

# 2023 Interim Condensed Consolidated Financials

as of September 30, 2023

## Interim consolidated statement of financial position

	Notes	As of September 30, 2023	of which with related parties	As of December 31, 2022	of which with related parties
(in € thousands)					
<b>ASSETS</b>					
Goodwill and other intangible assets	16	127,774		131,552	
Property, plant and equipment	17	215,624		184,177	
Equity-accounted investees	18	230,323		122,664	
Financial assets, including derivatives	19	4,478		4,610	
Deferred tax assets		14,658		13,096	
Other receivables	20	11,565	52	9,030	52
Employee benefits	27	3,482		3,331	
<b>Total non-current assets</b>		<b>607,904</b>		<b>468,460</b>	
Inventory	21	287,000		295,476	
Financial assets, including derivatives	19	13,029		159,036	
Current tax assets	22	7,761	376	4,893	376
Construction contracts	23	38,115		29,135	
Trade receivables	24	140,336	31,007	123,421	7,267
Other receivables	20	32,916	5	33,074	
Cash and cash equivalents	25	169,365		174,129	
<b>Total current assets</b>		<b>688,522</b>		<b>819,164</b>	
<b>TOTAL ASSETS</b>		<b>1,296,426</b>		<b>1,287,624</b>	
<b>EQUITY AND LIABILITIES</b>					
Equity attributable to Owners of the parent		899,369		741,218	
Equity attributable to non-controlling interest		5,632		3,586	
<b>TOTAL EQUITY</b>	26	<b>905,001</b>		<b>744,804</b>	
Employee benefits	27	23,982		23,959	
Provisions for risks and charges	28	2,311		2,142	
Deferred tax liabilities		8,848		8,664	
Financial liabilities, net of current portion	29	123,598		267,544	
Trade payables	30	100		83	
Other payables	32	2,971	395	2,384	444
<b>Total non-current liabilities</b>		<b>161,810</b>		<b>304,776</b>	
Provisions for risks and charges, current portion	28	20,990		18,546	
Financial liabilities, current portion	29	17,801		13,655	
Construction contracts	23	7,039		12,702	
Trade payables	30	76,971	1,590	80,554	889
Income tax payable	31	18,092		10,970	-
Other payables	32	88,722	30,621	101,617	34,869
<b>Total current liabilities</b>		<b>229,615</b>		<b>238,044</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,296,426</b>		<b>1,287,624</b>	

## Interim consolidated income statement

	Notes	Nine months 2023	of which with related parties	Nine months 2022	of which with related parties
		<i>(in € thousands)</i>			
Revenues	4	629,757	159,982	616,627	99,587
Change in inventory of finished goods and work in progress	5	22,872		37,926	
Other income	6	5,274	520	3,272	570
Costs for raw materials, consumables, supplies and goods	7	(287,567)	(193)	(297,842)	(726)
Personnel expenses	8	(107,922)	(4,196)	(117,727)	(21,398)
<i>(of which Management Incentive Plan)</i>		-	-	(19,360)	(17,979)
Costs for services	9	(130,185)	(1,801)	(112,102)	(404)
Other operating expenses	10	(7,524)	-	(6,556)	(1)
Amortization and depreciation	16–17	(21,780)		(20,481)	
Impairment (losses)/revaluations and provisions for risks and charges	11	(6,409)		(5,806)	
<b>Operating profit</b>		<b>96,516</b>		<b>97,311</b>	
Share of profit of equity-accounted investees	18	3,598		(4,240)	
Finance income	12	142,674		30,610	
<i>(of which income deriving from stock market listing of tk nucera)</i>		133,223		-	
Finance expenses	13	(15,789)	-	(26,393)	(1)
<b>Profit before tax</b>		<b>226,999</b>		<b>97,288</b>	
Income tax expense	14	(28,375)		(33,397)	
<b>Profit for the period</b>		<b>198,624</b>		<b>63,891</b>	
Attributable to:					
<i>Owners of the parent</i>		<i>197,959</i>		<i>63,939</i>	
<i>Non-controlling interests</i>		<i>665</i>		<i>(48)</i>	
<b>Basic and diluted earnings per share (in Euro)</b>	15	<b>0.98</b>		<b>0.34</b>	

## Interim consolidated statement of comprehensive income

	Nine months 2023	Nine months 2022
	<i>(in € thousands)</i>	
<b>Profit for the period</b>	<b>198,624</b>	<b>63,891</b>
<b>Items that will not be reclassified to profit or loss:</b>		
Actuarial reserve	59	6,514
Tax effect	(32)	(1,883)
<b>Total items that will not be reclassified to profit or loss, net of the tax effect (A)</b>	<b>27</b>	<b>4,631</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Effective portion of the change in fair value of financial instruments cash flows hedges	(214)	(219)
Change in fair value of financial assets	363	114
Translation reserve	(16,106)	22,703
Tax effect	(30)	10
<b>Total items that may be reclassified subsequently to profit or loss, net of the tax effect (B)</b>	<b>(15,987)</b>	<b>22,608</b>
<b>Total other comprehensive income net of the tax effects (A + B)</b>	<b>(15,960)</b>	<b>27,239</b>
<b>Total comprehensive income</b>	<b>182,664</b>	<b>91,130</b>
Attributable to:		
<i>Owners of the parent</i>	<i>181,918</i>	<i>91,044</i>
<i>Non-controlling interests</i>	<i>746</i>	<i>86</i>

## Interim consolidated statement of cash flows

	Notes	Nine months 2023	of which with related parties	Nine months 2022	of which with related parties
		<i>((in € thousands))</i>			
<b>Cash flows from operating activities</b>					
Profit for the period	26	198,624		63,891	
<i>Adjustments for:</i>					
Amortization and depreciation	16-17	21,780		20,481	
Impairment losses/(reversal) of property, plant and equipment	11-16-17	1,276		2,818	
Management Incentive Plan	26	-	-	19,360	17,679
Share based payments	26	435			
Finance expenses	13	15,789		26,393	
Finance income	12	(142,674)		(30,610)	
Share of profit of equity-accounted investees	18	(3,598)	(3,598)	4,240	4,240
(Gains) losses on the sale of property, plant and equipment and intangible assets	16-17	252		200	
Income tax expense	14	28,371		33,397	
Change in inventory	21	3,029		(80,488)	
Change in trade receivables and construction contracts	23-24	(33,766)	(23,396)	1,075	11,344
Change in trade payables	30	(1,476)	729	9,315	(186)
Change in other receivables/payables	20-32	(15,701)	(3,471)	8,692	10,044
Change in provisions and employee benefits	27-28	2,463		(1,231)	
<b>Cash flows generated by/(used in) operating activities</b>		<b>74,808</b>		<b>77,532</b>	
Interests and other finance expenses paid	13	(13,549)		(18,134)	
Interests and other finance income collected	12	7,145		13,761	
Income tax paid	14	(21,654)		(28,530)	
<b>Net cash flows generated by/(used in) operating activities</b>		<b>46,749</b>		<b>44,629</b>	
<b>Cash flows from investing activities</b>					
Sales of property, plant and equipment and intangible assets	16-17	346		490	
Investments in property, plant and equipment	16-17	(46,634)		(24,016)	
Investments in intangible assets	16-17	(5,529)		(5,156)	
Investments/Disposal in associated companies	18	26,439	-	(17)	(17)
Acquisitions, net of cash acquired		(2,046)		-	
Investments/Disposal in financial activities	19	144,956		(1,370)	
<b>Net cash flows generated by/(used in) investing activities</b>		<b>117,531</b>		<b>(30,069)</b>	
<b>Cash flows from financing activities</b>					
Share capital increase	26	1,300		196,581	
New loans	29	3,900		272,750	
(Repayments) of loans	29	(145,905)		(259,157)	
Payment of leases	29	(1,654)		(1,490)	
Increase (decrease) in other financial liabilities	29	(5)		(7)	
Dividends paid	26	(24,202)		(20,000)	
<b>Net cash flows generated by/(used in) financing activities</b>		<b>(166,566)</b>		<b>188,678</b>	
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(2,286)</b>		<b>203,238</b>	
Opening cash and cash equivalents		174,129		73,843	
Exchange rate gains/(losses)		(2,478)		3,554	
<b>Closing cash and cash equivalents</b>	25	<b>169,365</b>		<b>280,635</b>	

## Interim statement of changes in the net consolidated equity

<i>(in € thousands)</i>	Notes	Share capital	Legal reserve	Share premium	Retained earnings	Translation reserve	Other reserves	Profit for the period	Equity attributable to the Owners of the parent	Equity attributable to non controlling interests	Total Equity
<b>Balance as of December 31, 2021</b>	26	<b>16,786</b>	<b>3,357</b>	<b>24,915</b>	<b>340,546</b>	<b>5,563</b>	<b>(7,404)</b>	<b>66,696</b>	<b>450,459</b>	<b>3,503</b>	<b>453,962</b>
<b>Transactions with shareholders:</b>											
Share capital increase		1,482	-	198,518	-	-	(3,419)	-	196,581	-	<b>196,581</b>
Allocation of profit for 2021		-	-	-	66,696	-	-	(66,696)	-	-	-
Dividends distribution		-	-	-	(20,000)	-	-	-	(20,000)	-	<b>(20,000)</b>
<b>Other movements</b>		-	-	-	-	-	19,360	-	19,360	-	<b>19,360</b>
<b>Comprehensive income statement:</b>											
Profit for the period		-	-	-	-	-	-	63,939	63,939	(48)	<b>(63,891)</b>
Actuarial reserve		-	-	-	-	-	4,631	-	4,631	-	<b>4,631</b>
Effective portion of the change in fair value of financial instruments hedging cash flows		-	-	-	-	-	(182)	-	(182)	-	<b>(182)</b>
Change in fair value of financial assets		-	-	-	-	-	(10)	-	(10)	97	<b>87</b>
Translation reserve		-	-	-	-	22,666	-	-	22,366	37	<b>22,703</b>
<b>Balance as of September 30, 2022</b>	26	<b>18,268</b>	<b>3,357</b>	<b>223,433</b>	<b>387,242</b>	<b>28,229</b>	<b>12,976</b>	<b>63,939</b>	<b>737,444</b>	<b>3,589</b>	<b>741,033</b>
<b>Balance as of December 31, 2022</b>	26	<b>18,268</b>	<b>3,357</b>	<b>223,433</b>	<b>387,242</b>	<b>5,059</b>	<b>14,295</b>	<b>89,564</b>	<b>741,218</b>	<b>3,586</b>	<b>744,804</b>
<b>Transactions with shareholders:</b>											
Share capital increase		-	-	-	-	-	-	-	-	1,300	<b>1,300</b>
Allocation of profit for 2022		-	-	-	89,564	-	-	(89,564)	-	-	-
Dividends distribution		-	-	-	(24,202)	-	-	-	(24,202)	-	<b>(24,202)</b>
Other movements - Share based payments		-	-	-	-	-	435	-	435	-	<b>435</b>
<b>Comprehensive income statement:</b>											
Profit for the period		-	-	-	-	-	-	197,959	197,959	665	<b>198,624</b>
Actuarial reserve		-	-	-	-	-	22	-	5	5	<b>27</b>
Effective portion of the change in fair value of financial instruments hedging cash flows		-	-	-	-	-	(153)	-	(153)	-	<b>(153)</b>
Change in fair value of financial assets		-	-	-	-	-	145	-	145	127	<b>272</b>
Translation reserve		-	-	-	-	(16,055)	-	-	(15,055)	(51)	<b>(16,106)</b>
<b>Balance as of September 30, 2023</b>	26	<b>18,268</b>	<b>3,357</b>	<b>223,433</b>	<b>452,604</b>	<b>(10,996)</b>	<b>14,744</b>	<b>197,959</b>	<b>899,369</b>	<b>5,632</b>	<b>905,001</b>

# EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 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 Interim Financial Statements for the nine months ended September 30, 2023 (hereinafter the "**Condensed Consolidated Interim Financial Statements**") were approved by the Company's Board of Directors on November 8, 2023.

### 2. SUMMARY OF THE ACCOUNTING PRINCIPLES ADOPTED AND THE CRITERIA ADOPTED FOR THE PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 2.1 Criteria for the preparation of the Condensed Consolidated Interim Financial Statements

The De Nora Group has prepared these Condensed Consolidated Interim 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 September 30, 2023, hereinafter the "**IFRS**". The IFRS have been applied consistently in all the periods presented. These Condensed Consolidated Interim 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 Interim 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 September 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 nine months ended September 30, 2023, are compared with the respective amounts for the nine months ended September 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 such asset is carried out, or is held for sale or consumption, in the normal course of the operating cycle;
- it is mainly owned for trading purposes;
- it is assumed that it will be realized 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 trading purposes;
- 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 closing date of the period. 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 realization 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 accounted for directly in 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 principles.

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 Interim 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 Interim 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;



- on an 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 favoring 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 standards, 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 IAS 7 e IFRS 7: 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
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 Structure, content and consolidation methods

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

As of September 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 the 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 as of September 30, 2023 are as follows:

Company	Registered office	Currency	Share capital as of 30.09.2023		interest % De Nora Group		Consolidation criterion
			in local currency	in Euro	as of 30.09.2023	as of 31.12.2022	
Oronzio De Nora International BV - NETHERLANDS	Basisweg 10 - 1043 AP Amsterdam - The Netherlands	Euro	4,500,000.00	4,500,000.00	100%	100%	line-by-line
De Nora Deutschland GmbH - GERMANY	Industriestrasse 17 63517 Rodenbach - GERMANY	Euro	100,000.00	100,000.00	100%	100%	line-by-line
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	603,140.77	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	569,259.96	100%	100%	line-by-line
De Nora Hong Kong Limited - HONG KONG	Unit D-F 25/F YHC Tower 1 Sheung YUET Road Kowloon Bay KL - HONG KONG	HKD	100,000.00	12,054.15	100%	100%	line-by-line
De Nora do Brasil Ltda - BRAZIL	Avenida Jerome Case No. 1959 Eden - CEP 18087-220 - Sorocoba/SP- BRAZIL	BRL	9,662,257.00	1,820,834.26	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	23,843,369.83	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	1,939,187.09	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	129,279.14	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. - ITALY	Via L.Bistolfi, 35 - 20134 Milan - ITALY	Euro	78,000.00	78,000.00	100%	100%	line-by-line
De Nora Water Technologies FZE – DUBAI	Office No: 614, Le Solarium Tower, Dubai Silicon Oasis - DUBAI	AED	250,000.00	64,257.44	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, Aldermay House, 10-15 Queen	Euro	19.00	19.00	100%	100%	line-by-line

	Street, London, England, EC4N 1TX						
De Nora Water Technologies UK Services Ltd. – ENGLAND	Daytona House Amber Close, Amington, Tamworth, England, B77 4RP	GBP	7,597,918.00	8,787,987.23	100%	100%	line-by-line
De Nora Holdings US Inc. – USA	7590 Discovery Lane, Concord, OH 4407 - USA	USD	10.00	9.44	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	914,196.89	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	2,169,427.42	100%	100%	line-by-line
De Nora Water Technologies Ltd. - ENGLAND	C/O Pirola Pennuto Zei & Associati Limited, 5th Floor, Aldermay House, 10-15 Queen Street, London, England, EC4N 1TX	GBP	1.00	1.16	100%	100%	line-by-line
De Nora Water Technologies (Shanghai) Ltd - CHINA	No 96 Street A0201 Lingang Marine Science Park, Pudong New District, Shanghai - CHINA	CNY	7,757,786.80	1,002,920.00	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	3,282,754.38	100%	100%	line-by-line
thyssenkrupp nucera AG & Co. KGaA - GERMANY	Germany	Euro	126,315,000.00	126,315,000.00	25.9%	34%	equity
thyssenkrupp nucera Italy S.r.l.- ITALY	Italy	Euro	1,080,000.00	1,080,000.00	25.9%	34%	equity
thyssenkrupp nucera Australia Pty. - Australia	Australia	AUD	500,000.00	304,915.23	25.9%	34%	equity
thyssenkrupp nucera Arabia for Contracting Limited	Saudi Arabia	SAR	2,000,000.00	501,190.33	25.9%	34%	equity
thyssenkrupp nucera Japan Ltd. - JAPAN	Japan	JPY	150,000,000.00	954,441.33	25.9%	34%	equity
thyssenkrupp nucera (Shanghai) Co., Ltd.- CHINA	China	CNY	20,691,437.50	2,619,733.04	25.9%	34%	equity
thyssenkrupp nucera USA Inc. - USA	USA	USD	700,000.00	644,211.30	25.9%	34%	equity
thyssenkrupp nucera Participations GmbH	Germany	Euro	25,000.00	25,000.00	25.9%	--	equity
thyssenkrupp nucera India Private Limited	India	INR	200.00	2.27	25.9%	--	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 September 30, 2023 has changed in relation to December 31, 2022 due to the following:

- on May 15, 2023, Industrie De Nora S.p.A. has 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 as of 31 May 2023 of the assets and liabilities of Shotec GmbH determined on a provisional basis are summarized below (since balances as of the acquisition date are not available):

<i>€000</i>	<i>ASSETS</i>	<i>31/05/2023</i>
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment		943
Other receivables		11
<b>Total non current assets</b>		<b>954</b>
<b>CURRENT ASSETS</b>		
Inventory		116
Trade receivables		108
Other receivables		107
Cash and cash equivalents		72
<b>Total current assets</b>		<b>403</b>
<b>TOTAL ASSETS</b>		<b>1.357</b>
<b>LIABILITIES</b>		
<b>Equity (corresponding to the Fair value of the net assets acquired)</b>		
		<b>937</b>
<b>Total non current liabilities</b>		<b>-</b>
<b>CURRENT LIABILITIES</b>		
Trade payables		48
Income tax payable		60
Other payables		312
<b>Total current liabilities</b>		<b>420</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1.357</b>

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 contribution to the consolidated condensed financial statements as at September 30, 2023 amount to Euro 642 thousand in Revenues and Euro 73 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. Such transaction had no impact on the consolidated financial statements.

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

	Exchange rate at September 30, 2023	Exchange rate at December 31, 2022
<b>Currency</b>		
US Dollar	1.0594	1.0666
Japanese Yen	158.1000	140.66
Indian Rupee	88.0165	88.171
Chinese Yuan Renminbi	7.7352	7.3582
Brazilian Real	5.3065	5.6386
Pound sterling (GBP)	0.8646	0.8869

The following table shows the average exchange rates, against the Euro, for the major currencies in which the Group operates for the nine months periods ended September 30, 2023 and 2022:

	Average exchange rate for the first nine months ended September 30	
	2023	2022
<b>Currency</b>		
US Dollar	1.0834	1.0629
Japanese Yen	149.6817	136.2117
Indian Rupee	89.2413	82.2556
Chinese Yuan Renminbi	7.6250	7.0215
Brazilian Real	5.4242	5.4599
Pound sterling (GBP)	0.8707	0.8477

## 2.5 Accounting standards and criteria

The main recognition, classification and valuation criteria and accounting policies adopted for the preparation of the Condensed Consolidated Interim Financial Statements are consistent to those adopted for the preparation of the Consolidated Financial Statements as of December 31, 2022 to which reference is therefore made, except for the adjustments required by the nature of the interim reporting.

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

Furthermore, income taxes for the period are determined based on 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 Interim 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 did not encounter any significant critical issues attributable to the ongoing Russia-Ukraine conflict in terms of procurement, production and sales. As of September 30, 2023, the Group's main suppliers of strategic materials are located outside Russia and Ukraine. Group customers located in the area affected by the conflict accounted for 2% of Group revenues for the nine months ended September 30, 2023 (4.5% for the nine months ended September 30, 2022). As of September 30, 2023, the exposure to Russian and Ukrainian customers amounted to approximately Euro 1.7 million and it does not present risk of non-collection.

However, it cannot be ruled out that the continuation of a situation of military conflict in Ukraine and the increase in tensions between Russia and the countries in which the Group operates could negatively affect global macroeconomic conditions and the economies of those countries, leading to a possible contraction in demand and a consequent decrease in production levels, also taking into account the continuous evolution of the sanctions framework, which is constantly monitored by the Group's management.

## A. NOTES TO THE MAIN FINANCIAL STATEMENTS ITEMS - CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

### 4. Revenues

The following table details revenues from contracts with customers by type for the nine-months periods ended September 30, 2023 and 2022:

	Nine months ended September 30,	
	2023	2022
	<i>(in € thousands)</i>	
Sales of electrodes	331,494	349,829
Sales of systems	23,016	20,180
After-market and other sales	210,967	200,999
Change in construction contracts	64,280	45,619
<b>Total</b>	<b>629,757</b>	<b>616,627</b>

Revenues for the nine months ended September 30, 2023, amounted to Euro 629,757 thousand (Euro 616,627 thousand for the nine months ended September 30, 2022). The increase of Euro 13,130 thousand (or 2.1%, 5.4% at constant exchange rates)<sup>1</sup> can be mainly attributed to the progress of activities in the Energy Transition segment and to the consolidation of revenues in the Electrode Technologies segment, which together more than compensate the reduction in revenues in the Water Technologies segment, in particular in the Pools business line.

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

	Nine months ended September 30,	
	2023	2022
	<i>(in € thousands)</i>	
Europe, Middle East, India and Africa (EMEIA)	230,639	184,338
North and Latin Americas (AMS)	195,487	214,343
Asia Pacific (APAC)	203,631	217,946
<b>Total</b>	<b>629,757</b>	<b>616,627</b>

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

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

For the nine months ended September 30, 2023, the Group had a positive change in inventories of semi-finished and finished products of Euro 22,872 thousand (Euro 37,926 thousand for the nine months ended September 30, 2022).

### 6. Other income

The table below shows the detail of other income for the nine-months periods ended September 30, 2023 and 2022:

	Nine months ended September 30,	
	2023	2022
	<i>(in € thousands)</i>	
Sundry income	3,288	2,604
Insurance refund	1,010	35
R&D grants	880	468
R&D income	92	116
Gain on sale of non-current assets	4	49
<b>Total</b>	<b>5,274</b>	<b>3,272</b>

<sup>1</sup> Determined by converting data in currencies other than the Euro for the nine months ended September 30, 2023 at historical exchange rates for the nine months ended September 30, 2022.

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 nine months ended September 30, 2023 and 2022:

	Nine months ended September 30,	
	2023	2022
	<i>(in € thousands)</i>	
Purchase of raw materials	175,561	263,087
Change in inventory	23,917	(34,302)
Purchase of semi-finished and finished goods	73,221	62,803
Purchase of consumables and supplies	16,339	10,882
Purchase of packaging material	1,891	1,349
Other purchases and related charges	82	70
(Capitalized costs related to assets built internally)	(3,444)	(6,047)
<b>Total</b>	<b>287,567</b>	<b>297,842</b>

Costs for raw materials, consumables, supplies and goods- for the nine months ended September 30, 2023, amounted to Euro 287,567 thousand, with a decrease of Euro 10,275 thousand compared to Euro 297,842 thousand for the nine months ended September 30, 2022.

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 detail of personnel expenses for the nine months ended September 30, 2023 and 2022:

	Nine months ended September 30,	
	2023	2022
	<i>(in € thousands)</i>	
Wages and salaries	88,108	81,476
Management Incentive Plan	-	19,360
Social security contributions	18,949	16,876
Post-employment benefits and other pension plans	1,761	1,808
Other personnel net (income)/expenses	2,317	1,466
(Capitalized costs related to assets built internally)	(3,213)	(3,259)
<b>Total</b>	<b>107,922</b>	<b>117,727</b>

Personnel expenses amounted to Euro 107,922 thousand for the nine months ended September 30, 2023 (Euro 117,727 thousand for the nine months ended September 30, 2022) with a decrease compared to the nine months of the previous year amounting to Euro 9,805 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 2022, personnel expense would have increased by Euro 9,555 as a consequence of the headcount increase. The following table shows the average number of Group employees for the nine months ended September 30, 2023 and 2022.

	Nine months ended September 30,	
	2023	2022
<b>Average number of employees</b>	1,978	1,789

"Other net personnel costs/(income)" amounting to Euro 2,317 thousand (Euro 1,866 thousand for the nine months ended September 30, 2022), are mainly related to charges and incentives for termination of personnel, costs for medical and insurance coverage, and expatriate benefits.

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



## 9. Costs for services

The table below shows the detail of costs for services for the nine months ended September 30, 2023 and 2022:

	Nine months ended September 30,	
	2023	2022
	<i>(in € thousands)</i>	
Outsourcing expenses	50,209	37,409
Consultancies		
- Production and technical assistance	10,800	10,582
- Selling	198	229
- Legal, tax, administrative and ICT	10,481	12,471
- M&A and Business development	68	184
Utilities/Telephone expenses	8,679	7,678
Maintenance	14,499	10,849
Travel expenses	6,781	5,476
R&D	866	771
Statutory auditors' fees	93	102
Insurance	3,063	2,912
Rents and other lease expenses	2,479	1,957
Commissions and royalties	4,108	5,304
Freight	9,604	8,458
Waste disposal, office cleaning and security	2,658	2,383
Promotional, advertising and marketing expenses	814	1,297
Patents and trademarks	939	1,071
Canteen, training and other personnel expenses	2,845	2,227
Board of Directors fees	1,001	400
<b>Total</b>	<b>130,185</b>	<b>112,102</b>

Costs for services amounted to Euro 130,185 thousand for the nine months ended September 30, 2023 (Euro 112,102 thousand for the nine months ended September 30, 2022) with an increase of Euro 18.083 compared to previous year mainly for outsourcing expenses and maintenance costs.

## 10. Other operating expenses

The table below shows the detail of other operating expenses for the nine months ended September 30, 2023 and 2022:

	Nine months ended September 30,	
	2023	2022
	<i>(in € thousands)</i>	
Indirect taxes and duties	6,044	4,871
Losses on sale of non-current assets	256	249
Losses on receivables (not covered by utilization of bad debt provision)	5	-
Other miscellaneous expenses	1,219	1,436
<b>Total</b>	<b>7,524</b>	<b>6,556</b>

Other operating expenses amounted to Euro 7,524 thousand for the nine months ended September 30, 2023 (Euro 6,556 thousand for the nine months ended September 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 nine months ended September 30, 2023 and 2022:

	Nine months ended September 30,	
	2023	2022
Net accruals to provisions for risks and charges	5,576	1,789
Net accruals to bad debt provision	(443)	1,199
Write downs/(Reinstatements) of Intangible Assets - Property, Plant and Equipment	1,276	2,818
<b>Total</b>	<b>6,409</b>	<b>5,806</b>

The impairment of Euro 1,276 thousand recorded in the 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 “AWTP”). The impairment of Euro 2,818 recognized in 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 nine months ended September 30, 2023 and 2022:

	Nine months ended September 30,	
	2023	2022
	<i>(in € thousands)</i>	
Gain from Disposal of investments in associated companies	17,377	-
Exchange rate gains	7,330	24,463
Fair value (positive) of financial instrument	50	5,738
Profit from non-current financial assets	456	1
Financial income from banks/financial receivables	1,479	273
Interest on trade receivables	5	-
Other finance income	115,977	135
<b>Total</b>	<b>142,674</b>	<b>30,610</b>

Other financial income for the nine months ended September 30, 2023 include Euro 115,846 thousand related to the dilution gain in the equity-accounted investees in tk nucera following the listing of such company through the issuance of new shares on the market, with the corresponding decrease of the percentage of ownership of Industrie De Nora from 34% to 26.9%.

The Gain from Disposal of investments in associated companies for the nine months ended September 30, 2023 equals to Euro 17,377 thousand is related to the exercise of the greenshoe option by which Industrie De Nora has disposed 1,342,065 shares in the framework of tk nucera's IPO. Following this disposal, the percentage of ownership in tk nucera decreased to the current 25.85%.

## 13. Finance expenses

The table below shows the detail of financial expenses for the nine months ended September 30, 2023 and 2022:

	Nine months ended September 30,	
	2023	2022
	<i>(in € thousands)</i>	
Bank interest and interest on loans and borrowings	7,074	4,118
Exchange rate losses	5,105	15,887
Fair value (negative) of financial instruments	1,418	5,073
Finance expenses on personnel costs	480	199
Bank fees	670	711
Other finance expenses	1,042	405
<b>Total</b>	<b>15,789</b>	<b>26,393</b>

The adjustment of financial instruments to fair value is mainly related to derivative financial instruments to hedge exchange rate fluctuations. Therefore, the performance of this item should be read in conjunction with the performance of exchange rate gains and losses for the respective nine months ended September 30, 2023 and 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 nine months ended September 30, 2023 and 2022:

	Nine months ended September 30,	
	2023	2022
	<i>(in € thousands)</i>	
Current taxes	29,411	32,902
Deferred taxes	(1,019)	(308)
Prior years taxes	(17)	803
<b>Total</b>	<b>28,375</b>	<b>33,397</b>

#### 15. Earnings per share

The following table shows the basic and diluted earnings per share for the nine months ended September 30, 2023 and 2022.

	Nine months ended September 30,	
	2023	2022
Profit for the period attributable to shareholders of the parent company distributable to ordinary and multiple voting share <i>(in € thousands)</i>	197,959	63,939
Weighted average number of shares for basic and diluted earnings per share	201,685,174	186,247,017
<b>Basic and diluted earnings per ordinary and multiple voting share (in Euro)</b>	<b>0.98</b>	<b>0.34</b>

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

### 16. Goodwill and other intangible assets

The table below shows the breakdown and changes in intangible assets for the nine months ended September 30, 2023:

	Goodwill	Industrial patents and intellectual property rights	Concessions, licenses and trademarks	Know-how and Technologies	Customer relationships	Development costs	Other	Assets under construction and advance payments	Total intangible assets
	(in € thousands)								
<b>Historical cost at December 31, 2022</b>	<b>66,981</b>	<b>14,878</b>	<b>37,697</b>	<b>47,441</b>	<b>52,430</b>	<b>22,754</b>	<b>9,136</b>	<b>8,969</b>	<b>260,286</b>
Change in consolidation scope	1,181	-	-	-	-	-	-	-	1,181
Increase	-	299	1,367	-	-	-	89	3,774	5,529
Decrease	-	-	-	-	-	-	-	(154)	(154)
Impairment	-	-	-	-	-	(1,276)	-	-	(1,276)
Reclassif./Other movements	-	215	1,379	-	-	449	238	(2,506)	(225)
Translation differences	438	(201)	(738)	(2,366)	(382)	(75)	(22)	(27)	(3,373)
<b>Historical cost at September 30, 2023</b>	<b>68,600</b>	<b>15,191</b>	<b>39,705</b>	<b>45,075</b>	<b>52,049</b>	<b>21,852</b>	<b>9,441</b>	<b>10,056</b>	<b>261,968</b>
<b>Accumulated amortization as of December 31, 2022</b>	<b>-</b>	<b>13,400</b>	<b>28,720</b>	<b>32,984</b>	<b>38,931</b>	<b>9,476</b>	<b>5,221</b>	<b>0</b>	<b>128,733</b>
Increase	-	740	2,397	1,118	847	2,278	403	-	7,784
Decrease	-	-	-	-	-	-	-	-	-
Reclassif./Other movements	-	-	74	-	-	107	(181)	-	-
Translation differences	-	(137)	(699)	(1,310)	(84)	(79)	(13)	-	(2,323)
<b>Accumulated amortization as of September 30, 2023</b>	<b>-</b>	<b>14,003</b>	<b>30,493</b>	<b>32,792</b>	<b>39,694</b>	<b>11,781</b>	<b>5,430</b>	<b>-</b>	<b>134,194</b>
<b>Net book value as of December 31, 2022</b>	<b>66,981</b>	<b>1,478</b>	<b>8,977</b>	<b>14,457</b>	<b>13,499</b>	<b>13,278</b>	<b>3,915</b>	<b>8,969</b>	<b>131,552</b>
<b>Net book value as of September 30, 2023</b>	<b>68,600</b>	<b>1,188</b>	<b>9,212</b>	<b>12,283</b>	<b>12,355</b>	<b>10,070</b>	<b>4,011</b>	<b>10,056</b>	<b>127,774</b>

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 Interim Condensed Consolidated Financial Statements as certain valuation processes have not yet been finalized.

Investments in intangible assets for the first nine months 2023 amounted to Euro 5,529 thousand and mainly refer to:

- i. industrial patent rights and intellectual property rights for Euro 299 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 1,367 thousand mainly relating to the implementation of SAP management system and other ICT systems;
- iii. intangible assets in progress for Euro 3,774 thousand relating to: for Euro 1,017 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 307 thousand to concessions, licenses and trademarks mainly relating to the implementation of SAP management system and other ICT systems and for Euro 2,450 thousand related to product development costs mainly pertaining to the Water Technologies business segment.

The impairment of Euro 1,276 thousand recorded in the 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 ("AWTP").

### 17. Property, Plant and Equipment

The following table shows the breakdown and changes in property, plant and equipment for the nine months ended September 30, 2023:

	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
	<i>(in € thousands)</i>									
<b>Historical cost as of December 31, 2022</b>	<b>28,805</b>	<b>93,750</b>	<b>107,071</b>	<b>20,577</b>	<b>122,591</b>	<b>10,855</b>	<b>8,691</b>	<b>2,163</b>	<b>20,100</b>	<b>403,750</b>
Change in consolidation scope	-	414	504	25	-	-	-	-	-	943
Increase	14,716	564	482	84	3,987	4,127	3,962	165	26,803	50,761
Decrease	-	(283)	(728)	(466)	(1,868)	-	-	-	(171)	(3,515)
Impairment	-	-	-	-	-	-	-	-	-	-
Reclassif./Other movements	-	1,954	4,870	534	289	-	-	-	(7,550)	97
Translation differences	(2,352)	(2,052)	(2,058)	(596)	(8,397)	(220)	(226)	5	(135)	(15,809)
<b>Historical cost at September 30, 2023</b>	<b>41,169</b>	<b>94,347</b>	<b>110,139</b>	<b>20,159</b>	<b>116,602</b>	<b>14,762</b>	<b>12,427</b>	<b>2,334</b>	<b>39,048</b>	<b>436,226</b>
<b>Accumulated depreciation as of December 31, 2022</b>	<b>10</b>	<b>38,224</b>	<b>63,442</b>	<b>15,969</b>	<b>97,240</b>	<b>4,688</b>	<b>3,028</b>	<b>1,660</b>	<b>-</b>	<b>219,572</b>
Increase	-	2,338	4,468	996	4,412	1,784	1,520	263	-	13,997
Decrease	-	(137)	(676)	(446)	(1,813)	-	-	-	-	(3,072)
Impairment	-	-	-	-	-	-	-	-	-	-
Reclassif./Other movements	-	11	12	(22)	-	-	-	-	-	2
Translation differences	-	(1,111)	(1,419)	(471)	(6,846)	(51)	(56)	5	-	(9,898)
<b>Accumulated amortization as of September 30, 2023</b>	<b>10</b>	<b>39,326</b>	<b>65,827</b>	<b>16,026</b>	<b>92,992</b>	<b>6,421</b>	<b>4,492</b>	<b>1,929</b>	<b>-</b>	<b>220,601</b>
<b>Net book value as of December 31, 2022</b>	<b>28,795</b>	<b>55,526</b>	<b>43,629</b>	<b>4,608</b>	<b>25,351</b>	<b>6,167</b>	<b>5,663</b>	<b>503</b>	<b>20,100</b>	<b>184,177</b>
<b>Net book value as of September 30, 2023</b>	<b>41,159</b>	<b>55,022</b>	<b>44,312</b>	<b>4,133</b>	<b>23,609</b>	<b>8,341</b>	<b>7,935</b>	<b>405</b>	<b>39,048</b>	<b>215,624</b>

Additions to property, plant and equipment amounted to Euro 50,761 for the first nine months 2023. In particular, investments in property, plant and equipment excluding increases in right of use of property, plant and equipment amounted to Euro 46,634 thousand and mainly refer to:

- (i) acquisition of land for Euro 9,936 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 3,987 thousand related to anodes to be leased within the Electrode Technologies business segment;
- (iv) plant and machinery for Euro 482 thousand mainly attributable to the Gigafactory;
- (v) assets under construction and advance payments amounting to Euro 26,803 thousand, which refer for Euro 14,212 thousand to plant and machinery aimed to the technological renewal and the planned production capacity expansion mainly in Italy (Gigafactory), Germany China, United States, Brazil 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 5,352 thousand to buildings mainly in Italy (Gigafactory), China, Germany and United States, Brazil and Japan for Euro 1,216 thousand to other tangible assets under construction and for Euro 6,023 thousand to advance payments. These latter refer to advances paid for the manufacturing sites expansion projects in China and Germany.

## 18. Equity-accounted investees

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

	<b>As of September 30, 2023</b>
	<i>(in € thousands)</i>
<b>Opening balance</b>	<b>122,664</b>
Share of profits (losses)	3,598
Other increases (decreases)	104,061
<b>Closing balance</b>	<b>230,323</b>
<b>Investment %</b>	<b>25,85%</b>

At September 30, 2023, the value of equity-accounted investees is equal to Euro 230,323 thousand, with an increase of about Euro 107 million compared to the figure at December 31, 2022, mainly due to the dilution gain accounted following the listing of tk nucera through the issuance of new shares on the market, and the corresponding decrease of the percentage of ownership of Industrie De Nora.

For the purpose of measuring the investment using the equity method, the results for the six months ending as of June 30, 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 July-September 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 six months period ended June 30, 2023:

	<b>As of June 30</b>
	<b>2023</b>
	<i>(in € thousands)</i>
Intangible assets	55,154
Property, plant and equipment	9,368
Deferred tax assets	13,635
Other non-current assets	2,521
Inventory	89,042
Trade receivables	46,605
Financial assets and other current receivables	91,194
Cash and cash equivalent	268,310
<b>TOTAL ASSETS</b>	<b>575,829</b>
Share Capital	100,000
Reserves	120,972
Deferred tax liabilities	9,350
Employees benefits	7,391
Financial liabilities	2,172
Other non current payables	1,340
Trade payables	98,762
Construction contracts and other current payables	235,842
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>575,829</b>

  

	<b>For the period</b>
	<b>ended June 30,</b>
	<b>2023</b>
	<i>(in € thousands)</i>
Revenues	338,621
Operating costs <sup>(*)</sup>	(329,360)
Finance income/ (expense)	4,502
Income tax expense	(4,064)
<b>Profit for the period</b>	<b>9,699</b>
Other components of the comprehensive income statement	(6,774)
<b>Profit of the comprehensive income statement for the year</b>	<b>2,925</b>

<sup>(\*)</sup> For the 6-month period ended June 30, 2023 it includes depreciation and amortization of Euro 3,322 thousand.

## 19. Financial assets, including derivatives

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

	As of September 30, 2023	As of December 31, 2022
	<i>(in € thousands)</i>	
<b>Non-current</b>		
Financial receivables	1,836	1,823
Investments in financial assets	2,642	2,787
<b>Total</b>	<b>4,478</b>	<b>4,610</b>

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

Financial receivables are shown net of the related bad debt provision equal to Euro 3,421 thousand as of September 30, 2023 (Euro 3,398 thousand as of December 31, 2022).

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

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

	As of September 30, 2023	As of December 31, 2022
	<i>(in € thousands)</i>	
<b>Current</b>		
Financial receivables	25	150,234
Investments in financial assets	12,792	8,158
Fair value of the derivatives	212	644
<b>Total</b>	<b>13,029</b>	<b>159,036</b>

The financial receivables as of December 31, 2022 were 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, equal to Euro 12,792 thousand at September 30, 2023 (Euro 8,158 thousand at December 31, 2022) relate primarily to investments subject to short-term time restrictions that can be liquidated at any time.

The fair value of the derivative instruments at September 30, 2023 refers to forward currency derivative contracts entered into by De Nora Water Technologies Italy S.r.l.

## 20. Other receivables

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

	As of September 30, 2023	As of December 31, 2022
	<i>(in € thousands)</i>	
<b>Non-current</b>		
Tax receivables	8,682	6,416
Other - third parties	2,828	2,561
Prepayments and accrued income	3	1
Related parties	52	52
<b>Total</b>	<b>11,565</b>	<b>9,030</b>

	As of September 30, 2023	As of December 31, 2022
	<i>(in € thousands)</i>	
<b>Current</b>		
Advances to suppliers	10,212	9,017
Tax receivables	9,320	14,708
Other - third parties	5,765	2,377
Prepayments and accrued income	7,614	6,972
Related parties	5	-
<b>Total</b>	<b>32,916</b>	<b>33,074</b>

As of September 30, 2023, other current and non-current receivables totaled Euro 44,481 thousand, (Euro 42,104 thousand as of December 31, 2022).

Non-current tax receivables relate to withholding taxes incurred mainly by the Parent Company on 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 for existing supplementary pension funds as a counter-entry to the contribution due by the employer.

Current tax receivables mainly refer to VAT receivables.

## 21. Inventory

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

	As of September 30, 2023	As of December 31, 2022
	<i>(in € thousands)</i>	
Raw materials and consumables	108,192	135,731
Work in progress and semi-finished products	108,308	107,407
Finished products and goods	82,270	70,731
Goods in transit	4,998	4,848
<b>Total gross inventories</b>	<b>303,768</b>	<b>318,717</b>
Write-down reserve	(16,768)	(23,241)
<b>Total Net inventories</b>	<b>287,000</b>	<b>295,476</b>

Inventories, amounting to Euro 287,000 thousand, decreased by a total of Euro 8,476 thousand, mainly as a result of a decrease in raw materials only in part counterbalanced by the higher quantities in stock of finished products and goods.

Inventory is shown net of the write down provision equal to Euro 16,768 thousand at September 30, 2023, decreased compared to Euro 23,241 thousand at December 31, 2022. The movements of the inventory write-down provision were as follows:

	Raw materials and consumables	Work in progress and semi-finished products	Finished products and goods	Totale
	<i>(in € thousands)</i>			
<b>Balance as of December 31, 2022</b>	<b>1,597</b>	<b>13,564</b>	<b>8,080</b>	<b>23,241</b>
Accruals	1,049	67	114	1,230
Utilization and releases	(386)	(5,051)	(1,711)	(7,148)
Exchange rate difference	(5)	(511)	(39)	(555)
<b>Balance as of September 30, 2023</b>	<b>2,255</b>	<b>8,069</b>	<b>6,444</b>	<b>16,768</b>



## 22. Current tax assets

Current tax assets amounted to Euro 7,761 thousand at September 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 September 30, 2023 and December 31, 2022.

	As of September 30, 2023	As of December 31, 2022
	<i>(in € thousands)</i>	
<b>Current assets</b>		
Construction contracts	128,660	107,946
Progress payments	(89,269)	(77,544)
Provision for losses on construction contracts	(1,276)	(1,267)
<b>Total</b>	<b>38,115</b>	<b>29,135</b>
<b>Current liabilities</b>		
Construction contracts	77,244	68,031
Progress payments and Advances	(84,055)	(80,695)
Provision for losses on construction contracts	(228)	(38)
<b>Total</b>	<b>(7,039)</b>	<b>(12,702)</b>
<b>Total Construction contracts (net of advances)</b>	<b>31,076</b>	<b>16,433</b>

Construction contracts (net of contractual advances) amounted to Euro 31,076 thousand at September 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 September 30, 2023 and December 31, 2022.

	As of September 30, 2023	As of December 31, 2022
	<i>(in € thousands)</i>	
<b>Current</b>		
Third parties	116,478	124,008
Related parties	31,007	7,267
Bad debt reserve	(7,149)	(7,854)
<b>Total</b>	<b>140,336</b>	<b>123,421</b>

Trade receivables derive from sales transactions and the provision of services and amounted, at September 30, 2023, to Euro 140,336 thousand (Euro 123,421 thousand at December 31, 2022).

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

Following are the movements in the bad debt reserve:

	<u>As of September 30, 2023</u> <i>(in € thousands)</i>
<b>Current</b>	
<b>Balance as of December 31, 2022</b>	<b>7,854</b>
Accruals of the period	519
Utilization and releases of the period	(1,224)
Exchange rate difference	-
<b>Balance as of September 30, 2023</b>	<b>7,149</b>

## 25. Cash and cash equivalents

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

	<u>As of September 30, 2023</u>	<u>As of December 31, 2022</u>
	<i>(in € thousands)</i>	
Bank accounts	164,070	170,639
Cash on hand	30	28
Deposit accounts	5,265	3,462
<b>Cash and cash equivalents</b>	<b>169,365</b>	<b>174,129</b>

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

Cash and cash equivalents, amounting to Euro 169,365 thousand as of September 30, 2023, decreased by Euro 4,764 thousand compared to December 31, 2022.

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

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

### **26. Equity**

Equity as of September 30, 2023 is Euro 905,001 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 nine-month periods ended September 30, 2023 and March 31, 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 5 April 2023, no. 7,304,480 shares with multiple voting rights of Industrie De Nora S.p.A. have been 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 has been effective on 11 April 2023.

As a result of this share conversion, the share capital of Industrie De Nora S.p.A. remained equal to €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 September 30, 2023, amounted to Euro 456,352 thousand (Euro 406,596 thousand as of December 31, 2022), a net increase of Euro 49,756 thousand over December 31, 2022, including:

- 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 (Euro 0.12 per share);
- Euro 435 thousand increase in Other Reserves, related to the PSP Incentive Plan, the charge for which was recorded in the income statement under personnel costs;
- Euro 16,041 thousand net decrease due to the effect of the other components of the comprehensive income statement for the period, of which Euro 16,055 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 September 30, 2023 and December 31, 2022:

	As of September 30, 2023	As of December 31, 2022
	<i>(in € thousands)</i>	
Share capital and reserves	4,886	3,599
Profit/(Loss) for the period	665	101
Other comprehensive income (OCI)	81	(114)
<b>Total</b>	<b>5,632</b>	<b>3,586</b>

The increase in share capital and reserves during the nine months of 2023 is essentially attributable to De Nora Italy Hydrogen Technologies S.r.l following the contributions made by the minority shareholder SNAM S.p.A. (overall Euro 1.300 thousand).

## 27. Employee Benefits

Employee benefits at September 30, 2023 amount to Euro 20,500 thousand (Euro 20,628 thousand at December 31, 2022), as net balance between Euro 23,982 thousand shown under liabilities and Euro 3,482 thousand shown under assets.

## 28. Provisions for risks and charges

The following table shows the composition and movements of the provisions for risks and charges as of September 30, 2023 and December 31, 2022.

	As of September 30, 2023	As of December 31, 2022
	<i>(in € thousands)</i>	
<b>Non-current</b>		
Provision for contractual warranties	281	179
Provision for other risks	2,030	1,963
<b>Total</b>	<b>2,311</b>	<b>2,142</b>
<b>Current</b>		
Provision for contractual warranties	11,943	11,605
Provision for other risks	9,047	6,941
<b>Total</b>	<b>20,990</b>	<b>18,546</b>
<b>Total provisions for risks and charges</b>	<b>23,301</b>	<b>20,688</b>

Provisions for risks and charges mainly include: (i) the provision for miscellaneous risks, amounting to Euro 11,077 thousand as of September 30, 2023 (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 12,224 thousand as of September 30, 2023 (Euro 11,784 thousand as of December 31, 2022).

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

	Provision for contractual warranties	Provision for other risks
	<i>(in € thousands)</i>	
<b>Balance as of December 31, 2022</b>	<b>11,784</b>	<b>8,904</b>
Accruals of the period	4,280	2,798
Utilization and releases of the period	(3,387)	(723)
Exchange rate differences	(453)	98
<b>Balance as of September 30, 2023</b>	<b>12,224</b>	<b>11,077</b>

## 29. Financial liabilities

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

	As of September 30, 2023	As of December 31, 2022
<i>(in € thousands)</i>		
<b>Non-current</b>		
Bank loans and borrowings	117,410	262,741
Lease payables	6,188	4,803
<b>Total</b>	<b>123,598</b>	<b>267,544</b>
<b>Current</b>		
Bank overdrafts	248	282
Bank loans and borrowings	13,915	11,740
Payables to other lenders	125	-
Lease payables	2,538	1,633
Fair value of derivatives	975	-
<b>Total</b>	<b>17,801</b>	<b>13,655</b>
<b>Total financial liabilities</b>	<b>141,399</b>	<b>281,199</b>

### *Bank loans and borrowings*

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

	As of September 30, 2023			As of December 31, 2022		
	Non current	Current	Total	Non current	Current	Total
<i>(in € thousands)</i>						
New Pool Loan (IDN)	79,751	-	79,751	178,772	-	178,772
New Pool Loan (De Nora Holdings US Inc)	37,659	-	37,659	83,969	10	83,979
Sumitomo Mitsui Banking Co. <i>(De Nora Permelec Ltd)</i>	-	6,325	6,325	-	9,953	9,953
Sumitomo Mitsui Trust Bank <i>(De Nora Permelec Ltd)</i>	-	4,428	4,428	-	355	355
Bank of Yokohama <i>(De Nora Permelec Ltd)</i>	-	3,163	3,163	-	1,422	1,422
Overdrafts and financial accrued expenses	-	248	248	-	282	282
<b>Total</b>	<b>117,410</b>	<b>14,163</b>	<b>131,573</b>	<b>262,741</b>	<b>12,022</b>	<b>274,763</b>

As of September 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 September 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., Sumitomo Mitsui Trust Bank and Bank of Yokohama are instead subscribed by De Nora Permelec Ltd. for a total of JPY 3.7 billion and utilized as of September 30, 2023, for total JPY 2.2 billion (Euro 13,915 thousand).

## Net financial indebtedness

The following table details the composition of the Group's net financial indebtedness determined in accordance with the provisions of the CONSOB Communication DEM/6064293 of July 28, 2006, as amended by CONSOB Communication No. 5/21 of April 29, 2021 and in accordance with ESMA Recommendations contained in Guidelines 32-382-1138 of March 4, 2021 on disclosure requirements under the Prospectus Regulation (the "**Net Financial Indebtedness - ESMA**"). The table below includes figures as of September 30, 2023 and figures as of December 31, 2022:

		As of September 30, 2023	As of December 31, 2022
		<i>(in € thousands)</i>	
A	Cash	164,100	170,667
B	Cash equivalents	5,265	3,462
C	Other current financial assets	12,817	159,036
<b>D</b>	<b>Liquidity (A + B + C)</b>	<b>182,182</b>	<b>333,165</b>
E	Current financial debt	14,288	12,666
F	Current portion of non-current financial debt	2,538	1,633
<b>G</b>	<b>Current financial indebtedness (E + F)</b>	<b>16,826</b>	<b>14,299</b>
	- Of which secured	-	-
	- Of which unsecured	16,826	14,299
<b>H</b>	<b>(Net current Liquidity) (G - D)</b>	<b>(165,356)</b>	<b>(318,866)</b>
I	Non-current financial debt	123,598	267,544
J	Debt instruments	-	-
K	Non-current trade and other payables	-	-
<b>L</b>	<b>Non-current financial indebtedness (I + J + K)</b>	<b>123,598</b>	<b>267,544</b>
	- Of which secured	-	-
	- Of which unsecured	123,598	267,544
<b>M</b>	<b>Net Financial Indebtedness (Net liquidity) - ESMA (H + L)</b>	<b>(41,758)</b>	<b>(51,322)</b>

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

	As of September 30, 2023	As of December 31, 2022
	<i>(in € thousands)</i>	
<b>Net Financial Indebtedness (Net liquidity) - ESMA</b>	<b>(41,758)</b>	<b>(51,322)</b>
Fair value of derivatives covering currency risks	763	(644)
<b>Net Financial Indebtedness (Net liquidity)- De Nora</b>	<b>(40,995)</b>	<b>(51,966)</b>

The reduction in Net Financial Indebtedness - ESMA as of September 30, 2023 compared to December 31, 2022, totaling Euro 9,564 thousand, is mainly attributable to the combined effect of the following factors:

- (i) the liquidity overall absorbed from investment activities in Property, plant and equipment and in Intangible assets equal to Euro 51.818 thousand in the nine months ended September 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 46,749 thousand in the nine months ended September 30, 2023 and the collection of Euro 26,439 thousand by the Parent Company related to the exercise of the greenshoe option by which Industrie De Nora has disposed 1,342,065 shares of tk nucera in the framework of its IPO.

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 September 30, 2023:

	As of September 30, 2023						
	Carrying amount	Contractual cash flows*	Due date				
			0-12 months	1- 2 years	2 - 3 years	3-5 years	Over 5 years
			(in € thousands)				
Financial liabilities							
Bank loans and borrowings / overdrafts	131,573	131,920	14,163	-	-	117,757	-
Lease payables	8,726	8,726	2,538	2,014	1,292	1,460	1,422
Trade payables	77,071	77,071	76,971	100	-	-	-
Other financial liabilities	1,100	1,100	1,100	-	-	-	-
Other payables	91,693	91,693	88,722	2,971	-	-	-
Total Financial liabilities	310,163	310,510	183,494	5,085	1,292	119,217	1,422

\* 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 stipulation date 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 September 30, 2023 and December 31, 2022.

	As of September 30, 2023	As of December 31, 2022
<i>(in € thousands)</i>		
<b>Non-current</b>		
Third parties	100	83
<b>Total</b>	<b>100</b>	<b>83</b>
<b>Current</b>		
Third parties	75,381	79,665
Related parties	1,590	889
<b>Total</b>	<b>76,971</b>	<b>80,554</b>
<b>Total current payables</b>	<b>77,071</b>	<b>80,637</b>

As of September 30, 2023, trade payables, between current and non-current portions, amounted to Euro 77,071 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 should be noted that the carrying amount of trade payables is close to their fair value.

### 31. Income tax payables

Income tax payables as of September 30, 2023 amounted to Euro 18,092 thousand (Euro 10,970 thousand as of December 31, 2022).

### 32. Other payables

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

	As of September 30, 2023	As of December 31, 2022
	<i>(in € thousands)</i>	
<b>Non-current</b>		
Payables to employees	1,526	1,357
Tax payables	265	263
Advances from customers	4	4
Other - third parties	781	316
Other - related parties	395	444
<b>Total</b>	<b>2,971</b>	<b>2,384</b>
<b>Current</b>		
Advances from customers	27,287	34,482
Advances from related parties	29,316	33,024
Accrued expenses and deferred income	5,883	6,322
Payables to employees	16,897	16,493
Social security payables	2,855	2,524
Withholding tax payables	637	1,810
VAT payables	1,524	2,745
Other tax payables	1,858	1,963
Other - third parties	2,435	2,254
Other - related parties	10	-
<b>Total</b>	<b>88,722</b>	<b>101,617</b>
<b>Total Other payables</b>	<b>91,693</b>	<b>104,001</b>

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



## D. RISK

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

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

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

The Group considers risk monitoring and control systems a top priority to guarantee an efficient risk management. In line with this objective, the Group has adopted a risk management system with 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 analyze 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 September 30, 2023		Carrying amount				Fair value*			
	Notes	Loans and receivables	Investments in financial assets - Fair value	Derivatives at Fair value	Other financial liabilities	Total	Level 1	Level 2	Level 3
(in € thousands)									
Cash and cash equivalents	25	169,365	-	-	-	169,365	-	-	-
Trade and other receivables	20-22-24	192,578	-	-	-	192,578	-	-	-
Financial assets including derivatives	19	1,861	15,434	212	-	17,507	15,434	212	-
<b>Financial assets</b>		<b>363,804</b>	<b>15,434</b>	<b>212</b>	<b>-</b>	<b>379,450</b>	<b>15,434</b>	<b>212</b>	<b>-</b>
Bank loans and borrowings	29	-	-	-	131,573	131,573	-	-	-
Lease payables	29	-	-	-	8,726	8,726	-	-	-
Other financial liabilities	29	-	-	-	1,100	1,100	-	975	-
Trade and other payables	30-31-32	-	-	-	186,856	186,856	-	-	-
<b>Financial liabilities</b>	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>328,255</b>	<b>328,255</b>	<b>-</b>	<b>975</b>	<b>-</b>

Classification and fair value as of December 31, 2022

		Carrying amount					Fair Value*		
	Notes	Loans and receivables	Investments in financial assets - Fair value	Derivatives at Fair value	Other financial liabilities	Total	Level 1	Level 2	Level 3
(in € thousands)									
Cash and cash equivalents	25	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	-
<b>Financial assets</b>		<b>496,604</b>	<b>10,945</b>	<b>644</b>	<b>-</b>	<b>508,193</b>	<b>10,945</b>	<b>644</b>	<b>-</b>
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	-	-	-
<b>Financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>476,807</b>	<b>476,807</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*: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.

## E. SEGMENT REPORTING

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

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

- *Electrode Technologies*: this includes the offering of metal electrodes (anodes and cathodes) coated with special catalysts, electrolyzer components and systems, with multiple applications, in particular (i) for the production processes of chlorine and caustic soda; (ii) for the electronics industry and in the production of components for lithium battery production; (iii) for the refining of non-ferrous metals (nickel and cobalt); (iv) for the galvanic finishing industry; (v) for the cellulose and paper industry; and (vi) for the infrastructure sector for corrosion prevention of reinforced concrete and metal structures;
- *Water Technologies*: this includes offerings related to water treatment systems, which includes electrodes, equipment, systems and facilities for disinfection and filtration of drinking, wastewater and processing water; the main applications are residential swimming pool disinfection, municipal water disinfection and filtration, and industrial and marine water treatment.
- *Energy Transition*: this includes the offering of electrodes (anodes and cathodes), electrolyzer components, and systems (i) for the generation of hydrogen and oxygen through water electrolysis processes, (ii) for use in fuel cells for electricity generation from hydrogen or another energy carrier (e.g., methanol, ammonia) without CO<sub>2</sub> 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 nine-month periods ended September, 2023 and 2022:

	Nine months ended September 30, 2023			
	Group Total	Electrode Technologies Segment	Water Technologies Segment	Energy Transition Segment
		(in € thousands)		
Revenue	<b>629,757</b>	352,707	208,437	68,613
Royalties and commissions	(7,228)	(5,012)	(2,160)	(56)
Cost of goods sold	(409,132)	(222,573)	(140,387)	(46,172)
Selling expenses	(22,478)	(6,536)	(14,265)	(1,677)
G&A expenses	(37,737)	(15,788)	(18,168)	(3,781)
R&D expenses	(10,190)	(2,382)	(741)	(7,067)
Other operating income (expenses)	2,193	696	1,388	109
Corporate costs allocation to <i>Business</i> segments	(23,350)	(12,640)	(8,137)	(2,573)
<b>EBITDA</b>	<b>121,835</b>	<b>88,472</b>	<b>25,967</b>	<b>7,396</b>
Depreciation and amortization	(21,780)			
Impairment	(1,276)			
Provisions for risks and charges	(2,263)			
<b>Operating profit - EBIT</b>	<b>96,516</b>			
Share of profit of equity-accounted investees	3,598			
Finance income	142,674			
Finance expenses	(15,789)			
<b>Profit before tax</b>	<b>226,999</b>			
Income tax expense	(28,375)			
<b>Profit for the period</b>	<b>198,624</b>			

Nine months ended September 30, 2022				
	Group Total	Electrode Technologies Segment	Water Technologies Segment	Energy Transition Segment
		(in € thousands)		
Revenue	616,627	351,441	251,090	14,095
Royalties and commissions	(7,570)	(5,994)	(1,501)	(75)
Cost of goods sold	(378,975)	(215,861)	(153,344)	(9,771)
Selling expenses	(22,199)	(6,929)	(14,601)	(669)
G&A expenses	(35,448)	(13,482)	(20,899)	(1,067)
R&D expenses	(9,298)	(2,135)	(1,043)	(6,119)
Other operating income (expenses)	111	116	(172)	167
Corporate expenses allocation to <i>Business</i> segments	(21,944)	(12,338)	(9,115)	(491)
Allocation MIP	(19,360)	(11,034)	(7,883)	(443)
<b>EBITDA</b>	<b>121,944</b>	<b>83,874</b>	<b>42,532</b>	<b>(4,372)</b>
Depreciation and amortization	(20,481)			
Impairment	(2,818)			
Provisions for risks (net of releases and utilizations)	(1,334)			
<b>Operating profit - EBIT</b>	<b>97,311</b>			
Share of profit of equity-accounted investees	(4,240)			
Finance income	30,610			
Finance expenses	(26,393)			
<b>Profit before tax</b>	<b>97,288</b>			
Income tax expense	(33,397)			
<b>Profit for the period</b>	<b>63,891</b>			

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

	Group Total	Electrode Technologies Segment	Water Technologies Segment	Energy Transition Segment	Activities Corporate
				(in € thousands)	
<b>First nine months ended September 30, 2023</b>					
Property, plant and equipment <sup>(**)</sup>	46,634	21,013	1,173	19,150	5,298
Intangible assets	5,529	646	2,832	700	1,351
<b>Total Investment as of 2023</b>	<b>52,163</b>	<b>21,659</b>	<b>4,005</b>	<b>19,850</b>	<b>6,649</b>

<sup>(\*\*)</sup> 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 nine-month periods ended September 30, 2023 and 2022, there was only one customer (tk nucera, an associated company) belonging to the Electrode Technologies business and Energy Transition business segments that generated revenues exceeding 10% of the total, amounting to Euro 158,998 thousand and Euro 99,582 thousand, respectively.

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

As of September 30, 2023					
	Italy	EMEIA, excluding Italy	APAC	AMS	Total
			(in € thousands)		
Intangible assets	8,282	5,417	14,250	99,825	127,774
Property, plant and equipment	44,559	36,507	71,896	62,662	215,624
Other receivables	10,362	37	1,104	62	11,565
<b>Total</b>	<b>63,203</b>	<b>41,961</b>	<b>87,250</b>	<b>162,549</b>	<b>354,963</b>

As of December, 2022

	Italy	EMEIA, excluding Italy	APAC	AMS	Total
			<i>(in € thousands)</i>		
Intangible assets	8,482	4,570	17,263	101,237	131,552
Property, plant and equipment	26,902	27,471	69,725	60,078	184,176
Other receivables	8,169	14	783	64	9,030
<b>Total</b>	<b>43,553</b>	<b>32,055</b>	<b>87,771</b>	<b>161,379</b>	<b>324,758</b>

## F. RELATED PARTY TRANSACTIONS

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

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

The table below details the statement of financial position values referring to the related party transactions at September 30, 2023 and December 31, 2022 (excluding the transactions with Top Management, that are shown in the next section):

<i>(in € thousands)</i>	Controlling Company	Associates	Other - related parties	Total	Total statement of financial position caption	As percentage of total statement of financial position caption
<b>Other non-current receivables</b>						
As of September 30, 2023	-	-	52	<b>52</b>	11,565	0,4%
As of December 31, 2022	-	-	52	<b>52</b>	9,030	0.6%
<b>Current tax assets</b>						
As of September 30, 2023	376	-		<b>376</b>	7,761	4.8%
As of December 31, 2022	376	-	-	<b>376</b>	4,893	7.7%
<b>Other current receivables</b>						
As of September 30, 2023	-	-	5	<b>5</b>	32,916	0,0%
As of December 31, 2022	-	-	-	<b>-</b>	33,074	0.0%
<b>Current trade receivables</b>						
As of September 30, 2023	9	30,990	8	<b>31,007</b>	140,336	22.1%
As of December 31, 2022	17	7,250	-	<b>7,267</b>	123,421	5.9%
<b>Other non-current payables</b>						
As of September 30, 2023	-	395	-	<b>395</b>	2,971	13.3%
As of December 31, 2022	-	444	-	<b>444</b>	2,384	18.6%
<b>Current trade payables</b>						
As of September 30, 2023	19	792	779	<b>1,590</b>	76,971	2.1%
As of December 31, 2022	25	775	89	<b>889</b>	80,554	1.1%
<b>Other current payables</b>						
As of September 30, 2023	-	29,316	10	<b>29,326</b>	88,722	33.1%
As of December 31, 2022	-	33,024	-	<b>33,024</b>	101,617	32.5%

Statement of financial position balances with the parent company mainly related to current tax assets amounting to Euro 376 thousand, unchanged with respect to last financial year, against the national tax consolidation agreement that was in place between the parent company Federico De Nora S.p.A., the Parent Company, De Nora Italy S.r.l., De Nora Water Technology Italy S.r.l. and Capannoni S.r.l., extinguished 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 30,990 thousand and Euro 7,250 thousand, respectively at September 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 29,316 thousand and Euro 33,024 thousand as of September 30, 2023 and December 31, 2022, respectively, are 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 nine-month periods ended September 30, 2023 and 2022 (excluding the transactions with Top Management, that are shown in the next section)

<i>(in € thousands)</i>	Controlling Company	Associates	Other - related parties	Total	Total statement of financial position caption	As percentage of total statement of financial position caption
<b>Revenue</b>						
Nine months ended September 30. 2023	-	158,998	984	<b>159,982</b>	629,757	25.4%
Nine months ended September 30. 2022	-	99,582	5	<b>99,587</b>	616,627	16.2%
<b>Other income</b>						
Nine months ended September 30. 2023	41	470	9	<b>520</b>	5,274	9.9%
Nine months ended September 30. 2022	43	528	-	<b>570</b>	3,272	17.4%
<b>Costs for raw materials, consumables, supplies and goods</b>						
Nine months ended September 30. 2023	-	10	183	<b>193</b>	287,567	0.1%
Nine months ended September 30. 2022	-	726	-	<b>726</b>	297,842	0.2%
<b>Costs for services</b>						
Nine months ended September 30. 2023	52	96	1,653	<b>1,801</b>	130,185	1.4%
Nine months ended September 30. 2022	68	333	403	<b>804</b>	112,102	0.7%
<b>Personnel expenses</b>						
Nine months ended September 30. 2023	-	-	1	<b>1</b>	107,922	0.0%
Nine months ended September 30. 2022	-	-	-	<b>-</b>	117,727	0.0%
<b>Other operating costs and expenses</b>						
Nine months ended September 30. 2023	-	-	-	<b>-</b>	7,524	0.0%
Nine months ended September 30. 2022	-	-	1	<b>1</b>	6,556	0.0%
<b>Finance expenses</b>						
Nine months ended September 30. 2023	-	-	-	<b>-</b>	15,789	0.0%
Nine months ended September 30. 2022	-	-	1	<b>1</b>	26,393	0.0%

The economic relations with the Associated Companies mainly relate to revenues, amounting to Euro 159,982 thousand and Euro 99,587 thousand, for the nine-month periods ended September 30, 2023 and 2022, respectively, mainly concerning the sale of electrodes under the "Tool Manufacturing and Services Agreement" mentioned above.

Services to Other related parties include emoluments to members of the Board of Directors of Euro 1,001 thousand in the nine-month periods ended September 30, 2023 (Euro 400 thousand in the nine-month periods ended September 30, 2022).

#### Transactions with Top Management

In addition to the balance sheet and income statement values with related parties presented in the tables above, the Group has recognized compensation to Top Management for the amount of Euro 4,195 thousand and Euro 21,398 thousand for the nine-months periods ended September 30, 2023 and 2022, respectively. The payable in relation to Top Management amounted to Euro 1.295 thousand as of September 30, 2023.

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

	Nine months ended September 30	
	2023	2022
	<i>(in € thousands)</i>	
Short-term employee benefits	3,965	3,493
Post-employment benefits	230	227
Other long-term benefits	-	-
Termination benefits;	-	-
Share-based payment	-	17,679
<b>Total</b>	<b>4,195</b>	<b>21,398</b>

Top Management compensation represents 3.9% of the total personnel expense for the nine-months period ended September 30, 2023 and 18.2% for the nine-months period ended September 30, 2022.

## G. NON RECURRING EVENTS

Pursuant to CONSOB Communication No. DEM/6064293 of July 28, 2006, information on the impact of nonrecurring events and transactions in the period on the Group's economic and financial results is provided below:

	Income statement	Equity	Cash Flows
	<i>(in € thousands)</i>		
Financial income - Dilution gain on tk nucera equity investment	115.846	115.846	-
Financial income - Gain from disposal of tk nucera shares	17.377	17.377	26.439
	<b>133.223</b>	<b>133.223</b>	<b>26.439</b>

## H. COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

Commitments: the Company has not undertaken any commitments that have not been recorded in the statement of financial position, except for some orders for the purchase of capital assets amounting to around Euro 40.4 million at September 30, 2023.

Contingent liabilities: the Group has not assumed any contingent liabilities that have not been recognized in the financial statements.

## I. EVENTS AFTER THE REPORTING DATE

- The Board of Directors of Industrie De Nora S.p.A. ("Industrie De Nora" or the "Company") reviewed and approved the global anticorruption policy and the global trade control and economic sanctions compliance policy. The objective of the Group global anti-corruption policy is to establish anti-corruption governance to facilitate the Company's compliance with laws and regulations, with the aim of promoting a "zero tolerance" culture towards corruption within the Group.

With the global trade control and economic sanctions compliance policy the Company intends to confirm the Group's commitment to comply with all relevant domestic and foreign laws and regulations. The Board of Directors also reviewed and approved the update of the organization, management, and control model pursuant to Legislative Decree No. 231 of June 8, 2001 ("231 Model") and the Company's Code of Ethics, as well as the global whistleblowing policy.

- Industrie De Nora S.p.A and Hydrolite Ltd. – the energy subsidiary of Elbit Systems and a pioneer in Hydrogen AEM (Anion Exchange Membrane) technology that has developed and patented various stack technologies designed to meet multiple business scenarios and solve significant logistical and economic challenges – have agreed to join forces signing a Joint Development Agreement aimed at developing, evaluating, scaling-up, and producing a new AEM stack device, capable of generating and using hydrogen.

Milan, November 8, 2023

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





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