

PRESS RELEASE

BOARD OF DIRECTORS APPROVES CONSOLIDATED RESULTS FOR H1 2022

2022 GUIDELINES: REVENUE AND EBITDA TARGETS UP

INDUSTRIE DE NORA SELECTED AMONG THE 6 ITALIAN COMPANIES PARTICIPATING IN THE FIRST IMPORTANT PROJECT OF COMMON EUROPEAN INTEREST (IPCEI) ON HYDROGEN APPROVED BY THE EUROPEAN COMMISSION.

Key consolidated results for H1 2022:

- Consolidated revenues for H1 2022 at Euro 410.5 million, up 61.8% against H1 2021
- Adjusted Gross Operating Margin (adjusted EBITDA): Euro 102.3 million (+127% compared to H1 2021)
- Operating profit (EBIT): Euro 62.8 million (+111% compared to H1 2021)
- Net profit: Euro 39.7 million (+69% compared to H1 2021)
- Net financial indebtedness: Euro 18.7 million
- Backlog at Euro 616.3 million, +12.6% compared to year-end 2021

2022 Guidelines:

- Revenues at Euro 880-910 million
- Adjusted EBITDA at Euro 185-195 million

Milan, 4 August 2022 – The Board of Directors of Industrie De Nora - Italian multinational listed on the Euronext Milan, specialised in the electrochemical industry and leader in sustainable technologies and in the emerging green hydrogen industry - which met under the chairmanship of Federico De Nora, approved the interim financial report as at 30 June 2022 (subject to limited audit).

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

“The signs of significant growth and profitability recorded at the beginning of the year have been confirmed, enabling us to close the first half of the year with excellent results that have led to an upward revision of our targets, despite the complex market scenario.

The results for the first half of 2022 showed strong growth across all business segments and geographic areas in which the group operates, with consolidated revenues up 62%. The company also recorded very high levels of profitability also thanks to ongoing cost control and policy management in the commercial area, achieving an Ebitda Margin of 25%.

The broad geographical diversification and complementarity of the product portfolio proved to be the group's main levers of resilience and development. Moreover, the backlog, which reached the highest level in our history, provides further visibility for future growth”.

Lastly, **Dellachà** confirms:

“We will continue to move with a long-term industrial mindset and with the tenacity and passion that we have repeatedly demonstrated, most recently by pursuing a successful IPO that garnered strong demand from institutional investors globally, despite an unfavourable macroeconomic and financial market scenario. The company expects to continue growing across all business segments, pursuing the challenging new targets for

2022, which see revenues at around Euro 900 million and an adjusted EBITDA of between Euro 185 million and Euro 195 million”.

KEY INCOME STATEMENT INDICATORS

(Euro millions)	H1 2022	H1 2021	% Chg
Revenues	410.5	253.7	+61.8%
Adj. EBITDA	102.3	45.1	+127.0%
Adj. EBITDA Margin	24.9%	17.8%	+7.1%
EBIT	62.8	29.8	+111.0%
Net Profit	39.7	23.5	+69.0%

The half-year as at 30 June 2022 shows **revenues** of Euro 410.5 million (Euro 253.7 million as at 30 June 2021). The increase of +61.8% is due to an increase in volumes and, for certain business lines, an increase in the prices charged to clients as a result of the increase in purchase price of raw materials and, in particular, several noble metals.

The adjusted EBITDA reached Euro 102.3 million (+127% compared to the first half of 2021), with a margin of 24.9%, an increase of about 700 basis points compared to the same period of 2021.

EBIT was up 111%, reaching Euro 62.8 million.

After taxes of Euro 21.2 million for the period (compared to Euro 8.6 million in the first half of 2021), **the Group's net profit** stood at Euro 39.7 million in the first half of 2022 (Euro 24 million as at 30 June 2021), up 69%.

Backlog, which was up by 12.6% compared to the value as at 31 December 2021, **amounts to Euro 616.3 million, record level for the company** and evidence of the solid growth prospects.

Breakdown of revenues by business segment

(Euro millions)	H1 2022	% of Sales	H1 2021	% Chg
Electrode Technologies	228.0	55.5%	144.8	+57.4%
Water Technologies	175.7	42.8%	105.9	+65.9%
Energy Transition	6.9	1.7%	3.0	+130.0%
Total	410.5		253.7	+61.8%

The Group operates in three different business segments:

the “**Electrode Technologies**” business manufactures electrodes for various industrial sectors; the “**Water Technologies**” business focuses on the production and sale of technologies and solutions for the treatment, filtration and disinfection of water; the “**Energy Transition**” segment focuses on the production, transport and storage of green hydrogen through the supply of products and equipment for electrolysis of water and its conversion into electricity.

The Electrode Technologies business, which accounts for 55.5% of sales, totalled revenues of Euro 228 million, recording growth of 57.4%, while the Water Technologies segment achieved 65.9% growth, with revenues of Euro 175.7 million, accounting for 42.8% of sales. The Energy Transition division, which is in its initial development phases, recorded 130% growth in the first half of 2022 compared to the same period of 2021, recording revenues of Euro 6.9 million.

Breakdown of revenues by geographic area

(Euro millions)	H1 2022	% of Sales	H1 2021	% Chg
AMS	141.5	34.5%	76.7	+84.4%
ASIA	140.0	34.1%	112.1	+24.8%
EMEIA	129.0	31.4%	64.8	+99.0%
Total	410.5		253.7	

In the first half of 2022, the Group recorded double-digit growth in all of the markets in which it operates.

In the Americas (AMS) region, the Group achieved revenues of Euro 141.5 million, with an impact on sales of 34.5%, up 84.4% compared to the same period of 2021. Revenues in ASIA, accounting for 34.1% of sales, recorded 24.8% growth, achieving revenues of Euro 140 million. In the Europe, Middle East, India & Africa (EMEIA) region, revenues for the first half of the year stood at Euro 129 million, for growth of 99% over 2021, thanks to excellent performance in all business segments.

Ebitda and Margins by business segment

(Euro millions)	Adj. Ebitda H1 2022	Adj. Ebitda Margin H1 2022	Adj. Ebitda H1 2021	Adj. Ebitda Margin H1 2021
Electrode Technologies	65.4	28.7%	30.9	20.9%
Water Technologies	40.3	23.0%	14.2	13.4%
Energy Transition	(3.4)	n.a.	n.a.	n.a.
Total	102.3	24.9%	45.1	17.8%

Adj. EBITDA increased by Euro 57.2 million (+126.8%), from Euro 45.1 million in the half-year ended 30 June 2021 to Euro 102.3 million in the half-year ended 30 June 2022.

The increase was observed in both the Electrode Technologies segment and Water Technologies segment, and is proportionally higher in the Water Technologies segment, with its contribution to Group EBITDA rising from 31% in 2021 to 39% in 2022.

Adj. EBITDA Margin increased from 17.8% in the half-year ended 30 June 2021 to 24.9% in the half-year ended 30 June 2022.

Statement of financial position

At the statement of financial position level, net invested capital of Euro 723 million (+81 million compared to the end of 2021) corresponds to a shareholders' equity of Euro 704 million (up by Euro 250 million compared to 31 December 2021, including the capital increase of Euro 200 million as part of the listing transaction) and net financial indebtedness of Euro 18.7 million (Euro 188 million at the end of 2021), benefiting from the aforementioned capital increase and after the distribution of a dividend of Euro 20 million during the half-year. The increase in net invested capital is mainly attributable to net operating working capital, which amounted to Euro 399 million at the end of June 2022, an increase of Euro 75 million compared to the end of 2021 as a result of the increase in business volumes.

Cash generation from operating activities during the first half of 2022 financed the increase in working capital, net investments of Euro 15 million as well as the payment of dividends for Euro 20 million.

Significant events subsequent to the end of the period

On 15 July, the European Commission approved loans of up to Euro 5.4 billion for Important Projects of Common European Interest (**IPCEI Hy2Tech**) to contribute to the activities of research, innovation and development along the entire supply chain of green hydrogen technologies. The loans will be used for 41 projects developed by 35 companies in 15 countries. These include De Nora Italy Hydrogen Technologies S.r.l. (company 90% owned by De Nora and 10% by Snam S.p.A.) for the project involving development of the gigafactory, with a capacity of up to 2GW, for the production of batteries, systems and components for the electrolysis of water, designated for the production of green hydrogen and fuel cells.

On 26 July, thyssenkrupp nucera (whose share capital is 34% held by Industrie De Nora and the remaining 66% indirectly held by thyssenkrupp AG) announced the awarding of an order by **Unigel**, Brazilian company that is among the largest chemical companies in Latin America and the biggest producer of nitrogenous fertilisers in Brazil, to build the first industrial-scale green hydrogen plant in Brazil. In the first phase, three electrolyzers with a total capacity of 60 MW will be installed. The new plant will have an initial production capacity of 10,000 tonnes/year of green hydrogen and 60,000 tonnes/year of green ammonia. During a subsequent phase, the company plans to quadruple the production of green hydrogen by expanding the electrolysis plant to a hundreds-of-MW facility that will produce around 40,000 tonnes of green hydrogen.

New strategic guidance

In light of the excellent results achieved, the accumulated backlog and performance of the reference markets, the Board of Directors has upgraded its 2022 guidance, bringing the target revenue figure to Euro 880-910 million (previously set at Euro 830-880 million) and that of Adjusted EBITDA to Euro 185-195 million (previously set at Euro 155-165 million).

Expected outlook

The Group confirms its commitment to take advantage of the sustainable growth opportunities outlined in the 2022-2025 Business Plan. In particular, in the Electrode Technologies and Water Technologies businesses, the Group expects to preserve and consolidate its leadership position in the reference markets in 2022.

Within the energy transition, the hydrogen production market is a key component of the most immediate development prospects, thanks to the technological know-how that the Group can leverage and its partnerships developed over the years with leading players in the sector, including the joint venture with thyssenkrupp nucera.

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

* * *

OTHER RESOLUTIONS

The Board of Directors has also approved the following:

- with the favourable opinion of the Control, Risk and ESG Committee, the appointment of Claudio Vitacca, who also holds the position of head of the internal audit function, as an internal member of the Supervisory Board, with term of office ending upon approval of the Company's draft financial statements as at 31 December 2024, following the resignation of Simona Antonini;
- updating of the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001 with regard to some sections;
- subject to the opinion of the Appointments and Remuneration Committee, to identify: i) the Chief Executive Officer; (ii) the Senior Executives (as identified for the purposes of the listing Prospectus); (iii) 12 additional employees holding positions of strategic importance at Group level, as beneficiaries of the Performance Shares Plan, in line with the provisions of the regulation approved on 4 May 2022, and prepared in accordance with the principles already approved by the Board of Directors on 9 March and by the Shareholders' Meeting on 22 March 2022;
- subject to the opinion of the Appointments and Remuneration Committee, to identify the beneficiaries of the 2022 Long-Term Incentive Plan who will not be included in the Performance Shares Plan, in line with the provisions of the regulation approved on 4 May 2022, and prepared in accordance with the principles already approved by the Board of Directors on 9 March 2022 and by the Shareholders' Meeting on 22 March 2022.

* * *

CONFERENCE CALL

At 15:00 CET today, a conference call will be held to illustrate the results of the first six months of 2022 to financial analysts and investors. The presentation may be followed via audio webcasting on the Company's website (www.denora.com). The supporting material for the presentation will also be provided at the start of the conference call in the Investor Relations/Documents and Results/Presentations section of the site and on the authorised storage mechanism "1Info" at www.1Info.it.

* * *

This press release presents the consolidated results for the first half of 2022 (subject to limited audit). The half-year results, together with the main business trends, represent a summary of the Interim Financial Report prepared in accordance with Article 154-ter of the Consolidated Finance Act (TUF), approved by Industrie De Nora's Board of Directors on 3 August 2022.

The Consolidated Interim Financial Report as at 30 June 2022 will be made available to the public, at the Company's registered office and at Borsa Italiana, to anyone who requests it, and it will also be available on the Company's website - www.denora.com - as well as on the authorised storage mechanism "1Info" at www.1Info.it, in accordance with the law.

* * *

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

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

Non-GAAP measures

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

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

Consolidated Half-Year Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union and in accordance with IAS 34 - Interim Financial Reporting by applying the same accounting standards adopted in the preparation of the Consolidated Financial Statements as of December 31, 2021 to which reference should be made.

Scope of consolidation as of June 30, 2022 has changed in relation to December 31, 2021 due to the following:

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

* * *

Industrie De Nora is an Italian multinational company, listed on Euronext Milan stock exchange, specialized in electrochemistry, a leader in sustainable technologies and with a key role in the industrial green hydrogen production chain. The Company has a portfolio of products and systems to optimize the energy efficiency of key industrial electrochemical processes and a range of products and solutions for water treatment. Globally, Industrie De Nora is the world's largest supplier of activated electrodes (serving a broad portfolio of customers operating in the fields of chlorine & caustic soda production, components for electronics, non-ferrous metal refining), it is also among the world's leading suppliers of water filtration and disinfection technologies (for the industrial, municipal, and marine sectors). Leveraging its well-established electrochemical knowledge, proven manufacturing capability, and a supply chain established over the years, the Company has developed and qualified a portfolio of electrodes and components to produce hydrogen through the electrolysis of water, which is critical for the energy transition. In this industry the company also holds a share of 34 percent of thyssenkrupp nucera, a JV with Thyssenkrupp. Founded in 1923, Industrie De Nora had total revenues of €616 million and EBITDA of €127 million in 2021. The Company's growth process has developed both organically, through continued penetration of new markets and applications, and through acquisitions in the U.S., Asia, and Europe. Its evolving intellectual property portfolio currently includes more than 260 patent families with more than 2,600 territorial extensions. The Group is controlled by the De Nora family, which owns approximately 54.8 percent of the Company's share capital, with Snam S.p.A. as a minority shareholder with about 26 percent of the capital

Investor Relations

Marco Porro
+39 02 2129 2124
ir@denora.com

Media Relations

Barabino & Partners
Office: +39 02/72.02.35.35
Sabrina Ragone – s.ragone@barabino.it 338 25 19 534
Alberto Piana – a.piana@barabino.it 342 76 70 164

Consolidated Statement of Financial Position

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

For the half-year ended June 30,

Consolidated Income Statement Reclassified

(in € thousands)

	2022		2021	
Revenue	410,467	96.0%	253,677	93.6%
Change in inventory of finished goods and work in progress	14,485	3.4%	15,454	5.7%
Other income	2,540	0.6%	1,972	0.7%
VALUE OF PRODUCTION	427,492	100.0%	271,103	100.0%
Material Consumption	(189,950)	-44.4%	(116,711)	-43.1%
Personnel costs	(83,531)	-19.5%	(54,789)	-20.2%
Costs for services	(69,641)	-16.3%	(51,534)	-19.0%
Other operating expenses/income	(4,771)	-1.1%	(5,150)	-1.9%
EBITDA	79,599	18.6%	42,919	15.8%
Amortization of intangible assets	(4,498)	-1.1%	(4,967)	-1.8%
Depreciation of property, plant and equipment	(9,062)	-2.1%	(7,827)	-2.9%
	0		0	
Net provision for risk and charge	(107)	0.0%	(456)	-0.2%
Impairment and write-backs	(3,083)	-0.7%	132	0.0%
OPERATING PROFIT (EBIT)	62,849	14.7%	29,801	11.0%
Share of profit of equity-accounted investees	(5,551)	-1.3%	3,375	1.2%
Finance income	21,483	5.0%	6,816	2.5%
Finance expenses	(17,799)	-4.2%	(7,923)	-2.9%
Profit before Tax	60,982	14.3%	32,069	11.8%
Income tax expense	(21,249)	-5.0%	(8,560)	-3.2%
Result of ongoing operating activities	39,733	9.3%	23,509	8.7%
Attributable to:				
Parent company shareholders	39,918	9.3%	23,359	8.6%
Non-controlling interests	(185)	0.0%	150	0.1%
EBITDA	79,599	18.6%	42,919	15.8%
Non-recurring items impacting EBITDA	22,724		2,198	
Adjusted EBITDA	102,323	23.9%	45,117	16.6%
Risultato Operativo (EBIT)	62,849	14.7%	29,801	11.0%
Non-recurring items impacting EBITDA	22,724		2,198	
Utilization of provisions	(344)		-	
Adjusted EBIT	85,229	19.9%	31,999	11.8%

Consolidated Statement of Cash Flows

For the half-year ended June 30,

(in € thousands)

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