days) prior to the date of repayment should also exceed the relevant Minimum Cash Balance.

Note 14: Provisions

₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non-current		
Provision for gratuity (refer note 31)	3.97	5.40
Total	**3.97**	**5.40**
Current		
Provision for gratuity (refer note 31)	0.08	0.22
Provision for compensated absences	1.72	0.60
Others		
Provision for warranty	0.68	0.15
Total	**2.48**	**0.97**

Provision for warranties: The Company gives warranties on certain products from the date of sale, for their satisfactory performance during the warranty period as per the contracts with buyers. Provision for warranty claims arising out of such obligation is made based on such warranty period.

Details of warranty provision

₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Carrying amount as at Opening date	0.15	-
Provision made during the year	0.53	0.15
Amount paid / utilised during the year	-	-
Carrying amount as at Closing date	0.68	0.15

Note 15: Trade payables

₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured and considered good		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note below)	-	0.64
- Total outstanding dues of creditors other than micro enterprises and small enterprises	170.31	87.06
Total	**170.31**	**87.70**

Trade payables ageing schedule

₹ in million

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	54.32	114.89	0.87	0.16	0.07	170.31
As at 31st March, 2024	**54.32**	**114.89**	**0.87**	**0.16**	**0.07**	**170.31**
Total outstanding dues of micro enterprises and small enterprises	0.43	0.21	-	-	-	0.64
Total outstanding dues of creditors other than micro enterprises and small enterprises	42.84	43.99	0.16	0.07	-	87.06
As at 31st March, 2023	**43.27**	**44.20**	**0.16**	**0.07**	**-**	**87.70**

Refer note 30 for payable to related parties

There are no unbilled trade payables, hence the same are not disclosed in the ageing schedule.

The information required to be disclosed under the Micro, Small & Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the years is given below.

₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year. Principal amount due to micro and small enterprises	-	0.64
Interest due on above	-	0.01
(ii) The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.01
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

Note 16: Other current financial liabilities ₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
At amortized cost		
Payables to employees*	8.78	5.90
Payable for property, plant and equipment	-	-
Interest accrued on loan from the holding company (refer note 30)	0.90	-
Total	**9.68**	**5.90**

*For details of balances outstanding and terms and conditions relating to related parties refer note 30.
Payables to employees are non interest bearing and are settled in the subsequent months.

Note 17: Other current liabilities ₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory dues	4.79	3.84
Advance from customers	3.16	21.37
Deferred revenue (refer note 19)	4.40	6.00
Total	**12.35**	**31.21**

Note 18: Lease liabilities ₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non-current		
Lease liabilities	7.65	10.42
Total	**7.65**	**10.42**
Current		
Lease liabilities	10.02	5.23
Total	**10.02**	**5.23**

Lease liabilities disclosures as per Ind AS 116

₹ in million

Movement in lease liabilities	Amount rupees
1st April, 2022	**19.14**
Add: Additions	-
Add: Accretion of interest	1.49
Less: Payments	4.98
As at 31 March 2023	**15.65**
Add: Additions	10.08
Add: Accretion of interest	1.79
Less: Payments	9.85
As at 31st March, 2024	**17.67**
Non-current	7.65
Current	10.02
As at 31 March 2023	**15.65**
Non-current	10.42
Current	5.23

The incremental borrowing rate considered for lease liabilities is 9% p.a.
Refer note 33 for maturity profile of lease liabilities
The Company does not have any borrowings from banks or financial institutions on the basis of security of current assets.

₹ in million

Note 19: Revenue from operations

Particulars	For the year ended 31 March, 2024	For the year ended 31st March, 2023
a. Revenue from contracts with customers		
- Sale of products and components	580.77	149.70
- Sale of services	18.18	43.53
- Sale of licenses	17.16	14.91
b. Other operating revenue		
- Export incentive #	-	0.34
- Scrap sales	0.01	-
Total	**616.12**	**208.48**

During the year ended 31st March, 2023, the Company recognized INR 0.34 million as export incentive under duty drawback scheme.

(a) Disaggregated information of revenue from contracts with customers

Particulars	For the year ended 31 March, 2024	For the year ended 31st March, 2023
- Within India	554.12	131.28
- Outside India	61.99	76.86

(b) Performance obligations

(i) Revenue from sale of products and components

The Company based on the underlying agreements has determined that the transfer of control to the customer and therefore revenue recognition, in regard to the domestic sales and export sales corresponds to the date when the goods are dispatched from their point of sale, or when the goods are made available to the customer, or when the goods are released to the carrier responsible for transporting them to the customer. Export sales are recorded at the relevant exchange rates prevailing on the transaction date.

(ii) Revenue from sale of services

The Company provides product development and engineering sevices to its customers. Revenue from such services is accounted as and when such services are rendered.

(iii) Revenue from sale of licences

Revenue from sale of licences is recognised based on the terms of the contract with customer. Revenue from one time licence fees is recognised over the period of licence.

(c) The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

₹ in million

Particulars	For the year ended 31 March, 2024	For the year ended 31st March, 2023
- Within one year	4.40	3.00
- More than one year	-	3.00
Total	**4.40**	**6.00**

Maxwell Energy Systems Private Limited
Notes to financial statements for the year ended 31 March, 2024
CIN : U72900MH2017PTC298930

Note 20: Other income ₹ in million

Particulars	For the year ended 31 March, 2024	For the year ended 31st March, 2023
a. Interest income		
i. Bank deposits	0.75	2.37
ii. Others	0.26	0.51
b. Other non operating income		
Excess provisions /creditors' balances written back	-	0.82
Profit on sale of fixed asset (net)	11.21	-
Net gain on foreign currency transactions and translation	1.36	-
Miscellaneous income	1.39	0.14
Total	**14.97**	**3.84**

Note 21A: Cost of raw materials & components consumed ₹ in million

Particulars	For the year ended 31 March, 2024	For the year ended 31st March, 2023
Opening stock (including goods in transit)	23.40	19.10
Add: Purchases of raw materials and components	549.83	130.78
Less: Closing stock (including goods in transit)	(64.78)	(23.40)
Total	**508.45**	**126.48**

Note 21B: Changes in inventories of finished goods and work in progress ₹ in million

Particulars	For the year ended 31 March, 2024	For the year ended 31st March, 2023
Inventories at the end of the year		
Finished Goods	(8.61)	-
Work in progress	(0.22)	-
Inventories at the beginning of the year		
Finished Goods	-	-
Work in progress	-	-
Net increase	**(8.83)**	**-**

Note 22: Employee benefits expense ₹ in million

Particulars	For the year ended 31 March, 2024	For the year ended 31st March, 2023
Salaries, wages and bonus	171.27	172.70
Gratuity expenses (Refer note 31)	4.13	4.18
Contribution to provident funds	2.64	2.47
Staff welfare expenses	1.88	1.96
Total	**179.92**	**181.32**

Note 23: Other expenses ₹ in million

Particulars	For the year ended 31 March, 2024	For the year ended 31st March, 2023
Research & development cost	3.57	2.94
Information technology expense	9.94	6.82
Legal and professional fees	13.96	29.38
Rent	0.63	0.39
Repairs and maintenance:		
Plant & Machinery	0.03	0.02
Building	3.09	0.01
General	0.67	0.71
Power, water and fuel charges	3.70	0.71
Travelling and conveyance	11.60	11.03
Payments to auditor (refer note below)	1.46	1.18
Rates and taxes	0.50	2.53
Insurance expenses	1.75	1.63
Royalty expense (refer note 30)	-	1.92
Advertising and sales promotion	0.01	0.13
Allowance for impairment of trade receivable	2.83	-
Net loss on foreign currency transactions and translation	-	4.95
Loss on sale of property, plant and equipment discarded (net)	-	0.02
Trade receivables and advances written off	8.51	1.10
Miscellaneous expenses	7.60	7.36
Total	**69.85**	**72.83**

*Refer note 30 for related party transactions.

Payments to auditor		
As auditor:		
- Audit fee	1.36	1.13
- Out of pocket expense	0.10	0.05
Total	**1.46**	**1.18**

Note 24: Depreciation and amortisation expense ₹ in million

Particulars	For the year ended 31 March, 2024	For the year ended 31st March, 2023
Depreciation on property, plant and equipment as per note 3(i)	5.34	4.15
Depreciation on right of use assets as per note 3(ii)	8.84	4.40
Amortisation of intangible assets as per note 3 (iii)	66.83	48.80
Total	**81.01**	**57.35**

Note 25: Finance cost ₹ in million

Particulars	For the year ended 31 March, 2024	For the year ended 31st March, 2023
a. Interest expenses on		
Lease liabilities	1.79	2.28
Term loan from the holding company (refer note 13)	3.79	-
b. Bank charges	0.40	0.54
Total	**5.98**	**2.82**

Maxwell Energy Systems Private Limited
Notes to financial statements for the year ended 31 March, 2024
CIN : U72900MH2017PTC298930

Note 26: Earnings per share (EPS)

Basic and diluted EPS are calculated by dividing the profit for the year attributable to equity shareholders by weighted average no. of equity shares outstanding during the year.

Sr. no.	Particulars	From 01st April, 2023 to 31 March, 2024	From 01st April, 2022 to 31st March, 2023
i	Loss attributable to equity shareholders [Numerator for computing basic and diluted EPS] (₹ in million)	(205.29)	(231.47)
ii	Weighted average number of equity shares in computing basic and diluted EPS* (number in million)	0.14	0.13
iii	Basic/Diluted earnings/(loss) per share ₹ each	**(1,498.36)**	**(1,811.83)**

* There is only one type of equity share. Hence basic and diluted earnings per share are same.

Note 27: Use of judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful life of intellectual property

The Company has considered useful life of intellectual property as 6 years based on internal technical assessment. The Company reviews the useful life of intellectual property at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Impairment of non financial asset

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget approved by the board of directors and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangible assets recognised by the company.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 31.

Leases (estimating the incremental borrowing rate)

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right to use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Note 28: Capital and other commitments

Estimated amount of contracts to be executed on capital account and not provided for (net of advances) as at 31st March, 2024 is Rs. Nil (31st March,2023: Nil).

Note 29: Segment information

The Company's main activity is into business of development, assembly and selling of Battery Management Systems, related components and services for electric vehicles and / or energy storage systems which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment.

Maxwell Energy Systems Private Limited
Notes to financial statements for the year ended 31 March, 2024
CIN : U72900MH2017PTC298930

Note 30: Related party disclosures

I Names of related parties and related party relationship where transactions have taken place during the year:

Nature of relationship	Name of Personnel
Immediate Holding Company	Endurance Technologies Limited (w.e.f 1st July,2022)
	ION Energy, Inc. (till 30th June,2022)
Fellow subsidiary	Freemens SAS (till 30th June,2022)
Key Management Personnel (KMP)	
Chairman	Mr. Sunil Vitthalrao Kolhe (w.e.f 1st July, 2022)
Managing Director	Mr. Akhil Prakash Panjwani
Non-Executive Director	Mr. Prakash Panjwani (resigned w.e.f 30th June, 2022)
Executive Director	Mr. Alexandre Jacques Collet (w.e.f 1st July, 2022)
Non-Executive Director	Mr. Jignesh Mahendrakumar Gandhi (w.e.f 1st July, 2022)
Non-Executive Director	Mr. Subhashis Dhara Sharma (resigned w.e.f 03rd April, 2023)
Non-Executive Director	Mr. Murali Krishna Gangasetty (w.e.f 04th May, 2023)
Chief Executive Officer	Mr. Vishwas V S (w.e.f 27th March, 2023)
Enterprises Owned or controlled by Key Management personnel and/or their Relatives	Masic Beauty LLP
	Masic Cosmetics Private Limited
	ION Energy Limited (w.e.f 1st July, 2022)
	Freemens SAS (w.e.f 1st July,2022)
	Faraday Energy Systems Private Limited
	SOBEIT Management Consulting DWC - LLC
	AA Investments
	Sobeit Advisors LLP

II Transactions between the Company and its related parties:

₹ in million

Nature of transactions	Name of related party	During the year ended 31st March, 2024	During the year ended 31st March, 2023
Sale of goods	Endurance Technologies Limited	7.61	-
Sale of PPE	Endurance Technologies Limited	14.28	-
Reimbursment of expenses (received)	Endurance Technologies Limited	0.30	-
Purchase of Goods	Endurance Technologies Limited	26.25	-
Loan from the holding company	Endurance Technologies Limited	100.00	-
Rent Expense	Endurance Technologies Limited	5.48	
Expenses incurred (inc. SAP license fees)	Endurance Technologies Limited	7.96	-
Interest on loan from the holding company	Endurance Technologies Limited	4.17	-
Sale of services	ION Energy, Inc.	-	23.06
Payment of royalty	ION Energy, Inc.	-	1.92
Advance received against goods and services	ION Energy, Inc.	-	75.30
Repayment of advance received	ION Energy, Inc.	-	125.13
Remuneration#	Mr. Akhil Prakash Panjwani	8.38	8.58
Remuneration#	Mr. Vishwas V S	6.95	-
Issue of equity shares	Endurance Technologies Limited	-	715.01
Purchase of intellectual property	ION Energy, Inc.	-	378.00
Non Compete Fees	Mr. Akhil Prakash Panjwani	0.60	1.90
Non Compete Fees	Mr. Alexandre Jacques Collet	-	2.50
Reimbursment of expenses (received)	Freemens S.A.S	-	3.04
Professional fees	Mr. Alexandre Jacques Collet	6.15	3.78
Reimbursment of expenses (paid)	Mr. Alexandre Jacques Collet	0.02	-
Payment of LTIP	Mr. Alexandre Jacques Collet	-	0.22
Purchase of goods	Masic Beauty LLP	-	0.04

Maxwell Energy Systems Private Limited
Notes to financial statements for the year ended 31 March, 2024
CIN : U72900MH2017PTC298930

III Outstanding balances :

₹ in million

Nature of transactions	Name of related party	As at 31st March, 2024	As at 31st March, 2023
Trade payables	Endurance Technologies Limited	39.03	-
Borrowings	Endurance Technologies Limited	100.00	-
Other financial liabilities	Endurance Technologies Limited	1.01	
Other payables	Mr. Akhil Prakash Panjwani	0.58	-
	Mr. Vishwas V S	0.46	-
	Mr. Alexandre Jacques Collet	0.85	0.22
Other receivables	Endurance Technologies Limited	0.30	-
Trade receivables	Endurance Technologies Limited	8.43	-

#Post employment benefits payable in the form of gratuity and in the form of compensated absences are calculated on the basis of actuarial valuation. Amount payable for individual employees as at 31st March, 2024 (31st March, 2023) cannot be separately identified and therefore has not been included in above. There are no termination benefits, share based payments given to Key Management Personnel.

Note 31: Employee benefit obligation

The Company operates a defined benefit gratuity plan which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

There are no minimum funding requirements for a gratuity plan in India. Thus the company gratuity is unfunded. The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost ₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current service cost	3.76	3.84
Past Service Cost	-	-
Interest cost on benefit obligation	0.37	0.34
Net benefit expense	**4.13**	**4.18**

Balance sheet ₹ in million

Net Defined Benefit asset/ liability	As at 31st March, 2024	As at 31st March, 2023
Present value of defined benefit obligation	4.05	5.62
Fair value of plan assets	-	-
Total Employee related Liabilities	**4.05**	**5.62**
Non-Current	3.97	5.40
Current	0.08	0.22

Changes in the present value of the defined benefit obligation are as follows: ₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Defined benefit obligation at the beginning of the year	5.62	5.07
Current service cost	3.76	3.84
Past service costs	-	-
Interest cost	0.37	0.34
Benefits paid	(1.07)	-
Actuarial (gains) / losses on obligation	(4.63)	(3.63)
Closing defined benefit obligation	**4.05**	**5.62**

Net employee benefit expense recognised in the other comprehensive income (OCI): ₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Actuarial (gains)/losses on Obligation for the period		
- Changes in financial assumption	(0.26)	0.23
- Change in demographic assumptions	0.00	(1.12)
- Experience variance	(4.37)	(2.74)
Net (Income)/expense for the period recognized in OCI	**(4.63)**	**(3.63)**

The principal assumptions used in determining gratuity obligation for the company's plans are shown below:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Discount rate	7.20%	7.30%
Expected rate of return on assets	NA	NA
Employee turnover	25.00%	25.00%
Salary Escalation rate (p.a.)		
For the first year	15.00%	25.00%
For the balance years	15.00%	15.00%
Retirement Age (years)	60 years	60 years

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current year are as follows: **₹ in million**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Gratuity		
Defined benefit obligation	4.05	5.62
Plan assets	-	-
Surplus / (deficit)	(4.05)	(5.62)
Experience adjustments on plan liabilities	-	-

Sensitivity analysis: (Amount of Gratuity)* **₹ in million**

Particulars	As at 31st March, 2024	As at March 31, 2023
Discount rate sensitivity		
Increase by 1 %	3.87	5.37
Decrease by 1 %	4.25	5.88
Salary growth rate sensitivity		
Increase by 1 %	4.19	5.79
Decrease by 1 %	3.92	5.45

*Amounts presented in the analysis is the total defined benefit obligation after giving the impact of change in assumption.

Note 32: Deferred tax liabilities (net)

₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred tax liabilities		
On account of temporary differences in		
Property, plant and equipment and intangible assets	(14.05)	(11.91)
Remeasurement of defined benefit plans	(0.88)	-
Total	**(14.93)**	**(11.91)**
Deferred tax assets		
On account of temporary differences in		
Business loss and unabsorbed depreciation	14.05	9.88
Property, plant and equipment and intangible assets	-	0.73
Expenses disallowed	-	1.30
Total	**14.05**	**11.91**
Net deferred tax liabilities	**0.88**	**-**

* The Company has incurred losses in current year as well as previous year. Accordingly, the company has not recognised net deferred tax asset ('DTA') during the year ended 31st March, 2024, on business losses and unabsorbed depreciation of INR 37.26 million due to absence of certainity of availability of future taxable profits for utilisation of DTA.

Reconciliation of deferred tax assets

₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance	-	3.90
Deferred tax recorded in statement of profit and loss	-	(2.99)
Deferred tax recorded in OCI	-	(0.91)
Closing balance	**-**	**-0.00**

Amounts on which deferred tax asset has not been created:

₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
On Business loss and unabsorbed depreciation*	205.20	276.67
Total	**205.20**	**276.67**

* There is no timelimit to carry forward unabsorbed depreciation of Rs. 85.05 million, as per income tax act, 1961. Further, business loss of Rs. 119.54 million can be carried forward for 8 assessment year and same will lapse in financial year 2031-32. Had the company, able to recognise deferred tax assets on all business losses and unabsorbed depreciation then the loss for the year would have decreased by Rs. 51.49 million and equity would have increased by Rs. 51.49 million.

Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

₹ in million

Particulars	As at 31st March, 2024	As at 31st March, 2023
Accounting profit before income tax	(205.29)	(228.48)
Computed income tax rate 25.168% (31st March, 2022 - 25.168%)	(51.67)	(57.50)
Deferred tax asset of previous year written off	-	(2.99)
Deferred tax asset not recognised	51.67	57.50
At the effective income tax rate	**-**	**2.99**
Income tax expenses reported in statement of profit and loss	**-**	**2.99**

Note 33: Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables, lease liability and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and other financial assets that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The management reviews and agrees policies for managing each of these risks, which are summarised below. The Risk Management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

(A) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to contractual terms. Credit risk encompasses, the risk of default, the risk of deterioration of creditworthiness of the counterparty as well as concentration of risks. Financial instruments that are subject to exposure to credit risk consist of trade receivables, bank balances and other financial assets. Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from operating activities, primarily from trade receivables.

Trade receivables:

Trade receivables consist of receivables arising primarily due to sale of goods / services. These receivables are unsecured and mature at the end of a specified credit period depending upon the terms of contract of each customer, which ranges from 45-60 days for customers in India and 60-120 days for overseas customers. The Company's customers primarily consist of Original Equipment Manufacturers ("OEM").

The Company assesses the credit risk of its customers at the time of acceptance of the customer as well as on an ongoing basis. Before accepting any new customer, the Company uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The credit limit of these customers is continuously monitored and recalibrated based on the credit risk assessment. Most of the OEM's have high credit ratings which helps the Company mitigate credit risk.

The Company assesses at each reporting date whether a trade receivable or a group of trade receivables is impaired. The Company recognizes lifetime expected credit losses for all trade receivables that do not constitute a financing transaction and which are due for more than six months. The expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company uses a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The Company considers the trade receivables to have low risk of defaults since the customers have strong capacity to fulfil their obligations and even if there are adverse changes in economic and business conditions, the Company is of the view that it will not adversely affect the ability of the customers to fulfil their obligations.

The Company considers write-off of receivables on case to case basis, depending upon the circumstances of each delayed receivable, and when the Company is of the view that recovery seems unlikely after reasonable efforts.

(B) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds for short term operational needs. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 90-120 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(i) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all the financial liabilities. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

₹ in million

Particulars	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
31st March, 2024					
Lease liabilities	2.36	7.66	7.65	-	17.67
Borrowings	-	-	100.00	-	100.00
Trade payables	115.99	54.32	-	-	170.31
Other financial liabilities	9.68	-	-	-	9.68
Total	**128.03**	**61.98**	**107.65**	**-**	**297.66**
31st March, 2023					
Lease liabilities	0.94	3.57	11.14	-	15.65
Trade payables	44.43	43.27	-	-	87.70
Other financial liabilities	5.90	-	-	-	5.90
Total	**51.27**	**46.84**	**11.14**	**-**	**109.25**

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.
The sensitivity analyses in the following sections relate to the position as at 31 March 2024 and 31 March 2023.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2024 and 31st March 2023.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Effect on profit / (loss) before tax	Change in Euro rate	Effect on profit / (loss) before tax
31st March, 2024	5%	(0.34)	5%	0.47
	-5%	0.34	-5%	(0.47)
31st March, 2023	5%	(0.04)	5%	0.47
	-5%	0.04	-5%	(0.47)

(D) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations which have floating rate indebtedness. The Company also maintain deposits of cash and cash equivalents with banks which are subject to periodic resets.

Interest rate sensitivity

The sensitivity analysis below demonstrates the sensitivity to a reasonable possible change in interest rates on the debt obligations of the Company and on the cash and cash equivalents.

₹ in million

For the year ended	Currency	Increase / decrease in basis points	Effect on profit / (loss) before tax	Financial statement item	Variable rate WCDL
31st March, 2024	INR	+100	(1.00)	Debt obligation	100.00
	INR	-100	1.00	Debt obligation	100.00
31st March, 2023	INR	+100	NA	NA	NA
	INR	-100	NA	NA	NA

Note 34: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total fixed capital (equity) plus net debt. The Company's policy is to keep the gearing ratio optimum. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents, other bank balances and short term investments.

₹ in million

Particulars	**As at 31st March, 2024**	**As at 31st March, 2023**
Borrowings	100.00	-
Less: Cash and cash equivalents	(36.90)	(48.35)
Net debt (A)	**63.10**	**(48.35)**
Equity share capital	0.14	0.14
Other equity	274.24	476.92
Total fixed capital (B)	**274.38**	**477.06**
Capital and net debt (A+B)	**337.49**	**428.71**
Gearing ratio (A/A+B)	19%	-11%

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2024 and year ended 31st March, 2023.

Note 35: Foreign currency exposure that are not hedged by derivative instruments

Particulars	**Currency**	**As at 31st March, 2024**		**As at 31 March, 2023**	
		Foreign Currency Notional Amount (in million)	**Rupees (in million)**	**Foreign Currency Notional Amount (in million)**	**Rupees (in million)**
Trade Receivables	EUR	0.10	9.37	0.10	8.64
	USD	0.01	1.08	(0.01)	(0.88)
Trade Payable	EUR	0.00	0.04	0.00	0.04
	USD	0.09	7.89	0.01	0.74

Maxwell Energy Systems Private Limited
Notes to financial statements for the year ended 31 March, 2024
CIN : U72900MH2017PTC298930

Note 36: Ratio Analysis and its elements

Sr. No.	Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Change	Reason for Variance
1	Current ratio	Current assets	Current liabilities	1.28	1.76	-27%	The reason for decrease in the Current Ratio is due to significant increase in Trade payables from INR 87 million in FY23 to INR 170 million in FY24.
2	Debt-equity ratio	Total debts	Average Shareholder's equity	0.27	NA	100%	The company has an intergroup borrowings of INR 100 million from Endurance Technologies on which interest at the rate of 10.65% is being charged.
3	Debt service coverage ratio	Earnings for debt service : Net profit after taxes + Non-cash operating expenses	Debt service : Interest payments + Principal repayments	-42.14	NA	100%	The company has an intergroup borrowings of INR 100 million from Endurance Technologies on which interest at the rate of 10.65% is being charged. The company has sufficient cash balance to cover it's interest payments.
4	Return on equity ratio	Net profits/(loss) after taxes	Average Shareholder's equity	-55%	-99%	-45%	This ratio has improved since Net profit after taxes have improved from INR (231.48) million in FY23 to INR (203.81) million.
5	Inventory turnover ratio	Cost of material consumed	Average Inventory	11.15	5.95	87%	This ratio has increased due to increase in Inventory in FY24, as a result of new BMS products launched (CT-Lite, HP SAFE, ACPA AVA+) and component purchases for R&D activity.
6	Trade receivables turnover ratio	Net credit sales : Gross credit sales - sales return	Average trade receivable	10.23	4.27	140%	This ratio has increased due to increae in Revenue from Operations YoY and a decrease in average trade receivables. The company was able to reduce the debtor days significantly in FY24
7	Trade payables turnover ratio	Cost of material consumed	Average trade payables	4.19	1.99	111%	This ratio has increased due to increase in cost of material consumed which has increased due to increase in Revenue from Operations in FY24.
8	Net capital turnover ratio	Net sales : Total sales - sales return	Working capital : Current assets - Current liabilities	10.63	2.08	410%	This ratio has increased due to increae in Revenue from Operations YoY and a decrease in average trade receivables. The company was able to reduce the debtor days significantly in FY24
9	Net profit ratio	Net profit / (loss)	Net Sales : Total sales -sales return	-33%	-111%	-70%	This ratio has improved since Net profit after taxes have improved from INR (231.48) million in FY23 to INR (203.81) million.
10	Return on capital employed	Profit / (loss) before finance cost and taxes	Capital employed : Net worth	-73%	-47%	54%	This ratio has declined due to decrease in networth of the Company YoY.
11	Return on investment	Interest on Fixed Deposit	Average Fixed Deposit	4.84%	3.6%	34%	ROI on FDs have increased YoY due to higher rate of interest (5%) offered by SCB compared to 3.5% offered by HDFC Bank. The company has parked most of it's idle funds in SCB to earn higher ROI.

Note 37: Other statutory information

(i) The Company does not have any transactions or outstanding balances with the Companies struck off.

(ii) The Company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

(v) The Company does not have any such transaction, which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 (such as search, survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) All the property, plant and equipment are in the name of the company.

(vii) There is no revaluation of Property, plant and equipment or right to use assets.

(viii) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
Further, No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report of even date

For S R B C & CO LLP Firm Registration No. 324982E/E300003 Chartered Accountants	**For and on behalf of the Board of Directors of** **Maxwell Energy Systems Private Limited**		
per Mustafa Saleem	**Sunil V Kolhe**	**Akhil Panjwani**	**Vishwas V S**
Partner	Chairman	Managing Director	CEO
Membership no. 136969	DIN:09650178	DIN:03214205	ADDPV1188L
Place:	Place:	Place:	Place:
Date:	Date:	Date:	Date:

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