

PRESS RELEASE

BOARD OF DIRECTORS APPROVES Q1 2023 CONSOLIDATED RESULTS

Revenues and Adjusted EBITDA in line with 2023 guidance

Revenues up 8.4% from the first quarter 2022

Strong operating profitability with Adjusted EBITDA Margin at 21.5%

**Ramp-up of the Energy Transition business (related to green hydrogen) continues
with revenues at 5.9 times the 2022 figure and EBITDA Margin of 20%.**

RESIGNATION OF THE GROUP CHIEF FINANCIAL OFFICER

Key consolidated results for the quarter:

- Revenues: Euro 216.9 million (Euro 200.1 million in Q1 2022, +8.4%)
- Adjusted EBITDA¹: Euro 46.7 million (Euro 55.2 million in Q1 2022, -15.5%)
- Net profit: Euro 25.0 million (Euro 26.5 million in Q1 2022, -5.8%)
- Positive cash and cash equivalents of Euro 10.1 million, compared to cash and cash equivalents of Euro 51.3 million as of December 31, 2022.

Plans were launched to expand the group's production capacity of the plants in Japan, China, the US and Germany and activities started to build the Gigafactory in Cernusco sul Naviglio, Milan.

Milan, May 11, 2023 – The Board of Directors of Industrie De Nora S.p.A. (the “**Company**” or “**IDN**”) - Italian multinational company listed on the Euronext Milan, specialized in the electrochemical industry and leader in sustainable technologies and in the emerging green hydrogen industry - which met under the chairmanship of Federico De Nora, approved the (unaudited) consolidated results as at March 31, 2023.

Paolo Dellachà, Chief Executive Officer of Industrie De Nora, commented:

"The first quarter of 2023 was marked by the excellent execution of projects in the portfolio accompanied by solid consolidated profitability with an Adjusted Ebitda margin above 21%. The results achieved are in line with the guidance and once again demonstrate the strength of our business model based on innovative and proprietary sustainable technologies and an unparalleled leadership position in key global markets that allow us to record growing performance even under complex macroeconomic conditions.

In details, the Energy Transition segment, dedicated to green hydrogen, boasts a pipeline full of high-margin projects that we expect to materialize in the coming months. To meet growing demand, De Nora is working on a global production capacity development plan which saw the start of several initiatives to expand our existing plants in Japan, China, the US and Germany, aimed at increasing cell and electrode manufacturing capacity. In addition, in partnership with Snam, activities aimed at the construction of the Gigafactory in Cernusco sul Naviglio have been started."

¹ Adjusted Gross Operating Margin (EBITDA) mainly excludes nonrecurring items amounting to approximately 160,000 euros mainly related to termination costs.

KEY INCOME STATEMENT INDICATORS

(Euro millions)	Q1 2023	Q1 2022	% Chg
Revenues	216.9	200.1	+8.4%
Adj. EBITDA	46.7	55.2	-15.5%
Adj. EBITDA Margin	21.5%	27.6%	-6.1%
EBIT	39.7	46.7	-15.1%
Net Profit	25.0	26.5	-5.8%

The first quarter 2023 shows **revenues** of Euro 216.9 million (Euro 200.1 million as of December 31, 2022), up 8.4% compared to the previous year and in line with 2023 guidance, thanks to an increase in volumes reflecting good execution of backlog projects in all business segments. More specifically, the marked revenue growth recorded in the Electrode Technologies and Energy Transition business segments more than offset the expected normalization of the Water Technologies segment attributable to the pools business.

Adjusted EBITDA as of March 31 is Euro 46.7 million, compared to Euro 55.2 million recorded in the first quarter of 2022, with an **Adjusted EBITDA margin** of 21.5% (27.6% as of March 31, 2022). The year-on-year change in EBITDA, which is fully in line with 2023 guidance, reflects an exceptionally positive first quarter 2023 and a different revenue mix in the Electrode Technologies and Water Technologies business segments, the latter characterized by a lower contribution of the pools business.

EBIT amounted to Euro 39.7 million compared to Euro 46.7 million in Q1 2022, mainly as a result of the development of EBITDA.

The **Group's net profit** stood at Euro 25 million as of March 31, 2023, compared to Euro 26.5 million in 2022.

Backlog reached **Euro 740.8 million** as of March 31, 2023 (Euro 789.6 million as of December 31, 2022) and reflects good project execution in the first three months of the year. The order backlog, also taking into account the sales recorded in the quarter, covers approximately 70% of the expected production volume for 2023. The backlog of the *Energy Transition* business stands at **Euro 181 million** ensuring adequate production planning for the coming months and confirming solid development.

Breakdown of revenues by business segment

(Euro millions)	Q1 2023	% of Sales	Q1 2022	% Chg
Electrode Technologies	118.9	54.8%	109.4	+8.7%
Water Technologies	71.4	32.9%	86.2	-17.2%
Energy Transition	26.6	12.3%	4.5	+493.9%
Total	216.9		200.1	+8.4%

The **Electrode Technologies** business reported total revenues of Euro 118.9 million, an 8.7% growth over 2022 driven mainly by the chlor-alkali market, further consolidating the Group's leadership in its target markets. Growth is expected to continue in line with guidance in the coming quarters.

The **Water Technologies** business reported total revenues of Euro 71.4 million (Euro 86.2 million in the first quarter of 2022). The trend compared to the first quarter of 2022 reflects the expected normalization of the pools segment, already seen in the third and fourth quarters of the previous fiscal year, partially offset by growth in the Water Systems segment. The Company expects the normalization of the pools segment to continue in the second quarter of the fiscal year with subsequent recovery of development in the third and fourth quarters of the year.

Noteworthy is the continued ramp-up of the **Energy Transition** division, which recorded an increase of about **500%** compared to the first quarter of 2022, with revenues of **Euro 26.6** million, equal to approximately **12%** of Group sales. This growth mainly reflects solid execution of orders in the portfolio, which currently cover 100% of expected production volumes for 2023.

Breakdown of revenues by geographical area

<i>(Euro millions)</i>	Q1 2023	% of Sales	Q1 2022	% Chg
EMEIA	86.1	39.7%	63.2	+36.4%
APAC	69.8	32.2%	71.7	-2.6%
AMS	60.9	28.1%	65.2	-6.6%
Total	216.9		200.1	

During the first quarter of 2023, the Group recorded double-digit growth in the Europe, Middle East, India & Africa (EMEIA) region with revenues of Euro 86.1 million (+36.4% over 2022), thanks to the development of the Energy Transition businesses. Revenues in the APAC (Asia-Pacific) region amounted to Euro 69.8 million, essentially stable compared to the first quarter of 2022 (Euro 71.7 million). In the Americas (AMS) region, the Group generated revenues of Euro 60.9 million, compared to Euro 65.2 million in the first quarter of 2022, mainly as a result of the performance of the pools division described above.

EBITDA and Margins by business segment

<i>(Euro millions)</i>	Adj. Ebitda Q1 2023	Adj. Ebitda Margin Q1 2023	Adj. Ebitda Q1 2022	Adj. Ebitda Margin Q1 2022
Electrode Technologies	30.9	25.9%	31.8	27.9%
Water Technologies	10.5	14.7%	23.4	27.2%
Energy Transition	5.3	20.0%	n.a.	n.a.
Total	46.7	21.5%	55.2	27.6%

A consolidated **Adjusted EBITDA Margin of 21.5%** reflects the solid profitability of De Nora's businesses.

More in detail, the **Electrode Technologies** segment reported an Adj. EBITDA of Euro 30.9 million with a margin on revenues of 25.9%, broadly in line with the historical trend of the business, which in the comparison quarter still included the activities related to the product lines later merged into the new *Energy Transition* segment. The change in margins compared to the first quarter of 2022 (accounting for 27.9%) mainly reflects the different product mix.

The **Water Technologies** segment reported an Adj. EBITDA of Euro 10.5 million, compared to Euro 23.4 million in the first quarter of 2022, mainly reflecting the lower contribution of the pools segment, which had recorded exceptional growth in the same period of the previous year.

Finally, the **Energy Transition** segment reported a positive Adjusted EBITDA of Euro 5.3 million, with a 20% margin mainly attributable to volume development and product mix.

Statement of financial position

The Net Financial Position as of March 31, 2023 shows cash and cash equivalents of Euro 10.1 million compared to Euro 51.3 million as of December 31, 2022. The change includes investments of Euro 21.5 million and an increase in Net Working Capital due to the absorption in advances received from customers as a result of the progress of projects in the portfolio, and to an increase in trade receivables mainly attributable to the growth in revenues invoiced in the last month of the quarter. Finally, there is evidence of a reduction in the incidence of inventories as a percentage of annualized revenues, which fell to 33.8% from the December 31, 2022 figure of 34.6%.

Significant events subsequent to the end of the first three months

Following the occurrence of the circumstance indicated in Article 5.6, letter (ii) of the Company's by-laws, as a result of the sale of shares communicated to the Company and to the market by the shareholders Asset Company 10 S.r.l., a wholly owned subsidiary of Snam S.p.A, FEDERICO DE NORA S.p.A., Norfin S.p.A., and Mr. Federico De Nora on April 5, 2023, no. 7,304,480 shares with multiple voting rights were automatically converted into ordinary shares, at a conversion ratio of no. 1 (one) ordinary share for each share with multiple voting rights, without the need for any manifestation of will on the part of the respective holders and without any change in the amount of the Company's share capital. The conversion became effective on April 11, 2023.

As a result of this share conversion, the share capital of Industrie De Nora S.p.A. remains equal to Euro 18,268,203.90 and the number of ordinary shares increases from no. 43,899,499 to no. 51,203,979, with no indication of par value, corresponding to the same number of voting rights, while the number of multiple voting shares decreases from no. 157,785,675 to 150,481,195, with no indication of par value, corresponding in aggregate to 451,443,585 voting rights. The total number of shares remains unchanged at 201,685,174, and the aggregate number of voting rights decreases from 517,256,524 to 502,647,564.

In addition, the Ordinary Shareholders' Meeting of Industrie De Nora S.p.A. held on April 28, 2023 resolved to distribute a gross dividend of Euro 0.12 per eligible share (ex-dividend date of May 22, 2023, record date, pursuant to Article 83-terdecies of It. Legislative Decree No. 58 of February 24, 1998, on May 23, 2023, and payment date on May 24, 2023). The dividend is equal to Euro 0.12 per share to be paid both from the profit for the year shown in the 2022 financial statements and the profit reserves previously set aside. The total disbursement will amount to Euro 24,202,220.88, gross of withholding taxes, by use of the profit for the year for an amount corresponding to Euro 11,518,004.16 and the profit reserves previously set aside for an amount corresponding to Euro 12,684,216.72.

Also on April 28, 2023, De Nora, through its subsidiary Capannoni S.r.l., finalized the acquisition of an abandoned industrial area adjacent to the existing site located at Via Bistolfi 35. The goal of this acquisition is to house new offices, laboratories, and collaborative spaces, improving the Milan headquarters through the creation of a "campus" and enabling the planned expansion of our workforce.

De Nora Group through its subsidiary De Nora India Ltd was awarded, on 05 May 2023, a 5-million-Euro contract by Reliance Industry Limited, a long-standing partner of De Nora and one of the main petrochemicals private company in India for a re-coating project, proving once again the key role played by De Nora in providing sustainable solutions around the world. Activities inherent in the contract will begin in May 2023, and the entire volume will be completed by March 2025.

Expected outlook

In light of the significant results achieved, the existing backlog and the performance of the reference markets, the Board of Directors has confirmed its guidance for the financial year 2023:

- Consolidated revenues at Euro 900-950 million with Adj. EBITDA at Euro 175-185 million;
- Energy Transition business: revenues at Euro 130-150 million and Adj. EBITDA margin around 10%.

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OTHER RESOLUTIONS

The Board of Directors has also:

-approved, with the favorable opinion of the Related Party Transactions Committee (“**RPT Committee**”), an amendment to the text of the Related Party Transactions Procedure, the updated text of which has been made available on the Company's website, www.denora.com, in the "Governance - Documents and Procedures" Section;

-resolved on the allocation of the new annual aggregate compensation of the Board of Directors, approved by the Shareholders' Meeting on April 28, 2023, awarding to Director Roberto Cingolani the same emolument provided for the members of the Strategies Committee, equal to Euro 20,000, and to the members of the RPT Committee a total compensation of Euro 57,500, including Euro 22,500 to the Chairperson and Euro 17,500 to each other member of the Committee;

-carried out its annual review on the independence requirements of the independent Board members with positive results;

-proposed that an extraordinary shareholders' meeting shall be convened by July 31, 2023 to submit the proposed amendment or deletion of Article 10.2 of the by-laws, in order to authorize the Company to appoint, for each meeting, a person to whom shareholders may grant a proxy, in the manner and under the conditions required from time to time by law and applicable regulations, with voting instructions on all or some of the proposals on the agenda (so-called “*rappresentante designato*”), delegating to the Chairperson of the Board of Directors the necessary powers.

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RESIGNATION OF THE GROUP CHIEF FINANCIAL OFFICER

Industrie De Nora S.p.A. hereby announces that Mr. Matteo Lodrini, Group Chief Financial Officer (“**CFO**”) and Manager in charge of drafting accounting documents, has informed the Company of his intention to resign from his offices in the group as of 30 June 2023, to start a new phase in his professional and personal career.

The Company has already started the search for a successor with such a high standing and Mr. Lodrini, in light of mutual esteem, trust, and respect, will provide all necessary support to the management for a smooth transition and a succession in the organizational continuity.

On behalf of the entire Board of Directors and the entire Group, the CEO, Mr. Paolo Dellachà, thanks Mr. Matteo Lodrini for the significant contribution he has made over the years in his role as CFO and in a career spanning about twenty years within the Group, wishing him all the best for the future. Indeed, Mr. Lodrini has accompanied the Company on its growth path and played a key role in many of the transformative projects that have marked the Group's success, including its recent listing on the Italian stock exchange.

To the Company's knowledge, as of today, Matteo Lodrini holds 388,204 shares of De Nora.

CONFERENCE CALL

At 15:00 CET today, a conference call will be held to illustrate the results of the first quarter 2023 to financial analysts and investors. The presentation may be followed via audio webcast on the Company's website (www.denora.com). The supporting material for the presentation will also be provided at the start of the conference call in the Investor Relations/Documents and Results/Presentations section of the site and on the authorized storage mechanism "1Info" at www.1Info.it.

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This press release presents the results of the first quarter 2023 (unaudited). The results for the first three months, together with key business trends, represent a summary of Condensed Consolidated Interim Financial Statements for the first three months of 2023, approved by the Board of Directors of Industrie De Nora on May 10, 2023.

The Consolidated Financial Report as of March 31, 2023, will be made available to the public, at the Company's registered office and at Borsa Italiana, to anyone who requests it, and it will also be available on the Company's website - www.denora.com - as well as on the authorized storage mechanism "1Info" at www.1Info.it, in accordance with the law.

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The manager in charge of preparing the company's accounting documents, Matteo Lodrini, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Finance Act, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

This press release contains forward-looking statements, which are subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Many of these risks and uncertainties relate to factors that are beyond the company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors. Therefore, Industrie De Nora's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, social, political, economic and regulatory developments or changes in economic or technological trends or conditions in Italy and internationally. Consequently, Industrie De Nora makes no representation, whether expressed or implied, as to the conformity of the actual results with those projected in the forward-looking statements. Any forward-looking statements made by or on behalf of Industrie De Nora speak only as of the date they are made. Industrie De Nora does not undertake to update forward-looking statements to reflect any changes in Industrie De Nora's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any further disclosures Industrie De Nora may make in documents it files with the Italian Securities and Exchange Commission and with the Italian Stock Exchange

Non-GAAP measures

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.

Methodological Note

The income statement, statement of financial position and statement of cash flows have been prepared in accordance with the International Accounting Standards (International Accounting Standards - IAS and International Financial Reporting Standards - IFRS) issued by the International Accounting Standards Board ("IASB") and endorsed by the Union) recognised in the European Union pursuant to Regulation (EC) no. 1606/2002 issued by the European Parliament and according to IAS 34 - Interim Financial Reporting issued by the European Council in July 2002 and in force as of 31 December 2022.

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Industrie De Nora is an Italian multinational company listed on the Euronext Milan stock exchange, specializing in electrochemistry, a leader in sustainable technologies, and has a vital role in the industrial green hydrogen production chain. The Company has a portfolio of products and systems to optimize the energy efficiency of critical industrial electrochemical processes and a range of products and solutions for water treatment. Globally, Industrie De Nora is the world's largest supplier of activated electrodes (serving a broad portfolio of customers operating in the fields of chlorine and caustic soda production, components for electronics, and non-ferrous metal refining). Industrie De Nora is also among the world's leading suppliers of water filtration and disinfection technologies (for the industrial, municipal, and marine sectors) and the world's leading swimming pool disinfection components supplier. Leveraging its well-established electrochemical knowledge, proven manufacturing capability, and a supply chain established over the years, the Company has developed and qualified a portfolio of electrodes and components to produce hydrogen through the electrolysis of water, which is critical for the energy transition. In this sector, the company also holds 34% of thyssenkrupp nucera AG & Co. KGaA, a joint venture established with the thyssenkrupp group.

Founded in 1923, Industrie De Nora generated total revenues of around EUR 853 million and an Adjusted EBITDA of approx. EUR 191 million in 2022. The Company's growth process has developed organically through continued penetration of new markets and applications and through acquisitions in the U.S., Asia, and Europe. De Nora's continuous innovation drives its growth, represented by its evolving intellectual property portfolio, which currently includes more than 260 patent families with more than 2,800 territorial extensions. The De Nora family controls the Group, which owns 53.3% of the Company's share capital. Snam S.p.A. is a minority shareholder with about 21.6% of the capital.

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Consolidated Income Statement Reclassified

Euro thousands	1Q 2023		1Q 2022	
Revenue	216,881	92.2%	200,080	96.0%
Change in inventory of finished goods and work in progress	16,830	7.2%	6,807	3.3%
Other income	1,415	0.6%	1,600	0.8%
VALUE OF PRODUCTION	235,126 100.0%		208,487 100.0%	
Material consumption	(107,299)	-45.6%	(89,456)	-42.9%
Personnel cost	(36,220)	-15.4%	(31,041)	-14.9%
Costs for services	(42,742)	-18.2%	(31,687)	-15.2%
Other operating expenses/income	(2,372)	-1.0%	(2,269)	-1.1%
EBITDA	46,493 19.8%		54,034 25.9%	
Amortization	(2,689)	-1.1%	(2,218)	-1.1%
Depreciation	(4,551)	-1.9%	(4,539)	-2.2%
Net provision for risk and charges	402	0.2%	(298)	-0.1%
Reinstatement (write down) of property, plant and equipment & intangible assets	0	0.0%	(247)	-0.1%
EBIT	39,655 16.9%		46,732 22.4%	
Share of profit of equity-accounted investees	0	0.0%	(6,337)	-3.0%
Finance income	2,400	1.0%	7,433	3.6%
Finance expenses	(6,325)	-2.7%	(6,090)	-2.9%
Profit before tax	35,730 15.2%		41,738 20.0%	
Income tax expense	(10,727)	-4.6%	(15,198)	-7.3%
Profit for the period	25,003 10.6%		26,540 12.7%	
Attributable to:				
Owners of the Parent company	24,491 10.4%		26,108 12.5%	
Non controlling interests	512 0.2%		432 0.2%	
EBITDA	46,493 19.8%		54,034 23.0%	
Non-recurring items	161		1,206	
EBITDA Adjusted	46,654 19.8%		55,240 23.5%	

Consolidated Statement of Financial Position

<i>Euro thousands</i>	31-mar-23		31-dic-22	
		%		%
Trade receivables	145,473		123,421	
Trade payables	(76,637)		(80,554)	
Inventories	293,810		295,476	
Construction contracts, net of progress payments and advances	17,973		16,433	
Net Operating Working Capital	380,619	50.6	354,776	51.2
Other current assets (liabilities)	(50,466)		(74,620)	
Net Working Capital	330,153	43.9	280,156	40.4
Goodwill and Intangible assets	128,356		131,552	
Property, plants and equipment	196,252		184,177	
Equity-accounted investees	122,664		122,664	
Non current assets	447,272	59.5	438,393	63.3
Employee benefits	(20,029)	(2.7)	(20,628)	(3.0)
Provision for risk and charges	(20,576)	(2.7)	(20,688)	(3.0)
Deferred tax assets (liabilities)	4,241	0.6	4,432	0.6
Other non current assets (liabilities)	11,238	1.5	11,173	1.6
Net Invested Capital	752,299	100.0	692,838	100.0
Financed by:				
Medium/long term financial indebtedness	(121,504)		(267,544)	
Short-term financial indebtedness	(26,116)		(13,655)	
Financial assets and derivatives	48,043		158,392	
Cash and cash equivalents	109,638		174,129	
NET FINANCIAL INDEBTENESS - ESMA	10,061	1.3	51,322	7.4
Fair value of financial instruments	848		644	
NET FINANCIAL INDEBTENESS	10,909	1.5	51,966	7.5
Equity attributable to minority interests	(4,989)	(0.7)	(3,586)	(0.5)
Equity attributable to the Parent	(758,219)	(100.8)	(741,218)	(107.0)
TOTAL EQUITY AND MINORITY INTERESTS	(752,299)	(100.0)	(692,838)	(100.0)

Consolidated Statement of Cash Flows

	<i>Quarter ended March 31</i>	
<i>Euro thousands</i>	2023	2022
Cash flows from operating activities		
Profit / (Losses) for the period	25,003	26,540
<i>Adjustments for:</i>		
Amortization and depreciation	7,240	6,757
Impairment losses / (Reinstatements) of property, plant and equipment	-	247
Finance expenses	6,325	6,090
Finance income	(2,400)	(7,433)
Share of profit of equity-accounted investees	-	6,337
(Gains) / Losses on the sale of property, plant and equipment and intangible assets	172	133
Income tax expense	10,727	15,198
(Income) Expenses accounted in profit (losses) for the period against Equity	145	-
Change in inventory	(2,270)	(7,693)
Change in trade receivables and construction contracts	(25,600)	(15,320)
Change in trade payables	(2,987)	(7,937)
Change in other receivables and payables	(27,676)	(9,006)
Change in provisions and employee benefits	(514)	46
Cash flows generated by/(used in) operating activities	(11,834)	13,958
Interest and other finance expenses paid	(3,562)	(1,009)
Interest and other finance income collected	730	87
Income tax paid	(6,151)	(13,412)
Net cash flows generated by/(used in) operating activities	(20,818)	(376)
Cash flows from investing activities		
Sales of property, plant and equipment and intangible assets	9	40
Investments in property, plant and equipment	(17,819)	(4,672)
Investments in intangible assets	(1,860)	(1,997)
Investments in associated companies	-	(17)
(Investment in) / Disposal of financial activities	110,058	(2,725)
Net cash flows generated by/(used in) investing activities	90,387	(9,371)
Cash flows from financing activities		
Share capital increase / (decrease)	900	-
New loans	13,649	9,713
(Repayments of loans)	(147,049)	(164)
Payment of financial leases	(461)	(306)
(Increase) / Decrease in other financial liabilities	(2)	(77)
Net cash flows generated by/(used in) financing activities	(132,963)	9,166
Net increase (decrease) in cash and cash equivalents	(63,394)	(581)
Opening cash and cash equivalents	174,129	73,843
Exchange rate effect	(1,097)	607
Closing cash and cash equivalents	109,638	73,869