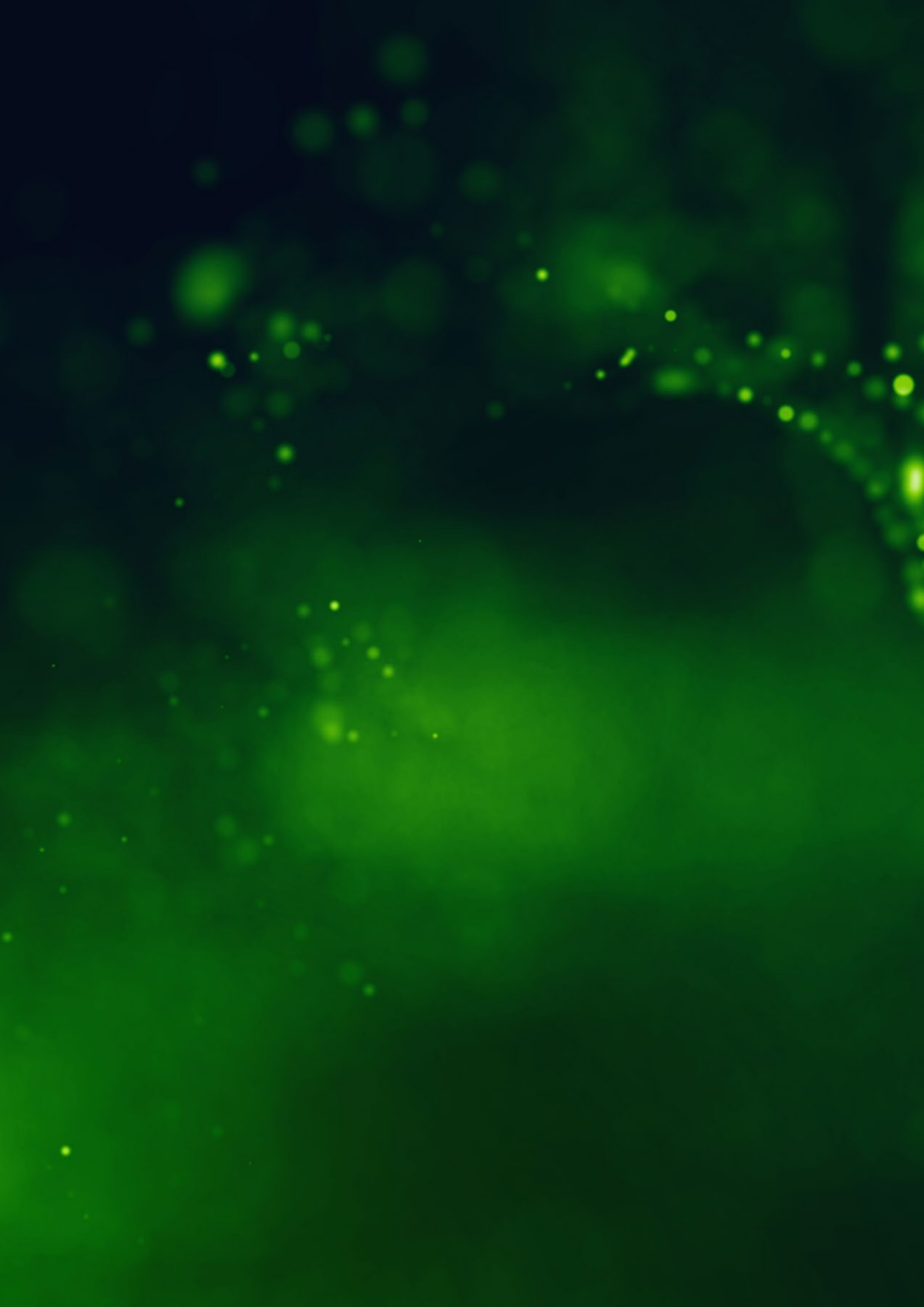
2023 Half Year Financial Report as of June 30

DE NORA

00 Industrie De Nora

01 Interim management report

02 Condensed Consolidated half-year financial statements



00 Industrie De Nora

Corporate bodies

Board of Directors[1]

Executive Chairperson
Federico De Nora(*)

Chief Executive Officer
Paolo Enrico Dellachà(*)

Directors
Stefano Venier
Maria Giovanna Calloni(**)
Mario Cesari
Paola Bonandrini
Michelangelo Mantero
Teresa Cristiana Naddeo(**)
Elisabetta Oliveri(**)
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
Paola Bonandrini

Appointments and Remuneration Committee

Chair
Elisabetta Oliveri
Mario Cesari
Maria Giovanna Calloni

Related Parties Committee

Chair
Maria Giovanna Calloni
Teresa Cristiana Naddeo
Elisabetta Oliveri

Strategies Committee

Chair
Paolo Enrico Dellachà
Federico De Nora
Mario Cesari
Stefano Venier
Paola Bonandrini

Principal Financial Officer

Massimiliano Moi

Independent auditor

PricewaterhouseCoopers S.p.A.[2]

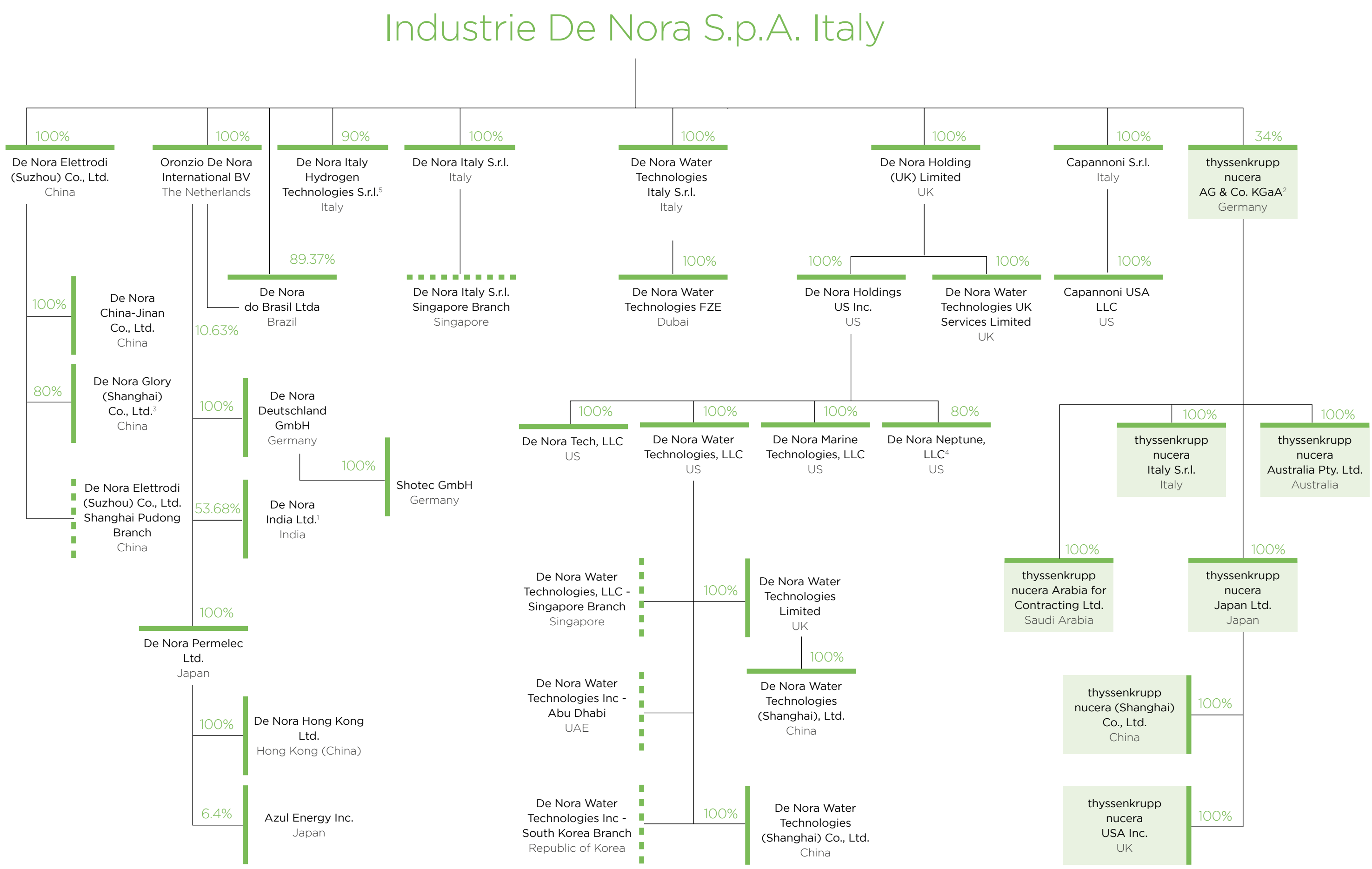
Supervisory Body

Chair
Gianluca Sardo
Silvio Necchi
Claudio Vitacca

[1] Appointed by the Shareholders' Meeting held on March 9, 2022 (with the exception of Directors Stefano Venier appointed on April 28, 2022, Alessandro Garrone appointed on June 20, 2022, Paola Bonandrini appointed on April 28, 2023, already co-opted on March 22, 2023). The Board of Directors is in office until the approval of the Financial Statements as at December 31, 2024.
On June 1 2023 the Company received the resignation of Roberto Cingolani as independent non-executive Director and Strategies Committee member.
(*) 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.
[2] Appointed by the Shareholders' Meeting on February 18, 2022 for the period covering 2022 - 2030.

Group structure as of june 30, 2023

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, 2023.



Effective January 1, 2023, De Nora ISIA S.r.l. was merged by incorporation into De Nora Water Technologies Italy S.r.l..

In May, Industrie De Nora S.p.A. has completed through its German subsidiary De Nora Deutschland GmbH, the acquisition of 100% of the share capital of Shotec GmbH.

[1] 46.32% Indian Stock exchange + promoters
[2] 66% thyssenkrupp Projekt 1 GmbH
[3] 20% Mr. Bu Bingxin
[4] 20% Biocatters Holding, LLC
[5] 10% SNAM S.p.A.

Legal entity

Branch office

01 Interim Management Report

Macroeconomic and market context[3]

The global economy is turning a corner but faces a long road ahead to attain strong and sustainable growth. Global GDP growth slowed substantially throughout 2022, but several of the factors weighing negatively are now unwinding. Falling energy prices and headline inflation, easing supply bottlenecks and the reopening of China's economy, coupled with strong employment and relatively resilient household finances, all contribute to a projected recovery. Nevertheless, the recovery will be weak by past standards. Global growth is projected to be 2.7% in 2023, with a modest pick-up to 2.9% in 2024, both well below the average growth rate in the decade preceding the COVID-19 pandemic.

Although headline inflation is declining thanks to lower energy prices, core inflation remains high, more so than previously expected. Central banks need to maintain restrictive monetary policies until there are clear signs that underlying inflationary pressures are abating. Given the uncertainties around the impact of the rapid and globally synchronised monetary policy tightening following an extended period of low interest rates. The tightening has already revealed some vulnerabilities in financial markets. Should further financial market stress arise, central banks should deploy financial policy instruments to enhance liquidity and minimise contagion risks.

The choices for fiscal policymakers are clearer but no easier to implement given the political sensitivity of policy choices with direct redistributive effects.

Fiscal policy played a vital role in supporting the global economy through the shocks of the COVID-19 pandemic and Russia's war in Ukraine. However, in the aftermath, most countries are grappling with higher budget deficits and higher public debt. The burden of debt servicing is increasing and spending pressures related to ageing and the climate transition are building.

As the recovery takes hold, fiscal support should be scaled back and better targeted. Resources should be targeted only to those who really need it and to high-priority productivity-enhancing investments, including those driving the green transition and improving labour supply and skills.

Ultimately only ambitious structural policy reforms, such as revitalising labour and product markets, removing barriers to cross-border trade, promoting competition and adapting competition policies to the digital era and enhancing skill development, can sustainably raise long-term economic growth and people's quality of life.

Private and public investment is needed in human, tangible and intangible capital to enable people to make the most of their skills and capabilities, and to harness the ever-increasing opportunities from technological transformation. Investment in education and skills is critical to enable people to flourish in the future economy and reap the benefits of increased productivity.

[3] Source: OECD Economic Outlook, June 2023.

Currencies

The following table summarizes the main reference foreign currencies of De Nora Group (transaction currency or functional currencies of foreign entities belonging to the Group) for the reporting period and the corresponding period of 2022 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
Currency	2023	2022	2023	2022
US Dollar	1.0809	1.09321	1.0866	1.0666
Japanese Yen	145.7753	134.61467	157.1600	140.66
Indian Rupee	88.8562	83.29386	89.2065	88.1710
Chinese Yuan Renminbi	7.4906	7.08820	7.8983	7.3582
Brazilian Real	5.4827	5.55545	5.2788	5.6386
GB Pound	0.8763	0.84296	0.8583	0.8869

In addition to the Euro, the most important currencies for the Group are the US dollar and the Japanese Yen: the US dollar has devaluated by approximately 2% in the first half of 2023, while the Japanese Yen recorded a devaluation close to 12%. Also relevant, albeit to a lesser extent in terms of impact on the Group's performance, are the devaluation of the Chinese Yuan Renminbi (approximately -7%) and the appreciation of the Brazilian real (approximately +6%).

Information for the investors

Stock market performance

Stock market performance during the first half of 2023 has been characterized by different events and trends such as the strong increase of technological shares, normalization of markets linked to raw materials and the significant drop in banking market. Such market trends reflected also the continuous increase of interest rates affecting as well exchange rates in the different geographies.

The increase in cost of money linked to inflationary pressures already hit the market in 2022. But in the first half of 2023 the perception that the end of that cycle was near has strengthened Such expectations favored a rebound of the main stock international indices, notwithstanding the uncertainties related to the macroeconomic international scenario.

Industrie De Nora share

In the first year of listing on Euronext Milan (first listing day June 30, 2022) the share has increased by 42% compared to IPO price (13.50 Euro), confirming the interest and appreciation of national and international investors of the Equity Story of the Group, strongly positioned on enabling technologies for the energy transition with particular focus on green hydrogen and on a solid global leadership of the traditional businesses Electrode Technologies and Water Technologies.

With reference to the period January – June 2023 De Nora share has vigorously followed the international stock markets recovery, showing a positive performance of 32%, higher than the Euro Stoxx 600 that has increased by around 8% and the Italian index FTSE All Share that has increased by 16%. The share has also recorded a good relative performance compared to the main international listed peers[4].

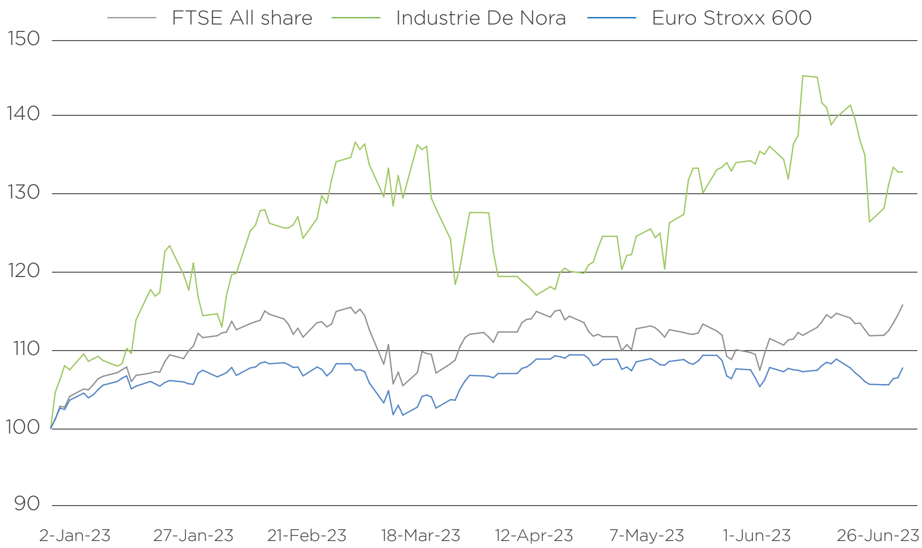
Average volumes traded daily in the first half of 2023 amount to 0.16 million of shares with an average unit price per share of 18.15 Euro.

De Nora during the first six months of the year has carried out an intense investor relation activity through various roadshows in Europe (both in presence and virtually), conventions organized by primary national and international brokers and conference calls following quarterly results presentations, meeting over 360 investors and 240 investment houses. Engagement with investors plays a key role for the Group and will be pursued and strengthened also in the coming years.

[4] Peers included in the analysis: Xylem, Pentair, Fluidra, Permascand, Plugpower, Nel, ITM, MchPhy.

Industrie De Nora share - Euronext Milan, (Euro)	Period 01/01/2023 - 30/06/2023
Beginning of the period price (January 2, 2023)	14.50
Maximum (June 9, 2023)	21.00
Minimum (January 2, 2023)	14.50
Average	18.15
End of the period price (June 30, 2023)	19.23
Capitalization – ordinary shares – € million	985
Total capitalization[5] as at June 30, 2023 – € million	3,878

Performance of Industrie De Nora shares in the period January 1, 2023 – June 30, 2023, compared with the FTSE MIB and Euro Stoxx 600 indices[6]



Share Capital of Industrie De Nora S.p.A. as at June 30 2023		
	Number of shares	Number of voting rights
Share Capital	Euro 18,268,203.90	Euro 18,268,203.90
Total shares	n. 201,685,174	n. 502,647,564
Ordinary shares	n. 51,203,979	n. 51,203,979
Multiple voting shares[7]	n. 150,481,195	n. 451,443,585

[5] Total capitalization is calculated as follows: (number of ordinary shares + multiple voting shares) multiplied by ordinary shares price.
[6] Source: Bloomberg.
[7] 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 capitalization value. The multiple voting shares grants 3 votes at the shareholders' meeting.

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 Communication 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 profit for the period adjusted for the following items of the consolidated income statement: (i) income taxes; (ii) finance charges; (iii) finance income; (iv) share of profit of equity-accounted investees; (v) amortization and depreciation; (vi) impairment and write-back of property, plant and equipment; (vii) impairment of goodwill and other intangible assets (viii) provisions for risks and charges net of the related releases and utilization.

— 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 Provision for risk and charges, net of utilization and releases, 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)
- Construction contracts assets and liabilities.

— 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:

- Net working capital
- 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 because it includes the fair value of financial instruments for hedging exchange rate fluctuations purposes.

Events that occurred during the first half of 2023

- Effective January 1, 2023, De Nora ISIA S.r.l. was merged by incorporation into De Nora Water Technologies Italy S.r.l. The two companies had already been working closely together since 2021, and the merger now allows to operate with a single organization that simplifies processes and increases efficiency and agility.
- In February 2023, the acquisition of a dismantled industrial area south-east of Cernusco sul Naviglio (Milan) was finalized for the implementation of the "Italian Gigafactory" project. The project is part of the production capacity expansion plan of De Nora Group and provides, following the demolition of the existing buildings, for the construction of a large-scale production center with a capacity of up to 2GW for the manufacturing of electrolysers for green hydrogen generation, systems and components for the electrolysis of water and fuel cells, in addition to the construction of facilities to service the other divisions of the Group. Demolition works will start in the second half of 2023 and once completed, subject to obtaining the necessary permits and authorizations, construction works will start (within the end of 2023).
- Considering the financial availability of the Group, at the end of the first quarter of 2023, it was decided to make an early repayment of part of the Pool financing granted to the Parent Company and the subsidiary, De Nora Holding US Inc. Specifically, the repayment involved Euro 100,000 thousand of the Euro-denominated financing line granted to Industrie De Nora S.p.A. and USD 50,000 thousand of the USD-denominated financing line granted to De Nora Holdings US Inc. As a result, as of June 30, 2023, these financing lines remain open for Euro 80,000 thousand and USD 40,000 thousand, respectively.
- De Nora, through its subsidiary Capannoni S.r.l., finalized at the end of April the acquisition of a disused industrial area adjacent to the existing area of Via Bistolfi 35, Milan. The objective of this acquisition is to host new offices, laboratories and collaborative spaces, improving the Milan headquarter workplace through the creation of a "campus" and allowing the planned workforce increase.
- In April 2023, De Nora obtained an ESG Rating of AA from Morgan Stanley Capital International (MSCI), a leading global ESG rating agency. The AA rating marks the initiation of MSCI's coverage of De Nora and grants the company one of the highest recognitions in terms of ESG performance. De Nora is indeed positioned among the leading companies in its industry for effectively managing sustainability-related opportunities and risks, providing tangible evidence of the Group's commitment to strategic ESG development.
- De Nora, through its subsidiary De Nora Permelec Ltd., received, at the end of April. a significant order from thyssenkrupp nucera Japan Ltd. for the production of Bitac v7 cells for the conversion project of the Oxychem Battleground plant (United States) from diaphragm to membrane technology. Cells production is foreseen to start from mid 2024 and completed in around 12 months from the start of production activities.
- In the month of May Industrie De Nora S.p.A. has completed through its German subsidiary De Nora Deutschland GmbH, the acquisition of 100% of the share capital of Shotec GmbH ("Shotec"). Founded in 2003

by Stefan Hartmann and based in Hanau (Germany), Shotec develops and operates plasma coating technologies for metals and metal surfaces to improve their mechanical and physical-chemical properties. This transaction will allow De Nora to exploit its know-how in coating preparations for many electrochemical processes and is aimed at broadening the process and technology portfolio for the production of electrodes, while also guaranteeing its production capacity enhancement. The acquisition was pursued following continuous monitoring of the market and evaluation of key synergies with companies and research centers, with the ultimate goal of further strengthening research and development activities with a view to a progressive reduction in the use of precious metals in anodic and cathodic coating activities, to make the electrochemical processes in which the coatings are used increasingly competitive, in line with market demand for economic and reliable performance over time.

Business performance

Comments on the economic and financial results of the Group

Revenues for the six-month period amounted to Euro 420.4 million, of which approximately Euro 231.7 million were attributable to the Electrode Technologies segment, approximately Euro 141.4 million to the Water Technologies segment, and approximately Euro 47.3 million to the Energy Transition segment, an overall increase of 2.4% over the comparable six-month period in 2022.

EBITDA is close to Euro 85 million, compared to almost Euro 80 million in the first half of 2022 (+6.5%), while Adjusted EBITDA[8] is Euro 86.1 million, compared to Euro 102.3 million in the first half of 2022, with a decrease of about 16%. Adjusted EBITDA margin decreased from 24.9% in the first half of 2022 to 20.5% in the first half of 2023.

Similarly, the operating result, equals to Euro 67.4 million, increased by 7.2% compared to the same half of 2022, whist Adjusted EBIT is equal to 68.7 million, compared to Euro 85.2 million of the same half of 2022, with a decrease of 19.4%.

The share of profit of equity-accounted investees, referring to the 34% stake in tk nucera, is positive for Euro 1.5 million (share of the net result of the associated company for the period January 1st 2023 – March 31st 2023) compared to the negative Euro 5.5 million in the first half of 2022.

Financial operations show net expenses of Euro 4.5 million, compared with net income of Euro 3.7 million in the first half of 2022, the latter with a better net balance between foreign exchange gain and losses.

After current and deferred income taxes, amounting to Euro 17.7 million (compared to Euro 21.2 million in the first half of 2022), the half-year closed with a net profit (Group's share) of Euro 46.2 million, increased by about 16% compared to the Euro 39.9 million in the comparable half-year of 2022.

Statement of financial position shows a net invested capital of about Euro 739 million (+47 million compared to the end of 2022) and an equity of Euro 748 million (Euro 4 million higher than as of December 31, 2022) with a net financial position of approximately Euro 9 million (reduced by Euro 43 million compared to the end of 2022).

The increase in net invested capital, with resulting impacts on the net financial position reduction, is attributable both to net operating working capital, which amounts to Euro 312 million at the end of June 2023 with an increase of Euro 32 million compared to the end of 2022 mainly due to trade receivables and construction contracts, and to the increase of tangible assets for the new investments of the period.

[8] For the reconciliation between EBITDA and Adjusted EBITDA see paragraph 5.2 and 5.4.2

Consolidated Reclassified Income Statement

	For the half-year ended June 30			
in € thousands	2023		2022	
Revenue	420,384	100.0%	410,467	100.0%
Change in inventory of finished goods and work in progress	25,308	6.0%	14,485	3.5%
Other income	3,372	0.8%	2,540	0.6%
Value of production	449,064	106.8%	427,492	104.1%
Material Consumption	(198,953)	-47.3%	(189,950)	-46.3%
Personnel costs	(72,450)	-17.2%	(83,191)	-20.3%
Costs for services	(86,665)	-20.6%	(69,981)	-17.0%
Other operating expenses/income	(6,196)	-1.5%	(4,771)	-1.2%
EBITDA	84,800	20.2%	79,599	19.4%
Amortization of intangible assets	(5,217)	-1.2%	(4,498)	-1.1%
Depreciation of property, plant and equipment	(9,227)	-2.2%	(9,062)	-2.2%
Net provision for risk and charges	(1,694)	-0.4%	(107)	0%
Impairment and write-backs	(1,276)	-0.3%	(3,083)	-0.8%
Operating profit (EBIT)	67,386	16.0%	62,849	15.3%
Share of profit of equity-accounted investees	1,527	0.4%	(5,551)	-1.4%
Finance income	5,925	1.4%	21,483	5.2%
Finance expenses	(10,429)	-2.5%	(17,799)	-4.3%
Profit before tax	64,409	15.3%	60,982	14.9%
Income tax expense	(17,683)	-4.2%	(21,249)	-5.2%
Profit for the period	46,726	11.1%	39,733	9.7%
Attributable to:				
Parent Company shareholders	46,233	11.0%	39,918	9.7%
Non-controlling interests	493	0.1%	(185)	0%
EBITDA	84,800	20.2%	79,599	19.4%
Non-recurring items	1,323		22,724	
Adjusted EBITDA	86,123	20.5%	102,323	24.9%
Operating Profit (EBIT)	67,386	16.0%	62,849	15.3%
Non-recurring items	1,323		22,724	
Utilization of provisions	-		(344)	
Adjusted EBIT	68,709	16.3%	85,229	20.8%

Consolidated Reclassified Statement of Financial Position

in € thousands	As of June 30 2023		As of December 31 2022	
Trade receivables	135,466		123,421	
Trade payables	(86,805)		(80,554)	
Inventories	298,424		295,476	
Construction contracts, net of progress payments and advances	23,263		16,432	
Net Operating Working Capital	370,348	50.1%	354,775	51.2%
Other current assets/(liabilities)	(62,964)		(74,620)	
Net Working Capital	307,384	41.6%	280,155	40.4%
Goodwill and intangible assets	126,427		131,552	
Property, plant and equipment	205,135		184,177	
Equity-accounted investees	123,482		122,664	
Non-current assets	455,044	61.5%	438,393	63.3%
Employee benefits	(20,693)	(2.8)%	(20,628)	(3.0)%
Provisions for risks and changes	(22,267)	(3.0)%	(20,688)	(3.0)%
Deferred tax assets/(liabilities)	6,391	0.9%	4,432	0.6%
Other non-current assets/(liabilities)	13,551	1.8%	11,174	1.6%
Net Invested Capital	739,410	100.0%	692,838	100.0%
Covered by:				
Medium/long term financial debt	(121,929)		(267,544)	
Short-term financial indebtedness	(13,464)		(13,655)	
Financial assets and derivatives	11,297		158,392	
Cash and cash equivalents	132,507		174,129	
Net liquidity – ESMA	8,411	1.1%	51,322	7.4%
Fair value of financial instruments (exchange rate hedges)	665		644	
Net liquidity	9,076	1.2%	51,966	7.5%
Equity attributable to minority interests	(5,034)	(0.7)%	(3,586)	(0.5)%
Equity attributable to the Group	(743,452)	(100.5)%	(741,218)	(107.0)%
Total Equity and Minority interests	(739,410)	(100.0)%	(692,838)	(100.0)%

Revenue and EBITDA by business segment

Revenue by business segment

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.

The following tables show the Group's revenues for each business segment and by geographic area for the six-month periods ended June 30, 2023 and 2022, respectively.

Revenue by Business Segment	First Half-Year 2023	% of total revenue	First Half-Year 2023 at constant exchange rates	First Half-Year 2022	Δ First Half-Year 2023 vs 2022	Δ First Half-Year 2023 vs 2022 at constant exchange rates
			(in € thousands)			
Electrode Technologies	231,701	55%	238,146	227,952	3,749	10,194
Water Technologies	141,406	34%	141,852	175,650	(34,244)	(33,798)
Energy Transition	47,277	11%	47,379	6,865	40,412	40,514
Total Revenue	420,384	100%	427,377	410,467	9,917	16,910

Revenue by geographical area and by business segment	First Half-Year 2023	% of revenues	First Half-Year 2022	% of revenues
		(in € thousands)		
Electrode Technologies	231,701	55%	227,952	55%
EMEIA	66,769	16%	81,631	20%
AMS	58,940	14%	46,188	11%
APAC	105,992	25%	100,133	24%
Water Technologies	141,406	34%	175,650	43%
EMEIA	46,834	11%	42,102	10%
AMS	66,848	16%	95,118	23%
APAC	27,724	7%	38,430	10%
Energy Transition	47,277	11%	6,865	2%
EMEIA	45,016	11%	5,226	2%
AMS	872	0%	235	0%
APAC	1,389	0%	1,404	0%
Total Revenue	420,384	100%	410,467	100%

The following table show Group revenues related to new installations or new plants ("**New Installations**") and to periodic maintenance of the plants and of the existing installations ("**Services**") for the six-month periods ended June 30, 2023 and 2022, respectively.

	First Half-Year 2023	% of revenues	First Half-Year 2022	% of revenues
		(in € thousands)		
New Installations	292,301	70%	290,144	71%
Services	128,083	30%	120,323	29%
Total Revenue	420,384	100%	410,467	100%

At consolidated level, revenues amounted to Euro 420,384 thousand, including Euro 231,701 thousand in the Electrode Technologies segment, Euro 141,406 thousand in the Water Technologies segment, and Euro 42,278 thousand in the Energy Transition segment.

Specifically, revenues increased overall by Euro 9,917 thousand compared to the first half of 2022; at constant exchange rates, Group revenues in the first half of 2023 would have been increased by Euro 16,910 thousand.

EBITDA by business segment

EBITDA by business segment	First Half-Year 2023	% of revenues	First Half-Year 2022	% of revenues
		(in € thousands)		
Electrode Technologies	59,643	70%	52,760	66%
Water Technologies	19,225	23%	30,595	38%
Energy Transition	5,932	7%	(3,756)	(4%)
Total	84,800	100%	79,599	100%

	First Half-Year 2023				First Half-Year 2022			
Non-recurring items impacting EBITDA	Electrode Technologies	Water Technologies	Energy Transition	Total	Electrode Technologies	Water Technologies	Energy Transition	Total
	(in € thousands)							
Terminations costs (labor + legal expenses)	142	120	-	262	10	310	-	320
Costs relative to IPO process	368	225	75	668	1,437	1,106	43	2,586
Costs relative to M&A, integration, and company reorganization	93	-	-	93	9	-	-	9
Costs relative to startup of De Nora Tech, LLC – US plant	-	-	-	-	50	-	-	50
Advisory costs for special projects	-	-	-	-	343	-	-	343
Management Incentive Plan	-	-	-	-	10,752	8,284	324	19,360
Other non recurring costs	198	76	26	300	6	50	-	56
Total	801	421	101	1,323	12,607	9,750	367	22,724

Adjusted EBITDA by business segment	First Half-Year 2023	% of total	First Half-Year 2022	% of total
	(in € thousands)			
Electrode Technologies	60,444	70%	65,367	64%
Water Technologies	19,646	23%	40,345	39%
Energy Transition	6,033	7%	(3,389)	(3%)
Total	86,123	100%	102,323	100%

Group EBITDA increased by Euro 5,201 thousand (+6.5%), from Euro 79,599 thousand in the six months ended June 30, 2022 to Euro 84,800 thousand in the six months ended June 30, 2023.
The increase refers both to the Electrode Technologies and Energy Transition segments (respectively for Euro 6,882 thousand and Euro 9,689 thousand) while the Water Technologies segment, shows a decrease of Euro 11,370 thousand.
The EBITDA margin improves from 19.4% in the six months ended June 30, 2022 to 20.2% in the six months ended June 30, 2023.

Adjusted EBITDA decreased by Euro 16,200 thousand (-15.8%) from Euro 102,323 thousand in the six months ended June 30, 2022 to Euro 86,123 thousand in the six months ended June 30, 2023.
The Adjusted EBITDA margin shows a decrease from 24.9% in the six months ended June 30, 2022 to 20.5% in the six months ended June 30, 2023.

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 copper foil;
- 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, 2023, the Electrode Technologies Business accounted for approximately 55% of the Group's revenues in line with the previous period.

The table below shows the revenues generated by the Electrode Technologies Business for the six-month periods ended June 30, 2023 and 2022, broken down by business lines.

Revenue by Business Line Electrode Technologies	First Half-Year 2023	% of total revenue	First Half-Year 2023 at constant exchange rates	First Half-Year 2022	Δ First Half-Year 2023 vs 2022	Δ First Half-Year 2023 vs 2022 at constant exchange rates
			(in € thousands)			
Chlor-alkali	158,502	69%	162,696	145,174	13,328	17,522
Electronics	42,176	18%	43,853	47,381	(5,205)	(3,528)
Specialties and New Applications	31,023	13%	31,598	35,397	(4,374)	(3,799)
Total Electrode Technologies	231,701	100%	238,147	227,952	3,749	10,195

Revenues related to the Electrode Technologies Business segment increased by Euro 3,749 thousand (+2%), from Euro 227,952 thousand in the six months ended June 30, 2022 to Euro 231,701 thousand in the six months ended June 30, 2023. The growth is mainly related to Chlor-alkali business line only partially offset by the other business lines Electronics and Specialties and New Applications.

At constant exchange rates, revenues related to the Electrode Technologies Business would have increased by Euro 10,195 thousand (+4%), from Euro 227,952 thousand in the six months ended June 30, 2022 to Euro 238,147 thousand in the six months ended June 30, 2023.

Chlor-alkali

Revenues from the chlor-alkali business line increased by Euro 13,328 thousand (+9%), from Euro 145,174 thousand in the six months ended June 30, 2022 to Euro 158,502 thousand in the six months ended June 30, 2023. Such variation is mainly attributable to:

(i) higher Membrane sales for Euro 17,662 thousand the Euro 20,614 thousand distributed homogeneously in Asia, United States and EMEIA;

(ii) lower sales of Hydrochloric Acid (HCl) for Euro 8,953 thousand due to the non-repetitiveness of some maintenance projects executed in 2022 through tk nucera;

(iii) the increase of Euro 4,619 thousand in Diaphragm and Mercury sales mainly in Italy and Brazil.

At constant exchange rates, revenues related to the Chlor-Alkali line would have increased by Euro 17,522 thousand (+12%), from Euro 145,174 thousand in the six months ended June 30, 2022 to Euro 162,696 thousand in the six months ended June 30, 2023.

For the six months ended June 30, 2023, the chlor-alkali business line accounted for 69% of Electrode Technologies segment revenues and 38% of the Group’s total revenues.

Electronics

Revenues related to the Electronics business line decreased by Euro 5,205 thousand (-11%), from Euro 47,381 thousand in the six months ended June 30, 2022 to Euro 42,176 thousand in the six months ended June 30, 2023. This decrease is mainly attributable to the slow down of the demand of printed circuit boards in the Asian market due to a negative rebound effect following the strong increased occurred during COVID-19 pandemic.

At constant exchange rates, revenues related to the Electronics business line would have decreased by Euro 3,528 thousand (-7%).

For the six months ended June 30, 2023, the Electronics business line accounted for 18% of Electrode Technologies segment revenues and 10% of the Group’s total revenues, respectively.

Specialties and new applications

Revenues related to the Specialties and new applications business line decreased by Euro 4,374 thousand (-12%), from Euro 35,397 thousand in the six months ended June 30, 2022 to Euro 31,023 thousand in the six months ended June 30, 2023. This decrease is mainly attributable to:

(i) lower sales for Euro 4,349 thousand of Electrowinning product line following the slowdown of shipments to 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) lower sales for Euro 3,283 thousand of electrodes for Systems and Plants in Asia;

(iii) higher sales for Euro 3,283 thousand of other materials.

At constant exchange rates, revenues related to the specialties and new applications business line would have decreased by Euro 3,799 thousand (-11%), from Euro 35,397 thousand in the six months ended June 30, 2022 to Euro 31,598 thousand in the six months ended June 30, 2023.

For the six months ended June 30, 2023, the Specialties and new applications business line accounted for 13% of Electrode Technologies segment revenues and 7% 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, 2023 and 2022, broken down by new installations ("New Installations") and periodic maintenance or modernization services for existing plants ("Services").

	First Half-Year 2023	% of total revenue	First Half-Year 2022	% of total revenue
	(in € thousands)			
New Installations	139,461	60%	138,123	61%
Services	92,240	40%	89,829	39%
Total Revenue	231,701	100%	227,952	100%

New Installations accounted for 60% of the segment's turnover for the first half of 2023, in line with the corresponding half of 2022.

Services during the first half of 2022 accounted for 40% 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 2023	First Half-Year 2022	Δ First Half-Year 2023 vs First Half-Year 2022
		(in € thousands)	
EBITDA Electrode Technologies	59,642	52,760	6,882
Adjusted EBITDA Electrode Technologies	60,444	65,367	(4,923)

EBITDA related to the Electrode Technologies Business increased by Euro 6,882 thousand (+13%), from Euro 52,760 thousand in the six months ended June 30, 2022 to Euro 59,642 thousand in the six months ended June 30, 2023 with a percentage on the segment revenues increasing from 23% in the six months ended June 30, 2022 to 26% in the six months ended June 30, 2023. The EBITDA percentage of the Electrode Technologies business segment on the Group revenues shows an increase from 12.9% in the six months ended June 30, 2022 to 14.2% in the six months ended June 30, 2023.

Adjusted EBITDA of the Electrode Technologies Business shows, on the contrary, a decrease of Euro 4,923 thousand (-7.5%), from Euro 65,367 thousand in the six months ended June 30, 2022 to Euro 60,444 thousand in the six months ended June 30, 2023. The decrease is due to the lower gross margin, to the increase of fixed costs for travel, personnel recruitment and administrative consultancies only partially offset by the revenue increase described above.

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, 2023 and 2022, broken down by business lines.

Revenue by Business Line Water Technologies	First Half-Year 2023	% of total revenue	First Half-Year 2023 at constant exchange rates	First Half-Year 2022	Δ First Half-Year 2023 vs 2022	Δ First Half-Year 2023 vs 2022 at constant exchange rates
			(in € thousands)			
Pools	48,398	34%	48,031	100,842	(52,444)	(52,811)
Electrochlorination	42,267	30%	42,728	34,975	7,292	7,753
Disinfection and Filtration	45,350	32%	45,763	33,119	12,231	12,644
Marine technologies	5,391	4%	5,330	6,714	(1,323)	(1,384)
Total Water Technologies	141,406	100%	141,852	175,650	(34,244)	(33,798)

Revenues related to the Water Technologies Business segment decreased by Euro 34,244 thousand equal to 19.5%, from Euro 175,650 thousand in the six months ended June 30, 2022 to Euro 141,406 thousand in the six months ended June 30, 2023. This decrease is mainly attributable to a decrease in revenues of Pools business line and, to a lower extent, of Marine technologies. The Disinfection and Filtration and Electrochlorination business lines, on the other hand, saw an increase compared to 2022 revenue level respectively of 37% and 21%. Overall, revenues are up in EMEIA and down in America, mainly due to the exposure of this geographic area to the pools business, and in Asia.

At constant exchange rates, revenues related to the Water Technologies segment would have decreased by Euro 33,798 thousand (-19.2%), from Euro 175,650 thousand in the six months ended June 30, 2022 to Euro 141,852 thousand in the six months ended June 30, 2023.

The percentage of revenues related to the Water Technologies business on Group revenues decreased, from 43% in the six months ended June 30, 2022 to 34% in the six months ended June 30, 2023.

Pools

Revenues related to the Pools business line decreased by Euro 52,443 thousand (-52%), from Euro 100,842 thousand in the six months ended June 30, 2022 to Euro 48,398 thousand in the six months ended June 30, 2023. This decrease can be attributed both to the so called destocking carried out by our main customers and, in turn, by their final customers following the normalization of the demand after the so called *Staycation* effect due to COVID-19 restrictions has ended, and to a lower selling price indexed to that of ruthenium, the noble metal used in the production process, which is on average lower than in the first half of 2022.

At constant exchange rates, revenues related to the Pools business line would have decreased by Euro 52,811 thousand (-52.4%), from Euro 100,842 thousand in the six months ended June 30, 2022 to Euro 48,031 thousand in the six months ended June 30, 2023. For the six months ended June 30, 2022, the Pools business line accounted for 34% of Water Technologies revenues and 11.5% of the Group's total revenues, respectively.

Electrochlorination

Revenues related to the Electrochlorination business line increased by Euro 7,291 thousand (+20.9%), from Euro 34,975 thousand in the six months ended June 30, 2022 to Euro 42,266 thousand in the six months ended June 30, 2023. This increase is mainly attributable to:

(i) the increase of Euro 4,437 thousand related to revenues from the seawater electrochlorination (SWEC) product line, mainly due to the execution of an important project for the installation of a from the installation of a SEACLOR® system in Vietnam;

(ii) the increase of Euro 2,782 thousand in revenues pertaining to IEM technology (Brine Electrochlorination Plants) realized in Asia, due to the increased level of orders acquired by the Japanese subsidiary;

(iii) the increase of Euro 2,481 thousand in revenues related to hydraulic fracturing systems (so-called Fracking) classified entirely as aftermarket sales;

(iv) increase of Euro 1,971 thousand in revenues from sales of "Omnipure" electrolytic water treatment plants, mainly attributable to the execution of two important projects in Oil & Gas sector in Texas (U.S.A.) both related to the installation of Sewage Treatment Omnipure 64 systems (projects in backlog at the end of 2022);

(v) these effects were partly negatively offset by a decrease of Euro 4,380 thousand in revenues related to installation of electrochlorination OSHG systems (on-site hypochlorite generation) in the United States. To be noted that such decrease is not due to an unexpected slow-down of this market in the current year but is the consequence of a high backlog as of December 2021 that has been converted into revenues in the first half of 2022.

At constant exchange rates, the Electrochlorination business line would have recorded an increase in revenues of Euro 7,753 thousand (+22.2%), from Euro 34.975 thousand in the six months ended June 30, 2022 to Euro 42,728 thousand in the six months ended June 30, 2023. For the six months ended June 30, 2023, the Electrochlorination business line accounted for 30.0% of the Water Technologies Business revenues and 10% of the Group's total revenues.

Disinfection and Filtration

Revenues related to the Disinfection and Filtration business line show an increase of Euro 12,231 thousand (36.9%), from Euro 33,119 thousand in the six months ended June 30, 2022 to Euro 45,350 thousand in the six months ended June 30, 2023. This change is attributable to an increase in all product lines, in particular to:

(i) the increase of Euro 4,690 thousand in revenues relating to ozone technology mainly thanks to the execution of an important project related to the installation of ozone generators in Bahrein (phase four of the expansion of the Tubli wastewater treatment plant). Such contract had been awarded in the second half of 2022 and the related revenues, for a total value of 10 million Euro are accounted in De Nora Water Italy S.r.l., that is executing the project since the end of last year;

(ii) the increase of approximately Euro 3,095 thousand in revenues related to Gas Feed technology related to the installation of new plants in the United States;

(iii) the increase of Euro 2,338 thousand in revenues related to the ultraviolet ray disinfection for which the backlog at the end of 2022 amounted to around 7 million Euro compared to a backlog at the end of 2021 of about 2 million Euro. The abovementioned technology is managed by the US subsidiary, in particular by the Pittsburgh plant in Pennsylvania. The increase in sales is mainly attributable to Santa Rosa project, in California, which contract amount is above 5 million USD;

(iv) the increase of Euro 1,895 thousand in revenues relating to the “bed filtration systems” (so-called Deep Bed Filtration) accounted for in the EMEIA region, mainly linked to the “Al Jubail” project in Saudi Arabia, contract signed in the last quarter of 2022. The plant will become one of the world’s biggest reverse osmosis seawater desalination plant (SWRO), producing daily up to 1 million cubic meter of seawater;

(v) the increase of Euro 483 thousand in revenues related to Media technology, in the United States and UK. This technology allows removal of arsenic and other contaminants in ground water of some particular areas.

At constant exchange rates, revenues related to the Disinfection and Filtration business line would have increased by Euro 12,643 thousand (38.2%), from Euro 33,119 thousand in the six months ended June 30, 2022 to Euro 45,763 thousand in the six months ended June 30, 2023. For the six months ended June 30, 2023, the Disinfection and Filtration business line accounted for 32% of Water Technologies Business revenues and 11% of the Group’s total revenues.

Marine technologies

Revenues related to the Marine technology line decreased by Euro 1,323 thousand (-19.7%), from Euro 6,714 thousand in the six months ended June 30, 2022 to Euro 5,391 thousand in the six months ended June 30, 2023. This decrease is mainly attributable to the reduction of the market demand for new installations.

Such decrease is partially offset by the volume increase from aftermarket sales.

At constant exchange rates, revenues related to the Marine technology business line would have decreased by Euro 1,384 thousand (-20.6%), from Euro 6,714 thousand in the six months ended June 30, 2022 to Euro 5,330 thousand in the six months ended June 30, 2023. For the six-month period ended June 30, 2023, the marine technologies business line accounted for 4% of Water Technologies Business revenues and 1.3% 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, 2023 and 2022, broken down by new installations or newly constructed plants (“New Installations”) and periodic maintenance or modernization services for existing plants (“Services”).

	First Half-Year 2023	% of total revenue	First Half-Year 2022	% of total revenue
	(in € thousands)			
New Installations	105,719	75%	145,338	83%
Services	35,687	25%	30,312	17%
Total Revenue	141,406	100%	175,650	100%

New Installations accounted for 75% of the Water Technologies segment revenue for the first half of 2023, down from the previous period. Within this classification, revenues from the swimming pool business line are entirely included.

Services cover the entire product portfolio and during the first half of 2022 accounted for 25% of the segment revenues. Such 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 2023	First Half-Year 2022	Δ First Half-Year 2023 vs First Half-Year 2022
		(in € thousands)	
EBITDA Water Technologies	19,225	30,595	(11,370)
Adjusted EBITDA Water Technologies	19,646	40,345	(20,699)

EBITDA related to the Water Technologies business segment decreased by Euro 11,370 thousand (-37.2%), from Euro 30,595 thousand in the six months ended June 30, 2022 to Euro 19,225 thousand in the six months ended June 30, 2023.

The percentage of the EBITDA of the Water Technologies business segment on the revenues of the segment decreased from 17.4% in the six months ended June 30, 2022 to 13.6% in the six months ended June 30, 2023. The percentage of the EBITDA of the Water Technologies business segment on the total revenues of the Group decreased from 7.4% in the six months ended June 30, 2022 to 4.6% in the six months ended June 30, 2023.

Adjusted EBITDA decreased by Euro 20,699 thousand (-51.3%) from Euro 40,345 thousand in the six months ended June 30, 2022 to Euro 19,646 thousand in the six months ended June 30, 2023. Such decrease is mainly attributable to the following factors:

(i) reduction in revenues amounting to Euro 34,244 thousand (-19.5%), from Euro 175,650 thousand to Euro 141,406, as described above;

(ii) margin decrease in the Pools business line negatively impacted by sales price reduction linked to the fluctuation of ruthenium, only partially offset by a profitability improvement mainly due to the reduction of indirect costs in the other business lines of the Water Technologies segment;

(iii) operating cost saving of over 2 million Euro. Such variation is mainly attributable to the decrease of personnel cost and general and administrative expenses supporting the business (mainly ICT cost and legal consultancies) partially offset by the increase in cost for travels of the sales personnel.

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, 2023 and 2022.

Revenue Business Energy Transition	1° Half-year 2023	First Half-Year 2023 at constant exchange rates	1° Half-year 2022	Δ First Half-Year 2023 vs 2022	Δ First Half-Year 2023 vs 2022 at constant exchange rates
			(in € thousands)		
Energy Transition	47,278	47,379	6,865	40,413	40,514

Revenues of the Energy Transition Business increased by Euro 40,413 thousand (+589%), from Euro 6,865 thousand in the six months ended June 30, 2022 to Euro 47,278 thousand in the six months ended June 30, 2023. This increase is related to the execution of important projects acquired mainly through the associated tk nucera. At constant exchange rates, revenues related to the Energy Transition business would have increased by Euro 40,514 thousand (+590%), from Euro 6,865 thousand in the six months ended June 30, 2022 to Euro 47,379 thousand in the six months ended June 30, 2023.

The following table shows the revenues generated by the Energy Transition Business for the six-month periods ended June 30, 2023 and 2022, broken down by new installations or newly constructed plants (“New Installations”) and periodic maintenance or modernization services for existing plants (“Services”).

	First Half-Year 2023	% of total revenue	First Half-Year 2022	% of total revenue
		(in € thousands)		
New Installations	47,122	100%	6,683	97%
Services	156	0%	182	3%
Total Revenue	47,278	100%	6,865	100%

	First Half-Year 2023	First Half-Year 2022	Δ First Half-Year 2023 vs First Half-Year 2022
		(in € thousands)	
EBITDA Energy Transition	5,933	(3,756)	9,689
Adjusted EBITDA Energy Transition	6,033	(3,389)	9,423

EBITDA and Adjusted EBITDA related to the Energy Transition business segment for the six months ended June 30, 2023 and 2022 amount respectively to Euro 5,933 thousand and Euro 6,033 thousand mainly thanks to the above mentioned projects executed in Germany, showing a significant increase compared to the negative values of the previous period (Euro – 3,756 and Euro – 3,389 respectively). Volumes reached and good gross margin allow, from the current year, a better absorption of fixed costs, in particular of the research and development projects on which the Group is putting most of the effort of research activities.

Risk management, related party transactions and other information

Risks

Relating to strategic risks, legal and non-compliance risks, operational risks and environmental risks, please refer to 2022 Annual Financial report whose considerations are still valid.
For financial risks, please refer to the Notes to the condensed consolidated half-yearly financial statements as of June 30, 2023.

Related Party Transactions

With regard to transactions carried out with related parties, it should be noted that they cannot be classified as atypical or unusual, as they fall within the normal course of business of the Group companies. These transactions are settled at market conditions, taking into account the characteristics of the goods and services provided.

Information on transactions with related parties, including that required by Consob Communication of July 28, 2006, is included in the Notes to the condensed consolidated half-yearly financial statements as of June 30, 2023.

It should be noted that in the reference period:

- no significant transactions were concluded with related parties;
- no transactions were concluded with related parties that significantly affected the financial position or results of the companies;
- there were no changes or developments in the related party transactions described in the last annual report that had a material effect on the companies' financial position or results.

The Board of Directors of Industrie De Nora S.p.A., on July 5, 2022, has approved a procedure for transactions with related parties ("RPT Procedure"), subject to the favorable opinion of the Committee for Transactions with Related Parties, adjusted to provisions on related party transactions adopted by Consob. Afterwards the rocedure has been amended by the Board of Directors of Industrie De Nora S.p.A., on May 10, 2023 following the favorable opinion of the Committee for Transactions with Related Parties.

The RPT Procedure can be consulted, together with the other documents on corporate governance, on the website www.denora.com.

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.

Other Information

As regards the main corporate information of the legal entities that make up the Group, please refer to the Consolidation area section included in the Explanatory Notes to the condensed consolidated half-yearly financial statements as of June 30, 2023.

As at June 30, 2023, 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 2023.

The employees of the De Nora Group companies are bound by the Code of Ethics, which establishes the ethical and behavioral 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.

The corporate governance system adopted by Industrie De Nora S.p.A. complies with the indications contained in the Corporate Governance Code published by Borsa Italiana S.p.A. In compliance with regulatory obligations, the Report on corporate governance and ownership structures (the "CG Report") is drafted on a yearly basis and contains a general description of the corporate governance system adopted by the Group and contains information on the ownership structure and compliance with the Corporate Governance Code, including the main governance practices applied and the characteristics of the internal control and risk management system also in relation to the financial reporting process.

The aforementioned CG Report is available on the website www.denora.com in the "Governance - Shareholders' Meetings" section.

The Corporate Governance Code is available on the Borsa Italiana S.p.A. website www.borsaitaliana.it.

Events after the reporting date

- On July 7, 2023 the company thyssenkrupp nucera AG & Co. KGaA owned at 34% da Industrie De Nora S.p.A. has been listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. The offer was related to n. 30,262,250 newly issued ordinary shares (including over-allotments). The proceeds are intended to drive the strong growth of the alkaline water electrolysis (AWE) technology business of tk nucera, to exploit the significant development opportunities offered by the green hydrogen market. Expected free float is 24% of share capital, if the greenshoe option is fully exercised.
- On July 17, 2023 Citigroup Global Markets Europe AG ("**Citigroup**"), which acts as stabilization manager on the IPO of tk nucera, has informed De Nora that the greenshoe option has been exercised in full. In total, 3,947,250 greenshoe shares, which were placed with investors in the IPO, were provided to Citigroup under a share loan from thyssenkrupp Project 1 GmbH and from De Nora. Based on the final IPO price of the shares of 20 Euro per share, De Nora received gross proceeds of 26.8 million Euro from Citigroup for the sale of 1,342,065 shares. Following the payment and delivery of the greenshoe shares, De Nora holds 25.85% of tk nucera's share capital. Free float amounts to 23.96% of the share capital. The remaining 50.19% of the share capital is owned by thyssenkrupp Project 1 GmbH.

  The reduction in the percentage of Industrie De Nora S.p.A. investment in tk nucera (dilutive effect) and the capital gain resulting from the exercise of the greenshoe option will determine the recognition in the consolidated financial statements of a total income of about Euro 130 million.
- The Italian Ministero delle Imprese e del Made in Italy and De Nora Italy Hydrogen Technologies S.r.l. ("DNIHT") have signed the decree granting DNHIT an amount of Euro 32,250,000.00 in the form of reimbursement of expenses incurred within the fund established by the Ministry for the financial support of the enterprises participating in the implementation of Important Projects of Common European Interest (IPCEI Fund). The funding granted by the Ministry is aimed at the execution of the Italian Gigafactory project by DNHIT in joint venture with Snam S.p.A. The amount granted by the Ministry is financed through PNRR resources – the National Recovery and Resilience Plan (PNRR M2C2- I5.2) - Mission 2 'Green Revolution and Ecological Transition', Component 2 'Renewable Energy, Hydrogen, Grid and Sustainable Mobility', Investment 5.2 'Hydrogen' under the ownership of the Ministry of Ecological Transition. DNHIT is eligible to receive up to EUR 63,206,000 of public funding, following the additional resources which might become available in the framework of the support to the IPCEI Hydrogen 1.

Outlook

The Group confirms its commitment to pursue the sustainable growth opportunities included in the Business Plan.
In particular, in the Electrode Technologies and Water Technologies segments the Group foresees to maintain and consolidate its leadership position in the related markets.
In the Energy Transition segment the hydrogen production market still plays a fundamental role for the growth of the Group in the medium term.

To address such growth the Group is actively working to the expansion of the production capacity, both in Italy and globally taking advantage, where possible, of funding identified at local level.
Outlook for 2023 confirms the profitability and financial structure targets notwithstanding a slow-down of the expected growth that however remains in the low end of the range considered for 2023.

Milan, July 31st, 2023

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

02 Condensed Consolidated Half Year Financial Statements as of June 30, 2023

Interim consolidated statement of financial position

	Notes	As of June 30, 2023	of which with related parties	As of December 31, 2022	of which with related parties
		(in € thousands)			
Assets					
Goodwill and other intangible assets	16	126,427		131,552	
Property, plant and equipment	17	205,135		184,177	
Equity-accounted investees	18	123,482		122,664	
Financial assets, including derivatives	19	4,444		4,610	
Deferred tax assets		12,894		13,096	
Other receivables	20	11,463	52	9,030	52
Employee benefits	27	3,429		3,331	
Total non current assets		487,274		468,460	
Inventory	21	298,424		295,476	
Financial assets, including derivatives	19	11,962		159,036	
Current tax assets	22	6,380	376	4,893	376
Construction contracts	23	32,115		29,135	
Trade receivables	24	135,466	21,587	123,421	7,267
Other receivables	20	31,086	52	33,074	-
Cash and cash equivalents	25	132,507		174,129	
Total current assets		647,940		819,164	
Total assets		1,135,214		1,287,624	
Equity and liabilities					
Equity attributable to Owners of the Parent		743,452		741,218	
Equity attributable to non-controlling interest		5,034		3,586	
Total equity	26	748,486		744,804	
Employee benefits	27	24,122		23,959	
Provisions for risks and charges	28	2,244		2,142	
Deferred tax liabilities		6,503		8,664	
Financial liabilities, net of current portion	29	121,929		267,544	
Trade payables	30	78		83	
Income tax payable	31	-		-	
Other payables	32	2,278	398	2,384	444
Total non current liabilities		157,154		304,776	
Provisions for risks and charges	28	20,023		18,546	
Financial liabilities	29	13,464		13,655	
Construction contracts	23	8,852		12,702	
Trade payables	30	86,805	1,003	80,554	889
Income tax payable	31	16,439		10,970	
Other payables	32	83,991	21,564	101,617	34,869
Total current liabilities		229,574		238,044	
Total equity and liabilities		1,135,214		1,287,624	

Interim consolidated income statement

	Notes	2023	of which with related parties	2022	of which with related parties
		For the First Half-Year ended June 30,			
		(in € thousands)			
Revenues	4	420,384	108,661	410,467	64,668
Change in inventory of finished goods and work in progress	5	25,308		14,485	
Other income	6	3,372	342	2,540	389
Costs for raw materials, consumables, supplies and goods	7	(198,029)	(191)	(189,659)	(488)
Personnel expenses	8	(72,450)	(2,636)	(83,109)	(20,204)
(of which Management Incentive Plan)		-		*(19,360)*	*(17,679)*
Costs for services	9	(86,586)	(1,006)	(69,839)	(482)
Other operating costs and expenses	10	(5,723)		(4,430)	
Amortization and depreciation	16/17	(14,444)		(13,560)	
(Impairment losses)/write backs and accruals for provisions	11	(4,446)		(4,046)	
Operating profit		67,386		62,849	
Share of profit of equity-accounted investees	18	1,527		(5,551)	
Finance income	12	5,925		21,483	
Finance expenses	13	(10,429)		(17,799)	
Profit before tax		64,409		60,982	
Income tax expense	14	(17,683)		(21,249)	
Profit for the period		46,726		39,733	
Attributable to:					
Parent Company shareholders		*46,233*		*39,918*	
Non-controlling interests		*493*		*(185)*	
Basic and diluted earnings per share ordinary (in Euro)	15	0.23		0.22	

Interim consolidated statement of comprehensive income

	For the First Half-Year ended June 30,	
	2023	2022
	(in € thousands)	
Profit for the period	46,726	39,733
Items that will not be reclassified to profit or loss:		
Actuarial reserve	(42)	6,384
Tax effect	0	(1,852)
Total items that will not be reclassified to profit or loss, net of the tax effect (A)	(42)	4,532
Items that may be reclassified subsequently to profit or loss:		
Effective portion of the change in fair value of financial instruments hedging cash flows	(40)	(80)
Change in fair value of financial assets	248	42
Translation reserve	(20,145)	10,192
Tax effect	(53)	(3)
Total items that may be reclassified subsequently to profit or loss, net of the tax effect (B)	(19,990)	10,151
Total other comprehensive income net of the tax effects (A + B)	(20,032)	14,683
Total comprehensive income	26,694	54,416
Attributable to:		
Parent Company shareholders	*26,146*	*54,549*
Non-controlling interests	*548*	*(133)*

Interim consolidated statement of cash flows

	Notes	2023	of which with related parties	2022	of which with related parties
		For the First Half-Year ended June 30,			
		(in € thousands)			
Cash flows from operating activities					
Profit for the period		46,726		39,733	
Adjustments for:					
Amortization and depreciation	16/17	14,444		13,560	
Impairment losses/(write-back) of property, plant and equipment		-		3,083	
Impairment losses/(write-back) of intangible assets	11/16	1,276		-	
Management Incentive Plan	26	-		19,360	17,679
Share based payments	26	290		-	
Finance expenses	13	10,429		17,799	
Finance income	12	(5,925)		(21,483)	
Share of profit of equity-accounted investees	18	(1,527)	(1,527)	5,551	5,551
(Gains) losses on the sale of property, plant and equipment and intangible assets	16/17	202		155	
Income tax expense	14	17,683		21,249	
Change in inventory	21	(11,692)		(43,537)	
Change in trade receivables and construction contracts	23/24	(23,018)	(14,611)	(20,547)	2,675
Change in trade payables	30	8,866	157	1,508	(287)
Change in other receivables/payables	20/32	(18,673)	(12,760)	(260)	(3,063)
Change in provisions and employee benefits	27/28	1,889		(1,471)	
Cash flows generated by/(used in) operating activities		40,969		34,700	
Interest and other finance expenses paid	13	(9,158)		(11,953)	
Interest and other finance income collected	12	4,597		9,460	
Income tax paid	14	(12,869)		(20,400)	
Net cash flows generated by/(used in) operating activities		23,539		11,807	
Cash flows from investing activities					
Sales of property, plant and equipment and intangible assets	16/17	399		132	
Investments in property, plant and equipment	16/17	(33,453)		(11,729)	
Investments in intangible assets	16/17	(3,955)		(3,477)	
Investments in associated companies	18	-		(17)	(17)
Acquisitions, net of cash acquired		(2,046)		-	
Investments (disposals) of financial assets	19	147,971		(3,683)	
Net cash flows generated by/(used in) investing activities		108,917		(18,774)	
Cash flows from financing activities					
Share capital increase (reimbursement)	26	900		196,581	
New loans	29	482		292,506	
Repayments of loans	29	(147,196)		(256,298)	
Increase (decrease) in other financial liabilities	29	(1,041)		(1,269)	
(Increase) decrease in financial assets	19	(4)		141	
Dividends paid	26	(24,202)		(20,000)	
Net cash flows generated by/(used in) financing activities		(171,061)		211,661	
Net increase (decrease) in cash and cash equivalents		(38,606)		204,695	
Opening cash and cash equivalents		174,129		73,843	
Exchange rate gains/(losses)		(3,016)		802	
Closing cash and cash equivalents	25	132,507		279,340	

Interim statement of changes in the net consolidated equity

(in € thousands)	Share capital	Legal reser-ve	Share premium	Retained earnings	Tran-slation reserve	Share capital	Profit for the period	Equity attribu-table to the Parent Company sharehol-ders	Equity attribu-table to non con-trolling intere-sts	Total Equity
Balance as of December 31, 2021	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)	-	-	**-**
Dividends distribution	-	-	-	(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, 2022	18,268	3,357	223,433	387,242	15,722	13,009	39,918	700,949	3,370	704,319
Balance as of December 31, 2022	18,268	3,357	223,433	387,242	5,059	14,295	89,564	741,218	3,586	744,804
Transactions with shareholders:										
Share capital increase	-	-	-	-	-	-	-	-	900	**900**
Allocation of profit for 2022	-	-	-	89,564	-	-	(89,564)	-	-	**-**
Dividends distribution	-	-	-	(24,202)	-	-	-	(24,202)	-	**(24,202)**
Other movements	-	-	-	-	-	290	-	290	-	290
Comprehensive income statement:										
Profit for the period	-	-	-	-	-	-	46,233	46,233	493	**46,726**
Actuarial reserve	-	-	-	-	-	(45)	-	(45)	3	**(42)**
Effective portion of the change in fair value of financial instruments hedging cash flows	-	-	-	-	-	(30)	-	(30)	-	**(30)**
Change in fair value of financial assets	-	-	-	-	-	99	-	99	86	**185**
Translation reserve	-	-	-	-	(20,111)	-	-	(20,111)	(34)	**(20,145)**
Balance as of June 30, 2023	18,268	3,357	223,433	452,604	(15,052)	14,609	46,233	743,452	5,034	748,486

Explanatory notes to the condensed consolidated half-year financial statements as of june 30, 2023

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, 2023 (hereinafter the "Condensed Consolidated Half-Year Financial Statements") were approved by the Company's Board of Directors on July 31, 2023, 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, 2022 and in effect as of June 30, 2023, 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, 2022, prepared in accordance with IFRS and approved by the Board of Directors on March 22, 2023.

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, 2023 are compared with the consolidated statement of financial position as of December 31, 2022. 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, 2023, are compared with the respective amounts for the six months ended June 30, 2022.

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 recognized in the income statement, but is instead recognized 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, 2023

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, 2023:

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	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 policies, changes in accounting estimates and errors: definition of accounting estimates	YES	January 1, 2023
Amendments to IAS 12 Income taxes: deferred taxes relating to assets and liabilities deriving from a "Single Transaction"	YES	January 1, 2023

These amendments did not result in any noteworthy impacts on the Condensed Consolidated Interim 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 Interim 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 IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules	NO	January 1, 2023
Amendments to IAS7 and IFRS7: Supplier Finance Arrangements	NO	January 1, 2024
Amendments to IAS 1 Presentation of the Financial Statements: classification of liabilities as current or non-current	NO	January 1, 2024

Accounting principle/amendment	Approved by the EU	Effective date
Amendments to IAS 1 Presentation of the Financial Statements: classification of liabilities as current or non-current – deferral of effective date	NO	January 1, 2024
Amendments to IAS 1 Presentation of the Financial Statements: non-current liabilities with covenants	NO	January 1, 2024
Amendments to IFRS 16 Leases: lease liability in a sale and leaseback	NO	January 1, 2024

The analysis of the impacts of the changes introduced by the Pillar Two Model Rules is ongoing.

2.4 2.4Structure, 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, 2023, 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, 2022 are as follows:

Company	Registered office	Currency	Share capital as of 30.06.2023		interest % De Nora Group		Consolidation criterion
			in local currency	in Euro	as of 30.06.2023	as of 31.12.2022	
Oronzio De Nora International BV - NETHERLANDS	Basisweg 10 - 1043 AP Amsterdam - 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
Shotec GmbH - GERMANY	An der Bruchengrube 5, 63452 Hanau - GERMANY	Euro	40,000.00	40,000.00	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	595,094.98	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	572,664.80	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	11,743.02	100%	100%	line-by-line

Company	Registered office	Currency	Share capital as of 30.06.2023		interest % De Nora Group		Consolidation criterion
			in local currency	in Euro	as of 30.06.2023	as of 31.12.2022	
De Nora do Brasil Ltda - BRAZIL	Avenida Jerome Case No. 1959 Eden - CEP 18087-220 - Sorocoba/SP - BRAZIL	BRL	9,662,257.00	1,830,388.91	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	23,246,517.58	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	1,899,142.85	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	126,609.52	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 Water Technologies Italy S.r.l. - ITALIA	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	62,648.79	100%	100%	line-by-line
De Nora Italy Hydrogen Technologies S.r.l. - ITALY	Via L. Bistolfi, 35 - 20134 Milan - ITALY	Euro	110,000.00	110,000.00	90%	90%	line-by-line
De Nora Holding UK Ltd – ENGLAND	c/o Pirola Pennuto Zei & Associati Limited, 5th Floor, Aldermary House, 10-15 Queen Street, London, EC4N 1TX ENGLAND	Euro	19.00	19.00	100%	100%	line-by-line
De Nora Water Technologies UK Services Ltd – ENGLAND	Daytona House Amber Close, Amington, Tamworth, INGHILTERRA B77 4RP ENGLAND	GBP	7,597,918.00	8,852,493.36	100%	100%	line-by-line
De Nora Holding US Inc. – USA	7590 Discovery Lane, Concord, OH 4407 - USA	USD	10.00	9.20	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	891,312.53	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	2,124,628.72	100%	100%	line-by-line
De Nora Water Technologies Ltd - ENGLAND	c/o Pirola Pennuto Zei & Associati Limited, 5th Floor, Aldermary House, 10-15 Queen Street, London, EC4N 1TX - ENGLAND	GBP	1.00	1.17	100%	100%	line-by-line

Company	Registered office	Currency	Share capital as of 30.06.2023		interest % De Nora Group		Consolidation criterion
			in local currency	in Euro	as of 30.06.2023	as of 31.12.2022	
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	982,209.69	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	3,200,579.79	100%	100%	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	304,915.23	34%	34%	equity
thyssenkrupp nucera Arabia for Contracting Limited	Saudi Arabia	SAR	2,000,000.00	501,190.33	34%	34%	equity
thyssenkrupp nucera Japan Ltd - JAPAN	Japan	JPY	150,000,000.00	954,441.33	34%	34%	equity
thyssenkrupp nucera (Shanghai) Co., Ltd - CHINA	China	CNY	20,691,437.50	2,619,733.04	34%	34%	equity
thyssenkrupp nucera USA Inc. - USA	USA	USD	700,000.00	644,211.30	34%	34%	equity
thyssenkrupp nucera Management AG	Germany	Euro	50,000.00	50,000.00	34%	34%	equity

It should be noted that the scope of consolidation as of June 30, 2023 has changed in relation to December 31, 2022 due to the following:

— on May 15, 2023, Industrie De Nora S.p.A. completed through its German subsidiary De Nora Deutschland GmbH, the acquisition of 100% of the capital share of Shotec GmbH.

  This acquisition is an important achievement since it represents an opportunity for De Nora to broaden the process and technology portfolio to produce electrodes whilst also enhancing production capacity. Furthermore, the transaction allows De Nora and Shotec to further strengthen their Research and Development activities with a view to a progressive reduction in the use of precious metals in anodic and cathodic coating activities, to make the electrochemical processes in which the coatings are used increasingly competitive.

  Starting from the acquisition date, Shotec GmbH became part of the Group's scope of consolidation and fully consolidated in accordance with the provisions of IFRS 10 Consolidated Financial Statements.

The acquisition of Shotec GmbH represents a business combination recognized in accordance with IFRS 3 Business Combinations. To this end, on the date control was acquired, the individual assets acquired, and liabilities assumed were recognized at the relative fair value. The fair values of the assets and liabilities acquired were determined on a provisional basis, as at the date of preparation of these condensed consolidated interim financial statements, some valuation processes had not yet been finalized. These fair values could be subject to changes within 12 months of the acquisition date.

The purchase price defined for the acquisition was equal to Euro 2,117.8 thousand and is not subject to adjustments

The fair values at the acquisition date of the assets and liabilities of Shotec GmbH determined on a provisional basis are summarized below:

Statement of financial position

(in € thousands) ASSETS	15/05/2023
Non current assets	
Property, plant and equipment	943
Other receivables	11
Total non current assets	954
Current assets	
Inventory	116
Trade receivables	108
Other receivables	107
Cash and cash equivalents	72
Total current assets	403
Total assets	1,357

(in € thousands) LIABILITIES	15/05/2023
Equity (corresponding to the Fair value of the net assets acquired)	937
Total non current liabilities	-
Current liabilities	
Trade payables	48
Income tax payable	60
Other payables	312
Total current liabilities	420
Total equity and liabilities	1,357

The excess of the purchase price compared to the fair value at the acquisition date of the assets and liabilities of Shotec GmbH, equal to a total of Euro 1,181 thousand, has been entirely recognized as Goodwill on a provisional basis in the present condensed interim consolidated financial statements.

Transaction costs related to the above acquisition are immaterial.

Shotec GmbH's contribution to the consolidated condensed financial statements as at June 30, 2023 amounts to Euro 178 thousand in Revenues and Euro 50 thousand of Net Profit.

It is also worth noting that effective January 1, 2023, De Nora ISIA S.r.l. was merged by incorporation into De Nora Water Technologies Italy S.r.l. This transaction did not have any impact in consolidated financial statements as of June 30, 2023.

The following table shows the end-of-period exchange rates, against the Euro, for the major currencies in which the Group operates, as of June 30, 2023 and December 31, 2022:

Currency	At June 30, 2023	At December 31, 2022
US Dollar	1.0866	1.0666
Japanese Yen	157.16	140.66
Indian Rupee	89.2065	88.171
Chinese Yuan Renminbi	7.8983	7.3582
Brazilian Real	5.2788	5.6386
Pound sterling (GBP)	0.8583	0.8869

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, 2023 and 2022:

	Half-year period ended June 30	
Currency	2023	2022
US Dollar	1.0809	1.0932
Japanese Yen	145.7753	134.6147
Indian Rupee	88.8562	83.29386
Chinese Yuan Renminbi	7.4906	7.0882
Brazilian Real	5.4827	5.5555
GB Pound	0.8763	0.8430

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, 2022, except for the newly issued standards mentioned above, to which reference is therefore made.

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, 2022 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 has not experienced significant issues related to the ongoing Russo-Ukrainian conflict in terms of supply, production, and sales. As of June 30, 2023, the Group's main suppliers of strategic materials are located outside of Russia and Ukraine. Customers in the affected area represent approximately 2% of the Group's revenues for the six months ending June 30, 2023 (3.4% for the six months ending June 30, 2022).

As of June 30, 2023, the exposure to Russian or Ukrainian customers amounts to approximately Euro 1.7 million and does not pose any significant risks of non-payment.
However, it is not ruled out that the continuation of a military conflict situation in Ukraine and an escalation of tensions between Russia and the countries where the Group operates and the tightening of the sanctions framework against Russia could have a negative impact on business opportunities of the Group in the territories affected by the conflict or negatively influence global macroeconomic conditions and the economies of those countries leading to a potential decrease in demand and a subsequent reduction in production levels.

B. 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, 2023 and 2022:

	First half-year ended June	
	2023	2022
	(in € thousands)	
Sales of electrodes	230,376	242,186
Sales of systems	14,741	18,062
After-market and other sales	133,329	120,629
Change in construction contracts	41,938	29,590
Total	420,384	410,467

Revenues for the six months ended June 30, 2023, amounted to Euro 420,384 thousand (Euro 410,467 thousand for the six months ended June 30, 2022). The increase of Euro 9,917 thousand (+2.4%, +4.1% at constant exchange rates)[9] is mainly due:

— to the progress of production activities in the Energy Transition business;

— to the consolidation of revenues in the Electrode Technologies business, particularly in the Chlor-Alkali line;

— partially offset by the slowdown in revenues in the Water Technologies business, solely attributable to the Pools business line.

Details of revenues by geographic area, is shown below:

	First half-year ended June 30	
	2023	2022
	(in € thousands)	
Europe, Middle East, Africa and India (EMEIA)	158,618	128,959
North and South America (AMS)	126,661	141,541
Asia and South Pacific (APAC)	135,105	139,967
Total	420,384	410,467

For the half-year ended June 30, 2023, almost all of the obligations to be fulfilled by the Group refer to contracts with a duration of less than 12 months.

[9] Determined by converting data in currencies other than euros for the six months ended June 30, 2023, at historical exchange rates for the six months ended June 30, 2022.

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

For the six months ended June 30, 2023, the Group had a positive change in inventories of semi-finished and finished products of Euro 25,308 thousand (Euro 14,485 thousand for the six months ended June 30, 2022).

6. Other income

The table below shows the details of other income for the six-month periods ended June 30, 2023 and 2022:

	First half-year ended June 30	
	2023	2022
	(in € thousands)	
Sundry income	2,090	2,030
R&D grants	655	354
R&D income	63	85
Gains on sale of non-current assets	1	41
Insurance refunds	563	30
Total	3,372	2,540

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, 2023 and 2022:

	First half-year ended June 30	
	2023	2022
	(in € thousands)	
Purchase of raw materials	127,226	172,781
Change in inventory	12,826	(23,813)
Purchase of semi-finished and finished goods	48,371	37,541
Purchase of consumables and supplies	11,011	6,938
Purchase of packaging material	1,142	793
Other purchases and related charges	73	44
(Capitalized costs)	(2,620)	(4,625)
Total	198,029	189,659

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

8. Personnel expense

The table below shows the details of personnel expenses for the six-month periods ended June 30, 2023 and 2022:

	First half-year ended June 30	
	2023	2022
	(in € thousands)	
Wages and salaries	59,283	52,692
Management Incentive Plan	-	19,360
Social security contributions	12,876	11,115
Post-employment benefits and other pension plans	1,210	1,248
Other personnel net (income)/expenses	1,201	878
(Capitalized costs)	(2,120)	(2,184)
Total	72,450	83,109

Personnel expenses amounted to Euro 72,450 thousand for the six months ended June 30, 2023 (Euro 83,109 thousand for the six months ended June 30, 2022) with an increase compared to the six months of the previous year amounting to Euro 10,659 thousand, mainly due to the recognition of the cost of the Management Incentive Plan in the year being compared.

Net of that non-recurring item impacting the half year ended June 30, 2022, personnel expense would have increased by Euro 8,701 as a consequence of the ongoing headcount increase; the following table shows the average number of Group employees for the six-month periods ended June 30, 2023 and 2022.

	First half-year ended June 30	
	2023	2022
Average number of employees	1,983	1,777

Other personnel net (income)/expenses, amounting to Euro 1,201 thousand (Euro 878 thousand for the six months ended June 30, 2022), are mainly related to charges and incentives for employee terminations, costs for medical and insurance coverage, and benefits for expatriates.

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

9. Costs for services

The table below shows the detail of costs for services for the six-month periods ended June 30, 2023 and 2022:

	First half-year ended June 30	
	2023	2022
	(in € thousands)	
Outsourcing expenses	34,533	22,017
Consultancies		
- Production and technical assistance	6,536	6,915
- Selling	160	166
- Legal, tax, administrative and ICT	6,926	8,898
- M&A and Business development	43	141
Utilities/Telephony	5,891	4,897
Maintenance	9,115	6,834
Travel expenses	4,363	3,072
R&D	648	545
Statutory auditors' fees	62	68
Insurance	2,004	1,748
Rents and other lease expenses	1,481	1,211
Commissions and royalties	2,860	3,643
Freight	6,574	5,030
Waste disposal, office cleaning and security	1,807	1,482
Promotional, advertising and marketing expenses	486	865
Patents and trademarks	618	713
Canteen, training and other personnel expenses	1,840	1,254
Board of Directors fees	641	340
Total	86,586	69,839

Costs for services amounted to Euro 86,586 thousand for the six months ended June 30, 2023 (Euro 69,839 thousand for the six months ended June 30, 2022) with a total increase of Euro 16,747 thousand mainly related to outsourcing expenses to third party vendors.

10. Other operating expenses

The table below shows the detail of other operating expenses for the six-month periods ended June 30, 2023 and 2022:

	First half-year ended June 30	
	2023	2022
	(in € thousands)	
Indirect taxes and duties	4,382	3,083
Losses on sale of non-current assets	203	196
Other expenses	1,138	1,151
Total	5,723	4,430

Other operating expenses amounted to Euro 5,723 thousand for the six months ended June 30, 2023 (Euro 4,430 thousand for the six months ended June 30, 2022).

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, 2023 and 2022:

	First half-year ended June 30	
	2023	2022
	(in € thousands)	
Net provisions for risks and charges	3,418	1,269
Net bad debt provision	(248)	(306)
Impairment/(Write back) of Property, Plant and Equipment and Intangible assets	1,276	3,083
Total	4,446	4,046

The impairment of Euro 1,276 thousand recorded in the six months ended June 30, 2023 refers to the intangible asset (development cost) recognized in the company De Nora Water Technologies Italy S.r.l. for the development of a water treatment system on cruise ships (Advanced Wastewater Treatment Plant, hereinafter "AWTP").

The impairment of Euro 3,083 recognized in in the six months ended June 30, 2022 was related to plant and machinery used in the United States for hydraulic fracturing activities (so-called Fracking) pertaining to the Water technologies segment.

12. Finance income

The table below shows the detail of financial income for the six-month periods ended June 30, 2023 and 2022:

	First half-year ended June 30	
	2023	2022
	(in € thousands)	
Exchange rate gains	4,445	16,021
Fair value (positive) on financial instrument	30	5,256
Income from non-current financial assets	305	1
Financial income from banks/financial receivables	1,027	159
Interest on trade receivables	1	-
Other finance income	117	46
Total	5,925	21,483

13. Finance expenses

The table below shows the detail of financial expenses for the six-month periods ended June 30, 2023 and 2022:

	First half-year ended June 30	
	2023	2022
	(in € thousands)	
Bank interest and interest on loans and borrowings	4,662	2,648
Exchange rate losses	4,716	10,316
Fair value (negative) on financial instruments	2	3,996
Finance expenses on personnel costs	320	133
Bank fees	455	434
Other finance expenses	274	272
Total	10,429	17,799

The adjustment of financial instruments to fair value is mainly related to derivatives to hedge exchange rate fluctuations. Therefore, the amount of this item should be read in conjunction with the amount of exchange rate gains and losses for the respective six-month periods ended June 30, 2023, and 2022.

For the six-month periods ended June 30, 2023, and June 30, 2022, 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, 2023 and 2022:

	First half-year ended June 30	
	2023	2022
	(in € thousands)	
Current taxes	19,444	23,044
Deferred taxes	(1,684)	(2,658)
Prior years taxes	(77)	863
Total	17,683	21,249

15. Earnings per share

The following table shows the basic and diluted earnings per share for the periods ended June 30, 2023 and 2022:

	First half-year ended June 30	
	2023	2022
Profit for the period attributable to shareholders of the Parent Company distributable to ordinary and multiple voting shares (in € thousands)	46,233	39,918
Weighted average number of shares for basic and diluted earnings per share	201,685,174	178,485,291
Basic and diluted earnings per ordinary and multiple voting share (in Euro)	0.23	0.22

C. Notes to the main financial statements items - Statement of 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, 2023:

(in € thousands)	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
Historical cost at December 31, 2022	66,981	14,878	37,697	47,441	52,430	22,754	9,136	8,969	260,286
Change in consolidation scope	1,181	-	-	-	-	-	-	-	1,181
Increases	-	230	1,069	-	-	-	-	2,656	3,955
Decreases	-	-	-	-	-	-	-	(157)	(157)
Impairment	-	-	-	-	-	(1,276)	-	-	(1,276)
Reclassifications/ other movements	-	185	1,390	-	-	447	328	(2,483)	(132)
Exchange rate difference	(1,186)	(194)	(1,206)	(2,820)	(1,454)	(515)	(174)	(200)	(7,750)
Historical cost at June 30, 2023	66,976	15,100	38,950	44,621	50,976	21,410	9,290	8,785	256,107
Accumulated amortization as of December 31, 2022	-	13,400	28,720	32,984	38,931	9,476	5,221	-	128,733
Increases	-	495	1,594	759	569	1,726	261	-	5,404
Decreases	-	-	-	-	-	-	-	-	-
Reclassifications/Other movements	-	-	74	-	-	(81)	(180)	-	(187)
Exchange rate difference	-	(130)	(1,024)	(1,740)	(967)	(302)	(106)	-	(4,269)
Accumulated amortization as of June 30, 2023	-	13,766	29,364	32,003	38,533	10,818	5,196	-	129,681
Net book value as of December 31, 2022	66,981	1,478	8,977	14,457	13,499	13,278	3,915	8,969	131,552
Net book value as of June 30, 2023	66,976	1,334	9,586	12,617	12,444	10,591	4,094	8,785	126,427

The increase related to goodwill (Euro 1,181 thousand) refers to the acquisition of 100% of the share capital of Shotec GmbH and represents the entire excess of the purchase price over the fair value of the assets and liabilities of the acquired company. This goodwill is provisionally recognized in the current Condensed Consolidated Half Year Financial Statements as of June 30, 2023 as certain valuation processes have not yet been finalized.

Investments in intangible assets for the half year 2023 amounted to Euro 3,955 thousand and mainly refer to:

(i) industrial patent rights and intellectual property rights for Euro 230 thousand mainly attributable to the registration and acquisition of industrial patents by the Parent Company Industrie De Nora S.p.A.;

(ii) concessions, licenses and trademarks for Euro 1,069 thousand mainly relating to the implementation of SAP management system and other ICT systems;

(iii) intangible assets in progress for Euro 2,656 thousand relating to: for Euro 774 thousand to industrial patent rights and intellectual property rights mainly attributable to the registration and acquisition of industrial patents by the Parent Company Industrie De Nora S.p.A. and by the Japanese subsidiary De Nora Permelec Ltd., for Euro 177 thousand to concessions, licenses and trademarks mainly relating to the implementation of the SAP management system and other ICT systems and for Euro 1,705 thousand related to product development costs mainly pertaining to the Water Technologies business segment.

As of June 30, 2023, an impairment test was conducted on the recoverability of the remaining carrying value of development costs recognised in De Nora Water Technologies Italy S.r.l., related to an onboard cruise ship water treatment system (Advanced Wastewater Treatment Plant, hereinafter referred to as "AWTP").
The net book value of this intangible asset as of June 30, 2023, amounted to Euro 2,136 thousand, after the total impairment of Euro 4,323 thousand that was recognized in the consolidated financial statements for the year ended December 31, 2022.
Based on the updated forecast data of turnover and expected operating profitability resulting from the utilization of this asset, its value in use was assessed using the "DCF Method" (Discounted Cash Flow Method). Below are the main parameters used to estimate the present value of cash flows related to this asset:

Asset tested	WACC
AWTP	11,4%

Based on the impairment test, the value in use attributable to this asset amounts to Euro 860 thousand. Therefore, total impairment of Euro 1,276 thousand was recognized in the consolidated financial statements for the six-month period ended June 30, 2023.

With regard to other intangible activities, no impairment indicators have been identified. Therefore, no further impairment tests have been conducted, also considering the significant headroom emerged from the evaluations performed on the financial statements closed on December 31, 2022.

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, 2023:

(in € thousands)	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
Historical cost as of December 31, 2022	28,805	93,750	107,071	20,577	122,591	10,855	*8,691*	*2,163*	20,100	403,750
Change in consolidation scope	-	414	504	25	-	-	-	-	-	943
Increases	14,240	102	691	31	2,713	3,740	*3,607*	*133*	15,675	37,192
Decreases	-	(290)	(682)	(393)	(181)	-	-	-	(232)	(1,779)
Impairment	-	-	-	-	-	-	-	-	-	-
Reclassifications/ other movements	-	1,305	2,943	323	289	-	-	-	(4,681)	178
Exchange rate difference	(2,315)	(3,148)	(3,168)	(765)	(8,662)	(432)	*(424)*	*(8)*	(473)	(18,963)
Historical cost at June 30, 2023	40,731	92,133	107,358	19,797	116,750	14,163	*11,874*	*2,288*	30,390	421,321
Accumulated depreciation as of December 31, 2022	10	38,224	63,442	15,969	97,240	4,688	*3,028*	*1,660*	-	219,572
Increases	-	1,570	2,945	643	2,942	1,130	*938*	*192*	-	9,230
Decreases	-	(141)	(638)	(378)	(178)	-	-	-	-	(1,334)
Impairment	-	-	-	-	-	-	-	-	-	-
Reclassifications/ other movements	-	11	13	(22)	-	-	-	-	-	2
Exchange rate difference	-	(1,447)	(2,098)	(611)	(6,997)	(131)	*(124)*	*(7)*	-	(11,284)
Accumulated depreciation as of June 30, 2023	10	38,217	63,664	15,602	93,007	5,687	*3,842*	*1,845*	-	216,186
Net book value as of December 31, 2022	28,795	55,526	43,629	4,608	25,351	6,167	*5,663*	*503*	20,100	184,177
Net book value as of June 30, 2023	40,721	53,916	43,694	4,195	23,743	8,476	*8,032*	*443*	30,390	205,135

Increases in property, plant and equipment amounted to Euro 37,192 for the first half 2023. In particular, investments in property, plant and equipment excluding increases in rights of use of property, plant and equipment amounted to Euro 33,453 thousand and mainly refer to:

(i) acquisition of land for Euro 9,459 thousand related to an industrial area in Cernusco sul Naviglio for the project "Italian Gigafactory";

(ii) acquisition of land for Euro 4,780 thousand related to a disused industrial area adjacent to the existing area of Via Bistolfi 35. The objective of this acquisition is to host new offices, laboratories and collaborative spaces, improving the Milan workplace through the creation of a "campus" and allowing the planned workforce increase;

(iii) leased assets for Euro 2,713 thousand related to anodes to be leased within the Electrode Technologies business segment;

(iv) plant and machinery for Euro 691 thousand mainly attributable to the German subsidiary;

(v) assets under construction and advance payments amounting to Euro 15,675 thousand, which refer for Euro 7,433 thousand to plant and machinery aimed at the technological renewal and the planned production capacity expansion mainly in Italy (Gigafactory), Germany China, United States and Japan, and to the installation of solar panels in the office building of Via Bistolfi and in the plant of Cologno Monzese, for Euro 3,442 thousand to buildings mainly in Italy (Gigafactory), China, Germany and United States, for Euro 945 thousand to other tangible assets under construction and for Euro 3.855 thousand to advance payments. These latter refer to advances paid for the manufacturing sites expansion projects in China and Germany.

No impairment indicators have been identified and therefore, no further impairment tests have been conducted.

18. Equity-accounted investees

This item refers to the investment in the associated company Thyssenkrupp Nucera AG & Co. KGaA (hereinafter "tk nucera").

	As of June 30, 2023
	(in € thousands)
Opening balance	122,664
Share of profits (losses)	1,527
Other increases (decreases)	(709)
Closing balance	123,482
Investment %	34%

For the purpose of measuring the investment using the equity method, the results for the quarter ending as of March 31, 2023 were used in the absence of tk nucera financial figures referring to a more recent date, taking into account any transactions or events that had a significant impact on the associated company in the April-June 2023 period, in accordance with IFRS (IAS 28, paragraph 34).

The following table shows the consolidated statement of financial position and income statement figures for tk nucera for the 3-month period ended March 31, 2023 (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
	2023
	(in € thousands)
Intangible assets	56,732
Property, plant and equipment	9,030
Deferred tax assets	11,997
Other non-current assets	2,520
Inventory	69,592
Trade receivables	39,789
Financial assets and other current receivables	357,152
Cash and cash equivalents	26,687
Total assets	573,499
Share Capital	100,000
Reserves	119,623
Deferred tax liabilities	9,629
Employees benefits	7,373
Financial liabilities	2,235
Other non-current payables	1,665
Trade payables	92,358
Construction contracts and other current payables	240,616
Total liabilities and equity	573,499

	For the period ended March 31,
	2023
	(in € thousands)
Revenues	151,165
Operating costs (*)	(148,854)
Finance income/(expense)	2,705
Income tax expense	(1,406)
Profit for the period	3,610
Other components of the comprehensive income statement	(2,034)
Profit of the comprehensive income statement for the year	1,576

(*) For the 3-month period ended March 31, 2023 it includes depreciation and amortization and write-down of Euro 1,033 thousand.

19. Financial assets, including derivatives

The table below shows the breakdown of non-current financial assets as of June 30, 2023 and December 31, 2022:

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Non-current		
Financial receivables	1,790	1,823
Investments in financial assets	2,654	2,787
Total	4,444	4,610

Financial receivables refer to financial lease contracts related to hydraulic fracturing activities (so-called Fracking) related to the Water Technologies segment. The receivable recognized 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 3,335 thousand as of June 30, 2023 (Euro 3,398 thousand as of December 31, 2022).

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

The table below shows the breakdown of current financial assets as of June 30, 2023 and December 31, 2022.

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Current		
Financial receivables	39	150,234
Investments in financial assets	11,250	8,158
Fair value of derivatives	673	644
Total	11,962	159,036

The financial receivables as of December 31, 2022, mainly related to the Parent Company. Industrie De Nora S.p.A. had entered into time deposit agreements with some major financial institutions in 2022, which had fully matured and were not renewed.

Investments in financial assets relate primarily to investments subject to short-term time restrictions.

20. Other receivables

The following table shows the detail of the other receivables as of June 30, 2023 and December 31, 2022, broken down between current and non-current amounts:

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Non-current		
Tax receivables	8,681	6,416
Other receivables from third parties	2,727	2,561
Prepaid expenses and accrued income	3	1
Receivables from related parties	52	52
Total	11,463	9,030

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Current		
Advances to suppliers	8,593	9,017
Tax receivables	10,911	14,708
Other receivables from third parties	3,787	2,377
Prepaid expenses and accrued income	7,743	6,972
Receivables from related parties	52	-
Total	31,086	33,074

As of June 30, 2023, other current and non-current receivables totalled Euro 42,549 thousand, (Euro 42,104 thousand as of December 31, 2022).

Non-current tax receivables relate to withholding taxes incurred mainly by the Parent 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 8,863 thousand as of June 30, 2023 and Euro 13,138 thousand as of December 31, 2022.

21. Inventory

The table below shows the breakdown of inventories as of June 30, 2023 and December 31, 2022:

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Raw materials and consumables	118,998	135,731
Works in progress and semi-finished products	109,420	107,407
Finished products and goods	82,169	70,731
Goods in transit	6,736	4,848
Total gross inventories	317,323	318,717
Allowance for inventory write-down	(18,899)	(23,241)
Total Net inventories	298,424	295,476

Inventories, amounting to Euro 298,424 thousand, increased Euro 2,948 thousand compared to the value as at December 31, 2022.

Inventory is shown net of the write down reserve equal to Euro 18,899 thousand at June 30, 2023 (Euro 23,241 thousand at December 31, 2022).
The movements of the inventory write-down provision were as follows:

	Raw materials and consumables	Works in progress and semi-finished products	Finished products and goods	Total
	(in € thousands)			
Balance as of December 31, 2022	1,597	13,564	8,080	23,241
Accruals	566	64	168	798
Utilization and releases	(256)	(2,472)	(1,637)	(4,365)
Exchange rate difference	(29)	(605)	(141)	(775)
Balance as of June 30, 2023	1,878	10,551	6,470	18,899

22. Current tax assets

Current tax assets amounted to Euro 6,380 thousand at June 30, 2023 (Euro 4,893 thousand at December 31, 2022) 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, 2023 and December 31, 2022.

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Current assets		
Construction contracts	118,490	107,946
(Progress payments)	(85,132)	(77,544)
Provision for losses on construction contracts	(1,243)	(1,267)
Total	32,115	29,135
Current liabilities		
Works in progress to order	70,786	68,031
(Progress payments and Advances)	(79,492)	(80,695)
Provision for losses on construction contracts	(146)	(38)
Total	(8,852)	(12,702)
Total works in progress to order (net of advances)	23,263	16,433

Construction contracts (net of contractual advances) amounted to Euro 23,263 thousand at June 30, 2023, an increase from Euro 16,433 thousand as of December 31, 2022, 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, 2023 and December 31, 2022.

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Current		
Third parties	121,144	124,008
Related parties	21,587	7,267
Bad debt reserve	(7,265)	(7,854)
Total	135,466	123,421

Trade receivables originate from sales transactions and the provision of services and amounted, at June 30, 2023, to Euro 135,466 thousand (Euro 123,421 thousand at December 31, 2022).

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

Following are the movements in the bad debt provision:

	As of June 30, 2023
	(in € thousands)
Current	
Balance as of December 31, 2022	7,854
Accruals for the period	351
Utilisation and releases of the period	(853)
Exchange rate difference	(87)
Balance as of June 30, 2023	7,265

25. Cash and cash equivalents

The table below provides a breakdown of cash and cash equivalents as of June 30, 2023 and December 31, 2022:

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Bank and postal accounts	128,185	170,639
Cash on hand	37	28
Deposit accounts	4,285	3,462
Cash and cash equivalents	132,507	174,129

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

Cash and cash equivalents, amounting to Euro 132,507 thousand as of June 30, 2023, decreased by Euro 41,622 thousand compared to December 31, 2022.

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

D. Notes to the main financial statements items - Statement of financial position - Equity and liabilities

26. Equity

Equity as of June 30, 2023 is Euro 748,486 thousand, up from Euro 744,804 thousand as of December 31, 2022.

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

Changes in equity for the six-month periods ended June 30, 2023 and June 30, 2022 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

As a result of the sale of shares by the shareholders Asset Company 10 S.r.l., a wholly owned subsidiary of Snam S.p.A., Federico De Nora S.p.A. and Norfin S.p.A. on April 5, 2023, no. 7,304,480 shares with multiple voting rights of Industrie De Nora S.p.A. 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 took effect on April 11, 2023.

As a result of this share conversion, the share capital of Industrie De Nora S.p.A. remained equal to Euro 18,268,203.90 and the number of ordinary shares increased 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 decreased 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 remained unchanged at 201,685,174, and the aggregate number of voting rights decreased from 517,256,524 to 502,647,564.

Retained earnings, Translation reserve and other reserves

Retained earnings, translation reserve and other reserves pertaining to the Group as of June 30, 2023, amounted to Euro 452,161 thousand (Euro 406,596 thousand as of December 31, 2022), a net increase of Euro 45,565 thousand over December 31, 2022, of which:

- Euro 89,564 thousand increase due to the allocation of the previous year's results pertaining to the Parent Company shareholders;
- Euro 24,202 thousand decrease as a result of the dividend distributed by the Parent Company during the six-month period;
- Euro 290 thousand increase in Other Reserves, related to the PSP Incentive Plan, for which the corresponding charge has been recognized in the income statement under personnel costs;
- Euro 20,087 thousand increase due to the effect of the other components of the comprehensive income statement for the period, of which Euro 20,111 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, 2023 and December 31, 2022:

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Share capital and reserves	4,486	3,599
Profit/(loss) for the period	493	101
Other comprehensive income	55	(114)
Total	5,034	3,586

The increase in share capital and reserves in the half-year period ended as of June 30, 2023 is essentially due to De Nora Italy Hydrogen Technologies S.r.l. following the payment made by the minority shareholder Snam S.p.A..

27. Employee Benefits

Employee benefits at June 30, 2023 amount to Euro 20.693 thousand (Euro 26.628 thousand at December 31, 2022).

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, 2023 and December 31, 2022.

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Non-current		
Provision for contractual warranties	249	179
Provision for other risks	1,995	1,963
Total	2,244	2,142
Current		
Provision for contractual warranties	11,580	11,605
Provision for other risks	8,443	6,941
Total	20,023	18,546
Total provisions for risks and charges	22,267	20,688

Provisions for risks and charges mainly include: (i) the provision for miscellaneous risks, amounting to Euro 10.438 thousand as of June 30, 2023, and Euro 8,904 thousand as of December 31, 2022; 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 11,829 thousand as of June 30, 2032, and Euro 11,784 thousand as of December 31, 2022.

Changes for the period ended June 30, 2023 were as follows:

	Provision for contractual warranties	Provision for other risks
	(in € thousands)	
Balance as of December 31, 2022	11,784	8,904
Accruals for the period	2,309	2,217
Utilization and releases of the period	(1,706)	(623)
Exchange rate differences	(558)	(60)
Balance as of June 30, 2023	11,829	10,438

29. Financial liabilities

The following table shows the detail of financial liabilities as of June 30, 2023 and December 31, 2022.

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Non-current		
Bank loans and borrowings	115,575	262,741
Lease payables	6,354	4,803
Total	121,929	267,544
Current		
Bank overdrafts	38	282
Bank loans and borrowings	10,817	11,740
Payables to other lenders	137	-
Lease payables	2,464	1,633
Fair value of derivatives	8	-
Total	13,464	13,655
Total financial liabilities	135,393	281,199

Bank loans and borrowings

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

	As of June 30, 2023			As of December 31, 2022		
(in € thousands)	Non-Current	Current	Total	Non-Current	Current	Total
New Pool Loan (IDN)	79,123	-	79,123	178,772	-	178,772
New Pool Loan (De Nora Holdings US Inc)	36,452	-	36,452	83,969	10	83,979
Sumitomo Mitsui Banking Co. (De Nora Permelec Ltd)	-	6,363	6,363	-	9,953	9,953
Sumitomo Mitsui Trust Bank (De Nora Permelec Ltd)	-	4,454	4,454	-	355	355
Bank of Yokohama (De Nora Permelec Ltd)	-	-	-	-	1,422	1,422
Overdrafts and financial accrued expenses	-	38	38	-	282	282
Total	115,575	10,855	126,430	262,741	12,022	274,763

As of June 30, 2023 and December 31, 2022, the fair value of payables to banks approximates their book value.

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

Considering the Group's financial resources, at the end of the first quarter 2023, it was decided to repay part of these financings in advance. In particular, the early repayment involved Euro 100,000 thousand of the Euro-denominated credit line granted to Industrie De Nora S.p.A. and USD 50,000 thousand of the USD-denominated credit line granted to De Nora Holdings US Inc. As a result, as of June 30, 2023, these credit lines remain open for Euro 80,000 thousand and USD 40,000 thousand, respectively, and are presented among the financial liabilities net of upfront fees and other charges directly related to the financings. These upfront fees and charges, paid at the loan agreement date, are presented in the financial statements as a reduction of the overall debt according to the amortized cost method.

The short-term credit lines with Sumitomo Mitsui Banking Co. and Sumitomo Mitsui Trust Bank are instead underwritten by De Nora Permelec Ltd. for a total of JPY 4 billion and utilized as of June 30, 2023, for JPY 1 billion (Euro 6,363 thousand) and JPY 700 million (Euro 4,454 thousand), respectively. The annual interest rates for these financings are 0.13% and 0.14%, respectively.

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, 2023 and figures as of December 31, 2022:

		As of June 30, 2023	As of December 31, 2022
		(in € thousands)	
A	Cash	128,222	170,667
B	Cash equivalents	4,285	3,462
C	Other current financial assets	11,289	159,036
D	Liquidity (A + B + C)	143,796	333,165
E	Current financial debt	10,992	12,666
F	Current portion of non-current financial debt	2,464	1,633
G	Current financial indebtedness (E + F)	13,456	14,299
	- Of which secured	-	-
	- Of which unsecured	*13,456*	*14,299*
H	Net current Liquidity (G - D)	(130,340)	(318,866)
I	Non-current financial debt	121,929	267,544
J	Debt instruments	-	-
K	Non-current trade and other payables	-	-
L	Non-current financial indebtedness (I + J + K)	121,929	267,544
	- Of which secured	-	-
	- Of which unsecured	*121,929*	*267,544*
M	Net Financial Indebtedness (Net Liquidity) - ESMA (H + L)	(8,411)	(51,322)

The reconciliation between the Net Financial Indebtedness/(Net liquidity) - ESMA and the net financial indebtedness/(net liquidity) of the Group as monitored by the Group (hereinafter the "Net Financial Indebtedness (Net liquidity) - De Nora") as of June 30, 2023 and December 31, 2022, is shown below:

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Net Financial Indebtedness (Net financial assets) - ESMA	(8,411)	(51,322)
Fair value of derivatives hedging currency risks	(665)	(644)
Net Financial Indebtedness (Net financial assets) - De Nora	(9,076)	(51,966)

The reduction in Net Liquidity - ESMA as of June 30, 2023 compared to December 31, 2022, totalling Euro 42,911 thousand, is mainly attributable to the combined effect of the following factors:

(i) cash absorbed by investment activities in Property, plants and Equipment and Intangible assets equal to Euro 37,408 thousand in the six months ended June 30, 2023;

(ii) dividend distribution amounting to Euro 24,202 thousand;

(iii) the acquisition of the new company Shotec GmbH (price paid Euro 2,046 thousand net of cash acquired);

(iv) partially offset by the cash generated from operating activities amounting to Euro 23,539 thousand in the six months ended June 30, 2022.

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, 2023:

	As of June 30, 2023						
			Due date				
	Carrying amount	Contractual cash flows*	0-12 months	1-2 years	2-3 years	3-5 years	Oltre 5 years
			(in € thousands)				
Financial liabilities							
Bank loans and borrowings	126,430	127,667	10,855	-	-	116,812	-
Lease payables	8,818	8,818	2,464	2,185	1,258	1,384	1,527
Other financial liabilities	145	145	145	-	-	-	-
Trade payables	86,883	86,883	86,805	78	-	-	-
Other payables	86,269	86,269	83,991	2,278	-	-	-
Total Financial liabilities	308,545	309,782	184,260	4,541	1,258	118,196	1,527

* 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 recognized 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, 2023 and December 31, 2022.

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Non-current		
Third parties	78	83
Total	78	83
Current		
Third parties	85,802	79,665
Related parties	1,003	889
Total	86,805	80,554
Total current payables	86,883	80,637

As of June 30, 2023, trade payables, between current and non-current portions, amounted to Euro 86,883 thousand (Euro 80,637 thousand as of December 31, 2022).

This item mainly includes payables related to the purchase of goods and services, which are due within twelve months. It is deemed that the carrying amount of trade payables approximates their fair value.

31. Income tax payables

Income tax payables as of June 30, 2023 amounted to Euro 16,439 thousand (Euro 10,970 thousand as of December 31, 2022).

32. Other payables

The table below shows the detail of other payables as of June 30, 2023 and December 31, 2022.

	As of June 30, 2023	As of December 31, 2022
	(in € thousands)	
Non-current		
Payables to employees	1,485	1,357
Tax payables	258	263
Customer prepayments	4	4
Other - third parties	133	316
Other - related parties	398	444
Total	2,278	2,384
Current		
Customer prepayments	30,688	34,482
Advances from related parties	20,592	33,024
Accrued expenses and deferred income	5,917	6,322
Payables to employees	16,145	16,493
Social security payables	2,939	2,524
Withholding tax payables	1,763	1,810
VAT payables	1,530	2,745
Other tax payables	2,435	1,963
Other - third parties	1,855	2,254
Other - related parties	127	-
Total	83,991	101,617
Total Other payables	86,269	104,001

Payables to employees relate to amounts accrued but not yet liquidated, such as vacations and bonuses.

E. 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 formalized strategies, policies and procedures to ensure the identification, measurement and control of individual risks at centralized 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 organizational structure with the identification of the organizational 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 2022 Consolidated Financial Statements.

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, 2023		Carrying amount					Fair value*		
(in € thousands)	Notes	Loans and recei-vables	Investments in financial assets - *Fair value*	Deri-vatives at *Fair value*	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Cash and cash equivalents	25	132,507	-	-	-	132,507	-	-	-
Trade and other receivables	20/22/24	184,395	-	-	-	184,395	-	-	-
Financial assets including derivatives	19	1,829	13,904	673	-	163,646	13,904	673	-
Financial assets		318,731	13,904	673	-	480,548	13,904	673	-
Bank loans and borrowings	29	-	-	-	126,430	126,430	-	-	-
Lease payables	29	-	-	-	8,818	8,818	-	-	-
Other financial liabilities	29	-	-	-	145	145	-	8	-
Trade and other payables	30/31/32	-	-	-	189,591	189,591	-	-	-
Financial liabilities		-	-	-	324,984	324,984	-	8	-

Classification and fair value as of December 31, 2022		Carrying amount					Fair value*		
(in € thousands)	Notes	Loans and recei-vables	Invest-ments in financial assets - *Fair value*	Deri-vatives at *Fair value*	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Cash and cash equivalents	25	174,129	-	-	-	174,129	-	-	-
Trade and other receivables	20/22/24	170,418	-	-	-	170,418	-	-	-
Financial assets including derivatives	19	152,057	10,945	644	-	163,646	10,945	644	-
Financial assets		496,604	10,945	644	-	508,193	10,945	644	-
Bank loans and borrowings	29	-	-	-	274,763	274,763	-	-	-
Lease payables	29	-	-	-	6,436	6,436	-	-	-
Trade and other payables	30/31/32	-	-	-	195,608	195,608	-	-	-
Financial liabilities		-	-	-	476,807	476,807	-	-	-

(*) Hierarchical scale of fair value.

The tables show the financial instruments recognized 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).

During the periods under review, the Group did not make any changes regarding valuation techniques for financial instruments accounted for at fair value and did not reclassify financial assets between the different categories.

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

	As of June 30, 2023		
	Level 1	Level 2	Level 3
	(in € thousands)		
Fair value investments in financial assets	13,904	-	-
Net fair value of derivative instruments	-	665	-
Total	13,904	665	-

	As of December 31, 2022		
	Level 1	Level 2	Level 3
	(in € thousands)		
Fair value investments in financial assets	10,945	-	-
Net *fair value* of derivative instruments	-	644	-
Total	10,945	644	-

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

F. 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, electrolyser 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), electrolyser 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;

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

The following tables show the economic information by business segment for the six-month periods ended June 30, 2023 and 2022:

	Half-year ended June 30, 2023			
	Group Total	Electrode Technologies Segment	Water Technologies Segment	Energy Transition Segment
	(in € thousands)			
Revenues	420,385	231,701	141,406	47,278
Royalties and commissions	(4,932)	(3,437)	(1,442)	(53)
Cost of goods sold	(269,342)	(144,234)	(93,693)	(31,415)
Selling expenses	(14,980)	(4,275)	(9,578)	(1,127)
G&A expenses	(24,349)	(9,895)	(12,372)	(2,082)
R&D expenses	(6,765)	(1,520)	(386)	(4,859)
Other operating income (expenses)	1,019	(46)	1,022	43
Corporate costs allocation to business segments	(16,236)	(8,651)	(5,732)	(1,853)
EBITDA	84,800	59,643	19,225	5,932
Depreciation and amortization	(14,444)			
Impairment	(1,276)			
Provisions for risks and charges net of releases and utilizations	(1,694)			
Operating profit - EBIT	67,386			
Share of profit of equity-accounted investees	1,527			
Finance income	5,925			
Finance expenses	(10,429)			
Profit before tax	64,409			
Income tax expense	(17,683)			
Profit/(loss) for the period	46,726			

	Group Total	Electrode Technologies Segment	Water Technologies Segment	Energy Transition Segment
	Half-year ended June 30, 2022			
	(in € thousands)			
Revenues	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 expenses	(17,799)	-	-	-
Profit before tax	60,982	-	-	-
Income tax expense	(21,249)	-	-	-
Profit/(loss) for the period	39,733	-	-	-

The following table shows investments by business segment as of June 30, 2023:

	Group Total	Electrode Technologies Segment	Water Technologies Segment	Energy Transition Segment	Activities Corporate
	(in € thousands)				
Half-year ended June 30, 2023					
Property, plant and equipment (**)	33,453	13,003	682	14,714	5,053
Intangible assets	3,955	527	1,887	486	1,055
Total Investment as of 2023	37,408	13,530	2,569	15,200	6,108

(**) 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, 2023 and 2022, there was only one customer (tk nucera, - associated company) belonging to the Electrode Technologies business and Energy Transition business segments that generated revenues exceeding 10% of the total, amounting to Euro 108,066 thousand and Euro 64,668 thousand, in the six-month periods ended June 30, 2023 and 2022 respectively.

The table below shows the non-current assets, other than financial assets and deferred tax assets, by geographical area at June 30, 2023 and at December 31, 2022, allocated on the basis of the country in which the assets are located.

	As of June 30, 2023				
	Italy	EMEIA, excluding Italy	APAC	AMS	Total
			(in € thousands)		
Intangible assets	8,104	5,531	14,751	98,041	126,427
Property, plant and equipment	42,861	32,750	69,069	60,455	205,135
Other receivables	10,571	37	770	85	11,463
Total	61,536	38,318	84,590	158,581	343,025

	As of December, 2022				
	Italy	EMEIA, excluding Italy	APAC	AMS	Total
			(in € thousands)		
Intangible assets	8,482	4,570	17,263	101,237	131,552
Property, plant and equipment	26,903	27,471	69,725	60,078	184,177
Other receivables	8,169	15	783	63	9,030
Total	43,554	32,056	87,771	161,378	324,759

G. 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, 2023 and December 31, 2021 (excluding the transactions with Top Management, that are shown in the next section):

(in € thousands)	Parent Company	Associates	Other - related parties	Total	Total item in financial statements	Percentage on financial statements item
Other non-current receivables						
As of June 30, 2023	-	-	52	**52**	11,463	0.5%
As of December 31, 2022	-	-	52	**52**	9,030	0.6%
Current tax assets						
As of June 30, 2023	376	-	-	**376**	6,380	5.9%
As of December 31, 2022	376	-	-	**376**	4,893	7.7%
Current trade receivables						
As of June 30, 2023	10	20,989	588	**21,287**	135,466	15.9%
As of December 31, 2022	17	7,250	-	**7,267**	123,421	5.9%
Other receivables						
As of June 30, 2023	-	-	52	**52**	31,086	0.2%
As of December 31, 2022	-	-	-	**-**	33,074	0%
Other non-current payables						
As of June 30, 2023	-	398	-	**398**	2,278	17.5%
As of December 31, 2022	-	444	-	**444**	2,384	18.7%
Current trade payables						
As of June 30, 2023	30	797	175	**1,003**	86,805	1.2%
As of December 31, 2022	25	775	89	**889**	80,554	1,1%
Other current payables						
As of June 30, 2023	-	20,592	127	**20,719**	83,991	24.7%
As of December 31, 2022	-	33,024	-	**33,024**	101,617	32.5%

Balance sheet amounts with the Parent Company mainly relate to current tax assets of Euro 376 thousand, unchanged compared to the previous year and related to the national tax consolidation agreement that was in place between the Parent Company Federico De Nora S.p.A, Industrie De Nora S.p.A., De Nora Italy S.r.l., De Nora Water Technology Italy S.r.l. and Capannoni S.r.l. discontinued in 2022 following the listing of Industrie De Nora S.p.A..

Balance sheet amounts with Associated Companies mainly correspond to current trade receivables equal to Euro 20,989 thousand and Euro 7,250 thousand, respectively at June 30, 2023 and at December 31, 2022, 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 20,592 thousand and Euro 33,024 thousand as of June 30, 2023 and December 31, 2022, 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, 2023 and 2022 (excluding the transactions with Top Management, that are shown in the next section):

(in € thousands)	Parent Company	Associates	Other - related parties	Total	Total item in financial statements	Percentage on financial statements item
Revenues						
First half-year ended June 30, 2023	-	108,066	595	**108,661**	420,384	25.8%
First half-year ended June 30, 2022	-	64,668	-	**64,668**	410,467	15.8%
Other income						
First half-year ended June 30, 2023	27	314	1	**342**	3,372	10.1%
First half-year ended June 30, 2022	25	364	-	**389**	2,540	15.3%
Consumption of raw materials, consumables, supplies and goods						
First half-year ended June 30, 2023	-	10	181	**191**	198,029	0.1%
First half-year ended June 30, 2022	-	488	-	**488**	189,659	0.3%
Costs for services						
First half-year ended June 30, 2023	30	64	912	**1,006**	86,586	1.2%
First half-year ended June 30, 2022	41	54	387	**482**	69,839	0.7%
Personnel expenses						
First half-year ended June 30, 2023	-	-	1	**1**	72,450	0%
First half-year ended June 30, 2022	-	-	-	**-**	83,109	0%

The economic relations with the Associated Companies mainly relate to revenues, amounting to Euro 108,666 thousand and Euro 64,668 thousand, for the six-month periods ended June 30, 2023 and 2022, respectively, mainly concerning the sale of electrodes under the "Tool Manufacturing and Services Agreement" mentioned above.

The costs for services to Other Related Parties include remunerations to members of the Board of Directors amounting to Euro 641 thousand in the first six months of 2023 (Euro 340 thousand in the first six months of 2022), of which Euro 127 thousand still unpaid as of June 30, 2023.

Transactions with Top Management

In addition to the balance sheet and income statement amounts with related parties presented in the tables above, the Group has recognised compensation to Top Management for the amount of Euro 2,635 thousand and Euro 20,204 thousand for the six-month periods ended June 30, 2023 and 2022, respectively. The payable in relation to Top Management amounts to Euro 845 thousand.

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

	First half-year ended June 30	
	2023	2022
	(in € thousands)	
Short-term employee benefits	2,449	2,341
Post-employment benefits	186	184
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	17,679
Total	2,635	20,204

Top Management compensation represents 3.6% of the total personnel expense for the six-month period ended June 30, 2023 (24.3% for the six-month period ended June 30, 2022).

H. Non-recurring events

In the period under analysis, there are no non-recurring events and operations for which information are required according to Consob Communication n. DEM/6064293 of July 28, 2006.

I. 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 39 million at June 30, 2023.

Contingent liabilities

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

J. Events after the reporting date

- On July 7, 2023 the company thyssenkrupp nucera AG & Co. KGaA in which Industrie De Nora S.p.A. has a 34% stake, was listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. The offer was related to 30,262,250 newly issued ordinary shares (including over-allotments). The proceeds are intended to drive the strong growth of the alkaline water electrolysis (AWE) technology business of tk nucera, to exploit the significant development opportunities offered by the green hydrogen market. Expected free float is 24% of share capital, if the greenshoe option is fully exercised.
- On July 17, 2023 Citigroup Global Markets Europe AG (“**Citigroup**”), which acts as stabilization manager on the IPO of tk nucera, informed De Nora that the greenshoe option was exercised in full. In total, 3,947,250 greenshoe shares, which were placed with investors in the IPO, were provided to Citigroup under a share loan from thyssenkrupp Project 1 GmbH and from De Nora. Based on the final IPO price of the shares of Euro 20 per share, De Nora received gross proceeds of 26.8 million Euro from Citigroup for the sale of 1,342,065 shares. Following the payment and delivery of the greenshoe shares, De Nora holds 25.85% of tk nucera’s share capital. Free float amounts to 23.96% of the share capital. The remaining 50.19% of the share capital is owned by thyssenkrupp Project 1 GmbH.

  The reduction in the percentage of Industrie De Nora S.p.A. investment in tk nucera (dilutive effect) and the capital gain resulting from the exercise of the greenshoe option will determine the recognition in the consolidated financial statements of a total income of about Euro 130 million.
- The Italian Ministry for Enterprises and Made in Italy and De Nora Italy Hydrogen Technologies S.r.l. (“DNIHT”) have signed the decree granting DNIHT an amount of Euro 32,250,000.00 in the form of reimbursement of expenses incurred within the fund established by the Ministry for the financial support of the enterprises participating in the implementation of Important Projects of Common European Interest (IPCEI Fund). The funding granted by the Ministry is aimed at the execution of the Italian Gigafactory project by DNHIT in joint venture with Snam S.p.A. The amount granted by the Ministry is financed through PNRR resources – the National Recovery and Resilience Plan (PNRR M2C2- I5.2) - Mission 2 ‘Green Revolution and Ecological Transition’, Component 2 ‘Renewable Energy, Hydrogen, Grid and Sustainable Mobility’, Investment 5.2 ‘Hydrogen’ under the ownership of the Ministry of Ecological Transition. DNHIT is eligible to receive up to Euro 63,206,000 of public funding, following the additional resources which might become available in the framework of the support to the IPCEI Hydrogen 1.

Milan, July 31, 2023

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

Attestation of the half-year Report as of June 2023 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 Massimiliano Moi 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, 2023 of Industrie De Nora S.p.A., during the first half of 2023.

No significant issues have arisen in this regard.

The undersigned also certify that the Condensed Consolidated Half-Year Financial Statements as of June 30, 2023:

— have been prepared in accordance with International Financial Reporting Standards as endorsedby 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, July 31 2023

Paolo Enrico Dellachà

Chief Executive Officer

Massimiliano Moi

Principal Financial Officer

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 2023, comprising the interim consolidated statement of financial position, interim consolidated income statement, interim consolidated statement of comprehensive income, interim statement of changes in the net consolidated equity, interim consolidated statement of cashflows and related notes. The directors of Industrie De Nora SpA are responsible for the preparation of the condensed consolidated half-year 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 half-year 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 10867 of 31 July 1997. A review of condensed consolidated half-year 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 half-year 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 2023 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.

Milan, 1 August 2023

PricewaterhouseCoopers SpA

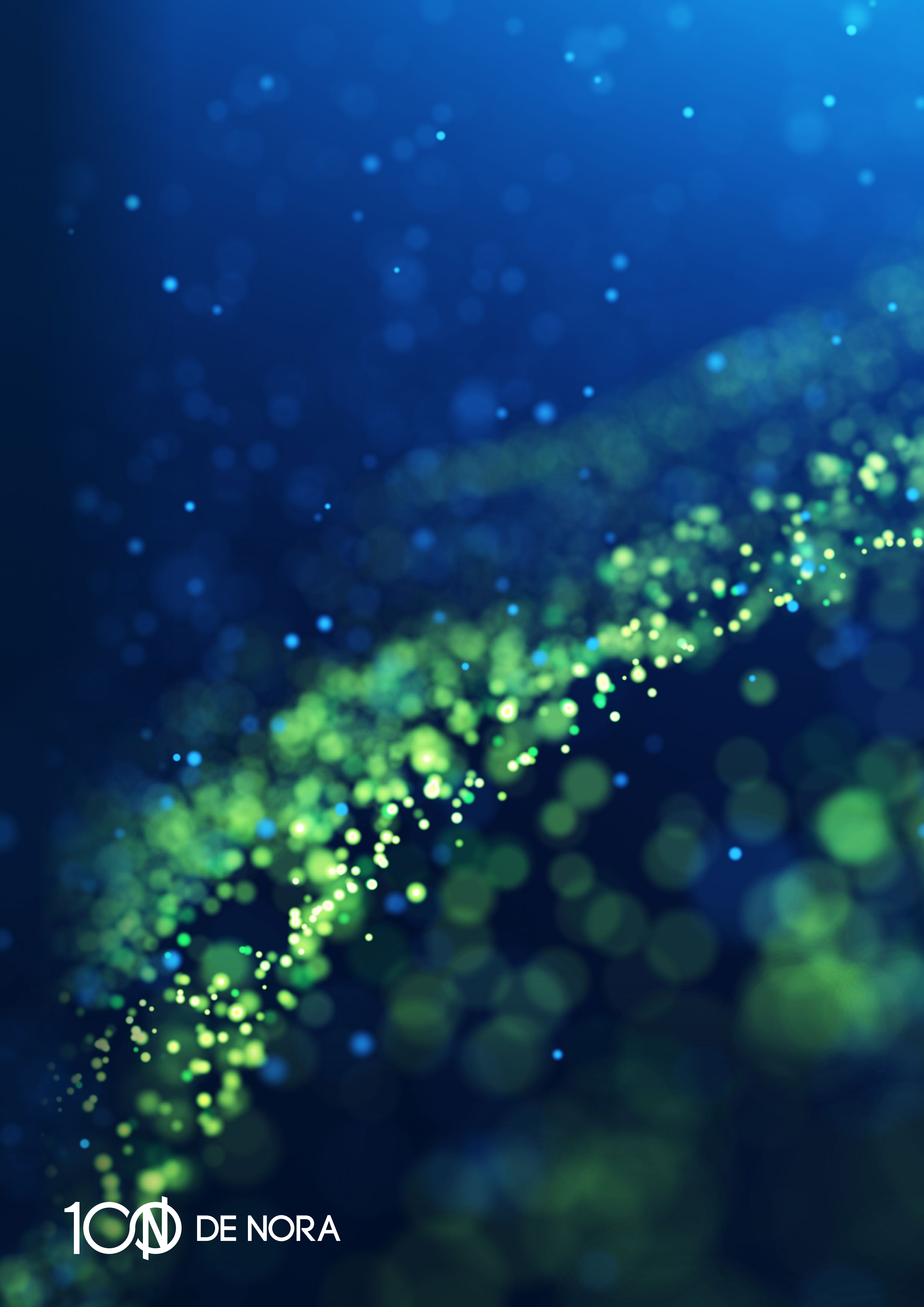
Signed by
Francesco Ronco
(Partner)

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

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



100 DE NORA