De Nora Group Half Year Financial Report as of June 30, 2022

INDEX

CORPORATE BODIES

Board of Directors[1]

Executive Chair	Federico De Nora(*)
Chief Executive Officer	Paolo Enrico Dellachà(*)
Directors	Stefano Venier
	Maria Giovanna Calloni(**)
	Mario Cesari
	Michelangelo Mantero
	Teresa Cristiana Naddeo(**)
	Elisabetta Oliveri(**)
	Alessandra Pasini
	Sami Petteri Pelkonen
	Giovanni Toffoli (**)
	Alessandro Garrone (**)

Board of Statutory Auditors

Chair	Marcello Del Prete
Statutory Auditors	Beatrice Bompieri
	Guido Sazbon
Alternate Auditors	Pierpaolo Giuseppe Galimi
	Gianluigi Lapietra
	Raffaella Piraccini

Internal Control, Risk and ESG Committee

Chair	Teresa Cristiana Naddeo
	Giovanni Toffoli
	Alessandra Pasini

Appointments and Remuneration Committee

Chair	Elisabetta Oliveri
	Mario Cesari
	Maria Giovanna Calloni

Strategies Committee

Chair	Paolo Enrico Dellachà
	Federico De Nora
	Mario Cesari
	Stefano Venier

[1] Appointed by the Shareholders' Meeting held on March 9, 2022 (with the exception of Directors Stefano Venier and Alessandro Garrone appointed on April 28, 2022 and June 20, 2022, respectively), in office from June 30, 2022 (Trading start date) and up to the approval of the financial statements for the year ending December 31, 2024.

(*) Executive director.

(**) Independent director pursuant to Articles 147-*ter*, paragraph 4, and 148, paragraph 3, of the TUF (Consolidated Finance Act) and Article 2 of the Corporate Governance Code.

Alessandra Pasini

Principal Financial Officer: Matteo Lodrini

Independent auditing company: PricewaterhouseCoopers S.p.A.[2]

Related Parties Committee

Chair	Maria Giovanna Calloni
	Teresa Cristiana Naddeo
	Elisabetta Oliveri

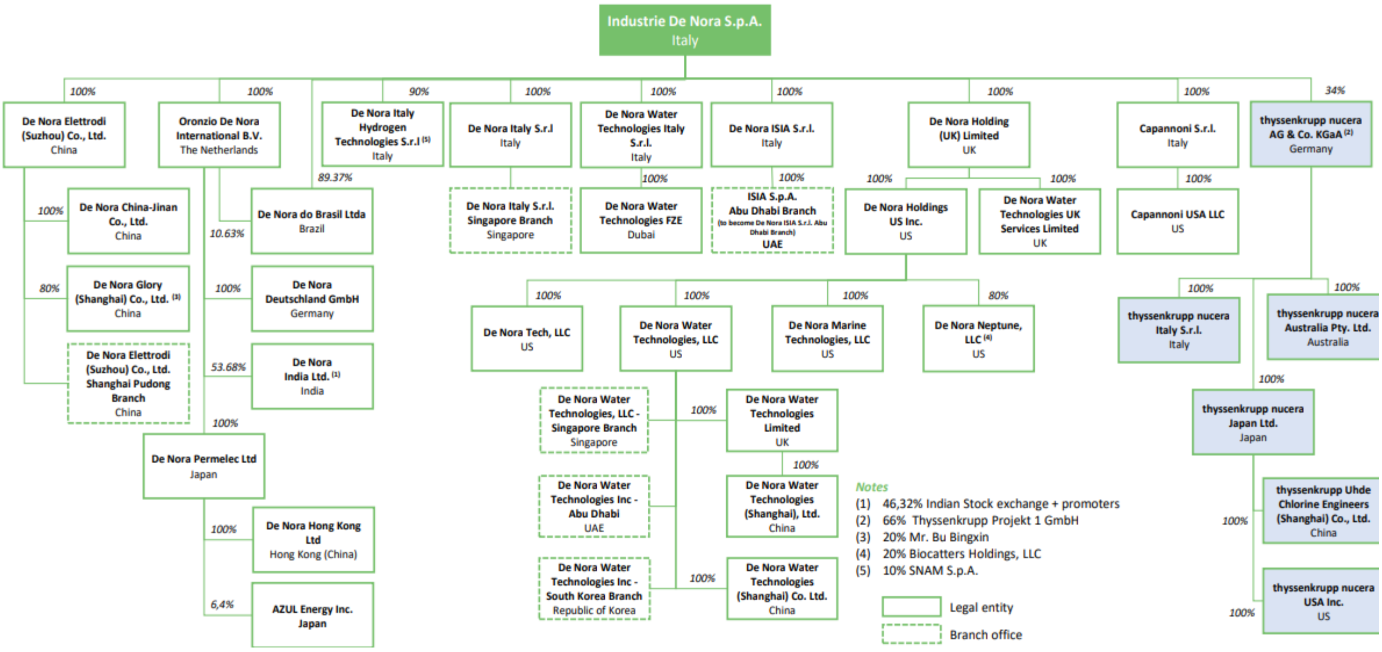
Supervisory Body

Chair	Gianluca Sardo
	Silvio Necchi
	Simona Antonini

[2] Appointed by the Shareholders' Meeting on February 18, 2022 for the period covering 2022 - 2030.

GROUP STRUCTURE AS OF JUNE 30, 2022

Below is the Group structure with an indication of the companies belonging to the Group and the investment held by the Parent company, directly or indirectly, in each subsidiary at June 30, 2022.



Interim Management Report

1. MACROECONOMIC AND MARKET CONTEXT[1]

Global economic prospects have worsened since the previous economic outlook forecast when the global recovery had projected to strengthen from the second quarter of 2022 after the impact of the Omicron variant. The outlook has deteriorated, largely because of Russia's invasion of Ukraine—causing a tragic humanitarian crisis in Eastern Europe— and the sanctions from many countries to Russia and Belarus.

This crisis unfolds while the global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic, with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones. In addition to the war, frequent and wider-ranging lockdowns in China—including the stop of the operations in key manufacturing hubs—have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.

Global growth is projected at 3.6 percent in 2022 and 2023—0.8 and 0.2 percentage points lower than in the previous forecast, respectively. The downgrade largely reflects the war's direct impacts in Ukraine and global spillovers. The economic effects of the war are spreading far and wide mainly through commodity markets, trade, and financial linkages. Because Russia is a major supplier of oil, gas, and metals, and, together with Ukraine, of wheat and corn, the current and anticipated decline in the supply of these commodities has already driven their prices up sharply. Europe, Caucasus and Central Asia, Middle East and North Africa, and sub-Saharan Africa are most affected.

Even prior to the war, inflation had surged in many economies because of soaring commodity prices and pandemic-induced supply-demand imbalances. Some emerging markets and developed economies' central banks, such as the US Federal Reserve and those in Latin America, had already come under pressure before the war, bringing forward the timing of their monetary policy tightening. War-related supply shortages will greatly amplify those pressures, notably through increases in the price of energy, metals, and food.

In many countries, inflation has become a central concern. In some advanced economies, including the United States and some European countries, it has reached its highest level in more than 40 years, in the context of tight labor markets. In emerging market and developing economies, increases in food and fuel prices could significantly increase the risk of social unrest.

Although bottlenecks are expected to eventually ease as production elsewhere responds to higher prices and new capacity becomes operational, supply shortages in some sectors are expected to last into 2023. As a result, inflation is now projected to remain elevated for much longer than in the previous forecast, in both advanced and emerging market and developing economies.

On the fiscal side, policy space was already eroded in many countries by necessary COVID-related spending. Debt levels have risen significantly, and extraordinary fiscal support was expected to be removed in 2022–23. The war and the impending increase in global interest rates will further reduce fiscal space in many countries, especially oil- and food-importing emerging market and developing economies.

Fonte: World Economic Outlook – International Monetary Fund

1.1 Currencies

The following table summarizes the main reference foreign currencies of the De Nora Group (transaction currency or functional currencies of foreign entities belonging to the Group) for the reporting period and the corresponding period of 2021 and the relative foreign exchange rates:

	Average exchange rate for the first half-year ended June 30		**Exchange rate at June 30**	**Exchange rate at December 31**
	2022	**2021**	**2022**	**2021**
Currency				
US Dollar	1.09321	1.20535	1.039	1.133
Japanese Yen	134.61467	129.86810	141.540	130.380
Indian Rupee	83.29386	88.41259	82.113	84.229
Chinese Yuan Renminbi	7.08820	7.79599	6.962	7.195
Brazilian Real	5.55545	6.49017	5.423	6.310
GB Pound	0.84296	0.86801	0.858	0.840

In addition to the Euro, the most important currencies for the Group are the US dollar and the Japanese yen: the US dollar has revalued by approximately 8% in the first half of 2022, while the Japanese yen recorded a devaluation of approximately 9%. Also relevant, albeit to a lesser extent in terms of impact on the Group's performance, are the appreciation of the Brazilian real (approximately +14%) and the Chinese Yuan Renminbi (approximately +3%).

2. ALTERNATIVE PERFORMANCE INDICATORS

In this document, in addition to the financial measures provided for by International Financial Reporting Standards (IFRS), a number of measures derived from the latter are presented even though they are not provided for by IFRS (Non-GAAP Measures) in line with ESMA's guidelines on Alternative Performance Indicators (ESMA/2015/1415 Guidelines, adopted by Consob with Notice No. 92543 of December 3, 2015) published on October 5, 2015. These measures are presented in order to enable a better assessment of the Group's operating performance and should not be regarded as alternatives to IFRS. Specifically, the Non-GAAP Measures used are as follows:

- **EBITDA** is defined as the adjusted profit for the period for the following items of the consolidated income statement: (i) income taxes; (ii) financial charges; (iii) finance income; (iv) share of profit of equity-accounted investees; (v) amortization/depreciation; (vi) impairment and reinstatement of property, plant and equipment; (vii) write-down of goodwill and for provisions for risks and charges net of the related releases and utilization, included in the following items of the consolidated income statement: (i) costs for raw materials, consumables, supplies and goods, (ii) personnel expenses, (iii) costs for services, and (iv) other operating costs.

- **Adjusted EBITDA** is defined as EBITDA adjusted for certain charges/(income) of a non-recurring nature.

- **EBITDA Margin** is calculated as the ratio of EBITDA to Revenues.

- **Adjusted EBITDA Margin** is calculated as the ratio of Adjusted EBITDA to Revenues.

- **Adjusted EBIT** is defined as EBIT adjusted for: i) certain charges/(income) of a non-recurring nature; ii) certain Net provisions and utilization of provisions for risks and charges of a non-recurring nature.

- **Net operating working capital:** is determined as the algebraic sum of the following items included in the Statement of financial position:
  - Inventory
  - Trade receivables (current portion)
  - Trade payables (current portion)
  - Contract work in progress and Liabilities for contract work in progress

- **Net working capital:** is determined as the algebraic sum of Net operating working capital and the following items included in the Statement of financial position:
  - Other receivables (current portion)
  - Current tax assets (current portion)
  - Other payables (current portion)
  - Current income tax payables

- **Net invested capital:** is determined as the algebraic sum of:
  - the Net working capital
  - the Non-current asset
  - net of Employee benefits, Provisions for risks and charges, Deferred tax liabilities, Trade payables (non-current portion), Income tax payables, and Other payables (non-current portion).

- **Net Financial Indebtedness - ESMA** is determined in accordance with CONSOB Communication DEM/6064293 of July 28, 2006, as amended by CONSOB Communication No. 5/21 of April 29, 2021 and in accordance with ESMA Recommendations contained in Guidelines 32-382-1138 of March 4, 2021 on disclosure requirements under the Prospectus Regulation.

- **Net Financial Indebtedness - De Nora** as monitored by the Group's management. This indicator differs from Net Financial Indebtedness - ESMA in that it includes the fair value of financial instruments subscribed for the purpose of hedging exchange rate fluctuations.

3. EVENTS THAT OCCURRED DURING THE FIRST HALF OF 2022

Stock exchange listing on Euronext Milan

On June 30, 2022, Industrie De Nora S.p.A. completed the process of listing its ordinary shares on Euronext Milan following (i) the admission to listing on Euronext Milan of the shares, and the admission to trading of the company's shares, issued by Borsa Italiana on June 21, 2022 and June 28, 2022, respectively; and (ii) the communication by the Commissione Nazionale per le Società e la Borsa ("CONSOB") of the approval of the Prospectus relating to the admission to listing on Euronext Milan, organized and managed by Borsa Italiana S.p.A., of the ordinary shares of Industrie De Nora S.p.A.

The required free float for the purpose of listing was obtained through a private placement reserved for qualified investors pursuant to Regulation (EU) 1129/2017 in the European Economic Area and the United Kingdom and institutional investors abroad, pursuant to Regulation S of the U.S. Securities Act of 1933, as amended (the "Securities Act"), as well as in the United States of America, limited to Qualified Institutional Buyers, as defined in Rule 144A of the Securities Act and in accordance with the provisions therein, in each case to the extent permitted by the laws and regulations of the relevant country. No public offering has been made in Italy and/or in any other country.

The shares were placed at a price of Euro13.50 per share; 40,337,034 shares were offered for placement, including:

- 35,075,682 ordinary shares (a total of approximately 17.4% of the share capital) of Industrie De Nora S.p.A., including 14,814,814 shares offered by Industrie De Nora S.p.A. and 20,260,868 shares offered by Federico De Nora S.p.A., Asset Company 10 S.r.l. and Norfin S.p.A.;
- an option to purchase an additional 5,261,352 shares (or up to 15.0% of the shares offered at the offer price) granted by the selling shareholders to Credit Suisse, as the stabilization agent.

For the effects on consolidated shareholders' equity and consolidated net financial position of this transaction, see the Explanatory Notes to the condensed consolidated financial statements for the six months ended June 30, 2022.

Shareholders' agreements

On April 11, 2022, Federico De Nora, Federico De Nora S.p.A., Norfin S.p.A., Snam S.p.A and Asset Company 10 S.r.l, a wholly owned subsidiary of Snam S.p.A., signed a shareholders' agreement, as subsequently supplemented and amended on May 27, 2022 and June 21, 2022, respectively, aimed, among other things, at regulating certain profiles of the governance of Industrie De Nora S.p.A, as well as the terms and procedures for the exercise of certain administrative rights and arrangements inherent in the investments in the share capital of Industrie De Nora S.p.A., as of the date of the start of trading of the Company's ordinary shares on Euronext Milan. As of June 30, 2022, the shareholders' pacts contained in the Shareholders' Agreement bind a total of 157,785,675 Multiple Voting Shares of Industrie De Nora S.p.A., and, therefore, a total of 473,357,025 voting rights at the Company's ordinary and extraordinary shareholders' meetings, representing 91.513% of the voting share capital of Industrie De Nora S.p.A.

Other relevant facts

- In April, De Nora received the "*Excellence of the Year, Innovation & Leadership, Sustainable Technologies*" award at the Le Fonti event at the Milan Stock Exchange.

- On May 5, 2022, Industrie De Nora S.p.A. and De Nora Holdings US, as borrowers and guarantors, signed a senior loan agreement for a total amount of Euro 200,000,000 and USD 100,000,000 with, inter alias, UniCredit S.p.A., as agent bank, Banca Nazionale del Lavoro S.p.A., Banco BPM S.p.A., Intesa Sanpaolo S.p.A, Mediobanca - Banca di Credito Finanziario S.p.A. and UniCredit S.p.A., as mandated lead arrangers and bookrunners, and Banca Nazionale del Lavoro S.p.A., Banco BPM S.p.A, Intesa Sanpaolo S.p.A., Mediobanca

- Banca di Credito Finanziario S.p.A., Mediobanca International (Luxembourg) S.A., UniCredit S.p.A., UniCredit Bank AG - New York Branch, Intesa Sanpaolo S.p.A.- New York branch and Banca Popolare di Sondrio S.p.A., as financing banks. The loan is divided into (i) a medium/long-term line of credit in favor of Industrie De Nora S.p.A., called Facility A1, aimed at repaying all or part of the De Nora Group's existing financial debt and supporting the working capital and general needs of Industrie De Nora S.p.A, and (ii) a medium/long-term line of credit in favor of De Nora Holdings US Inc. called Facility A2, aimed at repaying all or part of the Group's existing financial debt and supporting the working capital needs and general needs of De Nora Holdings US Inc.

- On May 27, De Nora Italy Hydrogen Technologies S.r.l., a company 90% owned by Industrie De Nora S.p.A. and 10% owned by Snam S.p.A., was established, fully dedicated to the development of projects in the Energy Transition field.

4. BUSINESS PERFORMANCE

4.1 Comments on the economic and financial results of the Group

Revenues for the six-month period amounted to Euro 410 million, of which approximately Euro 228 million were attributable to the Electrode Technologies segment, approximately Euro 176 million to the Water Technologies segment, and approximately Euro 7 million to the Energy Transition segment, an overall increase of 62% over the comparable six-month period in 2021.

EBITDA is close to Euro 80 million, compared to Euro 42.9 million in the first half of 2021 (+85%), while Adjusted[2] EBITDA is Euro 102.3 million, compared to Euro 45.1 million in the first half of 2021, registering an increase of more than double.

Similarly, the operating result, equal to Euro 62.8 million, increased by 111% compared to the same half of 2021.

The share of profit of equity-accounted investees, referring to the 34% stake in TK Nucera, was negative for Euro 5.5 million, compared to the positive Euro 3.4 million in the first half of 2021. The negative result for the current year includes the result of the associated company for the period January 1st 2022 – March 31st 2022 together with certain adjustments referring to the year ending December 31, 2021, and which became known only after the date of approval of the consolidated financial statements of Industrie De Nora S.p.A. as of December 31, 2021.

Financial operations show net income of Euro 3.7 million, compared with net expenses of Euro 1.1 million in the first half of 2021; this is mainly due to the improved net balance between foreign exchange income and expenses.

After current and deferred income taxes, amounting to Euro 21.2 million (compared to Euro 8.6 million in the first half of 2021), the half-year closed with a net profit (parent company's share) of Euro 39,9 million, almost double the Euro 23.4 million in the comparable half-year of 2021.

At the statement of financial position level, net invested capital of Euro 723 million (+81 million compared to the end of 2021) corresponds to an equity of Euro 704 million (Euro 250 million higher than as of December 31, 2021, including Euro 200 million from the capital increase, net of transaction costs) and a net financial indebtedness of approximately Euro 19 million (reduced by Euro 170 million compared to the end of 2021, benefiting from the aforementioned capital increase and discounting Euro 20 million in dividends distributed in the first half of the year).

The increase in net invested capital is mainly attributable to net operating working capital, which amounted to Euro 399 million at the end of June 2022, an increase of Euro 75 million compared to the end of 2021 due to the increase in activities volume.

[2] For the reconciliation between EBITDA and Adjusted EBITDA see paragraph 4.2 and 4.4.2

4.2 Consolidated Reclassified Income Statement

(in € thousands)	For the half-year ended June 30, 2022		2021	
Revenue	410,467	96.0%	253,677	93.6%
Change in inventory of finished goods and work in progress	14,485	3.4%	15,454	5.7%
Other income	2,540	0.6%	1,972	0.7%
VALUE OF PRODUCTION	**427,492**	**100.0%**	**271,103**	**100.0%**
Material Consumption	(189,950)	-44.4%	(116,711)	-43.1%
Personnel costs	(83,531)	-19.5%	(54,789)	-20.2%
Costs for services	(69,641)	-16.3%	(51,534)	-19.0%
Other operating expenses/income	(4,771)	-1.1%	(5,150)	-1.9%
EBITDA	**79,599**	**18.6%**	**42,919**	**15.8%**
Amortization of intangible assets	(4,498)	-1.1%	(4,967)	-1.8%
Depreciation of property, plant and equipment	(9,062)	-2.1%	(7,827)	-2.9%
Net provision for risk and charge	(107)	0.0%	(456)	-0.2%
Impairment and write-backs	(3,083)	-0.7%	132	0.0%
OPERATING PROFIT (EBIT)	**62,849**	**14.7%**	**29,801**	**11.0%**
Share of profit of equity-accounted investees	(5,551)	-1.3%	3,375	1.2%
Finance income	21,483	5.0%	6,816	2.5%
Finance expenses	(17,799)	-4.2%	(7,923)	-2.9%
Profit before Tax	**60,982**	**14.3%**	**32,069**	**11.8%**
Income tax expense	(21,249)	-5.0%	(8,560)	-3.2%
Profit for the period	**39,733**	**9.3%**	**23,509**	**8.7%**
Attributable to:				
Parent company shareholders	**39,918**	**9.3%**	**23,359**	**8.6%**
Non-controlling interests	**(185)**	**0.0%**	**150**	**0.1%**

EBITDA	**79,599**	**18.6%**	**42,919**	**15.8%**
Non-recurring items impacting EBITDA	22,724		2,198	
Adjusted EBITDA	**102,323**	**23.9%**	**45,117**	**16.6%**

OPERATING PROFIT (EBIT)	**62,849**	**14.7%**	**29,801**	**11.0%**
Non-recurring items impacting EBITDA	22,724		2,198	
Utilization of provisions	(344)		-	
Adjusted EBIT	**85,229**	**19.9%**	**31,999**	**11.8%**

4.3 Consolidated Reclassified Statement of Financial Position

(in € thousands)	As of June 30 2022		As of December 31 2021	
		%		**%**
Trade receivables	159,554		139,974	
Trade payables	(63,543)		(61,425)	
Inventories	283,439		233,033	
Construction contracts, net of progress payments and advances	19,855		12,351	
Net Operating Working Capital	**399,305**	**55.2**	**323,933**	**50.4**
Other current assets/(liabilities)	(76,376)		(69,641)	
Net Working Capital	**322,929**	**44.6**	**254,292**	**39.6**
Goodwill and intangible assets	139,652		132,805	
Property, plant and equipment	167,833		167,627	
Equity-accounted investees	118,708		121,785	
Non current assets	**426,193**	**58.9**	**422,217**	**65.7**
Employee benefits	(20,764)	(2.9)	(26,036)	(4.1)
Provisions for risks and changes	(20,796)	(2.9)	(21,105)	(3.3)
Deferred tax assets/ (liabilities)	1,096	0.2	154	0.0
Other noncurrent assets/(liabilities)	14,702	2.0	13,266	2.1
NET INVESTED CAPITAL	**723,360**	**100.0**	**642,788**	**100.0**
Covered by:				
Medium/long term financial indebtedness	(267,672)		(3,784)	
Short-term financial Medium/long term financial indebtedness	(34,141)		(258,449)	
Financial assets and derivatives	3,767		478	
Cash and cash equivalents	279,340		73,843	
NET FINANCIAL INDEBTENESS – ESMA	**(18,706)**	**(2.6)**	**(187,912)**	**(29.2)**
Fair value of financial instruments	(335)		(914)	
NET FINANCIAL INDEBTENESS	**(19,041)**	**(2.6)**	**(188,826)**	**(29.4)**
Equity attributable to minority interests	(3,370)	(0.5)	(3,503)	(0.5)
Equity attributable to the Parent	(700,949)	(96.9)	(450,459)	(70.1)
TOTAL EQUITY AND MINORITY INTERESTS	**(723,360)**	**(100.0)**	**(642,788)**	**(100.0)**

4.4 Revenue and EBITDA by business segment

4.4.1 Revenue by business segment

As of June 30, 2022, the Group is organized into three business segments each with its own portfolio of specific products and services:

- Electrode Technologies Business;
- Water Technologies Business;
- Energy Transition Business, whose activities until December 31, 2021 were included in the Electrode Technologies Business and from second quarter of 2022 are monitored separately. For comparison purposes in the following tables for the first half of 2021 with reference to Energy Transition Business only Revenues are shown separately since EBITDA is not available and therefore is included in the Electrode Technologies business segment.

The following tables show the Group's revenues for each business segment and by geographic area for the six-month periods ended June 30, 2022 and 2021, respectively.

Revenue by *Business Line*	First Half-Year 2022	% of total revenue	First Half-Year 2022 at constant exchange rates	First Half-Year 2021	Δ First Half-Year 2022 vs 2021	Δ First Half-Year 2022 vs 2021 at constant exchange rates
			(in € thousands)			
Electrode Technologies	227,952	56%	223,366	144,817	83,135	78,549
Water Technologies	175,650	43%	162,932	105,853	69,797	57,079
Energy Transition	6,865	1%	6,890	3,007	3,858	3,883
Total Revenue	**410,467**	**100%**	**393,188**	**253,677**	**156,790**	**139,511**

Revenue by *geographical area* and by *business* segment	First Half-Year 2022	% of revenues	First Half-Year 2021	% of revenues
		(in € thousands)		
Electrode Technologies	**227,952**	**56%**	**144,817**	**57%**
EMEIA	81,631	20%	40,634	16%
AMS	46,188	11%	33,442	13%
ASIA	100,133	25%	70,741	28%
Water Technologies	**175,650**	**43%**	**105,853**	**42%**
EMEIA	42,102	10%	23,267	9%
AMS	95,118	23%	43,269	17%
ASIA	38,430	10%	39,317	16%
Energy Transition	**6,865**	**1%**	**3,007**	**1%**
EMEIA	5,226	1%	900	0%
AMS	234	0%	27	0%
ASIA	1,404	0%	2,080	1%
Total Revenue	**410,467**	**100%**	**253,677**	**100%**

At the consolidated level, revenues amounted to Euro 410,467 thousand, including Euro 227,952 thousand in the Electrode Technologies segment, Euro 175,650 thousand in the Water Technologies segment, and Euro 6,865 thousand in the Energy Transition segment. Specifically, revenues increased at an overall level by Euro 156,790 thousand compared to the first half of 2021, including a positive exchange rate effect of Euro 17,279 thousand; in fact, at constant exchange rates, Group revenues in the first half of 2022 increased by Euro 139,511 thousand compared to the first half of 2021.

4.4.2 EBITDA by business segment

EBITDA by *business* segment	First Half-Year 2022	% of total	First Half-Year 2021	% of total
		(in € thousands)		
Electrode Technologies	52,760	66%	29,112	68%
Water Technologies	30,595	38%	13,807	32%
Energy Transition	(3,756)	(4%)		
Total	**79,599**	**100%**	**42,919**	**100%**

Non-recurring items impacting EBITDA	First Half-Year 2022				First Half-Year 2021		
	Electrode Technologies	Water Technologies	Energy Transition	Total	Electrode Technologies	Water Technologies	Total
			(in € thousands)				
Costs relative De Nora Deutschland Gmbh fire	-	-	-	-	884	-	884
Terminations costs (labor + legal expenses)	10	310	-	320	40	179	219
Costs relative to IPO process	1,437	1,106	43	2,586	-	-	-
Costs relative to M&A, integration, and company reorganization	9	-	-	9	42	63	105
Costs relative to startup of De Nora Tech, LLC – US plant	50	-	-	50	457	-	457
Costs relative to Covid-19		-	-	-	299	20	319
Advisory costs for special projects	343	-	-	343	-	-	-
Management Incentive Plan	10,752	8,284	324	19,360	-	-	-
Other non recurring costs	6	50	-	56	110	104	214
Total	**12,607**	**9,750**	**367**	**22,724**	**1,832**	**366**	**2,198**

Adjusted EBITDA by *business* segment	First Half-Year 2022	% of total	First Half-Year 2021	% of total
		(in € thousands)		
Electrode Technologies	65,367	64%	30,944	69%
Water Technologies	40,345	39%	14,173	31%
Energy Transition	(3,389)	(3%)		
Total	**102,323**	**100%**	**45,117**	**100%**

The Group's EBITDA increased by Euro 36,680 thousand (+85.5%), from Euro 42,919 thousand in the six months ended June 30, 2021 to Euro 79,599 thousand in the six months ended June 30, 2022.
The increase is seen on both the Electrode Technologies and Water Technologies segments, and is proportionally larger on the Water Technologies segment, with its contribution to Group EBITDA increasing from 32% in 2021 to 38% in 2022.
The EBITDA margin thus improves from 16.9% in the six months ended June 30, 2021 to 19.4% in the six months ended June 30, 2022.

Adjusted EBITDA increased by Euro 57,206 thousand (+126.8%) from Euro 45,117 thousand in the six months ended June 30, 2021 to Euro 102,323 thousand in the six months ended June 30, 2022.
The Adjusted EBITDA margin increased from 17.8% in the six months ended June 30, 2021 to 24.9% in the six months ended June 30, 2022.

4.5 Electrode Technologies Business

Electrode Technologies' core business is the production and sale mainly of:

- electrodes used for the production of (a) basic chemicals (chlorine, caustic soda and their derivatives), (b) printed circuits for the electronics industry) and critical components for the manufacture of lithium batteries such as foil copper;
- catalytic coatings that use noble metals such as iridium, ruthenium, platinum, palladium and rhodium, the formulations of which, many of them patented, have been developed by the Group and differ according to the many applications in electrochemical processes;
- electrolytic cells for chlorine and caustic soda production, as well as their components and other accessories, and anode structures complete with accessories for the production of nonferrous metals (nickel, cobalt).

For the six-month period ended June 30, 2022, the Electrode Technologies Business accounted for approximately 56% of the Group's revenues compared with 57% for the six-month period ended June 30, 2021.

The table below shows the revenues generated by the Electrode Technologies Business for the six-month periods ended June 30, 2022 and 2021, broken down by business lines.

Revenue by *Business Line Electrode Technologies*	**First Half-Year 2022**	**% of total revenue**	**First Half-Year 2022 at constant exchange rates**	**First Half-Year 2021**	**Δ First Half-Year 2022 vs 2021**	**Δ First Half-Year 2022 vs 2021 at constant exchange rates**
			(in € thousands)			
Chlor-alkali	145,174	64%	141,490	99,083	46,091	42,407
Electronics	47,381	21%	47,381	33,200	14,181	14,181
Specialties and New Applications	35,397	15%	34,495	12,534	22,863	21,961
Total Electrode Technologies	**227,952**	**100%**	**223,366**	**144,817**	**83,135**	**78,549**

Revenues related to the Electrode Technologies Business segment increased by Euro 83,135 thousand (+57.4%), from Euro 144,817 thousand in the six months ended June 30, 2021 to Euro 227,952 thousand in the six months ended June 30, 2022. The growth is significant in all lines and can be attributed to both the increase in prices as a result of higher purchase costs for noble metals (pass-through) and volume increases.

At constant exchange rates, revenues related to the Electrode Technologies Business would have increased by Euro 78,549 thousand (+54.2%), from Euro 144,817 thousand in the six months ended June 30, 2021 to Euro 223,366 thousand in the six months ended June 30, 2022.

<u>Chlor-alkali</u>

Revenues from the chlor-alkali line increased by Euro 46,091 thousand (+46.5%), from Euro 99,083 thousand in the six months ended June 30, 2021 to Euro 145,174 thousand in the six months ended June 30, 2022. This increase is mainly attributable to:

(i) the Euro 20,614 thousand increase in membrane sales, primarily due to the increase in the price of noble metals;

(ii) the increase of Euro 20,217 thousand in sales of hydrochloric acid (HCl) due to new maintenance projects commissioned by third-party customers to TK Nucera, which in turn is sourced from the Group;

(iii) the increase of Euro 5,846 thousand in Diaphragm product sales in the US and EMEIA mainly due to volume effect of Services.

At constant exchange rates, revenues related to the chlor-alkali line would have increased by Euro 42,407 thousand (+42.8%), from Euro 99,083 thousand in the six months ended June 30, 2021 to Euro 141,490 thousand in the six months ended June 30, 2022. For the six months ended June 30, 2022, the chlor-alkali business line accounted for 64% of Electrode Technologies segment revenues and 35% of the Group's total revenues.

Electronics

Revenues related to the electronics line increased by Euro 14,181 thousand (+42.7%), from Euro 33,200 thousand in the six months ended June 30, 2021 to Euro 47,381 thousand in the six months ended June 30, 2022. This increase is mainly attributable to the increase in prices resulting from the increase in the price of noble metals. At constant exchange rates, revenues related to the electronics line would have recorded the same increase of Euro 14,181 thousand (+42.7%). For the half-year ended June 30, 2022, the business line of electrodes for the electronics and galvanic industry represented, respectively, 21% of the revenues of the Group's Electrode Technologies segment and 12% of the total revenues of the Group.

Specialties and new applications

Revenues related to the specialties and new applications line increased by Euro 22,863 thousand (+182.4%), from Euro 12,534 thousand in the six months ended June 30, 2021 to Euro 35,397 thousand in the six months ended June 30, 2022. This increase is mainly attributable to:

(i) the Euro 14.268 thousand increase in revenues from Electrowinning products, especially in EMEIA, following the new orders from the Russian customer Norilsk Nickel. For further information regarding the management of relationships with counterparties operating in Russia see paragraph “3.2 Russia-Ukraine conflict” in the Notes to the condensed consolidated half-yearly financial statements section;

(ii) the increase of Euro 3,036 thousand in revenues of electrodes for Systems and Plants in Japan for the Gulftronic project;

(iii) the increase of Euro 2,407 thousand in electrode revenues intended for the electrochemical synthesis of sodium chlorate mainly in the Americas region;

(iv) the increase of Euro 3,151 thousand in revenues mainly related to other materials and product lines.

At constant exchange rates, revenues related to the specialties and new applications line would have increased by Euro 21,961 thousand (+175.0%), from Euro 12,534 thousand in the six months ended June 30, 2021 to Euro 34,495 thousand in the six months ended June 30, 2022. For the six months ended June 30, 2022, the Specialties and new applications segment accounted for 16% of Electrode Technologies segment revenues and 9% of the Group's total revenues, respectively.

The following table shows the revenues generated by the Electrode Technologies Business for the six-month periods ended June 30, 2022 and 2021, broken down by new installations ("**New Installations**") and periodic maintenance or modernization services for existing plants ("**Services**").

	First Half-Year 2022	% of total revenue	First Half-Year 2021	% of total revenue
		(in € thousands)		
New Installations	138,123	61%	71,648	49%
Services	89,829	39%	73,169	51%
Total Revenue	**227,952**	**100%**	**144,817**	**100%**

New Installations accounted for 61% of the segment's turnover for the first half of 2022, up from the corresponding half of 2021.

Services during the first half of 2022 accounted for 39% of the segment's turnover; the related activities include the periodic maintenance of the electrodes or replacement with new products and/or latest generation products capable of improving the performance of the process for which they are intended, supply of spare parts, design and re-engineering of the electrodes, technical assistance, lease contracts, performance monitoring, laboratory analysis.

In particular, the electrodes at the end of their useful life must be replaced or suitably treated, in order to restore the catalytic coating through a process called re-coating or reactivation. The re-coating process allows the metal structure of the electrode, whether titanium or nickel, to be preserved and a new coating to be reapplied, thus allowing the initial characteristics of the electrode to be restored.

The continuous improvement of the product portfolio allows the Group to offer customers technologies capable of responding to new process targets and market demands also in terms of sustainability. In particular, in the Electrode Technologies Business, the extension of the customer base is a significant growth factor for Services sales.

	First Half-Year 2022	First Half-Year 2021	∆ First Half-Year 2022 vs First Half-Year 2021
		(in € thousands)	
EBITDA Electrode Technologies	**52,760**	**29,112**	**23,648**
Adjusted EBITDA Electrode Technologies	**65,367**	**30,944**	**34,423**

EBITDA related to the Electrode Technologies Business increased by Euro 23,648 thousand (+81.2%), from Euro 29,112 thousand in the six months ended June 30, 2021 to Euro 52,760 thousand in the six months ended June 30, 2022. This increase is mainly attributable to the increase in revenues of Euro 83,135 thousand (+57.4%), described above.

The impact of the EBITDA of the Electrode Technologies business segment on the revenues of the segment increased from 20.1% in the six months ended June 30, 2021 to 23.1% in the six months ended June 30, 2022. The increase in the impact on revenues is mainly due to the increase in revenues and the higher absorption of fixed costs.
The impact of the EBITDA of the Electrode Technologies Business segment on the Group's total revenues was 12.9% in the six months ended June 30, 2022 and 11.5% in the six months ended June 30, 2021.

Adjusted EBITDA increased by Euro 34,423 thousand (+111.2%) from Euro 30,944 thousand in the six months ended June 30, 2021 to Euro 65,367 thousand in the six months ended June 30, 2022.

4.6 Water Technologies Business

The main activity of the Water Technologies Business is the manufacture and sale of equipment, systems and technologies used in the water treatment sector. The Group has long experience in the water treatment sector and a broad portfolio of products and solutions that meet a wide range of requirements for the treatment of various types of water.

In particular, the Group develops, manufactures, and sells systems and technologies for swimming pool disinfection, electrochlorination of seawater and brine for on-site production of low concentration sodium hypochlorite, disinfection and filtration of drinking water and wastewater, and water treatment systems in marine applications.

In addition to supplying equipment, products, and systems for new installations or newly constructed plants ("New **Installations**"), the Group provides after-sales services for maintenance, supply of spare parts, re-engineering of existing systems, on-site or remote monitoring activities, and other services that maintain product performance while ensuring consistency in treated water quality ("**Services**").

The table below shows the revenues generated by the Water Technologies Business for the six-month periods ended June 30, 2022 and 2021, broken down by business lines.

Revenue by *Business Line Water Technologies*	**First Half-Year 2022**	**% of total revenue**	**First Half-Year 2022 at constant exchange rates**	**First Half-Year 2021**	**Δ First Half-Year 2022 vs 2021**	**Δ First Half-Year 2022 vs 2021 at constant exchange rates**
			(in € thousands)			
Pools	100,842	57%	93,187	38,229	62,613	54,958
Electrochlorination	34,975	20%	32,766	25,387	9,588	7,379
Disinfection and Filtration	33,119	19%	30,889	38,143	(5,024)	(7,254)
Marine technologies	6,714	4%	6,090	4,094	2,620	1,996
Total Water Technologies	**175,650**	**100%**	**162,932**	**105,853**	**69,797**	**57,079**

Revenues related to the Water Technologies Business segment increased by Euro 69,797 thousand (+65.9%), from Euro 105,853 thousand in the six months ended June 30, 2021 to Euro 175,650 thousand in the six months ended June 30, 2022. This increase is mainly attributable to an increase in revenues relating to the swimming pools business line, electrochlorination product line, and marine technologies. The disinfection and filtration business line, on the other hand, saw a decrease in the 2021 revenue level (-13.2%). Overall, revenues are up in all geographic areas except Asia, mainly as a result of the two-month lockdown in Shanghai due to a new pandemic wave.

At constant exchange rates, revenues related to the Water Technologies line would have increased by Euro 57,079 thousand (+53.9%), from Euro 105,853 thousand in the six months ended June 30, 2021 to Euro 162,932 thousand in the six months ended June 30, 2022. In 2022, the Marine Technologies and Disinfection and Filtration lines benefited from the contribution deriving from two acquisitions (Calgon Carbon UV Technologies LLC and ISIA S.p.A.), which were not present as of June 30, 2021, and are quantifiable in terms of revenues at Euro 6,608 thousand.

The impact of revenues related to the Water Technologies business on Group revenues remains virtually unchanged, increasing from 41.7% in the six months ended June 30, 2021 to 43% in the six months ended June 30, 2022.

Pools

Revenues related to the swimming pool line increased by Euro 62,613 thousand (+163.7%), from Euro 38,229 thousand in the six months ended June 30, 2021 to Euro 100,842 thousand in the six months ended June 30, 2022. This increase can be attributed to both a high level of market demand for the so-called *Staycation effect*, related to the restrictions imposed by the COVID-19 pandemic, and a higher selling price, indexed to that of ruthenium, the noble metal used in the production process, which is on average higher than its value in the first half of 2021.

At constant exchange rates, revenues related to the swimming pool line would have increased by Euro 54,958 thousand (+143.8%), from Euro 38,229 thousand in the six months ended June 30, 2021 to Euro 93,187 thousand in the six months ended June 30, 2022. For the six months ended June 30, 2022, the swimming pools business line accounted for 57% of Water Technologies revenues and 24.6% of the Group's total revenues, respectively.

Electrochlorination

Revenues related to the electrochlorination line increased by Euro 9,588 thousand (+37.8%), from Euro 25,387 thousand in the six months ended June 30, 2021 to Euro 34,975 thousand in the six months ended June 30, 2022. This increase is mainly attributable to:

(i) the increase of Euro 6,593 thousand related to revenues from the installation of OSHG (on-site generation of hypochlorite) electrochlorination systems, mainly due to higher revenues in the United States attributable to the acquisition of new orders;

(ii) the increase of Euro 1,886 thousand in revenues pertaining to IEM technology (Brine Electrochlorination Plants) realized in Asia, due to a backlog level at the end of 2021, with expected execution in 2022, greater than that recorded at the end of 2020 with expected execution in 2021;

(iii) the increase of Euro 1,707 thousand in revenues from sales of "Omnipure" electrolytic water treatment plants, mainly attributable to higher sales of aftermarket services in North America;

(iv) the increase of Euro 1,814 thousand in sales revenues from the seawater electrochlorination (SWEC) business line, related to the progress of the installation of a plant on the island of Taiwan;

(v) these effects were partly negatively offset by a decrease of Euro 1,440 thousand in revenues related to hydraulic fracturing systems (so-called Fracking).

At constant exchange rates, the electrochlorination line would have recorded an increase in revenues of Euro 7,379 thousand (+29.1%), from Euro 25,387 thousand in the six months ended June 30, 2021 to Euro 32,766 thousand in the six months ended June 30, 2022. For the six months ended June 30, 2022, the electrochlorination business line accounted for 20.0% of the Water Technologies Business revenues and 8.5% of the Group's total revenues.

Disinfection and Filtration

Revenues related to the disinfection and filtration line recorded a decrease of Euro 5,024 thousand (-13.2%), from Euro 38,143 thousand in the six months ended June 30, 2021 to Euro 33,119 thousand in the six months ended June 30, 2022. This change is mainly attributable to the combined effect of the following factors:

(i) the decrease of Euro 11,291 thousand in revenues relating to the "bed filtration systems" (so-called Deep Bed Filtration) line, predominantly due to two factors both attributable to the Asian region: the aforementioned lockdown of the Shanghai area, which lasted for more than two months, and an exceptionally high volume of revenues in the first quarter of 2021 in China due to a backlog at the end of 2020 of more than Euro 20 million against a backlog at the end of 2021 of approximately half that amount;

(ii) the increase of approximately Euro 3,000 thousand in revenues related to the ultraviolet ray disinfection line, which benefited from the contribution of the acquisition and integration of the relative division from the company Calgon Carbon UV Technologies LLC ("Calgon Carbon");

(iii) the increase of Euro 2,257 thousand in revenues related to Gas Feed and Media technology, for Euro 1,402 thousand and Euro 855 thousand, respectively. For the first, despite the fact that demand for systems employing this technology is expected to decline in the current year and in the coming years, during the first half of 2022, this increase in revenues compared to 2021 is mainly due to the contribution, for the amount of Euro 809 thousand, of ISIA S.p.A. ('ISIA') in Italy, which was acquired on July 1, 2021. For the latter, the expected recovery of the U.S. market due to new regulations for the treatment of pollutants is beginning to take shape.

At constant exchange rates, revenues related to the disinfection and filtration line would have decreased by Euro 7,254 thousand (-19.0%), from Euro 38,143 thousand in the six months ended June 30, 2021 to Euro 30,889 thousand in the six months ended June 30, 2022. For the six months ended June 30, 2022, the disinfection and filtration business line accounted for 19% of Water Technologies Business revenues and 8.1% of the Group's total revenues.

Marine technologies

Revenues related to the marine technology line increased by Euro 2,620 thousand (+64.0%), from Euro 4,094 thousand in the six months ended June 30, 2021 to Euro 6,714 thousand in the six months ended June 30, 2022. This increase is mainly attributable to the contribution in North America of the acquisition, finalized on July 1, 2021, of Calgon Carbon and the related Hyde Marine product portfolio, which generated more than Euro 3 million in revenues in the first half of 2022.

At constant exchange rates, revenues related to the marine technology line would have increased by Euro 1,996 thousand (+48.8%), from Euro 4,094 thousand in the six months ended June 30, 2021 to Euro 6,090 thousand in the six months ended June 30, 2022. For the six-month period ended June 30, 2022, the marine technologies business line accounted for 4% of Water Technologies Business revenues and 1.6% of the Group's total revenues.

The following table shows the revenues generated by the Water Technologies Business for the six months ended June 30, 2022 and 2021, broken down by new installations or newly constructed plants ("**New Installations**") and periodic maintenance or modernization services for existing plants ("**Services**").

	First Half-Year 2022	% of total revenue	First Half-Year 2021	% of total revenue
	(in € thousands)			
New Installations	145,338	83%	81,494	77%
Services	30,312	17%	24,359	23%
Total Revenue	**175,650**	**100%**	**105,853**	**100%**

New Installations accounted for 83% of the Water Technologies segment's revenue for the first half of 2022, up from the previous period. Within this classification, revenues from the swimming pool line are entirely included.

Services cover the entire product portfolio and during the first half of 2022 accounted for 17% of segment revenues.

These activities include the replacement of electrodes or their reactivation, maintenance of installed equipment and systems, supply of spare parts, and technological improvements (including automation) aimed at maximizing performance and ensuring optimal operation of the products during the entire life cycle. In addition to these activities, the Group offers technical assistance services in the field and remotely, training programs, test agreements and contracts for the use of the systems against a fee linked to the quantity of water treated.

	First Half-Year 2022	First Half-Year 2021	Δ First Half-Year 2022 vs First Half-Year 2021
		(in € thousands)	
EBITDA Water Technologies	**30,595**	**13,807**	**16,788**
Adjusted EBITDA Water Technologies	**40,345**	**14,173**	**26,172**

EBITDA related to the Water Technologies business segment increased by Euro 16,788 thousand (+121.6%), from Euro 13,807 thousand in the six months ended June 30, 2021 to Euro 30,595 thousand in the six months ended June 30, 2022. This increase is mainly attributable to the combined effect of the following factors:

(i) the increase in sales volume of Euro 69,797 thousand (+65.9%), from Euro 105,853 thousand to Euro 175,650 thousand, described above;

(ii) the improvement of operating margins with an impact on EBITDA in the Water Technologies business segment, especially in the Swimming Pools business line, which benefits from a price effect related to ruthenium price fluctuation;

(iii) the increase in operating costs with an impact on the EBITDA from the Water Technologies business segment less than proportional to the aforementioned increase in revenues. This change is mainly attributable to the increase: (i) in personnel expenses and costs related to general and administrative activities to support the business; (ii) the costs associated with sales force travel and trade shows.

The impact of the EBITDA of the Water Technologies business segment on the revenues of the segment increased from 14.0% in the six months ended June 30, 2021 to 23.0% in the six months ended June 30, 2022. The impact of the EBITDA of the Water Technologies business segment on the total revenues of the Group increased from 5.7% in the six months ended June 30, 2021 to 9.8% in the six months ended June 30, 2022.

Adjusted EBITDA increased by Euro 26,172 thousand (+184.7%) from Euro 14,173 thousand in the six months ended June 30, 2021 to Euro 40,345 thousand in the six months ended June 30, 2022.

4.7 Energy Transition Business

The *Energy Transition* Business includes the offering of electrodes (anodes and cathodes), electrolyzer components, and systems (i) for the generation of hydrogen and oxygen through water electrolysis processes, (ii) for use in fuel cells for electricity generation from hydrogen or another energy carrier (e.g., methanol, ammonia) without CO_2 emissions, and (iii) for use in redox flow batteries.

The following table shows the revenues generated by the Energy Transition Business for the six-month periods ended June 30, 2022 and 2021.

Revenue by *Business Line Business Energy Transition*	**1° Half-year 2022**	**% of total revenues**	**1° Half-year 2022 exchange rates**	**1° Half-year 2021**	**Δ 1° Half-year 2022 vs 2021**
			(in € thousands)		
Energy Transition	6,865	6,890	3,007	3,858	3,883
Total Business Energy Transition	**6,865**	**6,890**	**3,007**	**3,858**	**3,883**

Revenues of the Energy Transition Business registered an increase of Euro 3,858 thousand (+128.3%), from Euro 3,007 thousand in the six months ended June 30, 2021 to Euro 6,865 thousand in the six months ended June 30, 2022. This increase is mainly due to business growth in EMEIA. At constant exchange rates, revenues related to the Energy Transition business would have increased by Euro 3,883 thousand (+129.1%), from Euro 3,007 thousand in the six months ended June 30, 2021 to Euro 6,890 thousand in the six months ended June 30, 2022.

The following table shows the revenues generated by the Energy Transition Business for the six-month periods ended June 30, 2022 and 2021, broken down by new installations or newly constructed plants ("**New Installations**") and periodic maintenance or modernization services for existing plants ("**Services**").

	First Half-Year 2022	**% of total revenue**	**First Half-Year 2021**	**% of total revenue**
		(in € thousands))		
New Installations	6,683	97%	2,886	96%
Services	182	3%	121	4%
Total Revenue	**6,865**	**100%**	**3,007**	**100%**

	First Half-Year 2022	**First Half-Year 2021**
	(in € thousands)	
EBITDA Energy Transition	**(3,756)**	
Adjusted EBITDA Energy Transition	**(3,389)**	

EBITDA and Adjusted EBITDA related to the Energy Transition business segment are negative for the amount of Euro 3,756 thousand and Euro 3,389 thousand, respectively, mainly due to Research and Development costs of Euro 4,002 thousand, as the Group's research efforts are mainly dedicated to this segment.

5. RISK MANAGEMENT, RELATED PARTY TRANSACTIONS AND OTHER INFORMATION

Management of Risks and Uncertainties

The Group's business is exposed to a number of risks and uncertainties that could affect its financial position, results of operations, and cash flows. Please refer to the Notes to the condensed consolidated half-yearly financial statements as of June 30, 2022.

Related Party Transactions

Please refer to the Notes to the condensed consolidated half-yearly financial statements as of June 30, 2022.

Atypical and/or unusual transactions

Pursuant to Consob Communication No. DEM/6064293 of July 28, 2006, it should be noted that there were no atypical and/or unusual transactions, as defined in the Communication.

Information regarding transactions with related parties including those requested by Consob Communication of July 28, 2006, are shown in paragraph F Transaction with related parties in the Explanatory Notes to the condensed consolidated half-yearly financial statements as of June 30, 2022.

The Board of Directors of Industrie De Nora S.p.A., in the framework of the listing process, has approved a procedure for the transactions with Related Parties ("OPC Procedure") upon unanimous opinion of the Related Parties Committee, in line with the provisions on related party transactions issued by Consob.
OPC Procedure is available, together with the other Corporate Governance documents, on the website www.denora.com.

Other Information

As regards the main corporate information of the legal entities that make up the Group, please refer to the section on the Consolidation area included in the Explanatory Notes to the condensed consolidated half-yearly financial statements as of June 30, 2022.

As at June 30, 2022, the Parent Company does not hold directly or through trustees or nominees, any treasury shares or shares of other parent companies, nor has it acquired or sold such shares or quotas during the first half of 2022.

The employees of the De Nora Group companies are bound by the Code of Ethics, which establishes the ethical and behavioural standards to be followed in the conduct of day-to-day activities.

The Group is committed to maintaining a consistent standard of ethical conduct at a global level, with respect for the cultures and the commercial practices of the countries and communities in which it operates.

Compliance with the Code by directors, managers and employees, as well as by all those who work to achieve the Group's objectives, each within their own area of responsibility, is fundamentally important to De Nora's efficiency, reliability and reputation, factors that play a crucial role in the Group's success.
The principles and guidelines set out in the Code are addressed and analysed in further detail in other policies and business procedures.

6. EVENTS AFTER THE REPORTING DATE

On July 15, the European Commission approved funding of up to Euro 5.4 billion for major projects of common European interest (IPCEI Hy2Tech) to contribute to research, innovation and development activities along the entire green hydrogen technology chain. Funding will be directed to 41 projects developed by 35 companies in 15 countries. These include De Nora Italy Hydrogen Technologies S.r.l. (a company 90% owned by De Nora and 10% owned by Snam S.p.A.) for the project to develop the gigafactory for the production of electrolyzers for green hydrogen production.

On July 20, 2022, a notice was sent to the pool of banks for the Senior Facilities Agreement, signed in May 2022, to cancel the remaining undrawn portion of the two lines of financing, amounting to Euro 20 million and USD 10 million, respectively. This cancellation is effective as of July 27, 2022. The aforementioned financing will thus total Euro Euro 180 million and USD 90 million.

7. OUTLOOK

The Group confirms its commitment to seize the sustainable growth opportunities identified in the 2022-2025 Business Plan. In particular, in the Electrode Technologies and Water Technologies businesses, the Group expects to preserve and consolidate its leadership position in its target markets in 2022.

As part of the energy transition area, the hydrogen production market represents a backbone of the most immediate development prospects, thanks to the technological know-how on which the Group can leverage and to the partnerships developed over time with leading operators in the sector, including the one with TK Nucera.

The projections for 2022 confirm the further progression of company performance, with expected growth in terms of volumes, profitability and cash generation along with maintenance of a solid financial structure.

Milan, August 3, 2022

On behalf of the Board of Directors

The Managing Director

Paolo Enrico Dellachà

Condensed Consolidated Half Year Financial Statements as of June 30, 2022.

Interim consolidated statement of financial position

	Notes	As of June 30, 2022	*of which with related parties*	As of December 31, 2021	*of which with related parties*
			(in € thousands)		
ASSETS					
Goodwill and other intangible assets	16	139,652		132,805	
Property, plant and equipment	17	167,833		167,627	
Equity-accounted investees	18	118,708		121,785	
Financial assets, including derivatives	19	6,248		5,421	
Deferred tax assets		29,868		29,430	
Other receivables	20	10,843	52	10,313	52
Total non current assets		**473,152**		**467,381**	
Inventory	21	283,439		233,033	
Financial assets, including derivatives	19	3,767		478	
Current tax assets	22	20,562	376	20,965	376
Construction contracts	23	26,801		22,037	
Trade receivables	24	159,554	18,943	139,974	21,637
Other receivables	20	22,489		29,028	
Cash and cash equivalents	25	279,340		73,843	
Total current assets		**795,952**		**519,358**	
TOTAL ASSETS		**1,269,104**		**986,739**	
EQUITY AND LIABILITIES					
Share capital		18,268		16,786	
Reserves		642,763		366,977	
Profit for the period		39,918		66,696	
Equity attributable to shareholders of the Parent		**700,949**		**450,459**	
Share capital and reserves attributable to non-controlling interest		3,555		3,754	
Profit for the period attributable to non-controlling interest		(185)		(251)	
Equity attributable to non-controlling interest		**3,370**		**3,503**	
TOTAL EQUITY	26	**704,319**		**453,962**	
Employee benefits	27	20,764		26,036	
Provisions for risks and charges	28	2,823		2,336	
Deferred tax liabilities		28,772		29,276	
Financial liabilities, net of current portion	29	267,672		3,784	
Trade payables	30	217		177	
Income tax payable	31	-		108	
Other payables	32	2,172	449	2,183	488
Total non current liabilities		**322,420**		**63,900**	
Provisions for risks and charges	28	17,973		18,769	
Financial liabilities	29	34,476		259,363	
Construction contracts	22	6,946		9,686	
Trade payables	30	63,543	678	61,425	969
Income tax payable	31	30,933	1,786	27,392	1,786
Other payables	32	88,494	24,227	92,242	27,240
Total current liabilities		**242,365**		**468,877**	
TOTAL EQUITY AND LIABILITIES		**1,269,104**		**986,739**	

Interim consolidated income statement

	Notes	For the First Half-Year ended June 30, 2022	*of which with related parties*	2021	*of which with related parties*
			(in € thousands)		
Revenues	4	410,467	64,668	253,677	41,000
Change in inventory of finished goods and work in progress	5	14,485		15,454	
Other income	6	2,540	389	1,972	401
Costs for raw materials, consumables, supplies and goods	7	(189,659)	(488)	(116,711)	(124)
Personnel expenses	8	(83,449)	(20,544)	(54,789)	(2,715)
Management Incentive Plan	*8*	*(19,360)*	*(17,679)*	-	-
Costs for services	9	(69,499)	(142)	(51,192)	(311)
Other operating costs and expenses	10	(4,430)		(5,115)	
Amortization and depreciation	16/17	(13,560)		(12,794)	
Impairment (losses)/revaluations and provisions for risks and charges	11	(4,046)		(701)	
Operating profit		**62,849**		**29,801**	
Share of profit of equity-accounted investees	18	(5,551)		3,375	
Finance income	12	21,483		6,816	
Finance expenses	13	(17,799)		(7,923)	
Profit before tax		**60,982**		**32,069**	
Income tax expense	14	(21,249)		(8,560)	
Profit for the period		**39,733**		**23,509**	
Attributable to:					
Parent company shareholders		***39,918***		***23,359***	
Non-controlling interests		***(185)***		***150***	
Basic and diluted earnings per share ordinary (in Euro)	**15**	**0.22**		**-**	
Basic and diluted earnings per share A, B, C shares (in Euro)	**15**	**-**		**0.13**	
Basic and diluted earnings per share D shares (in Euro)	**15**	**-**		**0.01**	

Interim consolidated statement of comprehensive income

	For the First Half-Year ended June 30, 2022	2021
	(in € thousands)	
Profit for the period	**39,733**	**23,509**
Items that will not be reclassified to profit or loss:		
Actuarial reserve	6,384	
Tax effect	(1,852)	
Total items that will not be reclassified to profit or loss, net of the tax effect (A)	**4,532**	**0**
Items that may be reclassified subsequently to profit or loss		
Effective portion of the change in fair value of financial instruments hedging cash flows	(80)	615
Change in fair value of financial assets	42	17
Translation reserve	10,192	2,155
Tax effect	(3)	(149)
Total items that may be reclassified subsequently to profit or loss, net of the tax effect (B)	**10,151**	**2,638**
Total other comprehensive income net of the tax effects (A + B)	**14,683**	**2,638**
Total comprehensive income	**54,416**	**26,147**
Attributable to		
Parent company shareholders	***54,549***	***25,937***
Non-controlling interests	***(133)***	***210***

Interim consolidated statement of cash flows

		For the First Half-Year ended June 30,			
	Notes	**2022**	***of which with related parties***	**2021**	***of which with related parties***
			(in € thousands)		
Cash flows from operating activities					
Profit for the period		39,733		23,509	
Adjustments for:					
Amortization and depreciation	16/17	13,560		12,794	
Impairment losses/(reversal) of property, plant and equipment	11	3,083		(132)	
Management Incentive Plan	8	19,360	17,679	-	
Net finance expenses	12/13	(3,684)		1,107	
Share of profit of equity-accounted investees		5,551	5,551	(3,375)	(3,375)
(Gains) losses on the sale of property, plant and equipment and intangible assets	6/10	155		720	
Income tax expense	14	21,249		8,560	
Change in inventory	21	(43,537)		(85,430)	
Change in trade receivables and construction contracts	23/24	(20,547)	2,675	(2,732)	(1,995)
Change in trade payables	30	1,508	(287)	7,625	(93)
Change in other receivables/payables	20/32	(260)	(3,063)	(3,448)	1,578
Change in provisions and employee benefits	27/28	(1,471)		(12)	
Cash flows generated by/(used in) operating activities		**34,700**		**(40,814)**	
Net interest and net other finance expenses paid		(2,493)		(2,310)	
Income tax paid		(20,400)		(6,499)	
Net cash flows generated by/(used in) operating activities		**11,807**		**(49,623)**	
Cash flows from investing activities					
Sales of property, plant and equipment and intangible assets	16/17	132		641	
Investments in property, plant and equipment	17	(11,729)		(5,268)	
Investments in intangible assets	16	(3,477)		(2,829)	
Dividends collected from associates	19	(17)	(17)	-	-
Net cash flows generated by/(used in) investing activities		**(15,091)**		**(7,457)**	
Cash flows from financing activities					
Share capital increase	26	196,581		18,090	
New loans	29	292,506		29,917	
Repayments of loans	29	(256,298)		(584)	
Increase (decrease) in other financial liabilities	29	(1,128)		(713)	
(Increase) decrease in financial assets	19	(3,683)		101	
Dividends paid	26	(20,000)		-	
Net cash flows generated by/(used in) financing activities		**207,979**		**46,811**	
Net increase (decrease) in cash and cash equivalents		**204,695**		**(10,269)**	
Opening cash and cash equivalents	25	73,843		75,658	
Exchange rate gains/(losses)		802		489	
Closing cash and cash equivalents	25	**279,340**		**65,878**	

Interim statement of changes in the net consolidated equity

(in € thousands)	Notes	Share capital	Legal reserve	Share premium	Retained earnings	Translation reserve	Share capital	Profit for the period	*Equity attributable to the Parent company shareholders*	*Equity attributable to non controlling interests*	*Total Equity*
Balance as of December 31, 2020		**16,569**	**3,314**	**7,042**	**367,955**	**(8,621)**	**(9,321)**	**32,634**	**409,572**	**3,546**	**413,118**
Transactions with shareholders:											
Share capital increase		18,090	-	-	-	-	-	-	18,090	-	**18,090**
Allocation of profit for 2020		-	43	-	32,591	-	-	(32,634)	-	-	-
Distribution of Dividends		-	-	-	-	-	-	-	-	-	-
Other movements		-	-	-	-	-	-	-	-	-	-
Comprehensive income statement:											
Profit for the period		-	-	-	-	-	-	23,359	23,359	150	**23,509**
Actuarial reserve		-	-	-	-	-	-	-	-	-	-
Effective portion of the change in fair value of financial instruments hedging cash flows		-	-	-	-	-	471	-	471	-	**471**
Change in fair value of financial assets		-	-	-	-	-	11	-	11	1	**12**
Translation reserve		-	-	-	-	2,096	-	-	2,096	59	**2,155**
Balance as of June 30, 2020	**26**	**34,659**	**3,357**	**7,042**	**400,546**	**(6,525)**	**(8,839)**	**23,359**	**453,599**	**3,756**	**457,355**
Balance as of December 31, 2021	**26**	**16,786**	**3,357**	**24,915**	**340,546**	**5,563**	**(7,404)**	**66,696**	**450,459**	**3,503**	**453,962**
Transactions with shareholders:											
Share capital increase		1,482	-	198,518	-	-	(3,419)	-	196,581	-	**196,581**
Allocation of profit for 2021		-		-	66,696	-	-	(66,696)	-	-	-
Distribution of Dividends		-	-	-	(20,000)	-	-	-	(20,000)	-	**(20,000)**
Other movements		-	-	-	-	-	19,360	-	19,360	-	**19,360**
Comprehensive income statement:											
Profit for the period		-	-	-	-	-	-	39,918	39,918	(185)	**39,733**
Actuarial reserve		-	-	-	-	-	4,532	-	4,532	-	**4,532**
Effective portion of the change in fair value of financial instruments hedging cash flows		-	-	-	-	-	(74)	-	(74)	-	**(74)**
Change in fair value of financial assets		-	-	-	-	-	14	-	14	19	**33**
Translation reserve		-	-	-	-	10,159	-	-	10,159	33	**10,192**
Balance as of June 30, 2021	**26**	**18,268**	**3,357**	**223,433**	**387,242**	**15,722**	**13,009**	**39,918**	**700,949**	**3,370**	**704,319**

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AS OF JUNE 30, 2022

A. GENERAL INFORMATION

1. GENERAL INFORMATION

Industrie De Nora S.p.A. (hereinafter the **"Company"** or **"IDN"** and together with its subsidiaries the **"Group"** or the **"De Nora Group"**) is a joint-stock company incorporated and registered in Italy at the Companies Register Office of Milan. The Company, with registered office at Via Bistolfi 35 - Milan, Italy, has been listed on Euronext Milan since June 30, 2022.

Please note that these Condensed Consolidated Half-Year Financial Statements for the six months ended June 30, 2022 (hereinafter the "**Condensed Consolidated Half-Year Financial Statements**") were approved by the Company's Board of Directors on August 3, 2022, and have been subjected to a limited audit by PricewaterhouseCoopers S.p.A.

2. SUMMARY OF THE ACCOUNTING PRINCIPLES ADOPTED AND THE CRITERIA ADOPTED FOR THE PREPARATION OF THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

2.1 Criteria for the preparation of the Condensed Consolidated Half-Year Financial Statements

The De Nora Group has prepared these Condensed Consolidated Half-Year Financial Statements in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union and in accordance with IAS 34 - Interim Financial Reporting by applying the same accounting standards adopted in the preparation of the Consolidated Financial Statements as of December 31, 2021 and in effect as of June 30, 2022, hereinafter the "**IFRS**". The IFRS have been applied consistently in all the periods presented. These Condensed Consolidated Half-Year Financial Statements have been prepared in "condensed" form, i.e., with a significantly lower level of disclosure than required by IFRS, as permitted by IAS 34, and should therefore be read in conjunction with the Group's consolidated financial statements for the year ending December 31, 2021, prepared in accordance with IFRS and approved by the Board of Directors on February 18, 2022.

The Condensed Consolidated Half-Year Financial Statements consist of the interim consolidated statement of financial position, the interim consolidated income statement, the interim consolidated statement of comprehensive income, the interim statement of changes in the net consolidated equity, and the interim consolidated statement of cash flows, as well as the explanatory notes.

Assets and liabilities as of June 30, 2022 are compared with the consolidated statement of financial position as of December 31, 2021. The amounts in the consolidated income statement, consolidated statement of comprehensive income, statement of changes in the net consolidated equity, and consolidated statement of cash flows for the six months ended June 30, 2022, are compared with the respective amounts for the six months ended June 30, 2021.

The Group has chosen to present the consolidated income statement by the nature of the expenses, highlighting the interim results relating to the operating result and the result before tax.

The statement of financial position is prepared using the format whereby assets and liabilities are presented on a "current/non-current" basis. An asset is classified as current when:

- it is assumed that this activity is carried out, or is held for sale or consumption, in the normal course of the operating cycle;
- it is mainly owned for the purpose of trading it;
- it is assumed that it will take place within twelve months from the closing date of the period;

- it consists of cash and cash equivalents (unless it is forbidden to exchange it or use it to settle a liability for at least twelve months from the closing date of the financial year).

All other assets are classified as non-current. In particular, IAS 1 includes property, plant and equipment, intangible assets and long-term financial assets among non-current assets.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is mainly owned for the purpose of trading it;
- it will be settled within twelve months from the closing date of the period;
- there is no unconditional right to defer its settlement for at least twelve months after the end of the financial year. The clauses of a liability that could, at the option of the counterparty, give rise to its settlement through the issue of equity instruments, do not affect its classification.

All other liabilities are classified by the company as non-current.

The operating cycle is the time that elapses between the acquisition of assets for the production process and their realisation in cash or cash equivalents. When the normal operating cycle is not clearly identifiable, its duration is assumed to be twelve months.

The consolidated statement of cash flows is prepared using the indirect method.

The statement of changes in the consolidated equity shows the changes in shareholders' equity items related to:

- the recognition of the result for the period and allocation of the result of the previous period;

- amounts relating to transactions with shareholders;

- all gains and losses, net of tax, which, as required by IFRS, are taken directly to equity (actuarial gains and losses arising from defined benefit plans and hedging reserves);

- changes in the fair value reserves relating to cash flow hedges, net of taxes;

- changes in the consolidation scope;

- the effect of the differences deriving from the conversion of the financial statements of foreign companies;

- changes in accounting policies.

The consolidated statement of comprehensive income presents, on a separate basis, the profit/(loss) for the period and any income and expense not recognised in the income statement, but is instead recognised directly in equity, in accordance with specific IFRS principles.

The Condensed Consolidated Half-Year Financial Statements have been drawn up in Euro, the Company's functional currency. The financial position and income statements, the explanatory notes and the tables are expressed in thousands of Euro, unless otherwise indicated.

The Condensed Consolidated Half-Year Financial Statements were prepared:

- on a going concern basis, as the Directors verified the absence of financial, management or other indicators that could indicate significant uncertainties about the Group's ability to meet its obligations in the foreseeable future and, in particular, in the 12 months following the closing date, as compared to the date of these interim financial statements. The assessments made confirm that the Group is able to operate in compliance with the going concern assumption and in compliance with financial covenants;

- according to the principle of accrual basis of accounting, in compliance with the principle of relevance and significance of the information, of the prevalence of substance over form and with a view to favouring consistency with future presentations. The assets and liabilities, costs and revenues are not offset against each other, unless this is permitted or required by IFRS;

- on the basis of the conventional historical cost criterion, except for the valuation of financial assets and liabilities in cases where the application of the fair value criterion is mandatory.

2.2 Accounting standards, amendments and interpretations that came into effect and applied as at January 1, 2022

The following new amendments were issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and are effective as of January 1, 2022:

- in May 2020, the IASB issued amendments to *IFRS 3 - Business Combinations* to update a reference in IFRS 3 to the *Conceptual Framework for Financial Reporting* without changing the accounting requirements for business combinations;
- in May 2020, the IASB issued amendments to IAS 16 - Property, Plant and Equipment. The amendments prohibit a company from deducting from the cost of property, plant and equipment, the amounts received from the sale of items produced while the company is preparing the asset for its intended use. Instead, a company should recognise such sales proceeds and the associated cost in the income statement;
- in May 2020, the IASB issued amendments to IAS 37 - Provisions, contingent liabilities and contingent assets, which specify what costs a company includes when assessing whether a contract will be loss-making;
- In May 2020, the IASB issued the *Annual Improvements to IFRSs 2018 - 2020 Cycle.* The improvements amended four standards with an effective date of January 1, 2022: (i) IFRS 1 - First-time Adoption of International Financial Reporting Standards, in relation to whether a subsidiary can measure cumulative translation differences using the amounts reported by its parent, (ii) IFRS 9 - Financial Instruments, in relation to what consideration an entity includes when applying the "10 percent" test for derecognition of financial liabilities, (iii) IAS 41 - Agriculture, in relation to the exclusion of tax cash flows in measuring the *fair value* of a biological asset, and (iv) IFRS 16 - Leases, in relation to an illustrative example of repayment for leasehold improvements.

These amendments did not result in any noteworthy impacts on the Condensed Consolidated Half-Year Financial Statements.

2.3 Accounting standards, amendments and interpretations not yet applicable

Accounting standards not yet applicable, as they have not been endorsed by the European Union

At the date of approval of these Condensed Consolidated Half-Year Financial Statements, the competent bodies of the European Union have not yet completed the approval process necessary for the adoption of the following accounting standards and amendments:

Accounting principle/amendment	**Approved by the EU**	**Effective date**
Amendments to IFRS 17 (Insurance contracts): First application of IFRS 17 and IFRS 9 - Comparative information	NO	January 1, 2023
Amendments to IAS 1 Presentation of the Financial Statements: classification of liabilities as current or non-current	NO	January 1, 2023
Amendments to IAS 12 Income taxes: deferred taxes relating to assets and liabilities deriving from a "Single Transaction"	NO	January 1, 2023

Accounting standards issued by the IASB but not applied in advance by the Group

At the date of approval of these Condensed Consolidated Half-Year Financial Statements, the competent bodies of the European Union have approved the adoption of the following accounting standards and amendments, which have not been adopted in advance by the Group.

Accounting principle/amendment	Approved by the EU	Effective date
IFRS 17 (Insurance contracts), including amendments to IFRS 17	YES	January 1, 2023
Amendments to IAS 1 Presentation of the Financial Statements and to IFRS Practice Statement 2: information on accounting policies	YES	January 1, 2023
Amendments to IAS 8 Accounting standards, changes in accounting estimates and errors: definition of accounting estimates	YES	January 1, 2023

No impacts are expected on the Group's Condensed Consolidated Half-Year Financial Statements, from the future application of these accounting standards or amendments.

2.4 Structure, content and consolidation methods

The Condensed Consolidated Half-Year Financial Statements include the economic and financial position of the Company and its subsidiaries, prepared on the basis of the related accounting situations and, where applicable, appropriately adjusted to make them compliant with IFRS.

As of June 30, 2022, the financial statements of the companies in which the Company directly or indirectly has control have been consolidated using the "full consolidation method", through the full assumption of the assets and liabilities and the costs and revenues of the subsidiaries. Companies that are jointly controlled by the Group, in accordance with IFRS 11, and those in which the Group exercises significant influence are measured using the "equity method", which foresees the initial recognition of the equity investment at cost and the subsequent adjustment of its carrying amount to reflect the investor’s share of the related company’s profits or losses after the acquisition date.

The companies included in the consolidation scope at June 30, 2021 are as follows:

Company	*Registered office*	*Currency*	*Share capital as of 30.06.2022*		*% interest De Nora Group*		*Consolidation criterion*
			in local currency	*in Euro*	*as of 30.06.2022*	*as of 31.12.2021*	
Oronzio De Nora International BV - NETHERLANDS:	Basisweg 10 - 1043 AP Amsterdam - The Netherlands	Euro	4,500,000.00	4,500,000.00	100%	100%	line-by-line
*De Nora Deutschland GmbH - GERMANY	Industriestrasse 17 63517 Rodenbach - GERMANY	Euro	100,000.00	100,000.00	100%	100%	line-by-line
*De Nora India Ltd - INDIA	Plot Nos. 184, 185 & 189 Kundaim Industrial Estate Kundaim 403 115, Goa, INDIA	INR	53,086,340.00	646,503.48	53.67%	53.67%	line-by-line
*De Nora Permelec Ltd - JAPAN:	2023-15 Endo, Fujisawa City - Kanagawa Pref. 252 - JAPAN	JPY	90,000,000.00	635,862.65	100%	100%	line-by-line
*De Nora Hong Kong Limited - HONG KONG	Unit D-F 25/F YHC Tower 1 Sheung YUET Road Kowllon Bay KL - HONG KONG	HKD	100,000.00	12,270.99	100%	100%	line-by-line

De Nora do Brasil Ltda - BRAZIL	Avenida Jerome Case No. 1959 Eden - CEP 18087-220 - Sorocoba/SP- BRAZIL	BRL	9,662,257.00	1,781,750.91	100%	100%	line-by-line
De Nora Elettrodi (Suzhou) Ltd - CHINA:	No. 113 Longtan Road, Suzhou Industrial Park 215126, CHINA	USD	25,259,666.00	24,318,538.56	100%	100%	line-by-line
*De Nora China - Jinan Co Ltd - CHINA	Building 3, No.5436, Wenquan Rd., Lingang Development Zone, Licheng District, Jinan City, Shandong Province PR CHINA	CNY	15,000,000.00	2,154,429.51	100%	100%	line-by-line
*De Nora Glory (Shanghai) Co Ltd - CHINA	No. 2277 Longyang Rd. Unit 1605 Yongda Int'l Plaza - Shanghai - CHINA	CNY	1,000,000.00	143,628.63	80%	80%	line-by-line
De Nora Italy S.r.l. - ITALY	Via L.Bistolfi, 35 - 20134 Milan - ITALY	Euro	5,000,000.00	5,000,000.00	100%	100%	line-by-line
De Nora ISIA S.r.l. - ITALY	Banchina Molini 8 - 30175 Venice - ITALY	Euro	200,000.00	200,000.00	100%	100%	line-by-line
De Nora Water Technologies Italy S.r.l. - ITALY:	Via L.Bistolfi, 35 - 20134 Milan - ITALY	Euro	78,000.00	78,000.00	100%	100%	line-by-line
*De Nora Water Technologies FZE – DUBAI	Office No: 614, Le Solarium Tower, Dubai Silicon Oasis - DUBAI	AED	250,000.00	65,537.67	100%	100%	line-by-line
De Nora Holding UK Ltd. – ENGLAND:	c/o hackwood Secretaries Limited, One silk Street, London UK, EC2Y8HQ - ENGLAND	Euro	19.00	19.00	100%	100%	line-by-line
*De Nora Water Technologies UK Services Ltd. – ENGLAND	De Nora Water Technologies UK Services Ltd Arley Drive, Birch Coppice Business Park; Tamworth, Warwickshire - ENGLAND	GBP	7,597,918.00	8,853,318.57	100%	100%	line-by-line
*De Nora Holdings US Inc. – USA:	7590 Discovery Lane, Concord, OH 4407 - USA	USD	10.00	9.63	100%	100%	line-by-line
*De Nora Tech LLC – USA	7590 Discovery Lane, Concord, OH 4407 - USA	USD	no share capital	-	100%	100%	line-by-line
*De Nora Water Technologies LLC - USA:	3000 Advance Lane 18915 - Colmar - PA - USA	USD	968,500.19	932,415.70	100%	100%	line-by-line
*De Nora Water Technologies (Shanghai) Co. Ltd - CHINA	2277 Longyang Road, Unit 305 Yongda International Plaza - 201204 - Pudong Shanghai - CHINA	CNY	16,780,955.00	2,410,225.64	100%	100%	line-by-line
*De Nora Water Technologies Ltd. - ENGLAND:	c/o hackwood Secretaries Limited, One silk Street, London UK, EC2Y8HQ - ENGLAND	GBP	1.00	1.17	100%	100%	line-by-line
*De Nora Water Technologies (Shanghai) Ltd - CHINA	No 96 Street A0201 Lingang Marine Science Park, Pudong New District, Shanghai - CHINA	CNY	7,757,786.80	1,114,240.32	100%	100%	line-by-line
*De Nora Marine Technologies LLC – USA	1110 Industrial Blvd., Sugar Land, TX 77478 - USA	USD	no share capital	-	100%	100%	line-by-line
*De Nora Neptune LLC – USA	305 South Main Street, Fort Stockton, Texas 76735 - USA	USD	no share capital	-	80%	80%	line-by-line
Capannoni S.r.l.- ITALY:	Via L.Bistolfi, 35 - 20134 Milan - ITALY	Euro	8,500,000.00	8,500,000.00	100%	100%	line-by-line

*Capannoni LLC - USA	7590 Discovery Lane, Concord, OH 4407 - USA	USD	3,477,750.00	3,348,175.60	100%	100%	line-by-line
De Nora Italy Hydrogen Technologies S.r.l - ITALY	Via L.Bistolfi, 35 - 20134 Milan - ITALY	Euro	10,000.00	10,000.00	90%	-	line-by-line
ThyssenKrupp Nucera AG & Co. KGaA - GERMANY	Germany	Euro	100,000,000.00	100,000,000.00	34%	34%	equity
*ThyssenKrupp Nucera Italy S.r.l.- ITALY	Italy	Euro	1,080,000.00	1,080,000.00	34%	34%	equity
*ThyssenKrupp Nucera Australia Pty. - Australia	Australia	AUD	500,000.00	124,539.20	34%	34%	equity
*ThyssenKrupp Nucera Japan Ltd. - JAPAN	Japan	JPY	150,000,000.00	1,059,771.09	34%	34%	equity
*ThyssenKrupp Uhde Chlorine Engineers Co Ltd - CHINA	China	CNY	20,691,437.50	2,971,882.90	34%	34%	equity
*ThyssenKrupp Nucera USA Inc. - USA	USA	USD	700,000.00	673,919.32	34%	34%	equity
TK Nucera Management AG	Germany	Euro	50,000.00	50,000.00	34%	-	equity

It should be noted that the scope of consolidation as of June 30, 2022 has changed in relation to December 31, 2021 due to the following:

- effective January 1, 2022, the subsidiary De Nora UV Technologies, LLC, was dissolved by transferring its net assets partly to De Nora Marine Technologies LLC and partly to De Nora Water Technologies LLC, to pursue a better organisation of the different businesses;
- the incorporation, on May 27, 2022, of De Nora Italy Hydrogen Technologies S.r.l, based in Milan, a company 90% owned by Industrie De Nora S.p.A. and the remaining 10% by Snam S.p.A;
- the new associated company TK Nucera Management AG, 34% owned by IDN S.p.A., was also incorporated during the first half of the year.

The following table shows the spot exchange rates, against the Euro, for the major currencies in which the Group operates, as of June 30, 2022 and December 31, 2021:

	Exchange rate at June 30, 2022	**Exchange rate at December 31, 2021**
Currency		
US Dollar	1.0387	1.1326
Japanese Yen	141.5400	130.38
Indian Rupee	82.113	84.2292
Chinese Yuan Renminbi	6.9624	7.1947
Brazilian Real	5.4229	6.3101
GB Pound	0.8582	0.8402

The following table shows the average exchange rates, against the Euro, for the major currencies in which the Group operates for the six-month periods ended June 30, 2022 and 2021:

	Average exchange rate for the first half-year ended June 30	
	2022	**2021**
Currency		
US Dollar	1.0932	1.2054
Japanese Yen	134.6147	129.8681
Indian Rupee	83.29386	88.4126
Chinese Yuan Renminbi	7.0882	7.7960
Brazilian Real	5.5555	6.4902
GB Pound	0.8430	0.8680

2.5 Accounting standards and criteria

The main recognition, classification and valuation criteria and accounting policies adopted for the preparation of the Condensed Consolidated Half-Year Financial Statements are uniform to those adopted for the preparation of the Consolidated Financial Statements as of December 31, 2021 to which reference is therefore made, except for the adaptations required by the nature of the interim reporting and the provisions contained in the following documents:

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, contingent liabilities and contingent assets; and
- Annual improvement cycle 2018-2020.

Both documents were issued by the IASB on May 14, 2020, and their provisions are effective for financial years beginning January 1, 2022.

The Group has not adopted early any standard, interpretation or improvement issued but not yet in effect.

Furthermore, income taxes for the period are determined on the basis of the best possible estimate in relation to the available information and on the reasonable expectation of the year's performance until the end of the tax period.

Estimates and assumptions used to draw up these Condensed Consolidated Half-Year Financial Statements are consistent with the ones used for the preparation of the Consolidated Financial Statements as of December 31, 2021 to which reference is therefore made.

3. OTHER INFORMATION

3.1 Seasonality

The Group's activities show no significant seasonal or cyclical variations.

3.2 Russia-Ukraine conflict

The Group did not encounter any significant critical issues attributable to the ongoing Russia-Ukraine conflict in terms of procurement, production and sales. As of June 30, 2022, the Group's main suppliers of strategic materials are located outside Russia. Group customers located in the area affected by the conflict accounted for 3.4% of Group revenues for the six months ended June 30, 2022 (1.2% for the year ended December 31, 2021). As of June 30, 2022, the exposure to Russian customers amounted to approximately Euro 4.2 million, of which Euro 2.6 million was collected in July; the remaining receivable, amounting to Euro 1.6 million, does not present at the moment a risk of non-collection.
However, it cannot be ruled out that the continuation of a situation of military conflict in Ukraine and the increase in tensions between Russia and the countries in which the Group operates could negatively affect global macroeconomic conditions and the economies of those countries, leading to a possible contraction in demand and a consequent decrease in production levels, also taking into account the continuous evolution of the sanctions framework, which is constantly monitored by the Group's management.

NOTES TO THE MAIN FINANCIAL STATEMENTS ITEMS - CONDENSED CONSOLIDATED HALF-YEAR INCOME STATEMENT

4. Revenues

The following table details revenues from contracts with customers by type for the six-month periods ended June 30, 2022 and 2021:

	First Half-Year ended June 30,	
	2022	**2021**
	(in € thousands)	
Sales of electrodes	242,186	109,685
Sales of systems	18,062	15,142
After-market and other sales	120,629	100,556
Change in construction contracts	29,590	28,294
Total	**410,467**	**253,677**

Revenues for the six months ended June 30, 2022, amounted to Euro 410,467 thousand (Euro 253,677 thousand for the six months ended June 30, 2021). The increase of Euro 156,790 thousand (or +61.8%, +55% at constant exchange rates)[3] can be attributed to an increase in volumes and, with reference to certain revenue lines, to an increase in prices applied to customers related to the increase in the purchase prices of raw materials and in particular of certain noble metals.

Revenue is analysed in detail, by geographical area, here below:

	First Half-Year ended June 30,	
	2022	**2021**
	(in € thousands)	
Europe, Middle East, Africa and India (EMEIA)	128,959	64,801
North and South America (AMS)	141,541	76,739
Asia and South Pacific (ASIA)	139,967	112,137
Total	**410,467**	**253,677**

For the half-year ended June 30, 2022, almost all of the obligations to be fulfilled by the Group refer to contracts with a duration of less than 12 months.

5. Change in inventory of finished goods and work in progress

For the six months ended June 30, 2022, the Group had a positive change in inventories of semi-finished and finished products of Euro 14,485 thousand (Euro 15,454 thousand for the six months ended June 30, 2021).

6. Other income

The table below shows the detail of other income for the six-month periods ended June 30, 2022 and 2021:

	First Half-Year ended June 30,	
	2022	**2021**
	(in € thousands)	
Sundry income	2,030	1,547
R&D grants	354	270
R&D income	85	71
Gain on sale of non-current assets	41	10
Insurance refund	30	74
Total	**2,540**	**1,972**

[3] Determined by converting data in currencies other than the Euro for the six months ended June 30, 2022 at historical exchange rates for the six months ended June 30, 2021.

Other income mainly refers to income from ancillary operations.

7. Costs for raw materials, consumables, supplies and goods

The table below shows the cost for raw materials, consumables, supplies and goods for the six-month periods ended June 30, 2022 and 2021:

	First Half-Year ended June 30,	
	2022	**2021**
	(in € thousands)	
Purchase of raw materials	172,781	157,439
Change in inventory	(23,813)	(70,942)
Purchase of semi-finished and finished goods	37,541	24,323
Purchase of consumables and supplies	6,938	7,539
Purchase of packaging material	793	674
Other purchases and related charges	44	(111)
(Capitalized costs)	(4,625)	(2,211)
Total	**189,659**	**116,711**

Capitalised costs refer to costs incurred by the Group companies for the internal development of projects and products that meet the requirements for capitalisation.

8. Personnel expense

The table below shows the detail of personnel expenses for the six-month periods ended June 30, 2022 and 2021:

	First Half-Year ended June 30,	
	2022	**2021**
	(in € thousands)	
Wages and salaries	52,692	44,547
Management Incentive Plan	19,360	-
Social security contributions	11,115	9,619
Post-employment benefits and other pension plans	1,248	1,187
Other personnel net (income)/expenses	1,218	1,291
(Capitalized costs)	(2,184)	(1,855)
Total	**83,449**	**54,789**

Personnel expenses amounted to Euro 83,449 thousand for the six months ended June 30, 2022 (Euro 54,789 thousand for the six months ended June 30, 2021) with an increase compared to the six months of the previous year amounting to Euro 28.660 thousand, mainly due to the recognition of the cost related to MIP Incentive Plan.

The MIP Incentive Plan item refers to the costs related to the amendments made to the 2021 MIP Incentive Plan, as communicated by the Group to the beneficiaries on April 11, 2022, which provide, in the event of successful listing by December 31, 2022, among other things, (i) the modification of certain lock-up obligations with regard to certain categories of beneficiaries in relation to the ordinary shares resulting from the conversion of category C shares and category D shares granted to them under the 2021 MIP Plan, including the elimination of the "guaranteed minimum value" of the shares subject to lock-up, and (ii) the commitment to grant additional ordinary shares as compensation for the waivers listed on point (i). At the placement price a total of 10.676.594 ordinary shares have been granted to MIP beneficiaries.

The changes introduced resulted in an increase in the fair value of the incentive plan of Euro 19,360 thousand. Valuation of the incremental fair value as of the modification date (April 11, 2022) was carried out using an option pricing model methodology (Monte Carlo), based on the following parameters and assumptions:

- the enterprise value was determined according to the discounted cash flows methodology based on the business plan;
- the risk-free rate curve was determined using liquid interbank instruments;
- the probability of realisation of the exit event (listing) was estimated to be 90% by December 31, 2022; 5% by

December 31, 2023; 5% by December 31, 2024;

- volatility was estimated to be 19.4%, based on the historical series of the MSCI Chemicals Global Index;
- the dividend yield was estimated to be in the range of 1.03% to 0.93%.

The higher fair value, amounting to Euro 19,360 thousand, was accounted for in the second quarter as it accrued following the listing of the Company on June 30. The charge to the income statement accounted for in personnel expenses was recognised with a corresponding offset in Other reserves in equity.

Capitalised costs refer to costs incurred by the Group companies for the internal development of projects and products that meet the requirements for capitalisation.

"Other net personnel costs/(income)" amounting to Euro 1,218 thousand (Euro 1,291 thousand for the six months ended June 30, 2021), are mainly related to charges and incentives for termination of personnel, costs for medical and insurance coverage, and expatriate benefits.

The following table shows the average number of Group employees for the six-month periods ended June 30, 2022 and 2021.

	First Half-Year ended June 30,	
	2022	**2021**
Average number of employees	1,777	1,643

9. Costs for services

The table below shows the detail of costs for services for the six-month periods ended June 30, 2022 and 2021:

	First Half-Year ended June 30,	
	2022	**2021**
	(in € thousands)	
Outsourcing expenses	23,111	20,635
Consultancies		
- Production and technical assistance	6,915	3,253
- Selling	166	115
- Legal, tax, administrative and ICT	8,898	4,183
- M&A and Business development	141	71
Utilities/Telephony	4,897	3,715
Maintenance	6,834	5,713
Travel expenses	3,072	1,479
R&D	545	257
Statutory auditors' fees	68	59
Insurance	1,748	1,189
Rents and other lease expenses	1,211	1,085
Commissions and royalties	3,643	1,516
Freight	5,030	3,522
Waste disposal, office cleaning and security	1,482	1,306
Promotional, advertising and marketing expenses	865	346
Patents and trademarks	713	461
Canteen, training and other personnel expenses	1,254	924
Other	6,763	2,835
(Capitalized costs)	(7,857)	(1,473)
Total	**69,499**	**51,192**

Costs for services amounted to Euro 69,499 thousand for the six months ended June 30, 2022 (Euro 51,192 thousand for the six months ended June 30, 2021) and mainly related to outsourcing expenses, consultancy, utilities, maintenance and transport costs.

Capitalised costs refer to costs incurred by the Group companies for the internal development of projects and products.

10. Other operating expenses

The table below shows the detail of other operating expenses for the six-month periods ended June 30, 2022 and 2021:

	First Half-Year ended June 30,	
	2022	**2021**
	(in € thousands)	
Indirect taxes and duties	3,083	3,213
Losses on sale of non-current assets	196	730
Other miscellaneous expenses	1,151	1,172
Total	**4,430**	**5,115**

Other operating expenses amounted to Euro 4,430 thousand for the six months ended June 30, 2022 (Euro 5,115 thousand for the six months ended June 30, 2021).

11. Impairment (losses)/revaluations and provisions for risks and charges

The following table shows the detail of the item impairment (losses)/revaluations of non-current assets and provisions for the six-month periods ended June 30, 2022, and 2021:

	First Half-Year ended June 30,	
	2022	**2021**
	(in € thousands)	
Net provisions for risks and charges	1,269	901
Net bad debt provision	(306)	(68)
Write downs/(Reinstatements) of Value of Property, Plant and Equipment	3,083	(132)
Total	**4,046**	**701**

The write-down of Euro 3,083 thousand refers to plant and machinery used in hydraulic fracturing activities (so-called *Fracking*) following the assessment of their effective utilization against current market prospects.

12. Finance income

The table below shows the detail of financial income for the six-month periods ended June 30, 2022, and 2021:

	First Half-Year ended June 30,	
	2022	**2021**
	(in € thousands)	
Exchange rate gains	16,021	5,108
Fair value (positive) on financial instrument	5,256	1,466
Income from non-current financial assets	1	8
Financial income from banks/financial receivables	159	159
Interest on trade receivables	-	2
Other finance income	46	73
Total	**21,483**	**6,816**

13. Finance expenses

The table below shows the detail of financial expenses for the six-month periods ended June 30, 2022, and 2021:

	First Half-Year ended June 30,	
	2022	2021
	(in € thousands)	
Bank interest and interest on loans and borrowings	2,648	2,240
Exchange rate losses	10,316	1,947
Fair value (negative) on financial instruments	3,996	3,152
Finance expenses on personnel costs	133	76
Bank fees	434	268
Other finance expenses	272	240
Total	**17,799**	**7,923**

The adjustment of financial instruments to fair value is mainly related to derivative financial instruments to hedge exchange rate fluctuations. Therefore, the performance of this item should be read in conjunction with the performance of exchange rate gains and losses for the respective six-month periods ended June 30, 2022, and 2021.

For the six-month periods ended June 30, 2022, and June 30, 2021, other financial expenses mainly include interest related to lease contracts and bank guarantee expenses.

14. Income tax expense

The table below shows the detail of income tax expense for the six-month periods ended June 30, 2022, and 2021:

	First Half-Year ended June 30,	
	2022	2021
	(in € thousands)	
Current taxes	23,044	11,198
Deferred taxes	(2,658)	(2,691)
Prior years taxes	863	53
Total	**21,249**	**8,560**

15. Earnings per share

On June 30, 2022 the structure of the share capital of Industrie De Nora S.p.A. was changed (see note 26 for further details) and now it includes ordinary shares all bearing the same rights to profit sharing. Previously share capital was divided into four categories of shares bearing different profit-sharing rights. In particular, category A, B and C shares participated equally to dividends and other distributions while category D shares participated for an amount equal to 10% of the percentage represented by the shares of category D with respect to the total number of shares representing the entire share capital.

The following table shows the basic and diluted earnings per share for the period ended June 30, 2022, and 2021.

	First Half-Year ended June 30,	
	2022	2021
Profit for the period attributable to shareholders of the parent company distributable to shareholders A, B and C (for the first half-year ended June 30, 2021) and ordinary shareholders (for the first half.year ended June 30,2022) (*in € thousands*)	39,918	23,359
Weighted average number of ordinary shares for basic earnings per share	178,485,291	175,753,187
Basic and diluted earnings per share (ordinary in Euro)	**0.22**	**-**
Basic and diluted earnings per share (A, B, C shares)	**-**	**0.13**

	First Half-Year ended June 30,	
	2022	2021
Profit for the period attributable to shareholders D owners of the parent (*in € thousands*)	-	0,01
Weighted average number of ordinary shares (category D) for basic earnings per share	-	535
Basic and diluted earnings per share (D shares)	**-**	**0.01**

B. NOTES TO THE MAIN FINANCIAL STATEMENTS ITEMS - STATEMENT OF EQUITY AND FINANCIAL POSITION - ASSETS

16. Goodwill and other intangible assets

The table below shows the breakdown and changes in intangible assets for the six months ended June 30, 2022:

	Goodwill	Industrial patents and intellectual property rights	Concessions, licenses and trademarks	Know-how and Technologies	Customer relationships	Development costs	Other	Assets under construction and advance payments	Total intangible assets
					(in € thousands)				
Historical cost at December 31, 2021	**63,226**	**14,253**	**34,921**	**47,909**	**50,362**	**15,909**	**8,376**	**14,855**	**249,811**
Increase	-	189	64	-	-	-	-	3,223	3,477
Decrease	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Reclassif./Other movements	-	202	693	6	-	1,922	-	(2,149)	673
Exchange rate difference	5,486	(130)	947	(4)	3,209	1,170	458	343	11,479
Historical cost at June 30, 2022	**68,712**	**14,515**	**36,625**	**47,911**	**53,571**	**19,000**	**8,835**	**16,272**	**265,440**
Accumulated amortization as of December 31, 2021	**-**	**12,460**	**25,866**	**31,229**	**35,991**	**6,744**	**4,716**	**-**	**117,006**
Increase	-	525	1,491	800	574	907	200	-	4,498
Decrease	-	-	-	-	-	-	-	-	-
Reclassif./Other movements	-	-	-	5	-	-	-	-	5
Exchange rate difference	-	(80)	429	610	2,701	360	259	-	4,279
Accumulated amortization as of June 30, 2022	**-**	**12,906**	**27,786**	**32,644**	**39,266**	**8,011**	**5,175**	**0**	**125,788**
Net book value as of December 31, 2021	**63,226**	**1,793**	**9,055**	**16,680**	**14,371**	**9,165**	**3,660**	**14,855**	**132,805**
Net book value as of June 30, 2022	**68,712**	**1,609**	**8,839**	**15,267**	**14,305**	**10,989**	**3,660**	**16,272**	**139,652**

Investments amounting to Euro 3,477 thousand for the six months ended June 30, 2022, mainly refer to:

(i) industrial patent rights and intellectual property rights for Euro 189 thousand, mainly attributable to the registration and acquisition of industrial patents in Italy;

(ii) intangible assets under construction amounting to Euro 3,223 thousand, relating to: Euro 316 thousand for industrial patent rights and intellectual property rights attributable to the registration and acquisition of industrial patents, mainly in Japan; Euro 1,229 thousand for concessions, licenses and trademarks mainly related to the implementation of the SAP management system and other ICT systems; and Euro 1,678 thousand related to other intangible assets mainly regarding product development costs of the Water Technologies business segment.

17. Property, Plant and Equipment

The following table shows the breakdown and changes in property, plant and equipment for the six months ended June 30, 2022:

	Land	Buildings	Plant and Machinery	Other assets	Leased assets	Right of use of PPE:	*- of which Buildings*	*- of which Other assets*	Assets under construction and advance payments	Total property, plant and equipment
						(in € thousands)				
Historical cost as of December 31, 2021	**30,314**	**90,584**	**101,161**	**18,794**	**122,305**	**8,079**	**6,050**	**2,029**	**4,474**	**375,711**
Increase	-	185	398	201	5,081	664	606	58	5,863	12,392
Decrease	-	-	(546)	(55)	(326)	(962)	(907)	(56)	(90)	(1,979)
Impairment	-	-	(3,083)	-	-	-	-	-	-	(3,083)
Reclassif./Other movements	-	284	634	192	(319)	-	-	-	(1,676)	(885)
Exchange rate difference	(1,553)	2,613	2,194	223	(4,189)	241	184	57	391	(80)
Historical cost at June 30, 2022	**28,761**	**93,667**	**100,758**	**19,356**	**122,551**	**8,022**	**5,933**	**2,087**	**8,962**	**382,076**
Accumulated depreciation as of December 31, 2021	**10**	**35,143**	**57,804**	**14,801**	**97,198**	**3,127**	**1,887**	**1,240**	**-**	**208,083**
Increase	-	1,567	3,354	584	2,711	847	579	268	-	9,062
Decrease	-	-	(418)	(51)	(261)	(178)	(171)	(6)	-	(907)
Impairment	-	-	-	-	-	-	-	-	-	-
Reclassif./Other movements	-	-	(127)	284	(259)	-	-	-	-	(103)
Exchange rate difference	1	457	1,188	120	(3,778)	120	76	44	-	(1,891)
Accumulated amortization as of June 30, 2022	**11**	**37,167**	**61,801**	**15,738**	**95,610**	**3,916**	**2,371**	**1,545**	**-**	**214,243**
Net book value as of December 31, 2021	**30,304**	**55,441**	**43,357**	**3,993**	**25,107**	**4,952**	**4,163**	**789**	**4,474**	**167,628**
Net book value as of June 30, 2022	**28,750**	**56,500**	**38,957**	**3,619**	**26,941**	**4,105**	**3,562**	**542**	**8,962**	**167,833**

Additions to property, plant and equipment, amounted to Euro 12,392 thousand for the six months ended June 30, 2022. In particular, investments in property, plant and equipment, excluding increases in the rights of use of property, plant and equipment, amounted to a total of Euro 11,729 thousand and mainly refer to:

(iii) leased assets for Euro 5,081 thousand related to anodes to be leased within the Electrode Technologies business segment;

(iv) assets under construction and advance payments in the amount of Euro 5,863 thousand, with Euro 4,381 thousand for plant and machinery, Euro 796 thousand for buildings and Euro 686 thousand for other assets under construction. Among the most important investments are those related to; i) a project that includes both the upgrading of the production plant located in Germany for the purpose of electrode production of Alkaline Water Electolysis (AWE) technology and the design of new (greenfield) plants envisaged in the Company's business plan related to AWE technology; ii) new investments and extraordinary maintenance work on existing plant and machinery mainly in Germany, the United States, China, Italy, Brazil, Japan and India; iii) laboratory equipment to serve R&D activities in Italy mainly intended for alkaline water electrolysis (AWE) technology related to the Energy Transition business; iv) hardware related to the implementation of firewalls to improve the security of the Group's IT systems; and v) extraordinary maintenance work on buildings in Germany, the United States and Brazil.

The write-down of Euro 3,083 thousand refers to plant and machinery used in hydraulic fracturing activities (so-called *Fracking*) For further details see Note 11.

18. Equity-accounted investees

This item refers to the investment in the associated company Thyssenkrupp Nucera AG & Co. KGaA (formerly ThyssenKrupp Uhde Chlorine Engineers GmbH, hereinafter “**TK Nucera**”).

	As of June 30, 2022
	(in € thousands)
Opening balance	**121,785**
Share of profits (losses)	(5,551)
Other increases (decreases)	2,474
Closing balance	**118,708**
Investment %	**34%**

For the purpose of valuation of the investment using the equity method, result for the quarter ending as of March 31, 2022 were used in the absence of TK Nucera financial figures referring to a more recent date, taking into account the transactions or events that had a significant impact on the associated company in the April-June 2022 period, in accordance with IFRS (IAS 28, paragraph 34).

The share of loss for the period amounting to Euro 5.5 million includes the result of the associated company for the period January 1st 2022 – March 31st 2022 together with certain adjustments referring to the year ending December 31, 2021, and which became known only after the date of approval of the consolidated financial statements of Industrie De Nora S.p.A. as of December 31, 2021.

The following table shows the consolidated income statement and statement of financial position figures for TK Nucera for the 6-month period ended March 31, 2022 (a period that represents the second quarter of operations of the associate company since the business year of TK Nucera group companies runs from October 1 to September 30).

	As of March 31
	2021
	(in € thousands)
Intangible assets	58,583
Property, plant and equipment	7,983
Deferred tax assets	12,582
Other non-current assets	625
Inventory	75,343
Trade receivables	29,474
Financial assets and other current receivables	265,275
Cash and cash equivalent	19,408
TOTAL ASSETS	**469,273**
Share Capital	100,000
Reserves	104,406
Deferred tax liabilities	13,642
Employees benefits	7,098
Financial liabilities	2,068
Other non current payables	2,818
Trade payables	44,360
Construction contracts and other current payables	194,881
TOTAL LIABILITIES AND EQUITY	**469,273**

	For the period ended March 31,
	2022
	(in € thousands)
Revenues	77,492
Operating costs (*)	(78,052)
Finance income/ (expense)	(321)
Income tax expense	270
Profit for the period	**(611)**
Other components of the comprehensive income statement	1,040
Profit of the comprehensive income statement for the year	**429**

(*) For the 4-month period ended March 31, 2022 it includes depreciation and amortisation of Euro 930 thousand.

19. Financial assets, including derivatives

The table below shows the breakdown of non-current financial assets as of June 30, 2022 and December 31, 2021

	As of June 30, 2022	As of December 31, 2021
	(in € thousands)	
Non-current		
Financial receivables	3,409	2,665
Investments in financial assets	2,839	2,756
Total	**6,248**	**5,421**

Financial receivables refer to financial lease contracts related to hydraulic fracturing activities (so-called *Fracking*) related to the Water Technologies segment. The receivable recorded represents the present value of the future lease payments contractually due beyond the next financial year.

Financial receivables are shown net of the related bad debt provision equal to Euro 1,953 thousand as of June 30, 2022 (Euro 2,252 thousand as of December 31, 2021).

Investments in financial assets mainly refer to some pension funds and supplementary company funds for employees.

The table below shows the breakdown of current financial assets as of June 30, 2022 and December 31, 2021.

	As of June 30, 2022	As of December 31, 2021
	(in € thousands)	
Current		
Financial receivables	10	1
Investments in financial assets	3,699	477
Fair value of derivatives	58	
Total	**3,767**	**478**

Investments in financial assets relate primarily to investments subject to short-term time restrictions that can be liquidated at any time.

20. Other receivables

The following table shows the detail of the other receivables as of June 30, 2022 and December 31, 2021, broken down between current and non-current amounts:

	As of June 30, 2022	As of December 31, 2021
	(in € thousands)	
Non-current		
Tax receivables	8,290	7,795
Other - third parties	2,499	2,461
Prepayments and accrued income	2	5
Related parties	52	52
Total	**10,843**	**10,313**

	As of June 30, 2022	As of December 31, 2021
	(in € thousands)	
Current		
Tax receivables	8,020	10,492
Advances to suppliers	5,690	10,926
Other - third parties	2,526	1,597
Prepayments and accrued income	6,253	6,013
Total	**22,489**	**29,028**

As of June 30, 2022, other current and non-current receivables totalled Euro 33,332 thousand, (Euro 39,341 thousand as of December 31, 2021).

Non-current tax receivables relate to withholding taxes incurred mainly by the Company against collections of receivables from foreign subsidiaries.

The other non-current receivables from third parties are mainly attributable to the contributions paid by the Italian companies of the Group against existing supplementary pension funds as a counter-entry to the contribution due by the employer.

Current tax receivables mainly refer to VAT receivables of Euro 6,790 thousand as of June 30, 2022 and Euro 9,825 thousand as of December 31, 2021.

21. Inventory

The table below shows the breakdown of inventories as of June 30, 2022 and December 31, 2021:

	As of June 30, 2022	As of December 31, 2021
	(in € thousands)	
Raw materials and consumables	141,541	115,225
Work in progress and semi-finished products	105,560	90,534
Finished products and goods	52,215	44,303
Goods in transit	6,436	4,933
Total gross inventories	**305,752**	**254,995**
Allowance for inventory write-down	(22,313)	(21,962)
Total Net inventories	**283,439**	**233,033**

Inventories, amounting to Euro 283,439 thousand, increased by a total of Euro 50,406 thousand, mainly as a result of an increase in raw materials and in particular in noble metals such as ruthenium and iridium used in production processes due to higher quantities in stock and to higher purchase prices.

Inventory is shown net of the write down provision equal to Euro 22,313 thousand at June 30, 2022 (Euro 21,962 thousand at December 31, 2021).

22. Current tax assets

Current tax assets amounted to Euro 20,562 thousand at June 30, 2022 (Euro 20,965 thousand at December 31, 2021) and mainly refer to advances on income taxes paid by some Group companies.

23. Construction contracts

The following table provides a breakdown of Construction contracts as of June 30, 2022 and December 31, 2021.

	As of June 30, 2022	As of December 31, 2021
	(in € thousands)	
Current assets		
Construction contracts	105,530	96,685
(Progress payments)	(77,428)	(73,402)
Provision for losses on construction contracts	(1,301)	(1,246)
Total	**26,801**	**22,037**
Current liabilities		
Construction contracts	71,963	81,846
(Progress payments)	(78,909)	(91,532)
Total	**(6,946)**	**(9,686)**
Total Construction contracts (net of advances)	**19,855**	**12,351**

Construction contracts (net of contractual advances) amounted to Euro 19,855 thousand at June 30, 2022, an increase from Euro 12,351 thousand as of December 31, 2021, and refer to contracts relating to the Water Technologies business segment.

24. Trade receivables

The table below shows the detail of trade receivables as of June 30, 2022 and December 31, 2021.

	As of June 30, 2022	As of December 31, 2021
	(in € thousands)	
Current		
Third parties	148,304	125,724
Related parties	18,943	21,637
Bad debt reserve	(7,693)	(7,387)
Total	**159,554**	**139,974**

Trade receivables derive from sales transactions and the provision of services and amounted, at June 30, 2022, to Euro 159,554 thousand (Euro 139,974 thousand at December 31, 2021).

The carrying amount of trade receivables, net of the bad debt provision, is deemed to approximate its fair value.

Following are the movements in the bad debt provision

	As of June 30, 2022
	(in € thousands)
Current	
Balance as of December 31, 2021	**7,387**
Change in scope of consolidation	-
Accruals of the year	239
Utilisation and releases of the year	(750)
Reclassifications/other changes	494
Exchange rate difference	323
Balance as of June 30, 2022	**7,693**

25. Cash and cash equivalents

The table below provides a breakdown of cash and cash equivalents as of June 30, 2022 and December 31, 2021

	As of June 30, 2022	As of December 31, 2021
	(in € thousands)	
Bank and postal accounts	276,411	72,555
Cash on hand	36	36
Deposit accounts	2,893	1,252
Cash and cash equivalents	**279,340**	**73,843**

Cash and cash equivalents are made up of effectively available values and deposits. As regards the amounts on deposits and current accounts, the related interests have been recognised on accrual basis.

Cash and cash equivalents, amounting to Euro 279,340 thousand as of June 30, 2022, increased by Euro 205,497 thousand compared to December 31, 2021, mainly due to the capital increase executed on June 30, 2022 following the issuance of 14,814,814 new shares offered by Industrie De Nora S.p.A. at the time of listing. Please refer to Note 26 Equity for more details

For further details on the variations of the period please refer to Interim consolidated statement of cash flows.

C. NOTES TO THE MAIN FINANCIAL STATEMENTS ITEMS - STATEMENT OF EQUITY - FINANCIAL POSITION - EQUITY AND LIABILITIES

26. Equity

Equity as of June 30, 2022 is Euro 704,319 thousand, up from Euro 453,962 thousand as of December 31, 2021.

The shares issued are fully paid up and have no nominal value.

Changes in equity for the six-month periods ended June 30, 2022 and June 30, 2021 are shown in the "Consolidated statement of changes in equity", while the "Consolidated statement of comprehensive income" sets out the other components of the statement of comprehensive income for the period, net of the tax effects.

Equity attributable to the shareholders of the parent company

To service the institutional placement of Industrie De Nora S.p.A.'s ordinary shares on Euronext Milan, which took place on June 30, 2022, the Company issued 14,814,814 new shares offered in the placement at a price of Euro 13.50 per share. Therefore, a total capital increase of Euro 199,999,989.00 was realised, including Euro 1,481,481.30 as share capital increase and Euro 198,518,507.70 as share premium.

The certificate pursuant to Article 2444 of the Italian Civil Code regarding the amount of the share capital was filed with the Milan Company Registry on June 30, 2022, with the updated Company's Articles of Association. The current composition of the share capital of Industrie De Nora S.p.A. is shown below:

Share capital as of June 30, 2022		
	Euro	*no. shares*
Total of which:	18,268,203.90	201,685,174
Ordinary shares *(regular entitlement)*	3,326,857.89	43,899,499
Multiple voting shares (*)	14,941,346.01	157,785,675

(*) Owned by the shareholders Federico De Nora, Federico De Nora S.p.A., Norfin S.p.A. and Asset Company 10 S.r.l. Multiple voting shares are not admitted to trading on Euronext Milan and are not counted in the free float and market capitalisation value.

Retained earnings, Translation reserve and other reserves

Retained earnings, translation reserve and other reserves pertaining to the Group as of June 30, 2022, amounted to Euro 415,973 thousand (Euro 338,705 thousand as of December 31, 2021), a net increase of Euro 77,268 thousand over December 31, 2021, including:

- Euro 66,696 thousand increase due to the allocation of the previous year's results pertaining to the parent company shareholders;
- Euro 20,000 thousand reduction as a result of the dividend distributed by the Company during the six-month period;

- Euro 3,419 thousand reduction for placement fees and other listing-related costs recognised as a direct reduction in Other Reserves in equity;
- Euro 19,360 thousand increase in Other Reserves, related to the MIP Incentive Plan, the charge for which was recorded in the income statement under personnel costs;
- Euro 14,631 thousand increase due to the effect of the other components of the comprehensive income statement for the period, of which Euro 10,159 thousand attributable to the differences deriving from the translation of the financial statements of foreign subsidiaries.

Equity attributable to non-controlling interests

The table below shows the breakdown of minority interests as of June 30, 2022 and December 31, 2021:

	As of June 30, 2022	**As of December 31, 2021**
	(in € thousands)	
Share capital and reserves	3,503	3,518
Profit/(Loss) for the period	(185)	(251)
Components of the comprehensive income statement (OCI) (OCI)	52	236
Total	**3,370**	**3,503**

27. Employee Benefits

Employee benefits at June 30, 2022 amount to Euro 20.764 thousand (Euro 26.036 thousand at December 31, 2021). The decrease is mainly due to the change in actuarial assumptions used for the calculation for the various group companies, most significantly in Italy and Germany.
Here below the main actuarial assumptions of the two countries at June 30, 2022 and December 31, 2021.

	As of June 30, 2022		**As of December 31, 2021**	
	Italy	Germany	Italy	Germany
Annual discount rate (*	3.22%	3.40%	0.98%	1.25%
Annual inflation rate	2.10%	N/A	1.75%	N/A
Annual increase in obligation	3.08%	1.75%	2.81%	1.75%
Annual rate of salary increase	2.10%	2.00%	1.75%	2.00%

28. Provisions for risks and charges

The following table shows the composition and movements of the provisions for risks and charges as of June 30, 2022 and December 31, 2021.

	As of June 30, 2022	**As of December 31, 2021**
	(in € thousands)	
Non-current		
Provision for contractual warranties	251	219
Provision for other risks	2,572	2,117
Total	**2,823**	**2,336**
Current		
Provision for contractual warranties	9,429	9,313
Provision for other risks	8,544	9,456
Total	**17,973**	**18,769**
Total provisions for risks and charges	**20,796**	**21,105**

Provisions for risks and charges mainly include: (i) the provision for miscellaneous risks, amounting to Euro 11,116 thousand as of June 30, 2022, and Euro 11,573 thousand as of December 31, 2021; and (ii) the provision for contractual warranties risks, which represents an estimate of the costs for contractually stipulated warranties in connection with the supply of products and plants and amounts to Euro 9,680 thousand as of June 30, 2022, and Euro 9,532 thousand as of December 31, 2021.

Changes for the period ended June 30, 2022 were as follows:

	Provision for contractual warranties	**Provision for other risks**
	(in € thousands)	
Balance as of December 31, 2021	**9,531**	**11,574**
Accruals of the year	1,150	1,240
Utilization and releases of the year	(948)	(668)
Exchange rate differences	(54)	(1,030)
Balance as of June 30, 2022	**9,680**	**11,116**

29. Financial liabilities

The following table shows the detail of financial liabilities as of June 30, 2022 and December 31, 2021.

	As of June 30, 2022	**As of December 31, 2021**
Non-current	*(in € thousands)*	
Bank loans and borrowings	264,826	-
Lease payables	2,846	3,784
Total	**267,672**	**3,784**
Current		
Bank overdrafts	232	36
Bank loans and borrowings	32,351	256,101
Lease payables	1,500	1,637
Fair value of derivatives	393	1,589
Total	**34,476**	**259,363**
Total financial liabilities	**302,148**	**263,147**

Bank loans and borrowings

The table below shows the details of bank loans and borrowings and bank overdrafts:

	As of June 30, 2022			**As of December 31, 2021**		
	Non Current	**Current**	**Total**	**Non Current**	**Current**	**Total**
			(in € thousands)			
New Pool Loan (IDN)	178,648	-	178,648	-	-	-
New Pool Loan (De Nora Holdings US Inc)	86,178	-	86,178	-	-	-
BPER Loan (IDN)	-	15,003	15,003	-	15,003	15,003
Sumitomo Mitsui Banking Co. (De Nora Permelec Ltd)	-	15,543	15,543	-	-	-
Short term loans (De Nora Brazil)	-	1,805	1,805	-	1,664	1,664
Overdrafts and financial accrued expenses	-	232	232	-	37	37
Pool Loan (IDN)	-	-	-	-	119,860	119,860
Pool Loan (IDN) (De Nora Holdings US Inc)	-	-	-	-	33,508	33,508
UniCredit Loan (IDN)	-	-	-	-	40,001	40,001
BNL Loan (IDN)	-	-	-	-	31,059	31,059
BPM Loan (IDN)	-	-	-	-	15,005	15,005
Total	**264,826**	**32,583**	**297,409**	**-**	**256,137**	**256,137**

As of June 30, 2022 and December 31, 2021, the fair value of payables to banks approximates their book value.

Pool Financing (IDN) - Pool Financing (De Nora Holdings US Inc)

The original maturity date of these loans was July 19, 2022. However, on February 15, 2022, Banca Nazionale del Lavoro S.p.A., Banco BPM S.p.A., Intesa Sanpaolo S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., Mediobanca International (Luxembourg) S.A., UniCredit S.p.A. and Unicredit Bank AG - New York Branch, as lending banks, have signed and delivered to the Company and De Nora Holdings US, Inc. a Commitment Letter, governed by Italian law, by virtue of which the lending banks undertook to make available to the Company and De Nora Holdings US, Inc. certain credit lines and/or other forms of financing provided therein for a total amount of approximately Euro 200,000 thousand and USD 100,000 thousand, respectively, in accordance with the terms and conditions set forth in the Commitment Letter, and in the time frame and circumstances indicated therein. This financing, together with any cash available at Group level, will be used for the purposes of, inter alia, refinancing all or part of the Group's existing financial debt, including the financial debt deriving from syndicated loans, as well as to rationalise the Group's financial structure, raise the funds needed to support working capital requirements and develop the Group's business.
In light of the Group's financial needs, it was decided to prematurely close the pool loan maturing in July 2022 and propose to the same banking institutions, joined by Banco BPM, a bullet refinancing, with a maturity of 5 years, which was signed on May 5, 2022 and consists of two lines of Euro 200,000 thousand and USD 100,000 thousand, underwritten by Industrie De Nora S.p.A. and De Nora Holdings US, respectively. Corresponding to this medium-term loan, all further short-term loans of the parent company were repaid, with the sole exception of a Euro 15 million loan with Banco BPER.
The new pool loan considers interest rates parameterised to the 3- or 6-month Euribor for the Euro portion and to the SOFR for the USD portion, in addition to an initial margin that may change semi-annually, starting in January 2023, depending on the evolution of the Group's Leverage level: the initial margin currently in place is 1.15% for the Euro portion and 1.40% for the USD portion. The "leverage ratio," given by the ratio of consolidated net debt to consolidated EBITDA, is the only financial covenant included in the loan agreement, and it is agreed that it cannot exceed a value of 3.5 throughout the term of the agreement. At June 30, 2022 such covenant is largely met. Not meeting the financial covenant is considered a default or breach event. Specifically a default or breach event could lead to the possibility, at banks' discretion, to ask for the immediate repayment of the loan, unless the default situation is remedied according to the terms and conditions of the loan facility agreement, within 20 working days after the submission of such financial covenant.

BPER Loan (IDN)

The loan, initially extended until April 27, 2022 on the same terms, was extended until July 4, 2022 at a rate of 0.15%.

Sumitomo Mitsui Banking Co loan

The subsidiary De Nora Permelec Ltd signed a short-term loan with Sumitomo Mitsui Banking Co with a notional value of 2,500 million Japanese Yen (equivalent to Euro 18,200 thousand converted at the exchange rate on the date of signing) at an annual rate of 0.13%. On June 30, 2022, this loan was partially repaid for the amount of 300 million Japanese Yen (equivalent to Euro 2,120 thousand converted on the date of payment), and its remaining book value as of June 30, 2022 was Euro 15,543 thousand with a maturity date of July 29, 2022.

Fair value of hedging derivatives

Derivatives for hedging the fluctuation of the interest rate

As of June 30, 2022, there are no interest rate hedging derivatives because those related to the previous pool loan were fully closed in May 2022 when the loan was repaid in full.

Derivatives for hedging the fluctuation of the exchange rate

Exchange rate fluctuation hedging derivative instruments as of June 30, 2022 refer to currency derivative contracts for forward purchase and sale entered into by the Company for intercompany transactions. The Group has adopted the hedge accounting option. The fair value is determined using the forward exchange rate at the balance sheet date.
As of June 30, 2022, this item amounted to Euro 393 thousand, while as of December 31, 2021, the fair value of these derivatives was Euro 914 thousand.

Net financial indebtedness

The following table details the composition of the Group's net financial indebtedness determined in accordance with the provisions of the CONSOB Communication DEM/6064293 of July 28, 2006, as amended by CONSOB Communication No. 5/21 of April 29, 2021 and in accordance with ESMA Recommendations contained in Guidelines 32-382-1138 of March 4, 2021 on disclosure requirements under the Prospectus Regulation (the "**Net Financial Indebtedness - ESMA**"). The table below includes figures as of June 30, 2022 and figures as of December 31, 2021:

		As of June 30, 2022	**As of December 31, 2021**
		(in € thousands)	
A	Cash	276,447	72,591
B	Cash equivalents (*)	2,893	1,252
C	Other current financial assets	3,767	478
D	**Liquidity (A + B + C)**	**283,107**	**74,321**
E	Current financial debt	32,641	256,812
F	Current portion of non-current financial debt	1,500	1,637
G	**Current financial indebtedness (E + F)**	**34,141**	**258,449**
	- Of which secured	1,805	*1,664*
	- Of which unsecured	32,336	*256,785*
H	**Net current financial indebtedness (G - D)**	**(248,966)**	**184,128**
I	Non-current financial debt	267,672	3,784
J	Debt instruments	-	-
K	Non-current trade and other payables	-	-
L	**Non-current financial indebtedness (I + J + K)**	**267,672**	**3,784**
	- Of which secured	-	-
	- Of which unsecured	267,672	*3,784*
M	**Net Financial Indebtedness - ESMA (H + L)**	**18,706**	**187,912**

(*): these are temporary cash deployments made by some Group companies, mainly in India and Brazil, which can be readily liquidated and therefore without restrictions on their actual availability.

The reconciliation between the Net Financial Indebtedness - ESMA and the net financial indebtedness of the Group as monitored by the Group (hereinafter the "**Net Financial Indebtedness - De Nora**") as of June 30, 2022 and December 31, 2021, is shown below:

	As of June 30, 2022	**As of December 31, 2021**
	(in € thousands)	
Net Financial Indebtedness - ESMA	**18,706**	**187,912**
Fair value of derivatives covering currency risks	335	914
Net Financial Indebtedness - De Nora	**19,041**	**188,826**

The reduction in Net Financial Indebtedness - ESMA as of June 30, 2022 compared to December 31, 2021, totalling Euro 169,206 thousand, is mainly attributable to the combined effect of the following factors:

(i) cash generated from operating activities amounting to Euro 11,807 thousand in the six months ended June 30, 2022;

(ii) cash received as a result of the capital increase to service the institutional placement of Industrie De Nora S.p.A.'s ordinary shares on Euronext Milan (Euro 196,840 thousand net of placement fees);

(iii) the liquidity absorbed by investment activities equal to Euro 15,091 thousand in the six months ended June 30, 2022;

(iv) dividend distribution during the six-month period amounting to Euro 20,000 thousand.

For further details on the cash flows for the period, please refer to the consolidated cash flow statement.

The following table shows an analysis of the maturity of the Group's financial payables as of June 30, 2022:

	As of June 30, 2022						
	Carrying amount	Contractual cash flows*	Due date				
			0-12 months	1- 2 years	2 - 3 years	3-5 years	Over 5 years
			(in € thousands)				
Financial liabilities							
Bank loans and borrowings	297,409	299,230	32,583			266,647	
Lease payables	4,346	4,346	1,500	785	635	930	496
Derivatives	393	393	393				
Total Financial liabilities	**302,148**	**303,969**	**34,476**	**785**	**635**	**267,577**	**496**

* *The difference between the total bank loans and borrowings and the contractual cash flows is due to the upfront Fees and other charges directly related to new financing agreements, which, paid on the date of stipulation of the loan agreement, are recognised in the statement of financial position as a decrease of the total amount payable.*

30. Trade payables

The table below shows the detail of trade payables as of June 30, 2022 and December 31, 2021.

	As of June 30, 2022	As of December 31, 2021
	(in € thousands)	
Non-current		
Third parties	217	177
Total	**217**	**177**
Current		
Third parties	62,865	60,456
Related parties	678	969
Total	**63,543**	**61,425**
Total current payables	**63,760**	**61,602**

As of June 30, 2022, trade payables, between current and non-current portions, amounted to Euro 63,760 thousand (Euro 61,602 thousand as of December 31, 2021).

This item mainly includes payables related to the purchase of goods and services, which are due within twelve months.

It should be noted that the carrying amount of trade payables is close to their fair value.

31. Income tax payables

Income tax payables as of June 30, 2022 amounted to Euro 30,933 thousand (Euro 27,500 thousand as of December 31, 2021).

32. Other payables

The table below shows the detail of other payables as of June 30, 2022 and December 31, 2021.

	As of June 30, 2022	As of December 31, 2021
	(in € thousands)	
Non-current		
Accrued expenses and deferred income	30	29
Payables to employees	876	865
Tax payables	270	248
Advances from customers	5	8
Other - third parties	542	545
Other - related parties	449	488
Total	**2,172**	**2,183**
Current		
Advances from customers	32,524	34,791
Advances from related parties	23,367	25,722
Accrued expenses	6,423	5,897
Payables to employees	16,198	15,735
Social security payables	3,081	2,286
Withholding tax payables	1,303	1,063
VAT payables	1,815	2,327
Other tax payables	2,816	2,533
Other - third parties	837	1,888
Other - related parties	130	-
Total	**88,494**	**92,242**
Total Other payables	**90,666**	**94,425**

The decrease in advances from customers and related companies is mainly down to the execution of orders against which advances had been collected in the last months of the year ended December 31, 2021.

Payables to employees relate to amounts accrued but not yet liquidated, such as vacations and bonuses. Payables to employees as of June 30, 2022 include the provision related to the long-term incentive plan, which will be partly paid later in 2022 and partly paid in the following year.

D. RISK

In the context of business risks, the main risks identified, monitored and, as specified below, actively managed by the Group, are the following:

- credit risk, deriving from the possibility of default of a counterparty;
- liquidity risk, deriving from the lack of financial resources to meet financial commitments;
- market risk.

The Group's objective is to maintain, over time, a balanced management of its financial exposure, in order to guarantee a liability structure that is balanced with the composition of the assets on the statement of financial position and able to ensure the necessary operating flexibility through the use of the liquidity generated by current operations and the use of bank loans.

The Group considers risk monitoring and control systems a top priority to guarantee an efficient risk management. In line with this objective, the Group has adopted a risk management system with formalised strategies, policies and procedures to ensure the identification, measurement and control of individual risks at centralised level for the entire Group.

The purpose of the Group’s risk management policies is to:

- identify and analyse the risks to which the Group is exposed;
- define the organisational structure with the identification of the organisational units involved, responsibilities assigned and the system of proxies;
- identify the risk management criteria on which the operational management of risks is based;
- identify the types of transactions for which risks can be hedged.

The Condensed Consolidated Half-Year Financial Statements do not include all of the risk management disclosures mentioned above, required by IFRS. For a detailed description of this information, please refer to Note "E - RISKS" in the 2021 Consolidated Financial Statements. Currently the Group is not hedging the interest rates on the new pool financing and is considering to hedge totally or partially such risk.

Classification and fair value

The tables below indicate the carrying amount of each financial asset and liability recognised in the statement of financial position.

Classification and fair value as of June 30, 2022	**Carrying amount**						***Fair value***		
	Notes	**Loans and receivables**	**Investments in financial assets - *Fair value***	**Derivatives at *Fair value***	**Other financial liabilities**	**Total**	***Level 1***	***Level 2***	***Level 3***
					(in € thousands)				
Cash and cash equivalents	25	279,340	-	-	-	279,340	-	-	-
Trade and other receivables	20-22-24	213,448	-	-	-	213,448	-	-	-
Financial assets including derivatives	19	3,419	6,538	58	-	10,015	6,538	58	-
Financial assets		**496,207**	**6,538**	**58**	-	**502,803**	**6,538**	**58**	-
Bank loans and borrowings	29	-	-	-	(297,409)	(297,409)	-	-	-
Lease payables	29	-	-	-	(4,346)	(4,346)	-	-	-
Trade and other payables	30-31-32	-	-	-	(185,359)	(185,359)	-	-	-
Derivatives	29	-	-	(393)	-	(393)	-	(393)	-
Financial liabilities		-	-	**(393)**	**(487,114)**	**(487,507)**	-	**(393)**	-

Classification and fair value as of December 31, 2021		Carrying amount					Fair Value		
	Notes	Loans and receivables	Investments in financial assets - *Fair value*	Derivatives at *Fair value*	Other financial liabilities	Total	*Level 1*	*Level 2*	*Level 3*
			(in € thousands)						
Cash and cash equivalents	25	73,843	-	-	-	73,843	-	-	-
Trade and other receivables	20-22-24	200,280	-	-	-	200,280	-	-	-
Financial assets including derivatives	19	2,666	3,233	-	-	5,899	3,233	-	-
Financial assets		**276,789**	**3,233**	**-**	**-**	**280,022**	**3,233**	**-**	**-**
Bank loans and borrowings	29	-	-	-	(256,137)	(256,137)	-	-	-
Lease payables	29	-	-	-	(5,421)	(5,421)	-	-	-
Trade and other payables	30-31-32	-	-	-	(183,527)	(183,527)	-	-	-
Derivatives	29	-	-	(1,589)	-	(1,589)	-	(1,589)	-
Financial liabilities		**-**	**-**	**(1,589)**	**(445,085)**	**(446,674)**	**-**	**(1,589)**	**-**

During the periods under review, the Group did not reclassify financial assets between the different categories.

Hierarchical scale of fair value

The following table shows the financial instruments recognised at fair value based on the valuation technique used. The different levels have been defined as described below:

- Level 1: listed prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: input data other than the listed prices in level 1, which can be observed for the asset or liability either directly or indirectly;
- Level 3: input data relating to the asset or liability that are not based on observable market data (unobservable data).

The financial instruments in these financial statements can be divided as follows:

	As of June 30, 2022		
	Level 1	**Level 2**	**Level 3**
		(in € thousands)	
Fair value investments in financial assets	6,538		
Net fair value of derivative instruments	-	(335)	-
Total	**6,538**	**(335)**	**-**

	As of December 31, 2021		
	Level 1	**Level 2**	**Level 3**
		(in € thousands)	
Fair value investments in financial assets	3,233		
Net fair value of derivative instruments	-	(1,589)	-
Total	**3,233**	**(1,589)**	**-**

During the periods under review, the Group did not make any changes regarding valuation techniques for financial instruments accounted for at fair value.

E. SEGMENT REPORTING

The information relating to business segments was prepared in accordance with the provisions of IFRS 8 "Operating segments" (hereinafter "**IFRS 8**"), which require that the provided information is consistent with the reports submitted to the highest operational decision-making level for the purpose of making decisions regarding the resources to be allocated to the sector and assessing the related results.

In particular, the Group identifies the following three operational business segments:

- *Electrode Technologies*: this includes the offering of metal electrodes (anodes and cathodes) coated with special catalysts, electrolyzer components and systems, with multiple applications, in particular (i) for the production processes of chlorine and caustic soda; (ii) for the electronics industry and in the production of components for lithium battery production; (iii) for the refining of non-ferrous metals (nickel and cobalt); (iv) for the galvanic finishing industry; (v) for the cellulose and paper industry; and (vi) for the infrastructure sector for corrosion prevention of reinforced concrete and metal structures;
- *Water Technologies:* this includes offerings related to water treatment systems, which includes electrodes, equipment, systems and facilities for disinfection and filtration of drinking, wastewater and processing water; the main applications are residential swimming pool disinfection, municipal water disinfection and filtration, and industrial and marine water treatment.
- *Energy Transition*: this includes the offering of electrodes (anodes and cathodes), electrolyzer components, and systems (i) for the generation of hydrogen and oxygen through water electrolysis processes, (ii) for use in fuel cells for electricity generation from hydrogen or another energy carrier (e.g., methanol, ammonia) without CO2 emissions, and (iii) for use in redox flow batteries;

In support of these business segments there are the so-called Corporate activities which costs are fully allocated to the segments.

The Energy Transition Business was identified starting from the 2022 financial year, while up to December 31, 2021, the related activities were included in the Electrode Technologies Business.

The following tables show the economic information by business segment for the six-month periods ended June 30, 2022 and 2021:

	First Half-Year ended June 30, 2022			
	Group Total	***Electrode Technologies* Segment**	***Water Technologies* Segment**	***Energy Transition* Segment**
	(in € thousands)			
Revenue	410,467	227,952	175,650	6,865
Royalties and commissions	(4,990)	(4,039)	(899)	(52)
Cost of goods sold	(249,226)	(138,505)	(105,834)	(4,887)
Selling expenses	(14,340)	(4,482)	(9,432)	(426)
G&A expenses	(22,821)	(8,557)	(13,490)	(774)
R&D expenses	(5,819)	(1,134)	(683)	(4,002)
Other operating income (expenses)	148	34	28	86
Corporate expenses allocation to *Business* segments	(14,460)	(7,758)	(6,460)	(242)
Allocation MIP	(19,360)	(10,751)	(8,285)	(324)
EBITDA	**79,599**	**52,760**	**30,595**	**(3,756)**
Depreciation and amortization	(13,560)	-	-	-
Impairment	(3,083)	-	-	-
Provisions for risks (net of releases and utilizations)	(107)	-	-	-
Operating profit - EBIT	**62,849**	-	-	-
Share of profit of equity-accounted investees	(5,551)	-	-	-
Finance income	21,483	-	-	-
Finance expences	(17,799)	-	-	-
Profit before tax	**60,982**	-	-	-
Income tax expense	(21,249)	-	-	-
Profit for the period	**39,733**	-	-	-

	First Half-Year ended June 30, 2021		
	Group Total	***Electrode Technologies* Segment**	***Water Technologies* Segment**
		(in € thousands)	
Revenue	253,677	147,824 (*)	105,853
Royalties and commissions	(2,783)	(1,973)	(810)
Cost of goods sold	(160,783)	(92,207)	(68,576)
Selling expenses	(11,809)	(4,046)	(7,763)
G&A expenses	(19,557)	(9,618)	(9,939)
R&D expenses	(4,658)	(4,264)	(394)
Other operating income (expenses)	(323)	(440)	116
Corporate expenses allocation to *Business* segments	(10,845)	(6,165)	(4,680)
EBITDA	**42,919**	**29,112**	**13,807**
Depreciation and amortization	(12,794)	-	-
Impairment	132	-	-
Provisions for risks (net of releases and utilizations)	(456)	-	-
Operating profit - EBIT	**29,801**	-	-
Share of profit of equity-accounted investees	3,375	-	-
Finance income	6,816	-	-
Finance expences	(7,923)	-	-
Profit before tax	**32,069**	-	-
Income tax expense	(8,560)	-	-
Profit for the period	**23,509**	-	-

(*) 2021 half-year revenues of Electrode Technologies segment include Euro 3,007 thousand related to Energy Transition segment reported as a separate segment only starting from 2022. Comparative data of the Energy Transition segment are not available for the other income statement lines.

The following table shows investments by business segment as of June 30, 2022:

	Group Total	***Electrode Technologies* Segment**	***Water Technologies* Segment**	***Energy Transition* Segment**	**Activities *Corporate***
			(in € thousands)		
First Half-Year ended June 30, 2022					
Property, plant and equipment (**)	11,729	9,057	1,368	991	313
Intangible assets	3,477	545	1,930	-	1,002
Total Investment as of 2022	**15,206**	**9,602**	**3,298**	**991**	**1,315**

(**)It does not include increases related to rights of use of Property, Plant and Equipment.

In accordance with the provisions of IFRS 8, paragraph 34, it should also be noted that for the six-month periods ended June 30, 2022 and 2021, there was only one customer (TK Nucera, an associated company) belonging to the Electrode Technologies business and Energy Transition business segments that generated revenues exceeding 10% of the total, amounting to Euro 64,668 thousand and Euro 41,002 thousand, respectively.

The table below shows the non-current assets, other than financial assets and deferred tax assets, by geographical area at June 30, 2022 and at December 31, 2022, allocated on the basis of the country in which the assets are located.

	As of June 30, 2022				
	Italy	**EMEIA, excluding Italy**	**APAC**	**AMS**	**Total**
			(in € thousands)		
Intangible assets	14,507	4,242	17,220	103,683	139,652
Property, plant and equipment	25,149	19,791	63,537	59,356	167,833
Other receivables	10,085	14	681	63	10,843
Total	**49,741**	**24,047**	**81,438**	**163,102**	**318,328**

	As of December, 2021				
	Italy	**EMEIA, excluding Italy**	**APAC**	**AMS**	**Total**
			(in € thousands)		
Intangible assets	13,208	4,486	19,364	95,747	132,805
Property, plant and equipment	24,147	19,225	65,884	58,371	167,627
Other receivables	9,427	2	717	167	10,313
Total	**46,782**	**23,713**	**85,965**	**154,285**	**310,745**

F. RELATED PARTY TRANSACTIONS

Transactions with related parties, as defined by IAS 24 - Related Party Disclosures, mainly relate to commercial, administrative and financial transactions. They are carried out as part of ordinary operations, within the scope of the core business of each party and take place on an arm’s length basis. In particular, the Group has relations with the following related parties:

- the direct parent company, Federico De Nora S.p.A. (the "**Parent Company**");
- the associated company TK Nucera and its subsidiaries (the "**Associates**");
- minority shareholders and related companies, also through key executives (the "**Other Related Parties**");
- executives with strategic responsibilities ("**Top Management**").

The table below details the statement of financial position values referring to the related party transactions at June 30 and December 31, 2021 (excluding the transactions with Top Management, that are shown in the next section):

(in € thousands)	Controlling Company	Associates	Other - related parties	Total	Total statement of financial position caption	As percentage of total statement of financial position caption
Other non-current receivables						
As of June 30, 2022	-	-	52	**52**	10,843	0.5%
As of December 31, 2021	-	-	52	**52**	10,313	0.5%
Current deferred tax assets						
As of June 30, 2022	376	-	-	**376**	20,562	1.8%
As of December 31, 2021	376	-	-	**376**	20,965	1.8%
Current trade receivables						
As of June 30, 2022	6	18,937	-	**18,943**	159,554	11.9%
As of December 31, 2021	11	21,626	-	**21,637**	139,974	15.5%
Other non-current payables						
As of June 30, 2022	-	449	-	**449**	2,172	20.7%
As of December 31, 2021	-	488	-	**488**	2,183	22.4%
Current trade payables						
As of June 30, 2022	50	585	43	**678**	63,543	1.1%
As of December 31, 2021	-	894	75	**969**	61,425	1.6%
Current deferred tax liabilities						
As of June 30, 2022	1,786	-	-	**1,786**	30,933	5.8%
As of December 31, 2021	1,786	-	-	**1,786**	27,392	6.5%
Other current payables						
As of June 30, 2022	-	23,367	-	**23,367**	88,494	26.4%
As of December 31, 2021	-	25,722	-	**25,722**	92,242	27.9%

Balance sheet amounts with the Parent Company mainly relate to current tax assets of Euro 376 thousand and current income tax payables of Euro 1,786 thousand, both as of June 30, 2022 and December 31, 2021. These balances correspond to the national tax consolidation agreement between the Company, De Nora Italy S.r.l., De Nora Water Technology Italy S.r.l., Capannoni S.r.l. and the Parent Company, originally signed in 2016 and discontinued on June 30, 2022 because, following the changes in the shareholding structure of Industrie De Nora S.p.A. resulting from the listing on the Stock Exchange, the requirements to maintain it have ceased to exist.

Balance sheet amounts with Associated Companies mainly correspond to current trade receivables equal to Euro 18,937 thousand and Euro 21,626 thousand, respectively at June 30, 2022 and at December 31, 2021, mainly concerning the sale of electrodes under the supply "Tool Manufacturing and Services Agreement" initially stipulated on April 1, 2015 with TK Nucera and subsequently amended.

Other current payables to Associated Companies amounting to Euro 23,367 thousand and Euro 25,722 thousand as of June 30, 2022 and December 31, 2021, respectively, mainly related to advances obtained with reference to the aforementioned supply contract.

The table below shows the detail of the economic values relating to transactions with related parties for the six-month periods ended June 30, 2022 and 2021 (excluding the transactions with Top Management, that are shown in the next section)

(in € thousands)	**Controlling Company**	**Associates**	**Other - related parties**	**Total**	**Total statement of financial position caption**	**As percentage of total statement of financial position caption**
Revenue						
First Half-Year ended June 30. 2022	-	64.668	-	64.668	**410.467**	15.8%
First Half-Year ended June 30. 2021	-	41.000	-	41.000	**253.677**	16.2%
Other income						
First Half-Year ended June 30. 2022	25	364		389	**2.540**	15.3%
First Half-Year ended June 30. 2021	26	375	-	401	**1.972**	20.3%
Costs for raw materials. consumables. supplies and goods						
First Half-Year ended June 30. 2022	-	488		488	**189.659**	0.3%
First Half-Year ended June 30. 2021	-	124	-	124	**116.711**	0.1%
Costs for services						
First Half-Year ended June 30. 2022	41	54	47	142	**69.499**	0.2%
First Half-Year ended June 30. 2021	41	124	146	311	**51.192**	0.6%
Personnel expenses						
First Half-Year ended June 30. 2022	-	-	55	55	**83.449**	0.1%
First Half-Year ended June 30. 2021	-	-	55	55	**54.789**	0.1%

The economic relations with the Associated Companies mainly relate to revenues, amounting to Euro 64,668 thousand and Euro 41,000 thousand, for the six-month periods ended June 30, 2022 and 2021, respectively, mainly concerning the sale of electrodes under the "Tool Manufacturing and Services Agreement" mentioned above.

Transactions with Top Management

In addition to the balance sheet and income statement values with related parties presented in the tables above, the Group has recognised compensation to Top Management for the amount of Euro 20,204 thousand and Euro 2,375 thousand for the six-month periods ended June 30, 2022 and 2021, respectively. The payable in relation to Top Management amounted to Euro 730 thousand and Euro 693 thousand as of June 30, 2022 and 2021, respectively.

The table below shows the breakdown of the aforementioned fees under the cost categories identified by IAS 24

	First Half-Year ended June 30	
	2022	**2021**
	(in € thousands)	
Short-term employee benefits	2,341	2,189
Post-employment benefits	184	186
Other long-term benefits	-	-
Termination benefits;	-	-
Share-based payment	17,679	-
Total	**20,204**	**2,375**

In the six-month period ended June 30, 2022, the Group has accounted for fees to the members of the Board of Directors for Euro 340 thousand (unchanged from the six-month period ended June 30, 2021) of which Euro 173 thousand not yet settled as of June 30, 2022.

Top Management compensation represents 24.6% of the total personnel expense for the six-month period ended June 30, 2022 (5% for the six-month period ended June 30, 2021).

G. NON RECURRING EVENTS

According to Consob Communication n. DEM/6064293 del 28 July 2006, below are reported the information related to the impact of non-recurring events and operations of the period on economic and financial results of the Group.

	Profit (loss) for the year	**Equity**	**Cash Flows**
	(in € thousands)		
Personnel expenses - Management Incentive Plan	(19,360)	-	-

H. COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

Commitments

The Company has not undertaken any commitments that have not been recorded in the statement of financial position, except for some orders for the purchase of capital assets amounting to around Euro 7 million at June 30, 2022.

Contingent liabilities

The Group has not assumed any contingent liabilities that have not been recognised in the financial statements.

I. EVENTS AFTER THE REPORTING DATE

On July 15, the European Commission approved funding of up to Euro 5.4 billion for major projects of common European interest (IPCEI Hy2Tech) to contribute to research, innovation and development activities along the entire green hydrogen technology chain. Funding will be directed to 41 projects developed by 35 companies in 15 countries. These include De Nora Italy Hydrogen Technologies S.r.l. (a company 90% owned by De Nora and 10% owned by Snam S.p.A.) for the project to develop the gigafactory for the production of electrolyzers for green hydrogen production.

On July 20, 2022, a notice was sent to the pool of banks for the Senior Facilities Agreement, signed in May 2022, to cancel the remaining undrawn portion of the two lines of financing, amounting to Euro 20 million and USD 10 million, respectively. This cancellation is effective as of July 27, 2022. The aforementioned financing will thus total Euro 180 million and USD 90 million.

Milan, August 3, 2022

On behalf of the Board of Directors
The Managing Director
Paolo Enrico Dellachà

Attestation of the half-year Report as of June 2022 of Industrie De Nora S.p.A. in accordance with Article 81-ter of CONSOB Regulation No. 11971 of May 14, 1999 and subsequent amendments and additions

The undersigned Paolo Enrico Dellachà and Matteo Lodrini respectively Chief Executive Officer and Principal Financial Officer of Industrie De Nora S.p.A. (the Company) declare, also considering the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the adequacy in relation to the Company's characteristics, and
- the operating effectiveness

of the financial and accounting procedures for the preparation of the Condensed Consolidated Half-Year Financial Statements as of June 30, 2022 of Industrie De Nora S.p.A., during the first half of 2022.

No significant issues have arisen in this regard.

The undersigned also certify that the Condensed Consolidated Half-Year Financial Statements as of June 30, 2022:

- have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- corresponds to the results in the books and records;
- are suitable for giving a true and fair view of the financial and economic position of the listed Company and the companies included in the scope of consolidation.

The interim management provides a reliable analysis of the significant events occurred in the first six months of the year and their incidence on the condensed consolidated half-year financial statements, as well as a description of the principal risks and uncertainties for the remaining six months of the year. The interim management report also includes a reliable analysis of the information regarding relevant transactions with related parties.

Milan, August 3 2022

Chief Executive Officer	Principal Financial Officer
....	....

INDUSTRIE DE NORA S.P.A.
Via Bistolfi, 35 - 20134 Milan Italy – ph +39 02 21291 – fax +39 02 21292363
Cap. Soc. €18.268.203,90 i.v. – R.I. della CCIAA di Milano, Monza Brianza, Lodi - C.F./P.I. 03998870962
industriedenora@denora.com
www.denora.com

REVIEW REPORT ON CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

To the shareholders of
Industrie De Nora SpA

Foreword

We have reviewed the accompanying condensed consolidated half-year financial statements of Industrie De Nora SpA and its subsidiaries (the De Nora Group) as of 30 June 2022, comprising the interim consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in the net consolidated equity, statement of cashflows and related notes. The directors of Industrie De NoraSpA are responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of condensed consolidated interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated half-year financial statements of De Nora Group as of 30 June 2022 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

Other Matters

The comparative data included in the condensed consolidated interim financial statements as of 30 June 2022 and related to six-month period ended 30 June 2021 were not audited or reviewed.

Milan, 3 August 2022

PricewaterhouseCoopers SpA

Signed by

Francesco Ronco
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

DE NORA