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DE NORA

INTEGRATED ANNUAL REPORT 2024

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01

INDUSTRIE DE NORA

LETTER TO STAKEHOLDERS

Dear Shareholders and Stakeholders,

I am pleased to share the 2024 results with you.

The year 2024 was a year full of success and satisfaction; although in a macroeconomic and geopolitical environment that was not always easy and favorable, De Nora continued to pursue and achieve sustainable and profitable growth in all the markets in which it operates, thanks to solid performance in all business segments.

In addition to the excellent financial results outlined in this Annual Report, which were even better than anticipated in terms of profitability, De Nora continued to lay the foundation for sustainable medium and long term growth.

In particular, the company has been engaged in the development of innovative technological solutions, such as the new *Small Scale* electrolyzer, *Dragonfly*®, dedicated to green hydrogen generation and launched in 2024. It also continued to invest in R&D activities aimed at evolving its sustainable technology portfolio, which to date includes 278 patent families and more than 2,800 territorial extensions. Finally, the company has expanded and optimized its production capacity, across different business segments, involving plants in China, Japan, and Germany, between the end of 2023 and the beginning of 2024.

In Italy, work continues on our Gigafactory, one of the biggest plants in Europe, which will start its operations in 2026. When fully operational, the plant, which has been granted IPCEI funds from the Ministry of Enterprise and Made in Italy in the form of an expenditure grant, will have a dedicated production capacity for green hydrogen technologies of 2 GW. In addition, the site will house systems related to our traditional segments (Electrode Technologies and Water Technologies), optimizing the production set-up in the country.

With a view to developing new technologies and strengthening business relationships, De Nora has signed new strategic partnerships with leading international players in different geographical areas, such as Asahi Kasei in Asia, Acwa Power and Saudi Water Authority in the Middle East.

Meanwhile, the Group's global organization has continued to evolve, and our headcount now exceeds 2,000, with a balanced presence in different geographical areas.

Based on clear leadership in the segments in which it operates and the rich diversification of end-user markets, the Group's business model has proven resilient through 2024. Up 2.6% at constant exchange rates, revenue increase was supported by all business segments and in particular by the Water Technologies segment, driven by the brisk recovery in the Pools line with a growth of 15%, and Energy Transition, supported by a solid portfolio of flagship projects at international level for Green Hydrogen production: NEOM in the Middle East and STEGRA in northern Europe. The adjusted EBIDTA margin stood at 18%, compared to the guidance for the year of 17%.

New orders acquired during the year exceeded Euro 800 million, 15% up year-on-year, thanks in particular to the development of the Water Technologies and Energy Transition segments and the good performance of the Electrode Technologies segment, providing visibility for 2025 revenues.

During 2024, De Nora initiated the execution of the Sustainability Plan to 2030 approved in December 2023, and aimed at generating sustainable value and positive impacts throughout the value chain. All the activities and initiatives planned for the 2024 financial year have been completed: from the introduction of Circular Design Guidance in R&D processes, to the definition of Sustainability Scorecards to be applied to all our products by 2027, to the definition of Decarbonization Plans for our production facilities in the different geographical areas, and finally, the adoption of a policy related to Diversity Equity and Inclusion issues. In addition, after a careful analysis of the Group's historical data, a number of new quantitative targets have been set, such as the percentage of women in new hires in the next three years, at 40%, and the percentage of waste to be recycled by 2030, at 55%. De Nora continued to build plants for self-generation of energy from renewable sources, through the installation of photovoltaic panels at various production sites, reaching an installed total capacity of about 3.6 GWh at the plants in Germany, Italy and Brazil by the end of 2024. Energy from renewable sources, used at the Group level, reached an incidence of 29% in 2024, up from 3% in 2023, supporting an overall reduction in emissions (Scope 1 and 2) of about 15% compared to 2022.

De Nora's clear commitment has been accredited by various ratings and external recognitions. In particular, MSCI, a leading global ESG rating agency, has confirmed an AA rating for De Nora. For the second consecutive year, we have received the Great Place to Work recognition in Italy. Additionally, the rating agency Morningstar Sustainalytics has assigned De Nora an ESG risk rating of 22.2, in line with the main reference peers. Finally, De Nora has obtained validation of its climate targets, related to the reduction of greenhouse gas emissions by 2030, from the Science Based Target initiative (SBTi).

Considering the market outlook, in 2024 the global macroeconomic and geopolitical scenario exhibited many of instability and uncertainty factors, which could persist through 2025. At geopolitical level, the escalation of some conflicts in different parts of the world has contributed to a global tension climate. On the economic front, rising interest rates have slowed some investment decisions in capital intensive sectors, such as Clean Tech. In addition, the political evolution of individual countries played a crucial role. The USA presidential election is affecting several economic sectors, such as, for example, the regulation dedicated to the development of clean technologies, with particular reference to Chapter 45V of the Inflation Reduction Act (IRA), which is responsible for supporting the overseas development of low-carbon hydrogen.

Despite this, the prospects of the target markets related to our core businesses related to water treatment, chlorine production, electronics, and nonferrous metal refining remain intact and our strong positioning makes us confident in our performance for the coming years.

On the other hand, the green hydrogen market (which will play a key role in the decarbonization processes of hard-to-abate sectors in the medium term, with significant growth prospects expected in the medium to long term) presents a short-term scenario that remains uncertain, due to several factors, including delays in the definition of national and international regulations to support the market, resulting in slowdowns in final investment decisions (FID) related to green hydrogen projects. The sector development requires greater clarity and certainty in regulatory frameworks, and their related forms of subsidy, particularly in those geographical areas where the overall cost of producing green hydrogen is not yet competitive with respect to hydrogen produced from hydrocarbons. To date, based on projects that have already reached the Final Investment Decision (FID) and those planned at global level, it is expected that by 2030 the installed generation capacity will be about 30 GW; on the other hand, an acceleration in the development of regulations to support the market in both Europe and America could increase this forecast up to 100 GW.

De Nora remains committed to the development of technologies for green hydrogen generation and broader energy transition, maintaining a preferred competitive positioning supported by its proximity to traditional businesses.

The challenges that await us in the coming years relative to the implementation of industrial plans within our business segments are inevitably demanding. Optimal and flexible investment management, careful evaluation of operating costs, and initiatives aimed at revenues growth represent targets consistent with our ambition to be a leader in sustainable technologies, electrochemistry, and water treatment, which we intend to continue to pursue by teaming up with all stakeholders and always putting our people at the center.

CORPORATE BODIES

Board of Directors[1]

Chairman
Federico De Nora

Chief Executive Officer
Paolo Enrico Dellachà (*)

Directors
Stefano Venier
Maria Giovanna Calloni (**)
Mario Cesari
Michelangelo Mantero
Anna Chiara Svelto (**)
Elisabetta Oliveri (**)
Paola Bonandrini
Giovanni Toffoli (**)
Alessandro Garrone (**)
Giorgio Metta (**)

Board of Statutory Auditors

Chairman
Marcello Del Prete

Standing auditors
Beatrice Bompieri
Guido Sazbon

Alternate auditors
Pierpaolo Giuseppe Galimi
Gianluigi Lapietra
Raffaella Piraccini

Audit, Risk and ESG Committee

Chairperson - Anna Chiara Svelto
Giovanni Toffoli
Paola Bonandrini

Appointments and Remuneration Committee

Chairperson - Elisabetta Oliveri
Mario Cesari
Maria Giovanna Calloni

Strategies Committee

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

Related Parties Committee

Chairman - Maria Giovanna Calloni
Anna Chiara Svelto
Elisabetta Oliveri

Manager responsible for preparing the Company's financial reports

Luca Oglialoro

Independent Auditors

PricewaterhouseCoopers S.p.A.[2]

Supervisory Body

Chairman - Gianluca Sardo
Silvio Necchi
Claudio Vitacca

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[1] Appointed by the Shareholders' Meeting of March 9, 2022 (with the exception of the directors Stefano Venier appointed on April 28, 2022, Alessandro Garrone appointed on June 20, 2022, Paola Bonandrini appointed on April 28, 2023, already co-opted on March 22, 2023, Giorgio Metta appointed on April 24, 2024, already co-opted on July 31, 2023, Anna Chiara Svelto appointed via co-optation on May 8, 2024). The Board of Directors is in office until the approval of the Financial Statements as at December 31, 2024.
(*) Executive director.
(**) Independent director pursuant to Articles 147-ter, paragraph 4, and 148, paragraph 3, of the TUF (Consolidated Law on Finance) and Art. 2 of the Corporate Governance Code
[2] Appointed by the Shareholders' Meeting on February 18, 2022 for the period covering 2022-2030.

02

DIRECTOR'S REPORT

CONSOLIDATED SUSTAINABILITY REPORTING

HIGHLIGHTS

Financials

€862.6M
Revenue
(+2.6% vs 2023)*

18.2% EBITDA margin adjusted

€453.3M
Electrode Technologies business
(+0.6% vs 2023)*

22.4% EBITDA margin adjusted

€304.1M
Water Technologies business
(+5.5% vs 2023)*

16.5% EBITDA margin adjusted

€105.2M
Energy Transition business
(+3.1% vs 2023)*

5.3% EBITDA margin adjusted

€83M
Net profit for the year

€67M
Net Financial Position

De Nora Group

14
Production Sites

24
Operating companies

5
R&D Centers

* at constant exchange rates

Green Innovation

Sustainability Product Scorecard framework definition

Circular Design Guidelines Adoption

21%
Vitality Index

-2,1%
noble metals in products vs 2022

Climate Action and Circular Economy

29%
electricity from renewable energy

SBTi validation of climate change related targets

1,7%
recycled noble metals purchased

40%
waste diverted from disposal

3,6GWh
PV panels capacity installed

People

DE&I
Policy adopted

-2%
Pay Equity Gap

21
Gemba Walks

New target to 2027:
40%
women among new hires

Community and supply chain

570+
volunteering hours

21%
suppliers ESG assessed

71%
spend vs local suppliers

EVENTS OCCURRED DURING 2024

- Industrie De Nora, through its subsidiary, De Nora India Limited, entered into an agreement to exploit the services of a new plant just opened in India, located in a Business Park near the city of Vadodara in the state of Gujarat, to meet the local market needs with regard to electrode maintenance. The new facility, inaugurated on January 30, 2024, will be fully dedicated to the Electrode Technologies segment, De Nora's traditional core business. This territorial base will allow the Group to respond even more effectively and reactively to the growing local demand for electrode maintenance, using a new specialized center for mechanical repairs of electrodes. The new facility joins the production plant in Goa, the De Nora headquarters in India and a center of excellence dedicated to chlor-alkali processes, which has met the technical and professional requirements of regional customers since 1989, both in terms of electrode production and technical assistance. The Goa plant is actually an innovative factory with a production capacity of over 26,000 square meters of electrodes, equipped with state-of-the-art facilities and machinery.
- The De Nora Group, through De Nora Deutschland GmbH, has received orders from tk nucera for the supply of electrolytic cells for one of the largest Water Electrolysis (AWE) projects for the generation of green hydrogen in Europe, under construction in Sweden. The project, which involves the production of green hydrogen for a total installed capacity of over 700 MW, is one of the largest water electrolysis plants in Europe. Green hydrogen will be used in a project for the decarbonization of the hard to abate industry and will allow the carbon footprint of the end industrial customer to be greatly reduced with respect to the use of traditional technologies. The orders, which were assigned to De Nora as part of the existing Toll Manufacturing and Services agreement with tk nucera, contributed significantly to increasing the backlog of the Energy Transition segment.
- Industrie De Nora S.p.A. has entered into a partnership with Mangrove Lithium, which supplies CECHLO™ systems. Mangrove will use De Nora's electrochemical technologies in the patented Clear-LiTM technology process to refine lithium, both from mines and from waste battery recovery, for the production of new batteries, helping to unblock bottlenecks in the lithium supply chain. The collaboration with

the Canadian company demonstrates the flexibility of De Nora's technological solutions, able to meet the multiple needs of the market and positions the company as a leading partner in lithium electrolysis processes, a fundamental step in the development of energy storage to contribute to a more sustainable future. In fact, the CECHLO electrolyzer, traditionally used for the production of chlorine, as part of the partnership will be configured for the production and recovery of lithium, creating a virtuous cycle of this rare metal and facilitating the large-scale adoption of electric vehicles thanks to the reduction of costs and the increased availability of raw materials. Mangrove, whose customers include various global players from the entire lithium battery production chain, including battery extractors, manufacturers and recyclers, covers the markets for the production of materials for batteries in North America, South America, Europe and Australia. Through the partnership with De Nora, Mangrove will be able to offer the market a more competitive value proposition, meeting the needs of the various players who, using the CECHLO solution, will be able to offer a circular economy approach, thus supporting the penetration of electric vehicles and consequently generating significant business growth opportunities.

- Industrie De Nora is one of the partners in the European project "HyTecHeat", along with, among others, Snam and Tenova. This project involves the use of hybrid technologies for the production of steel with low CO_2 emissions. De Nora will supply the new 1MW capacity Dragonfly® on-site electrolytic hydrogen generation system, contributing to emissions' reduction in a traditionally hard-to-abate sector. The HyTecHeat (Hybrid Technologies for sustainable steel reheating) project is an initiative part of the "Horizon Europe" program, funded by the European Union with about 3.3 million euros. The project envisages the use of the Dragonfly® system in steel production processes, an activity that is energy-intensive and therefore highly impactful on an environmental level. The goal is to reduce this impact in the heat treatment and heating stages, which are still exclusively based on natural gas, by increasing the percentage of low-carbon hydrogen used in these processes in a more and more virtuous hybridization of the two resources. This is the first use case of the new Dragonfly® electrolyzer, an innovative product developed by De Nora as a natural evolution of the company's vast experience in electrode design and production. The high performance of this new product is possible thanks to the use of DSA® electrodes, developed by De Nora, which guarantee maximum efficiency. In particular, the electrolyzer makes it possible to meet the needs of a wide range of industries that require on-site hydrogen generation, such as the chemical, pharmaceutical, biogas, oleochemical, and refinery industries, as it is a small unit designed to be installed at the end customer's facility. The system, that has been in testing at an industrial site for more than a year and has already obtained all certifications to operate, is now for the first time being used in a project of European significance. In this particular case, project partner Tenova, a world leader in providing technologies for the metallurgical and mining industries, will host this best case demonstration with the support of Snam, which will oversee the hydrogen storage system.
- De Nora continues its global project aimed at increasing solar power generation at its plants with the inauguration of a new solar power plant in Sorocaba, Brazil, which will generate 100% green energy to cover the site's electricity needs. The photovoltaic plant in Brazil, having a total installed capacity of more than 1.3 GWh, is part of De Nora's path toward decarbonization.
- De Nora was awarded on the occasion of the LC Publishing Group's Sustainability Awards held in Milan. These awards were created with the intention of singling out the best sustainability projects in the Italian corporate world. Out of a total of 11 categories, De Nora

won the award within the Chemical & Pharmaceutical sector. Decisive were all of the initiatives carried out by De Nora over the last few years, from the main projects in the sustainable sphere, to the ESG Plan announced to the market last December, up to the recent creation of the Accelerator Lab, aimed at coordinating and guaranteeing the execution of the ESG Plan.

- De Nora is a partner of the Crete-Aegean Hydrogen Valley (CRAVE-H2) initiative aimed at creating a dedicated hydrogen production hub on the island of Crete. CRAVE-H2 aims to establish a production and distribution center for green hydrogen, that will be partly stored and reused in the grid when needed by conversion to electricity via fuel cells and partly used as fuel for local public mobility. The project will be located at the port of Atherinolakkos. De Nora will provide the latest generation Dragonfly® electrolyzer to produce more than 500 tons per year of hydrogen, a record production for the island that will facilitate its energy transition. This project represents a first for De Nora in terms of capacity - 4 MW for the Dragonfly® containerized electrolyzer. Within the project, co-funded by the European Commission and the Clean Hydrogen Partnership, De Nora will cooperate with other partners involved, in the field of renewable energy sources, fuel cells development and Universities from Greece and Italy.

- Following the resolution by the Board of Directors of December 2023, announcing the intention to exit the "Marine" business and the objective of focusing the growth strategy on the Municipal and Industrial core markets, De Nora finalized the sale of the business to Optimarin AS, a Norwegian company operating in the ballast water treatment sector. The agreement covers the sale of technologies, trademarks and selected assets pertaining to the design, sale and aftermarket of systems using UV technology for ballast water treatment and disinfection, promoted under the Hyde Marine® and Hyde Guardian® brands. The successful conclusion of the sale agreement to Optimarin AS allows De Nora to rapidly proceed with the planned reorganization of its USA operations, dedicating resources specialized in UV technology to applications for the municipal and industrial markets and rationalizing the production assets of Pittsburgh (PA), Colmar (PA) and Sugarland (TX).

- The ordinary Shareholders' Meeting held on April 24, 2024, approved the company's financial statements as of December 31, 2023, as per the draft financial statements approved by the Board of Directors at the meeting held on March 18, 2024, which show a profit for the year of Euro 80,386,406. The Shareholders' Meeting also resolved to approve the distribution to Shareholders of a dividend for a gross amount equal to Euro 0.123 per eligible share, with Ex-dividend date on May 20, 2024, dividend paid on May 22, 2024, with record date, pursuant to Article 83-terdecies of Legislative Decree No. 58 of February 24, 1998 ("TUF"), on May 21, 2024.

- In view of the approaching deadline set forth in 2023 authorization and of the permanent validity of the purposes outlined herein, after reviewing the relevant illustrative report of the Board of Directors, the Shareholders' Meeting resolved – after revocation of 2023 authorization – to authorize the Board of Directors to purchase and dispose of treasury shares up to a maximum number that, taking into account the company's ordinary shares held from time to time by the company and its subsidiaries, does not exceed 3% of the share capital in aggregate. The resolution also defines the terms and conditions of the price for share purchases and provides that the execution of acts of disposal may be carried out on one or more occasions, without time limit and even before the purchases have been completed, in respect of all or part of the company's treasury shares purchased. The purpose of the resolution is to allow the company, subject to finding adequate financial coverage compatible with future programs, investments and existing contractual obligations, to purchase and dispose of the ordinary shares, in compliance with Articles 2357 et seq. of the Italian Civil Code, Article 132 of the TUF and the applicable provisions of the Issuers' Regulation, Regulation (EU) 596/2014 (Market Abuse Regulation, "MAR"), the Delegated Regulation, as well as in accordance with market practices from time to time allowed, where applicable. With reference to the latter, by way of example only and not limited to, the purchase and disposal of treasury shares may be used for the purposes of share option schemes or allocations of shares to employees or members of the administrative or supervisory bodies, and for the possible use of the shares as consideration in extraordinary transactions, including the exchange of shareholdings with other parties, as part of transactions in the interest of the company, all of which, however, within the terms and in the manner that may be resolved by the competent corporate bodies.

The purchase of treasury shares subject to the authorization is not instrumental to the reduction of share capital.

The authorization to purchase is valid for 18 months from the date of the Shareholders' Meeting, while the authorization to dispose is granted without time limitations. As of the date of the Shareholders' Meeting, the company held 3,000,000 treasury shares, equal to 1.487% of the share capital and, as of December 31, 2024, no additional treasury shares have been purchased.

- De Nora Italy Hydrogen Technologies S.r.l. ("DNIHT"), subsidiary company of Industrie De Nora S.p.A. ("De Nora"), started the construction works of the Gigafactory, which will become Italy's largest electrolyzer production hub, with a projected capacity of 2 GW equivalent by 2030. The groundbreaking ceremony, including laying the foundation stone, took place on June 11, 2024 in the presence of De Nora and Snam's top management and national, regional, and local authorities. The project is part of a larger multi-year expansion plan for the De Nora Group's production capacity and involves constructing a production center in Cernusco sul Naviglio, spanning approximately 25,000 square meters. The facility will serve as Italy's primary hub for electrolyzers used in green hydrogen generation, systems, and components for water electrolysis and fuel cells, and will also be a modern facility serving De Nora's other divisions. In addition to its value from an industrial point of view, the project stands out by its strong focus on sustainability and innovation, adopting a modern concept of industrial architecture based on low environmental impact criteria. Techbau – a leading company – was identified as the General Contractor for the project, allowing to speed up the site's implementation process by relying on a single point of contact for every step.

  The Gigafactory represents a primary industrial asset for De Nora and stands out internationally in terms of production capacity, qualifying as strategic to facilitate the achievement of the sustainability goals part of the European Green Deal. DNIHT, in collaboration with the Ministry of Enterprise and Made in Italy, secured approximately Euro 32 million through a concession decree in July 2023. Moreover, in December the Ministry of Enterprise and Made in Italy has notified DNIHT the granting of a public funding, in the form of reimbursement of expenses incurred, amounting to approximately Euro 31 million, in addition to the public funding already granted by the Decree of July 3, 2023, no. 2060, up to the maximum value of the support due to DNIHT for the implementation of the activities of IPCEI Hydrogen 1.

  De Nora announces, moreover, that the Ministry of Enterprise and Made in Italy has accepted the request for an extension of 12 months, from 31 December 2025 to 31 December 2026, of the term for the completion of the IPCEI Hydrogen 1 project.

- De Nora Permelec Ltd., a subsidiary of Industrie De Nora, together with Yokohama National University and ENEOS Corporation, have been awarded the "Future Creation Invention

Encouragement Award" and the "Future Creation Invention Contribution Award" at the "Reiwa 6 National Invention Award", sponsored by the Japan Institute of Invention and Innovation.

The National Commendation for Invention aims to improve science and technology and develop industry in Japan. It recognizes inventions and designs that made or are expected to make significant achievements in the future due to their excellence.

The invention for which the three parties have been awarded is an organic hydride production apparatus and a manufacturing method for a highly durable hydrogen carrier called methylcyclohexane. Specifically, hydrogen carriers are organic compounds capable of reversibly binding and releasing hydrogen under safe conditions, thereby serving as storage media for hydrogen, a versatile energy vector. The allure of these organic carriers stems from their ability to address key challenges associated with hydrogen storage and transportation. Unlike gaseous or cryogenic hydrogen storage methods, hydrogen carriers offer high volumetric and gravimetric hydrogen densities, like conventional liquid fuels, enabling compact and energy-dense storage.

The award-winning organic hydride electrolytic synthesis method, named Direct MCH®, is based on the electrochemical reaction of reducing toluene to methylcyclohexane using electricity derived from renewable energy. This way, methylcyclohexane, a substance with petroleum-like characteristics that is easy to ship, is produced. The awarded technology significantly reduces shipping costs compared to conventional methods, which involve storing hydrogen produced by water electrolysis in a tank by chemically reacting it with toluene and is expected to contribute to realizing a carbon-neutral society.

The invention was possible thanks to research in the Strategic Innovation Promotion Program (SIP) of the Japan Science and Technology Agency: it solves the problem of durability, which quickly reduces manufacturing efficiency, and can be scaled up to a pilot scale, contributing to the demonstration's success in constructing a CO_2-free hydrogen supply chain in Australia in 2023.

The three parties will continue to promote the development of the Direct MCH® technology to enhance its cost-competitiveness. This will ultimately shape a full-fledged hydrogen-fed, decarbonized, and recycling-oriented society and steadily advance the next-generation energy transition.

- Industrie De Nora has signed a letter of intent with Duferco Energia, among the leading companies in the Italian energy market, to start a collaboration in the implementation of green hydrogen production projects and thus contribute to the decarbonization of the mobility, energy, and logistics sectors in Italy. Specifically, De Nora and Duferco Energia intend to collaborate on projects for the production of green hydrogen, a highly dynamic sector fueled by numerous governments and PNRR grants.

  In detail, according to the non-binding letter of intent signed between the parties, De Nora intends to make its technologies, including the Dragonfly® electrolyzer, available to Duferco Energia and to participate jointly in projects. For their side, Duferco intends to consider De Nora as a reference supplier for water electrolysis processes and offer their commercial and industrial network to develop green hydrogen-related projects.

- Industrie De Nora has signed a memorandum of understanding (MOU) with the Japanese technology company Asahi Kasei to develop and market containerized electrolyzers and systems for small-scale green hydrogen production. The parties aim to deploy their respective expertise and extensive footprint in the electrochemical field and will jointly develop the technology of containerized solutions. De Nora will leverage its Italian Gigafactory, currently under construction in Cernusco sul Naviglio, near Milan, and further enhance its pressurized electrolyzer designed for small, decentralized green hydrogen needs. Meanwhile, Asahi Kasei will leverage its worldwide organization to generate sales' opportunities and provide after-sales support for the identified new fast-growing industrial markets, including mobility.

Under the non-binding MoU signed with Asahi Kasei, De Nora will focus on further improving and then mass manufacturing modular pressurized electrolyzers and systems covering new emerging diversified customers across the entire hydrogen market while leveraging the Asahi Kasei goal to enlarge its portfolio establishing a presence in the small-scale containerized pressurized electrolyzers.

- Industrie De Nora is a partner in X-SEED, a European-funded project aimed at developing a supercritical electrolyzer capable of generating renewable hydrogen more efficiently and at lower production costs compared to electrolyzers currently used in the industrial sector. The project, coordinated by Leitat, a nationally and internationally recognized technology center accredited by ACCIÓ and recognized by the Ministry of Economy and Competitiveness, involves several European industrial and academic partners, including De Nora, Snam, Particular Materials, and the Technical University of Denmark. It is co-financed by the European Union and supported by the Clean Hydrogen Partnership.

  The new technology will make renewable hydrogen production more economically competitive. It could potentially be used in a wide range of applications, such as vehicles, electricity generation, industrial processes (steel, cement, and fertilizers), and many others, contributing to the decarbonization of our economy.

  De Nora plays a key role within the consortium, being responsible for the design of the supercritical cell and stack, where it will test the electrodes developed for the project.

- Industrie De Nora has been awarded a contract by the T.EN CCC Joint Venture, led by Technip Energies (T.EN) in partnership with Consolidated Contractors Company (CCC), to supply electrochlorination units for the onshore LNG facilities in Ras Laffan, Qatar, for the NFS Project. This is a continuation of the first phase, North Field East (NFE) Project, which was awarded in June 2021 and is now under construction. The projects, executed for QatarEnergy LNG, represent the world's largest LNG expansion project which will increase the nation's LNG production capacity from 77 MTPA to 126 MTPA. The NFXP assumes much significance in support of Qatar's strong commitment to achieving the highest environmental standards.

  De Nora was selected following a competitive bidding process to supply the electro-chlorination systems for the projects, which will be executed by an experienced, cross functional and global project team, leveraging De Nora's large global footprint and excellence in electrochemistry. This project will include two CECHLO-MS 326 units producing a high-strength, 12.5 percent sodium hypochlorite solution on site. Spread across two mega LNG generator trains, the units produce 294 kg of sodium hypochlorite per hour, equivalent to 7 tons per day – enough to support LNG production capacity of 16 MTPA per train.

  The new system will supplement the units awarded for NFE project in 2021, which included units spread across four mega LNG trains with a capacity of 8 MTPA each. Once completed later this year, these units will produce 11 tons per day of Chlorine equivalent used to control biofouling as well as disinfect the formation of service water and firewater, and brine management from the desalination plant to the sea. With nearly 100 years of experience in electrochemistry, De Nora CECHLO-MS on-site high-strength sodium hypochlorite generation systems are fully optimizable and feature proprietary technology to balance safety, reliability, cost efficiency and sustainability in water treatment. This critical chlorine-based generation project for the onshore LNG facilities of the NFXP in Qatar follows over 400 installations of the CECHLO-MS system globally.

De Nora is committed towards the current energy transition and supporting the work of our partners in providing sustainable solutions by minimizing chemical transportation for carbon footprint reduction to contribute to the UN Sustainable Development Goals.

- De Nora is partnering with Maffei Sarda Silicati to build a green hydrogen production plant located in the Sardinian municipality of Ossi (Sassari). The project, financed through PNRR funds and promoted by the local company Maffei Sarda Silicati – operating in the field of extraction, processing, and marketing of raw materials mainly intended for the ceramic and hollow glass markets – is coordinated by Make Energy as technical advisor and sees De Nora involved for the supply of its Dragonfly® small electrolyzer, with a production capacity of 1 MW.

  The production site, located on a decommissioned industrial area in the municipality of Ossi, will be redeveloped by Maffei Sarda SilicatI itself and will generate about 50 tons of hydrogen per year, which the Sardinian company will use to power its industrial plant, partly replacing the fossil fuel currently used, with significant decarbonization benefits. In addition, the green hydrogen plant will be powered by a new 1.5 MW photovoltaic plant located in the same area, thus ensuring a 100% sustainable industrial process.

  In addition to meeting Maffei Sarda Silicati's energy needs, the green hydrogen thus generated may have various applications, such as in sustainable mobility, industry, power generation, and heating, positively contributing to the decarbonization of the Sardinia Region.

- De Nora is among the main investors in the 360 Life II Fund of 360 Capital –Europe's leading venture capital firm – which in December concluded a funding round totaling € 140 million, with a € 10 million commitment from De Nora, to be paid in several tranches throughout the fund's planned 10-year life.

  360 Life II was created to facilitate the sustainable transition in Europe by supporting startups in the Climate Tech sector to meet the challenges of climate transition with innovative technologies. The fund mainly targets three thematic areas: energy transition, circular economy, and urban sustainability. It is focused on outcome goals linked to ESG criteria and, therefore, classified as an "Article 9" fund as per the Sustainable Finance Disclosure Regulation (SFDR). De Nora confirms its leading role in accelerating green change by investing directly in 360 Life II as a strategic industrial player, alongside A2A and some institutional investors such as Bpifrance and CDP Venture Capital.

  The goal is the creation of a virtuous ecosystem in the field of sustainable innovation on a European scale, leveraging De Nora's expertise and know-how alongside 360 Capital's investment capabilities and the spirit of innovation of the startups. By investing in 360 Life II and actively collaborating with the 360 Capital team, De Nora aims to identify and exploit disruptive technologies in the Climate Tech sphere, developing industrial and R&D synergies and further strengthening its contribution to innovative growth in the sectors in which it operates.

- Pursuant to art. no. 2-ter of the CONSOB regulation no. 11971 of May 14, 1999 ("Issuers' Regulation"), with the introduction of Article 2 of Law No. 21 of March 5, 2024, which amended the capitalization threshold for the qualification of Small Medium Enterprises (SMEs) from Euro 500 million to Euro 1 billion, Industrie De Nora S.p.A. qualifies as an "SME" pursuant to Article 1, paragraph 1, letter w-quater.1) of

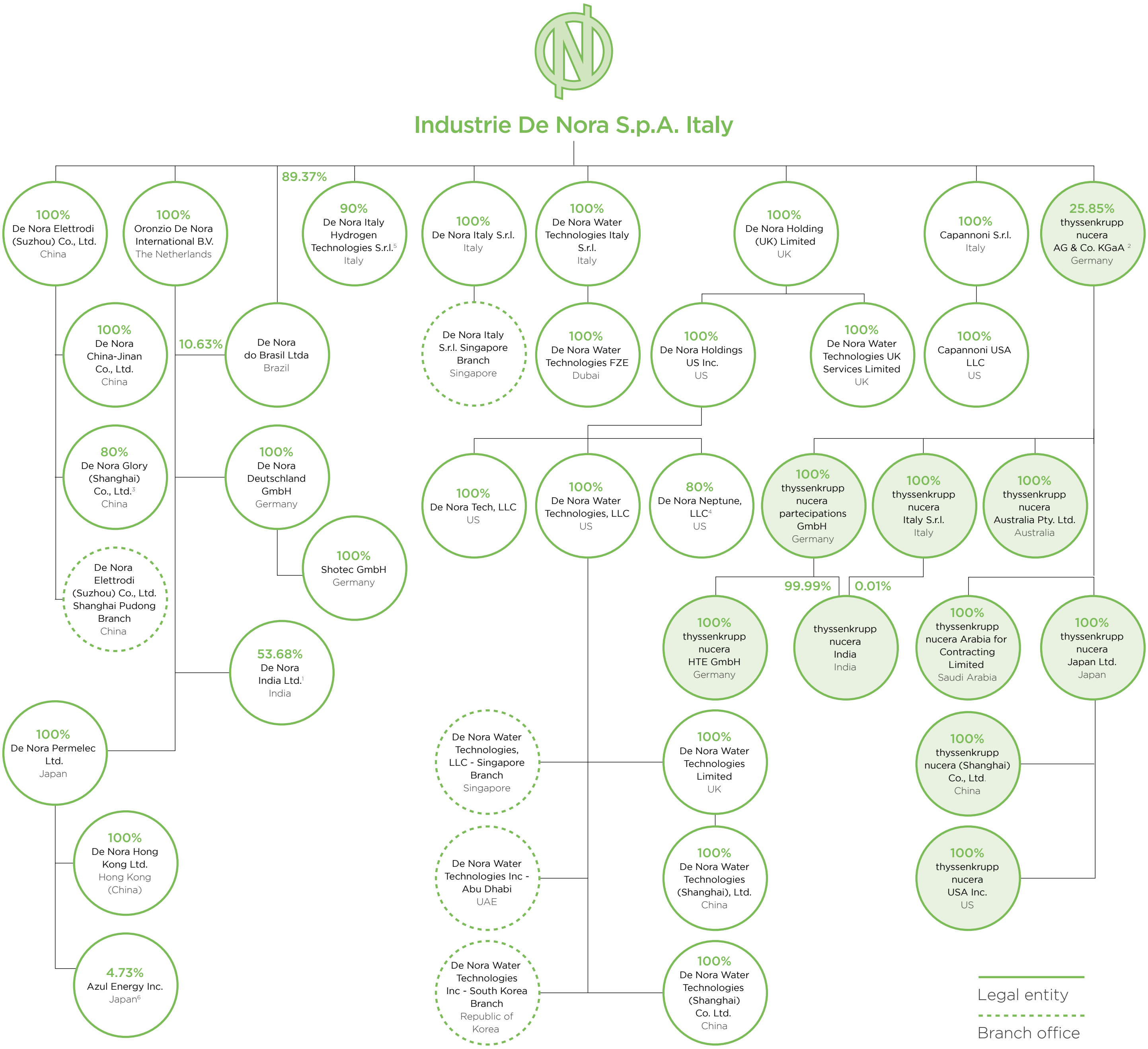
Legislative Decree No. 58 of February 24, 1998 ("TUF"), as its capitalization, calculated considering only the listed ordinary shares, is below the Euro 1 billion threshold.

Consequently, for the purposes of disclosure obligations concerning significant shareholdings under Article 120 of the TUF, the applicable threshold is now 5% of the voting capital instead of 3%.

THE DE NORA GROUP

Group Structure

A graphical representation is provided below of the Group structure with an indication of the companies belonging to the Group and the equity investment held by the parent company, directly or indirectly, in each of them as at December 31, 2024.



[1] 46.32% Indian Stock exchange + promoters.
[2] 50.19% Thyssenkrupp Projekt1 GmbH; 23.96% freefloat.
[3] 20% Mr. Bu Bingxin.
[4] 20% Biocatters Holdings, LLC.
[5] 10% Snam S.p.A.
[6] 95.27% venture capital or corporate venture capital and promoters.

Corporate functions (Corporate Development, AFC & ICT; Legal; People, Organization, Social Communication, Happiness; Marketing, Business Development & Product Management; Research & Development, Intellectual Property & Production Technologies; Global Operations; Global Procurement) are located at the parent company Industrie De Nora S.p.A., thus ensuring financial, strategic and operational consistency within the Group. In particular, the Corporate functions:

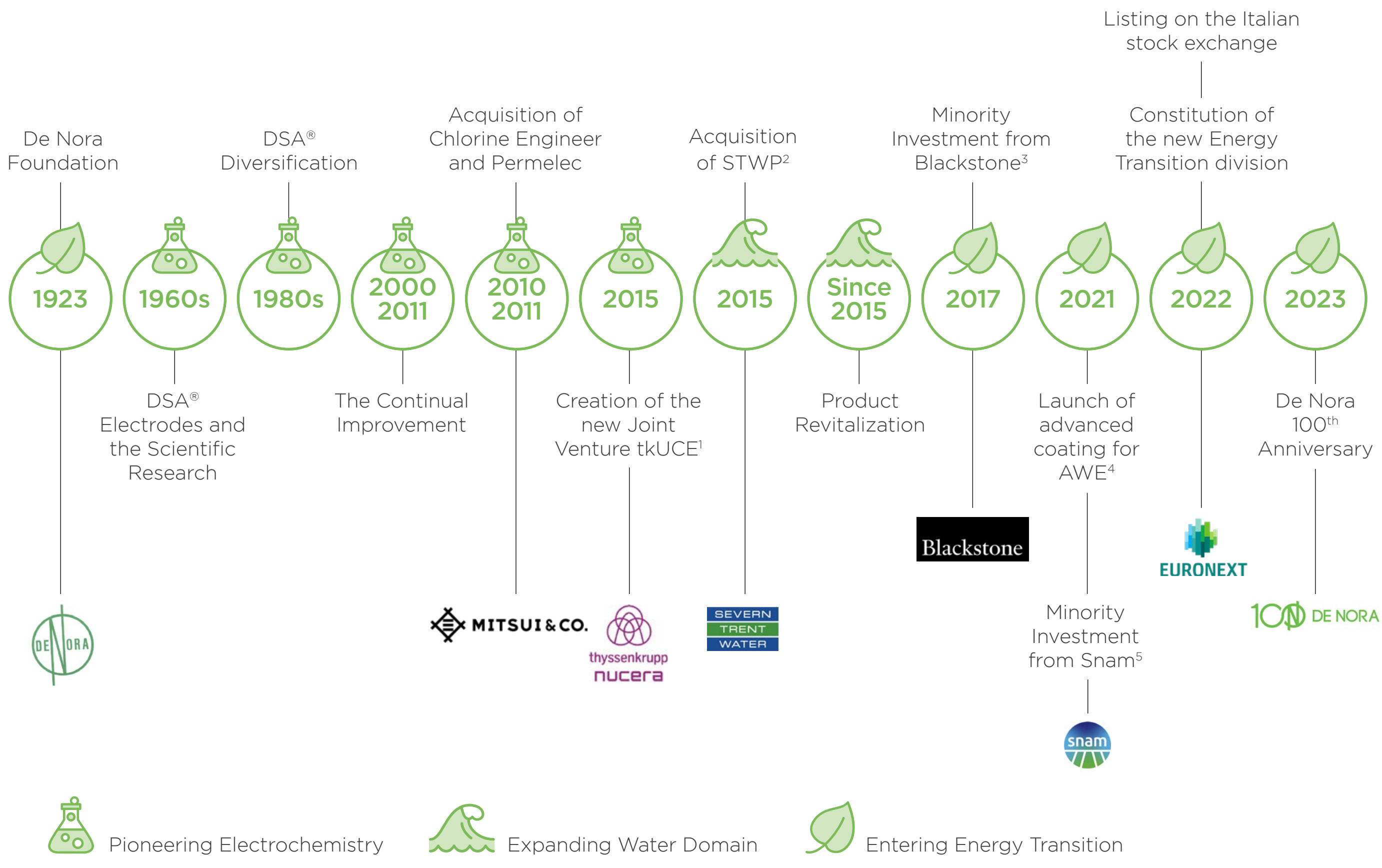
- define the strategic guidelines for the entire Group;
- coordinate research and development activities;
- manage the Group's intellectual property;
- exercise a coordinating and controlling role through the issuance of policies and guidelines to ensure the compliance of initiatives undertaken at the local level with the Group's strategy.

The main organizational changes at Corporate function level relating to the 2024 financial year are listed below:

- in the AFC structure the new Chief Financial Officer was appointed;
- a new Chief Operation Officer was appointed.

Profile and history

100 years of history



[1] The first joint venture (classified as an associated company for financial reporting purposes) with the thyssenkrupp group was established in 2001, under the name of Uhdenora S.p.A. In 2015, thyssenkrupp and De Nora expanded the joint venture platform by contributing additional assets and business units.
[2] STWP: Severn Trent Water Purification Technologies.
[3] Approximately 33% equity investment sold by the De Nora family in April 2017.
[4] AWE: Alkaline Water Electrolysis.
[5] Approximately 35% equity investment sold by Blackstone in January 2021.

The history of the De Nora Group began in 1923 with the initiative of Oronzio De Nora, who filed his first patent application for an electrolytic cell for alkali chlorides that year. Since its origins, the Group focused on the electrochemical sector, with a particular emphasis on technologies in the chlor-alkali sector.

The marketing of electrochemical equipment for the chlor-alkali market spreads worldwide, and in 1970 the DSA® trademark was registered. After decades of highly successful product development, the Group initiated an offer diversification strategy and pursued internationalization, entering new sectors. In 1969 the Group entered the Japanese market through a joint venture with Mitsui & Co. Ltd. and incorporated Permelec Electrode Ltd. to market DSA® anodes in Japan.

In the 1970s, De Nora developed a new bi-polar diaphragm cell that was marketed all over the world and patented the technology for the production of sodium hypochlorite from seawater, used to treat the cooling water of large systems. The Group began to develop the first salt chlorinators for swimming pools in the same period.

Bolstered by the success of the chlor-alkali plant engineering and DSA® anodes, the Group accelerated its expansion abroad, entering the Singapore, Brazil and India markets.

During the 1980s, innovation and research continued to be a key element of the Group's growth strategy: DSA® anodes began to be used for applications beyond chlorine production, such as the electrochemical production of metals, protection of reinforced concrete structures from corrosion and the production of galvanized steel sheets.

During the 1990s, the Group expanded its activities in the Chinese, US and German markets, establishing joint ventures and branches to serve the growing number of local customers and provide an essential after-sales service. In the same years, investments continued in product diversification by marketing DSA® anodes in the electronics, electroplating and water sanitization processes. The company also developed new technologies for applications in basic chemistry and in fuel cells.

The 2000s included the development of advanced coatings and separators for chlor-alkali and gas diffusion electrodes for fuel cells. The Group continued its expansion in these years, shifting from a strategy of growth by internal lines to one by external lines through acquisitions and joint ventures, thus starting an important transformation process.

In particular, to promote the chlor-alkali plant engineering business, UhdenoraS.p.A. was created in 2001, a first joint venture between Industrie De Nora and Thyssenkrupp, which in 2015 became tkUhdeChlorine Engineers, and renamed thyssenkrupp nucera in February 2022.

Severn Trent De Nora was also created in 2001, a joint venture operating in the industrial electrochlorination sector.

The Group consolidated its position in the chlor-alkali sector between 2010 and 2011: in 2010 a transaction was concluded with Mitsui & Co., which allowed De Nora to increase its stake in Permelec Electrode to 100%; and all shares in Chlorine Engineers, active in the plant engineering business, were acquired in 2011. At the same time, De Nora developed and patented new solutions for diaphragm and membrane technologies.

In 2015, the process of consolidating and integrating the companies operating in the water and wastewater treatment and sanitation sector began, with the establishment of the Water Technologies business segment.

To accelerate the growth process, Blackstone Tactical Opportunities joined the De Nora family in 2017 through the acquisition of 32.9% of its share capital.

The Group further expanded its business between 2018 and 2019, broadening its production capacity in China, completing some corporate acquisitions and opening new production plants in the United States and Germany.

In 2021 Snam S.p.A., one of the largest

energy infrastructure operators in the world, acquired from Blackstone its entire stake in De Nora, becoming De Nora's industrial partner in the energy transition.

In 2021 the Group began marketing new electrodes for the energy transition, which are based on the alkaline electrolysis process of water. It simultaneously strengthened and expanded its product offer in the water disinfection sector through some strategic corporate acquisitions. In addition, the Group officially became one of the protagonists in the Neom project for the largest green hydrogen production plant in the world in terms of gigawatts.

In 2022, Industrie De Nora was listed on the Euronext stock exchange in Milan. The third business segment, Energy Transition, was created at the end of the same year, focusing on the development of technologies for green hydrogen.

De Nora celebrated its 100th anniversary in 2023.

A centenary logo was created to celebrate this special occasion: an iconic image designed by a member of the De Nora family, highlighting the milestone achieved and giving equal importance to future targets through the infinity symbol.

Several initiatives were carried out in 2023, including the publication of the book "De Nora: Stories from a century of life", which enthusiastically narrates this race towards the future. The author Luca Masia wrote the book in the form of short stories, while Luca Campigotto, one of Italy's most internationally acclaimed photographers, documented the complex reality of De Nora with an artistic vision: from research laboratories to its large production factories, up to its specialized technicians. These words and images describe a journey of ingenuity, dedication, scientific discoveries and technological innovations, with people always at the heart of the company.

The most significant milestones of the first 100 years were also narrated through a dedicated section on the company website, summarized in a video and included in a calendar.

Strategy and markets

De Nora's strategy is based on four pillars:

- growth - De Nora aims to grow and strengthen its positioning by exploring business opportunities in the energy transition market, which represents the natural evolution of the electrodes sector. In addition, the Group aims to expand the water business by pursuing sustainable solutions, facilitated by the evolution of regulations at international level and by the incentives provided by governments;
- leadership - the Group intends to safeguard its market positioning in traditional businesses, in all sectors and in strategic geographies, thanks to a unique value proposition in the electrochemical sector, and continuing to pursue the excellence of the products and services offered;
- manufacturing expansion - De Nora's objective is to respond flexibly to the growing business demand (including for green hydrogen) through a strategic investment plan, aimed at supporting the expansion of industrial partners in key regions. In terms of productivity, De Nora aims to achieve operational excellence through the implementation of a lean transformation strategy and the principles of "continuous improvement", pursuing strategic procurement projects aimed at optimizing costs, and seizing the opportunities offered by the industrial automation and digitalization of business processes, according to "agile" principles;
- organizational development - De Nora Group intends to respond to the transformation and growth of the business by developing an agile organization supported by streamlined processes and digitalization. The company aims to enhance the potential of its people, promoting their continuous development, strengthening their leadership, and encouraging a diversified and inclusive work environment. In addition, the Group confirms its commitment to improving the physical and mental well-being of all employees. Reputation and communication continue to be among the Group's priorities.

The Group also intends to strengthen its commitment to sustainability, pursuing the initiatives and targets set out in the Sustainability Plan to 2026 and to 2030, focused on Green Innovation, Climate Action and Circular Economy, the continuous development of people, inclusion and well-being, on Community Engagement, partnerships and sustainable supply chains.

The strategic guidelines for the three business divisions are reported below.

Electrode Technologies

In the Electrode Technologies business, the Group intends to preserve its position as a global leader by maintaining its competitive advantage in the reference markets in terms of performance and quality, through continuous innovation and pursuing production excellence. Research and development, in particular, is aimed at optimizing the use and recovery of noble metals and reducing costs.

Water Technologies

In the Water Technologies business, De Nora intends to preserve its consolidated position in the swimming pool electrodes market, continuing to focus on the quality of services and customer relations. With regard to the water treatment systems business, the Group aims to focus its growth on the main strategic markets (municipal and industrial), through an optimized technological portfolio and seize the new business opportunities brought about by the emergence of new contaminants and supported by a tightening of the regulatory framework for the treatment and reuse of drinking water and wastewater.

Energy Transition

De Nora intends to establish itself as a leader in the supply of electrodes for the production of green hydrogen, whose market has significant growth potential. In particular, the Group intends to benefit from a wide technological offer, leveraging its know-how deriving from the long-established electrodes business, on partnerships with leading operators in the sector such as tk nucera, and on the extensive and consolidated production capacity, planning strategic and scalable investments.

In addition, the Group intends to continue investing in the development of new critical components (electrodes and catalysts) for hydrogen generation technologies by means of alkaline electrolysis and alternative electrolysis processes. In addition, the Group intends to continue to invest in the development and marketing of electrolyzers and complete systems, which aim to reduce the levelized cost of hydrogen (LCOH).

Maintaining a flexible approach to external strategies growth

The Group intends to continue to take a flexible approach to the external growth process, proactively exploring opportunities to acquire technology companies to expand and consolidate its presence.

Regarding the Group's target markets, please refer to the extensive explanation in the Sustainability Report.

INFORMATION FOR THE INVESTORS

Industrie De Nora share

De Nora share closed 2024 at Euro 7.57 per share, down compared to the figure as at January 2, 2024 of Euro 15.56. The stock performance has basically reflected the development of the main pure-players in the green hydrogen sector (see chart below), supported by the profitability and development prospects of traditional businesses such as Electrode Technologies and Water Technologies, as well as the soundness of its financial structure.

The evolution of the major pure-players in the green hydrogen sector during 2024 showed a downward trend accompanied by phases of high volatility, particularly in May-July and then later in November.

This negative development is mainly attributable to the downsizing of expected growth in the **green hydrogen segment**, which has experienced slowdowns in development globally compared to what had been previously anticipated. In particular, **market evolutions** have reflected slower-than-expected development in the hydrogen sector, mainly due to regulatory uncertainties in key markets (the United States and the European Union), but also the lack of certainty in infrastructure, network connections, and high interest rates, which have negatively affected investment in clean technologies. In particular, with reference to the USA market, the effect of the presidential election produced negative impacts on the industry's performance in the second half of the year.

Average daily volumes traded during 2024 amounted to 147,817 shares with an average value of approximately Euro 1.68 million.

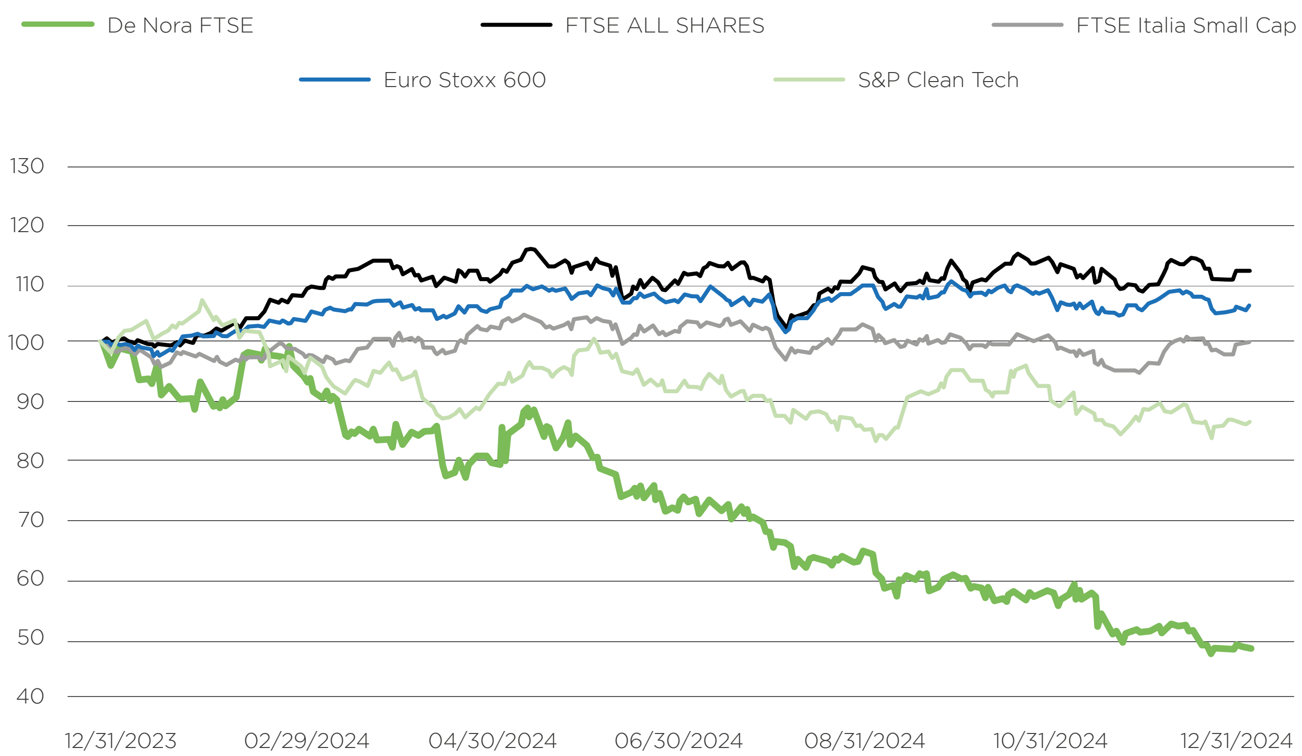
It should be noted that on November 9, 2023 De Nora launched the buyback program, already authorized by the Shareholders' Meeting of April 28, 2023, aimed at implementing the remuneration policies adopted by the company and, specifically, at fulfilling the obligations deriving from compensation plans based on financial instruments pursuant to Article 114-bis of the TUF (Italian Consolidated Law on Finance) already adopted by the company (Performance Share Plan), and by any other plans that might be approved in the future. Moreover the buyback plan is coherent with the objective to pursue future business and financial projects consistent with the company's strategic guidelines (such as M&A transactions). The program ended on April 12, 2024. In 2024, the company purchased a total of 1,841,495 of own shares, equal to 0.91% of the Share Capital, in addition to the 1,158,505 shares purchased in 2023. The are 2,986,240 remaining treasury shares in portfolio at December 31, 2024, equal to 1.481% of the share capital, after using 13,760 shares for equity compensation plans.

As at **December 31, 2024**, the De Nora share was covered by **seven financial analysts** (5 Buy, 2 Neutral) belonging to prestigious national and international brokers. The **average target price** set by analysts as at December 31, 2024, was **Euro 11.80**.

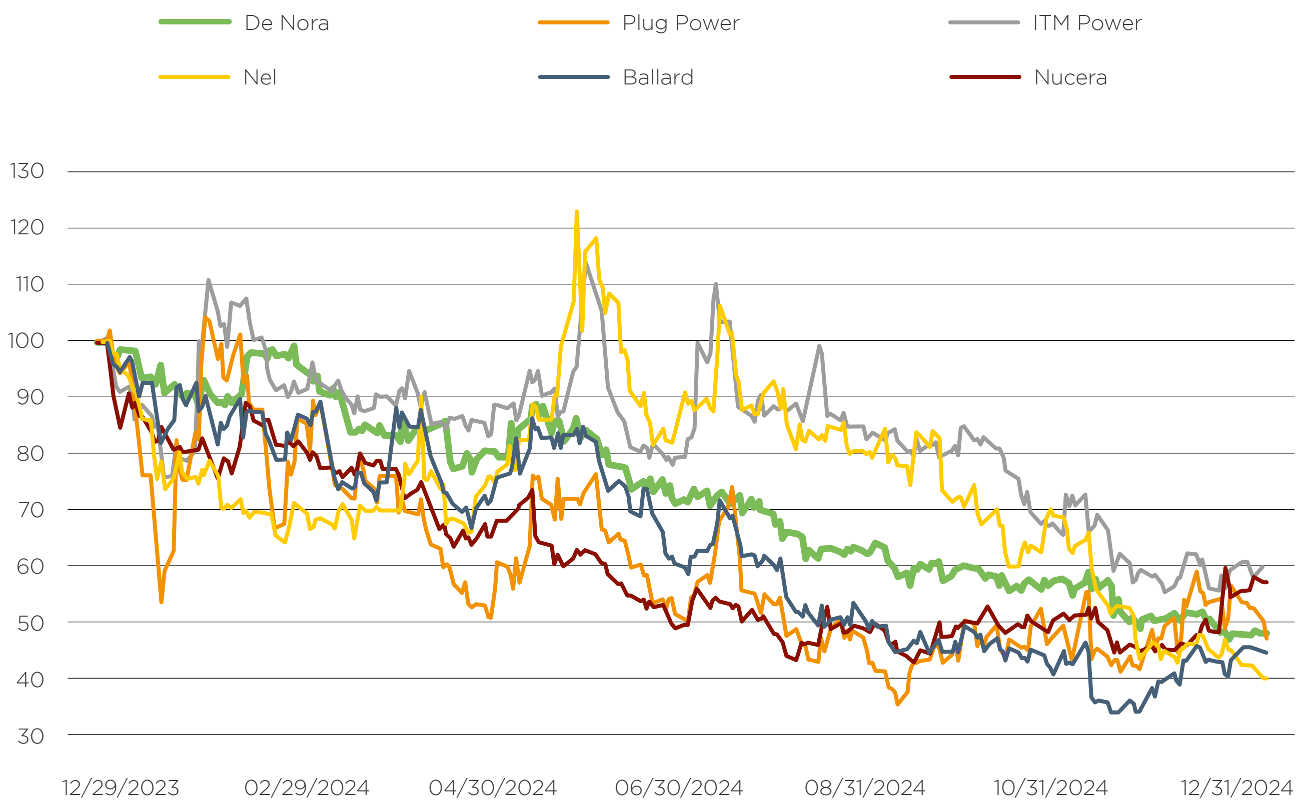
Industrie De Nora share - Euronext Milan (Euro)*	Period 01/02/2024 - 12/31/2024
Beginning of period (January 2, 2024)	15.560
Maximum (January 2, 2024)	15.560
Minimum (December 19, 2024)	7.430
Average	11.460
End of period price (December 30, 2024)	7.570
Capitalization** as at December 30, 2024 – € million	1.527

* Analysis based on daily closing prices.
** Total capitalization is calculated as follows: (number of ordinary shares + number of multiple voting shares) multiplied by the price of ordinary shares.

Performance of Industrie De Nora shares in 2024 (January 1, 2024 - December 31, 2024), compared to the Italian FTSE All Share, FTSE Small Cap, Euro Stoxx 600 and S&P Clean Tech indices.



Performance of Industrie De Nora shares in 2024 (January 1, 2024 - December 31, 2024), compared to the main competitors in the green hydrogen market



Share Capital of Industrie De Nora S.p.A. as at December 31, 2024		
	Number of shares	Number of voting rights
Share capital (Euro)	18,268,203.90	18,268,203.90
Total shares	201,685,174	502,647,564
Ordinary shares	51,203,979	51,203,979
Multiple voting shares (*)	150,481,195	451,443,585

(*) Owned by the shareholders Federico De Nora, Federico De Nora S.p.A., Norfin S.p.A. and Asset Company 10 S.r.l. Multiple voting shares are not admitted to trading on Euronext Milan and are not counted in the free float and market capitalization value. The multiple voting shares grant 3 votes at the shareholders' meeting.

BUSINESS PERFORMANCE

Alternative Performance Indicators

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

- EBITDA is defined as the profit for the period adding back the following items of the consolidated income statement: (i) income taxes; (ii) finance charges; (iii) finance income; (iv) share of profit of equity-accounted investees; (v) amortization/depreciation; (vi) impairment and write-back of property, plant and equipment; (vii) impairment of goodwill and other intangible assets. Compared to the previous fiscal year, EBITDA also includes provisions for risks and charges, net of related releases and utilizations. The comparative data has therefore been restated based on the new definition adopted.
- Adjusted EBITDA is defined as EBITDA adjusted for: i) certain charges/(income) of a non-recurring nature; ii) certain accrual of provisions for risks and charges net of related utilizations and releases of a non-recurring nature.
- EBITDA Margin is calculated as the ratio of EBITDA to Revenues.
- Adjusted EBITDA Margin is calculated as the ratio of Adjusted EBITDA to Revenues.
- Adjusted EBIT is defined as EBIT adjusted for: i) certain charges/(income) of a non-recurring nature; ii) certain accrual of provisions for risks and charges net of related utilizations and releases of a non-recurring nature; iii) impairment and write-back of tangible and intangible assets.
- Adjusted Net Result is defined as Net Profit/(Loss) of the period adjusted for:
  - certain charges/(income) of a non-recurring nature;
  - certain accrual of provisions for risks and charges net of related utilizations and releases of a non-recurring nature;
  - impairment and write-back of tangible and intangible assets,

all net of the related tax effects.

- Net operating working capital: is determined as the algebraic sum of the following items contained in the Statement of financial position:
  - Inventory
  - Trade receivables (current portion)
  - Trade payables (current portion)
  - Construction contracts assets and liabilities.
- Net working capital: is determined as the algebraic sum of Net operating working capital and the following items included in the Statement of financial position:
  - Other receivables (current portion)
  - Current tax assets (current portion)
  - Other payables (current portion)
  - Current income tax payables.
- Net invested capital: is determined as the algebraic sum of:
  - the Net working capital

— the Non-current asset
— net of Employee benefits, Provisions for risks and charges, Deferred tax liabilities, Trade payables (non-current portion), Income tax payables, and Other payables (non-current portion).

- **Net liquidity / (net financial indebtedness) - ESMA** is determined in accordance with CONSOB Communication DEM/6064293 of July 28, 2006, as amended by CONSOB Communication No. 5/21 of April 29, 2021 and in accordance with ESMA Recommendations contained in Guidelines 32-382-1138 of March 4, 2021 on disclosure requirements under the Prospectus Regulation.
- **Net liquidity / (net financial indebtedness) - De Nora** as monitored by the Group's management. This indicator differs from Net liquidity / (net financial indebtedness) - ESMA in that it includes the fair value of financial instruments entered into for the purpose of hedging exchange rate fluctuations.

Comments on the economic and financial results of the Group

Revenues for the year amounted to Euro 862.6 million, of which approximately Euro 453.2 million is attributable to the Electrode Technologies segment, Euro 304.2 million to the Water Technologies segment and Euro 105.2 million to the Energy Transition segment, with an overall increase of 0.7% compared to Euro 856.4 million in 2023. However, at constant exchange rates, the Group's revenues for 2024 would be approximately Euro 878.5 million, therefore marking an increase of 2.6% compared to the previous year.

Adjusted EBITDA reached Euro 157.4 million, compared to Euro 172.7 million in 2023 (-8.8%, but in any case equal to 18.2% of revenues), while EBITDA amounted to Euro 151.8 million, down by roughly 14% from Euro 176.5 million in the previous financial year.

Equal to Euro 123.2 million, adjusted EBIT decreased consequently compared to Euro 140 million in the previous year (-12%), while EBIT, with Euro 116.6 million in the year just ended, decreased compared to Euro 136.9 million in the comparative financial year.

The share of profit of equity investments valued at equity refers to tk nucera, associated company held with a 25.85% interest, and was positive for Euro 4.6 million, almost in line with the previous year.

Financial operations showed net income of Euro 3.4 million. The 2023 adjusted net financial expenses of Euro 10.3 million exclude income totaling Euro 133.2 million related to the listing of tk nucera in order to ensure a consistent comparison between the two years, specifically: Euro 115.8 million relating to the "dilution gain" in the equity investment and Euro 17.4 million relating to the capital gain realized by Industrie De Nora S.p.A following the exercise of the "greenshoe option" on the basis of which 1,342,065 shares were sold as part of the IPO of tk nucera.

The improved net balance of financial operations in 2024 benefits from both lower interest cost on debt and the improved net balance of exchange gains and losses.

After income taxes for the year, 2024 closed with Adjusted Net Profit of Euro 88.8 million compared to Euro 101.5 million in 2023. Net profit amounted to Euro 83.3 million (Euro 0.42 per share), substantially fully attributable to the shareholders of the parent company.

Statement of financial position shows a net invested capital of Euro 887 million (Euro +45.6 million compared to the end of 2023) and a shareholders' equity of Euro 953.8 million (Euro 43.6 million higher than as at December 31, 2023) and net liquidity of Euro 66.8 million (Euro -2 million compared to the end of 2023).

The higher net invested capital is essentially attributable to the increase in non-current assets (Euro 644.5 million at the end of 2024, Euro +42.9 million compared to December 31, 2023), essentially due to the investments in tangible fixed assets.

The net financial position is substantially in line with the figure at the end of 2023 and highlights the considerable generation of operating cash (amounting to more than Euro 110 million), which, in addition to financing the investments for the year (amounting to approximately Euro 64 million), covered the distribution of dividends for Euro 24.4 million and the completion of the buy back plan launched during 2023 for Euro 26 million.

Consolidated Reclassified Income Statement

	For the year ended December 31			
	2024		2023	
	(in € thousands)			
Revenue	862,613	100.0%	856,411	100.0%
Royalties and commissions	(9,281)	-1.1%	(9,544)	-1.1%
Cost of goods sold	(572,315)	-66.3%	(552,178)	-64.5%
Selling expenses	(31,322)	-3.6%	(29,818)	-3.5%
G&A expenses	(49,754)	-5.8%	(50,895)	-5.9%
R&D expenses	(14,890)	-1.7%	(15,566)	-1.8%
Other operating income (expenses)	7,156	0.8%	4,014	0.5%
Corporate costs	(34,807)	-4.0%	(29,752)	-3.5%
Adjusted EBITDA	157,400	18.2%	172,672	20.2%
Depreciation and amortization	(34,300)	-4.0%	(31,094)	-3.6%
(Impairment) / Write-back	64	0.0%	(1,596)	-0.2%
Adjusted Operating Profit (EBIT)	123,164	14.3%	139,982	16.3%
Share of profit of equity-accounted investees	4,579	0.5%	5,435	0.6%
Net Finance income / (expenses)	(3,372)	-0.4%	(10,296)	-1.2%
Profit before tax	124,371	14.4%	135,121	15.8%
Income taxes	(35,525)	-4.1%	(33,655)	-3.9%
Adjusted Net Result	88,846	10.3%	101,466	11.8%
Adjusted EBITDA	157,400	18.2%	172,672	20.2%
Non-recurring (costs) income	(5,604)		3,782	
EBITDA	151,796	17.6%	176,454	20.6%
Adjusted Operating Profit (EBIT)	123,164	14.3%	139,982	16.3%
Non-recurring (costs) income	(5,604)		3,782	
Impairment	(1,004)		(6,846)	
Operating Profit (EBIT)	116,556	13.5%	136,918	16.0%
Adjusted Net Result	88,846	10.3%	101,466	11.8%
Non-recurring (costs) income	(5,604)		3,782	
Impairment	(1,004)		(6,846)	
Income from tk nucera IPO	-		133,224	
Tax effect of non-recurring items	1,074		(576)	
Net Result	83,312	9.7%	231,050	27.0%
Attributable to:				
Owners of the parent	83,376	9.7%	230,050	26.9%
Non-controlling interests	(64)	0.0%	1,000	0.1%

Consolidated Reclassified Statement of Financial Position

	At December 31, 2024		At December 31, 2023	
	(in € thousands)			
Trade receivables	173,522		141,927	
Trade payables	(116,799)		(106,752)	
Inventory	255,452		257,146	
Construction contracts, net of progress payments and advances	36,414		31,737	
Net Operating Working Capital	348,589	39.3%	324,058	38.5%
Other current assets/(liabilities)	(78,243)		(59,415)	
Net Working Capital	270,346	30.5%	264,643	31.5%
Goodwill and intangible assets	115,959		115,787	
Property, plant and equipment	291,784		254,273	
Equity-accounted investees	236,751		231,511	
Non-current assets	644,494	72.7%	601,571	71.5%
Employee benefits	(25,935)	-2.9%	(21,758)	-2.6%
Provisions for risks and charges	(19,878)	-2.2%	(18,045)	-2.1%
Deferred tax assets/(liabilities)	9,452	1.1%	7,342	0.9%
Other non-current assets/(liabilities)	8,523	1.0%	7,674	0.9%
Net Invested Capital	887,002	100.0%	841,427	100.0%
Covered by:				
Medium/long term financial debt	(140,638)		(133,716)	
Short-term financial debt	(18,645)		(10,199)	
Financial assets and derivatives	10,510		13,642	
Cash and cash equivalents	215,857		198,491	
Net Liquidity—ESMA	67,084	7.6%	68,218	8.1%
Fair value of financial instruments (exchange rate hedges)	(303)		543	
Net Liquidity	66,781	7.5%	68,761	8.2%
Equity attributable to minority interests	(7,256)	-0.8%	(5,700)	-0.7%
Equity attributable to the Group	(946,527)	-106.7%	(904,488)	-107.5%
Total Equity and Minority interests	(887,002)	-100.0%	(841,427)	-100.0%

Reconciliation of the result for the year and equity of Industrie De Nora S.p.A. and the Group

The result for the year and equity of the parent company are reconciled with those of the Group from the consolidated financial statements in the table below:

	For the year ended December 31, 2024	
	Profit for the year	Equity
	(in € thousands)	
As for the financial statements of the parent company	53,521	526,520
Dividends collected by the parent company	(35,550)	-
Equity-accounted investments in jv/associates (net of deferred taxes)	4,522	136,804
Adjusted profit of subsidiaries and difference between adjusted equity of the consolidated companies and relevant carrying amount	60,812	290,251
Consolidated entries of the parent company	7	208
As of the Consolidated Financial Statements of the De Nora Group	83,312	953,783

Investments of the Group

The table below shows the breakdown by category of the investments made by the Group in property, plant and equipment and intangible assets in the financial years ended December 31, 2024 and 2023:

	At December 31			
	2024	% of total investments	2023	% of total investments
	(in € thousands, except percentages)			
Land	-	0.0%	15,275	14.4%
Buildings	281	0.4%	1,587	1.6%
Plants and machinery	2,112	3.1%	4,696	4.4%
Other assets	104	0.2%	428	0.4%
Leased assets	4,349	6.6%	7,980	7.5%
Rights of use of Property, Plant and Equipment:	3,464	5.1%	17,360	16.4%
- of which Buildings	2,227	3.3%	17,057	16.1%
- of which Other assets	1,237	1.8%	303	0.3%
Assets under construction and advance payments	52,342	77.7%	51,034	48.2%
Total Property, Plant and Equipment	62,652	93.1%	98,360	92.9%
Industrial patents and intellectual property rights	487	0.7%	431	0.4%
Concessions, licences and trademarks	577	0.9%	722	0.7%
Other	-	0.0%	88	0.1%
Assets under construction and advance payments	3,615	5.3%	6,255	5.9%
Total Intangible assets	4,679	6.9%	7,496	7.1%
Total investments	67,331	100.0%	105,856	100.0%

During the period under review, the Group invested a total of Euro 67,331 thousand, of which Euro 62,652 thousand related to property, plant and equipment and Euro 4,679 thousand related to intangible assets. Investments in property, plant and equipment included increases in the rights of use of property, plant and equipment equal to Euro 3,464 thousand and Euro 17,360 thousand, in the financial years ended December 31, 2024 and 2023, respectively. These investments mainly refer to buildings for industrial use and warehouses, in addition to other assets mainly relating to motor vehicles and industrial vehicles and office equipment.

Investments in property, plant and equipment

Additions to property, plant and equipment amounted to Euro 62,652 thousand for the financial year 2024. In particular, investments in property, plant and equipment excluding increases in right of use of property, plant and equipment amounted to Euro 59,188 thousand and mainly refer to:

(i) leased assets amounting to Euro 4,349 thousand related to anodes to be leased within the Electrode Technologies business segment;

(ii) plant and machinery amounting to Euro 2,112 thousand relating mainly to the plants in China, Germany and Italy, of which Euro 1,317 thousand relate to the Gigafactory;

(iii) buildings amounting to Euro 281 thousand;

(iv) other tangible assets amounting to Euro 104 thousand;

(v) assets under construction and advance payments amounting to Euro 52,342 thousand, where Euro 21,394 thousand refer to plant and machinery following the Group's technological upgrade and the planned production capacity expansion mainly in Italy, Germany, China, United States, Brazil, India and Japan, Euro 26,778 thousand refer to buildings mainly in Italy (including the Gigafactory for over Euro 14 million), Germany, the United States and Japan, Euro 2,582 thousand refer to other tangible assets under construction mainly in Italy, Germany and Japan and Euro 1,588 thousand refer to advance payments. The latter mainly refer to the advances paid for the expansion projects of the production sites in Germany and for the Gigafactory.

Investments in intangible assets

Investments in intangible assets for the financial year 2024 amounted to Euro 4,679 thousand and mainly refer to:

(i) industrial patent rights and intellectual property rights amounting to Euro 487 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 amounting to Euro 577 thousand mainly relating to the implementation of SAP management system and other ICT systems;

(iii) intangible assets under construction amounting to Euro 3,615 thousand, relating to: Euro 566 thousand for industrial patent rights and intellectual property rights attributable to the registration and acquisition of industrial patents, by the parent company De Nora S.p.A. and the Japanese subsidiary De Nora Permelec Ltd.; Euro 1,080 thousand for concessions, licenses and trademarks mainly related to the implementation of the SAP management system and other ICT systems; and Euro 1,969 thousand related to other intangible assets mainly regarding product development costs of the Water Technologies business segment.

Financial performance of the Group companies

The parent company Industrie De Nora S.p.A., the Group's holding company, does not generate business revenues derived directly from core business activities. The company closed the financial year with an operating result of Euro 26.5 million, a pre-tax profit of Euro 67.2 million and a net result for the year of Euro 56.6 million, after recognizing the tax effects within the framework of the national tax consolidation in place with the other Italian subsidiaries De Nora Italy S.r.l., De Nora Water Technologies Italy S.r.l., De Nora Italy Hydrogen Technologies S.r.l. and Capannoni S.r.l. In the absence of industrial activities, the company's revenue derives essentially from the services provided by the following Corporate functions: Administration, Finance and Control, ICT, POrSCH, Global Procurement, Production Technology, Marketing, Business Development, Product Management, Global Operations, and by the royalties paid by the subsidiaries for the use of patents, trademarks and know-how (intellectual property).

De Nora Tech LLC (USA) recorded revenues of Euro 189 million, an operating result of Euro 31 million and a net profit of over Euro 22 million. The company contributes Euro 174 million to consolidated revenues (excluding intercompany items).

De Nora Permelec Ltd. (Japan) recorded total revenues of Euro 186.3 million in 2024, an operating result of Euro 26.3 million and a net profit of almost Euro 18 million. The company contributes Euro 155 million to consolidated revenues (excluding intercompany items).

In 2024 De Nora Deutschland GmbH (Germany) recorded a contribution to Group revenues of Euro 162 million; its total revenues (including intercompany revenues) amounted to Euro 183 million, while the operating result was Euro 9.2 million and the net result Euro 5 million.

In 2024, De Nora Water Technologies LLC (USA) achieved revenues from third parties of almost Euro 70 million, while total revenues (including intercompany revenues) exceeded Euro 83 million, with an operating result of Euro 2.6 million and a net profit of Euro 3.8 million. In the entire 2024 financial year, De Nora Marine Technologies LLC, a company liquidated at the end of 2024, recorded revenues from third parties of Euro 6.5 million, while total revenues (including intercompany revenues) amounted to Euro 10.9 million; the operating result was essentially at break-even with a net loss was Euro 1.4 million. Also in the United States, De Nora Neptune recorded revenues of approximately Euro 3.3 million, closing the year with a loss of Euro 1.8 million.

The Chinese subsidiaries De Nora China Suzhou and De Nora Jinan, operating in the Electrode Technologies business, contributed to consolidated revenues for Euro 70.4 million and Euro 2.7 million, respectively, while total revenues (including intercompany revenues) amounted to Euro 92.3 million and Euro 6.6 million, respectively, with an operating result of Euro 4.6 million and Euro 0.3 million and a net profit of Euro 2.9 million and Euro 0.4 million respectively. On the other hand, the Chinese companies operating in the Water Technologies business recorded revenues totaling Euro 24.5 million (Euro 21.5 million of consolidated revenues), with both operating profitability and net profit for a total of approximately Euro 1.8 million.

In Italy, De Nora Italy S.r.l. made an important contribution to the Group's consolidated revenues, with revenues from third parties amounting to Euro 51.6 million in 2024, while total revenues (including intercompany revenues) amounted to Euro 61.2 million, with an operating result of Euro 5.4 million and a net result of almost Euro 4 million. The Italian company in the Water Technologies segment (De Nora Water Technologies Italy S.r.l.) recorded a further significant increase in revenues in 2024, amounting to Euro 42.4 million, of which Euro 39.8 million realized with third parties; in addition, operating profitability and net result are finally positive, amounting to Euro 5 million and Euro 3.2 million respectively. De Nora Italy Hydrogen Technologies S.r.l. is still not carrying out production activities.

The Brazilian company De Nora do Brasil Ltda recorded revenues from third parties of Euro 27.4 million in 2024, while total revenues (including intercompany revenues) amounted to over Euro 32 million, with an operating result equal to Euro 7.1 million and a net profit of Euro 4 million.

The Singapore branch operating in the Electrode Technologies business recorded revenues totaling Euro 23.2 million (entirely with third parties), with slightly positive operating result and net result, while the Singapore branch operating in the Water Technologies business contributed Euro 20.7 million in revenues in 2024 (Euro 21.2 million in total including intercompany items), with slightly negative operating and net results.

De Nora India Ltd recorded revenues of over Euro 7 million in 2024, almost entirely with third parties, with slightly positive operating result and net profit.

De Nora Water Technologies UK Services Limited (UK) recorded a further progress in revenues in 2024, with Euro 16.5 million in revenues, entirely from third parties, an operating result of Euro 1.5 million and a net profit of Euro 1.1 million.

In the United Arab Emirates, the De Nora Water Technologies Free Zone Establishment in Dubai and the Abu Dhabi branch of De Nora Water Technologies LLC recorded revenues of Euro 8.4 million and Euro 0.5 million, respectively, almost entirely from third parties, with a positive operating profitability and net result.

In Germany, the newly acquired Shotec GmbH recorded revenues of approximately Euro 1.8 million, almost entirely from third parties, closing 2024 with slightly negative operating and net results.

Revenues, EBITDA and Capex by business segment

Revenues by business segment

As at December 31, 2024, the Group is organized into three business segments each with its own portfolio of specific products and services:

- Electrode Technologies business;
- Water Technologies business;
- Energy Transition business.

The following tables show the Group's revenues for each business segment, for the two financial years ended December 31, 2024 and 2023.

Revenues by business segment	2024	% of total revenue	2024 at constant exchange rates	2023	2024 vs 2023	2024 vs 2023 at constant exchange rates
			(in € thousands)			
Electrode Technologies	453,265	53%	467,037	464,214	(10,949)	2,823
Water Technologies	304,173	35%	305,991	289,962	14,211	16,029
Energy Transition	105,175	12%	105,455	102,235	2,940	3,220
Total Revenue	862,613	100%	878,483	856,411	6,202	22,072

At Group level, revenues amounted to Euro 862,613 thousand, including Euro 453,265 thousand in the Electrode Technologies segment, Euro 304,173 thousand in the Water Technologies segment, and Euro 105,175 thousand in the Energy Transition segment.

Specifically, revenues increased overall by Euro 6,202 thousand compared to 2023; at constant exchange rates, the increase in revenues would have been higher, at Euro 22,072 thousand.

Revenues by geographical area and by business segment	2024	% of revenues	2023	% of revenues
		(in € thousands)		
Electrode Technologies	453,265	53%	464,214	54%
EMEIA	108,115	13%	121,306	14%
AMS	110,355	13%	121,401	14%
APAC	234,795	27%	221,507	26%
Water Technologies	304,173	35%	289,962	34%
EMEIA	95,857	11%	91,194	11%
AMS	146,204	17%	133,483	16%
APAC	62,112	7%	65,285	7%
Energy Transition	105,175	12%	102,235	12%
EMEIA	100,317	12%	95,895	11%
AMS	1,030	0%	2,950	0%
APAC	3,828	0%	3,390	0%
Total Revenue	862,613	100%	856,411	100%

The following table show Group revenues for 2024 and 2023, broken down by new installations or new plants ("new installations") and periodic maintenance or upgrades of the plants and of the existing installations ("services"):

	2024	% of revenues	2023	% of revenues
	(in € thousands)			
New installations	577,209	67%	585,653	68%
Services	285,404	33%	270,758	32%
Total Revenue	862,613	100%	856,411	100%

EBITDA by business segment

Adjusted EBITDA by business segment	2024	% of total	2023	% of total
	(in € thousands)			
Electrode Technologies	101,540	64%	118,566	69%
Water Technologies	50,280	32%	42,158	24%
Energy Transition	5,580	4%	11,948	7%
Total	157,400	100%	172,672	100%

Non-recurring costs (income) by business segment with impact on EBITDA	2024				2023			
	Electrode Technologies	Water Technologies	Energy Transition	Total	Electrode Technologies	Water Technologies	Energy Transition	Total
	(in € thousands)							
Termination costs - Labor, Legal and Other expenses	589	873	-	1,462	200	1,097	-	1,297
IPO costs	-	-	-	-	362	226	80	668
M&A, integration, and company reorganization costs	342	561	49	952	674	123	-	797
Marine business divesture	-	(2,078)	-	(2,078)	-	(1,581)	-	(1,581)
Employee Retention Credit (US government COVID relief programs)					(3,235)	(3,179)	-	(6,414)
Inventory write-down Russian customer	1,510	-	-	1,510	-	-	-	-
Other provisions for risks (Tax)	1,863	1,250	-	3,113	-	-	-	-
Other non-recurring costs	422	193	30	645	1,193	200	58	1,451
Total	4,726	799	79	5,604	(806)	(3,114)	138	(3,782)

EBITDA by business segment	2024	% of total	2023	% of total
	(in € thousands and as a percentage of segment revenues)			
Electrode Technologies	96,814	64%	119,372	67%
Water Technologies	49,481	33%	45,272	26%
Energy Transition	5,501	3%	11,810	7%
Total	151,796	100%	176,454	100%

Adjusted EBITDA decreased by Euro 15.3 million (-8.8%), from Euro 172.7 million in the financial year ended December 31, 2023 to Euro 157.4 million in the financial year ended December 31, 2024. The Adjusted EBITDA margin decreased as a result, from 20.2% in 2023 to 18.2% in the year ended December 31, 2024.

Group EBITDA, which is affected by different trends and non-recurring income and expenses between fiscal years. decreased by Euro 24.7 million (-14%) from Euro 176.5 million in the financial year ended December 31, 2023 to Euro 151.8 million in the financial year ended December 31, 2024.

The decreases refer to the Electrode Technologies and Energy Transition segments, partially offset by the growth in margin in the Water Technologies segment.

CAPEX by business segment

Capex by business segment	2024	% of total Capex	2023	% of total Capex
	(in € thousands)			
Intangible	4,679	7.3%	7,496	8.5%
Electrode Technologies	1,872	2.9%	2,812	3.2%
Water Technologies	2,459	3.9%	3,785	4.3%
Energy Transition	327	0.5%	899	1.0%
Not Allocated	21	0.0%	-	0.0%
Tangible	59,188	92.7%	81,000	91.5%
Electrode Technologies	28,125	44.0%	47,158	53.4%
Water Technologies	2,198	3.4%	2,418	2.7%
Energy Transition	27,786	43.5%	25,885	29.2%
Not Allocated	1,079	1.7%	5,539	6.3%
Totale Capex	63,867	100%	88,496	100%

Electrode Technologies business

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

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

For the financial year ended December 31, 2024, the Electrode Technologies business accounted for 52.5% of the Group's revenues.

The table below shows the revenues generated by the Electrode Technologies business for the financial years ended December 31, 2024 and December 31, 2023, broken down by business lines.

Revenue by business line Electrode Technologies	2024	% of total revenue	2024 at constant exchange rates	2023	2024 vs 2023	2024 vs 2023 at constant exchange rates
	(in € thousands and as a percentage of segment revenues)					
Chlor-alkali	323,567	71%	334,308	320,906	2,661	13,402
Electronics	62,657	14%	64,698	79,903	(17,246)	(15,205)
Specialties and New Applications	67,041	15%	68,031	63,405	3,636	4,626
Total Electrode Technologies	453,265	100%	467,037	464,214	(10,949)	2,823

Revenues related to the Electrode Technologies business segment decreased by Euro 10,949 thousand (-2.4%), from Euro 464,214 thousand in 2023 to Euro 453,265 thousand in 2024. The decrease is mainly related to the electronics business which experienced a slowdown in Asia.

At constant exchange rates, revenues related to the Electrode Technologies business would have increased by Euro 2,823 thousand (+0.6%), from Euro 464,214 thousand in 2023 to Euro 467,037 thousand in 2024.

Chlor-alkali

Revenues related to the chlor-alkali business line increased by Euro 2,661 thousand (+0.8%), from Euro 320,906 thousand in 2023 to Euro 323,567 thousand in 2024.

This variation is mainly attributable to:

(i) increased sales of membrane business line in Asia

(ii) only partially offset by the lower sales of hydrochloric acid (HCl) business line following the non-repetitiveness of some maintenance projects carried out in 2023 through tk nucera.

At constant exchange rates, revenues related to the chlor-alkali business line would have increased by Euro 13,402 thousand (+4.2%), from Euro 320,906 thousand in 2023 to Euro 334,308 thousand in 2024.

For 2024, the chlor-alkali business line accounted for 71% of Electrode Technologies segment revenues and 38% of the Group's total revenues.

Electronics

Revenues related to the electronics business line decreased by Euro 17,246 thousand (-21.6%), from Euro 79,903 thousand in 2023 to Euro 62,657 thousand in 2024. This decrease is mainly due to the slowdown in demand in the Asian market and the conclusion in 2023 of a one-off project in the United States in the surface finishing business.

At constant exchange rates, revenues related to the electronics business line would have decreased by Euro 15,205 thousand (-19%).

For 2024, the electronics business line accounted for 14% of Electrode Technologies segment revenues and 7% of the Group's total revenues, respectively.

Specialties and new applications

Revenues related to the specialties and new applications business line increased by Euro 3,636 thousand (+5.7%), from Euro 63,405 thousand in 2023 to Euro 67,041 thousand in 2024. This variation in revenues is mainly attributable to:

(i) the higher sales of Euro 7,883 thousand relating to the electrowinning product line, following the project with the Russian customer Norilsk Nickel. For further information regarding the management of relationships with entities operating in Russia, please refer to the specific paragraph of the Notes to the Consolidated Financial Statements;

(ii) partially offset by lower sales of electrodes for special uses.

At constant exchange rates, revenues related to the specialties and new applications business line would have increased by Euro 4,626 thousand (+7.3%), from Euro 63,405 thousand in 2023 to Euro 68,031 thousand in 2024.

For 2024, the specialties and new applications business line accounted for 15% of the Electrode Technologies segment revenues and almost 8% of the Group's total revenues, respectively.

The following table shows the revenues generated by the Electrode Technologies business for the financial years ended December 31, 2024 and 2023, broken down by new installations or newly constructed facilities ("new installations") and periodic maintenance or modernization services for existing plants and facilities ("services").

	2024	% of total revenue	2023	% of total revenue
	(in € thousands and as a percentage of segment revenues)			
New installations	247,420	55%	271,343	58%
Services	205,845	45%	192,871	42%
Total Revenue	453,265	100%	464,214	100%

New installations accounted for 55% of the segment's turnover for 2024, down from 2023.

During 2024 services accounted for 45% of the segment's turnover; the related activities include the periodic maintenance of the electrodes or replacement with new products and/or latest generation products capable of improving the performance of the process for which they are intended, supply of spare parts, design and re-engineering of the electrodes, technical assistance, lease contracts, performance monitoring, laboratory analysis.

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

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

	2024	2023	∆ 2024 vs 2023
		(in € thousands)	
Electrode Technologies Adjusted EBITDA	101,540	118,566	(17,026)
Electrode Technologies EBITDA	96,814	119,372	(22,558)

Adjusted EBITDA related to the Electrode Technologies business decreased by Euro 17,026 thousand (-14.4%), from Euro 118,566 thousand in 2023, to Euro 101,540 thousand in 2024, with a percentage on the segment revenues decreasing from 25.5% in 2023 to 22.4% in 2024.

The adjusted EBITDA percentage of the Electrode Technologies business segment on the Group revenues decrease from 14.4% in 2023 to 11.8% in 2024.

The drop in EBITDA reflects the overall reduction in revenues described above and the lower direct margins also as a result of the different product mix.

Water Technologies business

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

In particular, the Group develops, manufactures, and sells systems and technologies for swimming pool disinfection, electrochlorination of seawater and brine for on-site production of low concentration sodium hypochlorite, disinfection and filtration of drinking water and wastewater; on the other hand, the production and sale of water treatment systems in marine applications was progressively abandoned during 2024.

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

The table below shows the revenues generated by the Water Technologies business for the financial years ended December 31, 2024 and December 31, 2023, broken down by business lines.

Revenue by business line Water Technologies	2024	% of total revenue	2024 at constant exchange rates	2023	2024 vs 2023	2024 vs 2023 at constant exchange rates
			(in € thousands and as a percentage of segment revenues)			
Swimming pools	98,746	33%	99,072	86,038	12,708	13,034
Electrochlorination	101,187	33%	102,330	91,410	9,777	10,920
Disinfection and Filtration	97,496	32%	97,834	100,884	(3,388)	(3,050)
Marine technologies	6,744	2%	6,755	11,630	(4,886)	(4,875)
Total Water Technologies	304,173	100%	305,991	289,962	14,211	16,029

Revenues relating to the Water Technologies business segment increased by Euro 14,211 thousand, corresponding to 4.9%, from Euro 289,962 thousand in the financial year ended December 31, 2023 to Euro 304,173 thousand in the financial year ended December 31, 2024. This increase in revenues is mainly attributable to the increases related to the swimming pool and electrochlorination business line of 15% and approximately 11%, respectively. The disinfection and filtration business lines, however, suffered a slight decline of approximately 3% compared to the 2023 revenues level. On the other hand, the marine technologies business line has suffered a sharp decline of approximately -42% compared to the 2023 revenues level; this decline is a natural consequence of the decision, made in December 2023 by the Board of Directors of Industrie De Nora S.p.A., to exit the marine technologies business with the consequent aim of focusing the company's growth strategy in the key markets, municipal and industrial.

At constant exchange rates, revenues relating to the Water Technologies business line would have increased by 5.5%, equal to Euro 16,029 thousand, from Euro 289,962 thousand in the year ended December 31, 2023 to Euro 305,991 thousand in the year closed December 30, 2024.

The Water Technologies business as a percentage of Group revenues subsequently increased, from 33.9% in the financial year ended December 31, 2023 to 35.3% in the financial year ended December 31, 2024.

Swimming pools

Revenues from the swimming pools business line increased by Euro 12,708 thousand (+14.8%), from Euro 86,038 thousand in the financial year ended December 31, 2023 to Euro 98,746 thousand in the financial year ended December 31, 2024. This increase is mainly attributable to the normalization of demand following the conclusion of the "destocking" by our customers. The price revision carried out at the end of 2023 contributed only to a minor extent against one of our major customers in the United States.

At constant exchange rates, revenues related to the swimming pools line would have decreased by Euro 13,034 thousand (+15.1%), from Euro 86,038 thousand in the financial year ended December 31, 2023 to Euro 99,072 thousand in the financial year ended December 31, 2024. For the financial year ended December 31, 2024, the swimming pools business line represented 32.5% of Water Technologies revenues and 11% of the Group's total revenues.

Electrochlorination

Revenues from the electrochlorination business line increased by Euro 9,777 thousand (+10.6%), from Euro 91,410 thousand in the financial year ended December 31, 2023 to Euro 101,187 thousand in the financial year ended December 31, 2024. Such increase is mainly attributable to the combined effect of the following factors:

(i) the increase of Euro 12,731 thousand in revenues for sales of the OSHG (on-site production of hypochlorite) product line, mainly due to the implementation of some important projects in the United States and in the Middle East;

(ii) the decrease of Euro 5,898 thousand in revenues pertaining to the IEM (Brine Electrochlorination Plants) technology, attributable to the completion in the first half of 2024 of some projects that were in full swing and progress during the previous financial year, and to the delay in the awarding, and therefore the progress in implementation, of similarly important projects in the second half of 2024;

(iii) the increase of Euro 3,838 thousand in revenues for sales of the marine water electrochlorination (SWEC) product line, with a positive performance in particular in the services portion, which recorded an increase of approximately 40% with respect to the financial year ended December 31, 2023;

(iv) the decrease of Euro 1,789 thousand in revenues related to hydraulic fracking systems ("Fracking");

(v) the increase of Euro 896 thousand in revenues from sales of electrolytic water treatment plants (OMNIPURE), mainly attributable to higher sales of products and services in Asia.

At constant exchange rates, the electrochlorination business line would have recorded an increase in revenues of Euro 10,920 thousand (+11.9%), from Euro 91,410 thousand in the financial year ended December 31, 2023 to Euro 102,330 thousand in the financial year ended December 31, 2024. For the financial year ended December 31, 2024, the electrochlorination business line represents 33.2% of the revenues of the Water Technologies business and almost 12% of the Group's total revenues.

Disinfection and Filtration

Revenues from the disinfection and filtration business line decreased by Euro 3,388 thousand (-3.4%), from Euro 100,884 thousand in the financial year ended December 31, 2023 to Euro 97,496 thousand in the financial year ended December 31, 2024. This variation is attributable to:

(i) the decrease of approximately Euro 4,562 thousand in revenues relating to the gas feed technology, following the completion in 2024 of projects that were instead in full swing, and therefore of their progress, during the previous financial year;

(ii) the decrease of Euro 3,385 thousand in revenues related to the ultraviolet disinfection line. The aforementioned technology is specific to the US subsidiary, in particular the Pittsburgh plant in Pennsylvania. The decrease in sales compared to 2023 is mainly attributable to the completion during 2024 of the assembly of some projects that were instead in full swing of their execution during 2023 and the subsequent closure in September 2024 of the Pittsburgh plant;

(iii) the increase of Euro 3,194 thousand in revenues relating to the "Deep Bed Filtration" recognized mainly in the US market and linked to numerous new orders;

(iv) the increase of Euro 2,174 thousand in revenues relating to the ozone technology systems line, mainly thanks to the implementation of various important projects relating to Chinese company De Nora Elettrodi (Suzhou) Co., Ltd. Shanghai Pudong Branch and related to the installation of ozone generators in China (for a total of Euro 5.8 million; the largest installed in Anhui and Wuhan provinces), which more than offset the decline in revenues in the Middle East market, where some major projects were instead in full swing, and thus their progress, during 2023.

At constant exchange rates, the revenues from the disinfection and filtration business line would have decreased by Euro 3,050 thousand (-3.0%), from Euro 100,884 thousand in the financial year ended December 31, 2023 to Euro 97,834 thousand in the financial year ended December 31, 2024. For the year ended December 31, 2024, the disinfection and filtration business line accounts for about 32% of the Water Technologies business revenues and about 11% of the Group's total revenues.

Marine technologies

Revenues from the marine technologies business line decreased by Euro 4,886 thousand (-42%), from Euro 11,630 thousand in the financial year ended December 31, 2023 to Euro 6,744 thousand in the financial year ended December 31, 2024. This decrease is attributable to the company's decision to divest the marine "new installations" business, with the consequent progressive reduction of the backlog.

At constant exchange rates, the revenues from the marine technologies business line would have decreased by Euro 4,875 thousand (-42%), from Euro 11,630 thousand in the financial year ended December 31, 2023 to Euro 6,755 thousand in the financial year ended December 31, 2024. For the financial year ended December 31, 2024, the marine technologies business line accounted for 2% of the Water Technologies business line's revenues and less than 1% of the Group's total revenues.

The following table shows the revenues generated by the Water Technologies business for the financial years ended December 31, 2024 and December 31, 2023, broken down by new installations or newly constructed facilities ("new installations") and periodic maintenance or modernization services for existing plants and facilities ("services").

	2024	% of total revenue	2023	% of total revenue
	(in € thousands)			
New installations	226,070	74%	214,348	74%
Services	78,103	26%	75,614	26%
Total Revenue	304,173	100%	289,962	100%

New installations accounted for 74% of the Water Technologies segment's revenues in the 2024 financial year, in line with the previous financial year. Within this classification, revenues from the swimming pools line are entirely included.

Services cover the entire product portfolio and in 2024 accounted for 26% of segment revenues, in line with the previous year. Such activities include the replacement of electrodes or their reactivation for the electrochlorination business line, maintenance of installed equipment and systems, supply of spare parts, and technological improvements (including automation) aimed at maximizing performance and ensuring optimal operation of the products during the entire life cycle. In addition to these activities, the Group offers technical assistance services in the field and remotely, training programs and test agreements.

	2024	2023	Δ 2024 vs 2023
	(in € thousands)		
Water Technologies Adjusted EBITDA	50,280	42,158	8,122
Water Technologies EBITDA	49,481	45,272	4,209

The Adjusted EBITDA relating to the Water Technologies business segment increased by Euro 8,122 thousand (+19.3%, from Euro 42,158 thousand in the financial year ended December 31, 2023 to Euro 50,280 thousand in the financial year ended December 31, 2024. Such increase is mainly attributable to the following factors:

(i) an increase in sales volumes of Euro 14,211 thousand (+4.9%), from Euro 289,962 thousand in the financial year ended December 31, 2023 to Euro 304,173 thousand in the financial year ended December 31, 2024;

(ii) direct margins generally improved for a total of more than 3.3 percentage points;

(iii) an operating cost structure that is only slightly higher than in the financial year ended December 31, 2023 (by about Euro 1.5 million) resulting in a percentage incidence on revenues decreasing by about half a percentage point (from 18.3% in 2023 to 17.9% in 2024).

The impact of the EBITDA of the Water Technologies business segment on the segment revenues increased from 14.5% in the financial year ended December 31, 2023 to 16.5% in the financial year ended December 31, 2024.

The impact of the EBITDA of the Water Technologies business segment on the Group's total revenues increased from 4.9% in the financial year ended December 31, 2023 to 5.8% in the financial year ended December 31, 2024.

Energy Transition business

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

The following table shows the revenues generated by the Energy Transition business for the financial years ended December 31, 2024 and December 31, 2023.

Revenue by business line Energy Transition	2024	2024 at constant exchange rates	2023	2024 vs 2023	2024 vs 2023 at constant exchange rates
			(in € thousands)		
Energy Transition	105,175	105,455	102,235	2,940	3,220

Revenues of the Energy Transition business mainly relate to the execution of projects through the associated company tk nucera, and increased by Euro 2,940 thousand (+2.9%), from Euro 102,235 thousand in 2023 to Euro 105,175 thousand in 2024. At constant exchange rates, revenues related to the Energy Transition business would have increased by Euro 3,220 thousand (+3.1%), from Euro 102,235 thousand in 2023 to Euro 105,455 thousand in 2024.

The following table shows the revenues generated by the Energy Transition business for the financial years ended December 31, 2024 and 2023, broken down by new installations or newly constructed facilities ("new installations") and periodic maintenance or modernization services for existing plants and facilities ("services").

	2024	% of total revenue	2023	% of total revenue
	(in € thousands and as a percentage of segment revenues)			
New installations	103,718	99%	99,962	98%
Services	1,457	1%	2,273	2%
Total Revenue	105,175	100%	102,235	100%

	2024	2023	Δ 2024 vs 2023
		(in € thousands)	
Energy Transition Adjusted EBITDA	5,580	11,948	(6,368)
Energy Transition EBITDA	5,501	11,810	(6,309)

In 2024 Adjusted EBITDA related to the Energy Transition business segment for amounted to Euro 5,580 thousand, decreasing compared to 2023 by Euro 6,368 thousand following a different projects mix with lower margins compared to 2023, as well as the increase in fixed costs mainly linked to the launch of the Gigafactory project in Italy.

The incidence of the Adjusted EBITDA of the Energy Transition business segment on the revenues of the segment decreased from 11.7% in 2023 to 5.3% in 2024. While the Adjusted EBITDA of the Energy Transition business segment as a percentage of the Group's total revenues decreases from 1.4% in 2023 to 0.6% in 2024.

OUTLOOK

During 2024 the global macroeconomic and geopolitical scenario exhibited many of instability and uncertainty factors, which could persist through 2025. At geopolitical level, the escalation of some conflicts in different parts of the world has contributed to a global tension climate. On the economic front, rising interest rates have slowed some investment decisions in capital intensive sectors, such as Clean Tech. In addition, the political evolution of individual countries played a crucial role. The USA presidential election is affecting several economic sectors, such as, for example, the regulation dedicated to the development of clean technologies, with particular reference to Chapter 45V of the Inflation Reduction Act (IRA), which is responsible for supporting the overseas development of low-carbon hydrogen.

De Nora's business model, even in the face of this uncertain scenario, remains resilient, mainly by virtue of the core business represented by the Electrode Technologies and Water Technologies segments.

The strong competitive positioning at global level, the strategic partnership at international level, the long-term relationships with key customers, the development of aftermarket services, the technological leadership of the offered solutions, the distribution of production plants in the world and, last but not least, the high level of geographical differentiation and end-market outlets, make the Group's traditional business solid, and able to generate value even in complicated market conditions.

The green hydrogen market - destined to play a key role in the decarbonization processes of hard-to-abate sectors in the medium term, with significant growth prospects expected in the medium to long term - presents a short-term scenario that remains uncertain, due to several factors, including delays in the definition of national and international regulations to support the market, resulting in slowdowns in final investment decisions (FID) related to green hydrogen projects. The sector development requires greater clarity and certainty in regulatory frameworks, and their related forms of subsidy, particularly in those geographical areas where the overall cost of producing green hydrogen is not yet competitive with respect to hydrogen produced from hydrocarbons, mainly due to the high cost of energy.

In this market context, De Nora remains focused on seizing the development opportunities in the three different business areas, consolidating its position as a global leader in electrochemistry, including the green hydrogen market, and in the development of innovative technological solutions dedicated to energy transition, circular economy and water treatment.

The strategic lines pursue growth characterized by an adequate level of profitability and include the development of the Sustainability path, integrating the ESG Plan to 2030, approved in December 2023.

The 2025-2027 Business Plan has been updated and is submitted for approval to the Board of Directors of the parent company together with these consolidated financial statements of the De Nora Group as at December 31, 2024.

RESEARCH AND DEVELOPMENT, INTELLECTUAL PROPERTY AND GREEN INNOVATION ACTIVITIES

Research and Development

Excellence in Research and Development (R&D) is one of the main levers used by De Nora to ensure organic, sustainable growth. The Group is focused on the development of innovative and technologically advanced solutions, designed to meet the current needs of the markets in order to preserve its competitive edge, protect its margins and market shares, without jeopardizing the future of the next generations on the environmental and social front.

The Group operates through research centers with offices located in Italy, the United States and Japan and, in addition to being able to boast a highly specialized Research and Development team, maintains a network of partnerships with the main international research institutes and universities as well as with its customers. Relationships with customers originate in many cases from research projects aimed at meeting their specific requirements and in some cases participated in by the customers themselves, which over time can lead to the commercialization of the products developed and, consequently, to the consolidation of the relationship. The strong link is also determined by the continuous technological renewal of the product portfolio and the Group's ability to guarantee after-sales and end-of-life recovery services with a view to reducing waste, sometimes increasing the possibility of certain materials re-entering the value chain.

- The "USA R&D" unit (Cleveland Area) - Ohio, is mainly focused on the development of enabling technologies for Energy Transition (water electrolysis for the production of green hydrogen and related hydrogen technologies; CO and CO_2 conversion into high-value chemical products and fuels, etc.) and on the development of new products for existing markets such as electrowinning and the generation of chlorine derivatives for the disinfection of swimming pools.
- The "Water Technologies Innovation Center", located in Albuquerque, New Mexico, is the research unit specialized in Water Technologies segment products. The unit deals with the development of new products and carrying out experimental activities on small-scale pilot units for water, electrochlorination, filtration, removal of contaminants, ozone, advanced oxidation and UV disinfection.
- The "R&D Japan" unit is located in Fujisawa (Tokyo area) and Okayama and operates a small satellite unit at De Nora Elettrodi (Suzhou) Co., Ltd. China. This team works for both DSE® and IEM (Ionic Exchange Membrane) electrode products. The IEM development includes Catalyst Coated Substrates/Catalyst Coated Membranes for water electrolysis, as well as the electrochemical synthesis of compounds such as ammonia that are involved in energy transfer/transport applications.
- The "R&D Italy" unit is located primarily in the Industrie De Nora headquarters in

Milan and, in part, at De Nora Italy Hydrogen Technologies S.r.l.. The "R&D Italy" unit consists of the electrode research and development laboratories and the product engineering departments. The laboratories research and develop new electrode technologies for both future markets and those already served by the Group with the aim of creating increasingly competitive, high-performance and sustainable products. The product engineering department consists of the design engineering team that develops advanced electrochemical systems, reactors and components and the process engineering and product development teams that deal with their industrialization.

- The production technologies unit operates globally, and is therefore represented in all geographical areas in which De Nora operates. Its main mission is to accelerate the introduction of new products, ensuring that all stages of the industrialization process are carried out properly. The unit also takes charge of product transfers between different manufacturing sites, including providing support to them in the acquisition of specific machinery and in the development of the supply chain for strategic materials.

The R&D function is composed totally of 115 staff and includes 104 staff members who focus on the Electrode Technologies and Energy Transition business (56 in Italy, 29 in Japan, 14 in the United States and 1 in China) and 15 product technology management staff dealing with the Water Technologies business (7 in the United States, 6 in Italy, 1 in China and Singapore).

In addition to the development of new products and the continuous improvement of existing ones, the Research and Development units support, with their services, the sales and operations of the various regions.

To support its business strategy, the Group continually invests in new projects to feed the innovation pipeline. At the same time, product improvement activities continue and the objective of contributing electrochemical solutions to the challenges of a sustainable economy from the viewpoint of circularity and decarbonization is being pursued. Personnel are allocated through the management of the project portfolio which aims, in accordance with the strategic business targets, to boost efficiency in the use of materials and energy, to maximize the value of the portfolio itself, to balance the projects to develop new products or technologies in order to cover the different business lines and comply with the commercial launch roadmap in the short, medium and long term.

The research programs are effectively integrated at several sites and coordinated at a central level.

With reference to the Electrode Technologies business, the focus is on the continuous improvement of the electrodes offered by the Group both for existing markets and for new future applications. The primary targets are the service offered to the customer and the sustainability of the product. Special attention is paid to the content of noble metals in the products, both for sustainability (given their rarity) and competitiveness (given their high cost) reasons. Research in the Electrode Technologies sector has allowed a progressive and continuous reduction in the content of noble metals, especially the more rare and expensive ones, without compromising on the operational quality of the products. At the same time assessments of ideas relating to techniques for recovering the portion of rare materials still present in products at the end of the operating cycle ("after life") have continued. The Electrode Technologies segment includes business lines of key importance for the Group, including the chlorine industry (chlorine/alkali, chlorate, hydrochloric acid), electronics (copper foil, circuit boards), the production of non-ferrous metals (hydrometallurgy of nickel, cobalt and copper), the surface finishing of steel coils and others. Based on a long-term vision, projects are already in progress with the goal of fully replacing noble metals.

With reference to the Energy Transition business, during 2024 the company confirmed a strategic focus on energy transition and sustainable technologies, gathering the group's activities within a new business unit, with the aim of consolidating its product portfolio and coordinating globally all initiatives that fall under the energy transition, decarbonization & hydrogen umbrella.

In addition to the consolidation of its technological offering of electrodes and electrode packages, intended for the production of green hydrogen via alkaline electrolysis of water (through the acquisition and retention of relevant customers adopting De Nora's solution), the market promotion of the new Dragonfly® product line, a 1 and 7.5 MW containerized alkaline electrolyzer, also took place in 2024.

In this regard also in 2024, in addition to atypical commercial projects, De Nora signed two European projects in which integration of the Dragonfly® system is planned: one for decarbonization via gas blending of a gas turbine (Hy2Market), and one involving the use of the Dragonfly® system in green steel production processes, in the heat treatment and heating stages (HyTecHeat). In addition, as part of the Crete-Aegean Hydrogen Valley (CRAVE-H2) project, in which it is a partner, over the next few years De Nora will provide a 4 MW electrolysis plant that will become the heart of the new green hydrogen production and distribution center envisioned by the European initiative on the island of Crete, which will be partly stored and reused in the network when needed, converting it into electricity via fuel cells, and partly used as a fuel for local public mobility.

The commitment to the Energy Transition segment was also consolidated outside of alkaline water electrolysis with products carried out synergistically between all Group research units. In fact, the Group has active programs for the development and qualification of technologies and products (electrodes and other related components and systems) (i) for electrolysis with cationic polymer membranes (PEM-WE) and (ii) anionic polymer membranes (AEM-WE) intended for the production of green hydrogen as well as (iii) the activities dedicated to the development of projects dedicated to hydrogen storage through organic compounds (LOHC - Liquid Organic Hydrogen Carriers), which have already reached the field validation stage and finally (iv) for electrochemical purification and compression of hydrogen.

With reference to the Water Technologies business, the objective is to develop and market next-generation projects of existing products, as well as to develop new solutions capable of meeting stricter regulatory requirements in relation to drinking water and wastewater. The most important results include the commercial launch of a new material retention plate for TETRA deep bed filters, a new design of dioxide generators with "under-water" technology and an updated design for UV Capital Controls systems for the disinfection of drinking water.

New product development has focused particularly on the development of pressure vessels optimized to accommodate activated carbon and ion exchange resins for the removal of micropollutants such as polyfluoroalkanes (PFAS).

The Group directly participates in several public projects including (i) the European projects "Djewels" (2020-2025), "NextH2" (2021-2024), "PROMETH2EUS" (2021-2025), HyTecHeat (2022-2026), CleanHyPRO (2023-2027), X-SEED (2023-2026), "REDHy" (2024-2027), "ALKALIMIT" (2024-2028), "Hy2Market" (2024-2026) and "CRAVE-H2" (2023-2028 in the alkaline water electrolysis sector; (ii) the European project ANEMEL (2022-2027) in the water electrolysis sector through anionic exchange membranes (AEM); (iii) the Italian project MAINE (2022-2025) in the water electrolysis sector in general; and (iv) the European project "ECO2FUEL" (2021-2026), for the conversion and value enhancement of carbon dioxide (in the sector of the electrochemical conversion of CO_2). The Group also takes part, in the role of "industrial advisor", in various public European projects ("ICONIC", "TELEGRAM", "CO2EnRich").

With reference to the Research and Development activities carried out in the United States, the Group has requested and obtained funding from the Federal Department of Energy (DOE) for the development of components related to the technology of polymeric membranes for water electrolysis (PEM) ("H2@Scale New Markets" program with "Advanced Manufacturing Office"), for the development of components pertaining to anionic membrane electrolysis (AEM) technology and alkaline water electrolysis (AWE) technology ("Bipartisan Infrastructure Law: Clean Hydrogen Electrolysis, Manufacturing, and Recycling" program with the "Hydrogen and Fuel Cell Technologies Office"), and for the conversion of carbon monoxide into high-purity liquid products (the "Industrial Efficiency and Decarbonization" program with the "Office of Energy Efficiency and Renewable Energy") in collaboration with industrial and academic partners.

In Japan, the Group participates in a project for the development of technologies relating to water electrolysis and the electrochemical synthesis of ammonia, with funding from NEDO (Japanese National Agency for the Development of Technologies in the Energy and Industrial Sectors).

Furthermore, the Group is carrying out research projects targeted at the development of new electrodes and catalysts for fuel cells and for the conversion of CO_2 into chemicals (i.e. carbon monoxide, methane, formic acid and acetate) and other green fuels (e-fuels), as well as studies aimed at the use of metal electrodes in flow batteries (redox flow batteries). Many of these research projects involve the joint participation of industrial partners, including the associated company tk nucera, and are managed by the Group through joint development agreements very often covered by confidentiality agreements and through the aforementioned government funding programs.

The Group is also participating in public tenders (at national and European level) relating to initiatives focused on the issues of energy transition and, in particular, on hydrogen, in order to have access to the loans granted by the Italy within the IPCEI framework (reserved for projects that are part of the strategic value chains identified by the European Commission on the basis of their ability to generate technological innovation, improve products and production processes, as well as foster sustainable economic growth). On August 1, 2021, in collaboration with Snam, the Group submitted to the Ministry of Economic Development a project portfolio relating to the construction and development of a Gigafactory for the production of electrolyzers to be used for producing green hydrogen as part of the so-called IPCEI Hydrogen and, in the course of 2022, the request to access the financial facilities under the Ministerial Decree activating the intervention of the IPCEI Fund in support of IPCEI Hydrogen 1 (IPCEI H2 Technology) was finalized following decision C(2022) 5158 final of July 15, 2022 / SA. 64644. During the year 2024, the first two reports (SAL I and SAL II) referring to the work progress of the first phase of the project for research and development of electrode packages, fuel cell electrodes and electrolyzers were prepared. In addition, in May, a request was made to extend the project by 12 months, bringing the deadline to December 31, 2026. The motivation for this request is mainly due to market dynamics and the implementation of the Gigafactory civil works. The decree extending the of granted facilities received from Ministry of Enterprises and Made in Italy (MIMIT) granting our request for a 12-month extension was announced on December 18, 2024. On December 20, 2024, an additional subsidy for Euro 30,956,000 was made available from the resources made available by Ministerial Decree of December 11, 2023, to supplement the subsidies granted by Decree No. 2060 of July 3, 2023, and up to the maximum value of the subsidies due for the implementation of the project.

The activities are being carried out according to the schedule, in January 2024 the first industrialization phase (FID) began, which involves the design, construction and validation of the production lines according to the KPIs indicated in the project portfolio. The installation of the first production machines and the first containerized hydrogen production systems took place during 2024, and initial testing will take place in 2025.

In addition to the above, at the European level the Group is also participating (with tk nucera) in a research initiative promoted by the German Federal Ministry of Education and Research (BMBF). This initiative, aimed at supporting Germany's entry into the hydrogen market and promoting large-scale production of alkaline water electrolysis (AWE), provides for the expansion of the production capacity of the Group's German plant, located in Rodenbach, from 1 to 5 GigaWatts.

In addition, the Group continues the development of the HyNCREASE Project in Germany, an initiative awarded by the European Commission's Innovation Fund in 2023. The project aims at increasing the production capacity of the Rodenbach plant by introducing innovative production lines for making components for electrolyzers and fuel cells. In addition, the initiative aims to reduce environmental impact through the design, construction and validation of production lines developed in accordance with Industry 4.0 principles. Activities have experienced some slowdowns compared to the initially planned timeline, mainly attributable to a reduced and more cautious hydrogen market.

Intellectual Property

Intellectual property rights represent a key element for the creation of value of the Group's activities. The Group aims to protect intellectual property, which includes, among others: copyrights, software, know-how and trade secrets, designs, utility models, patents, trademarks and trade names, through the appropriate procedures and national and international practices. To this end, the Group has put in place adequate policies for identifying, protecting and enhancing its intellectual property rights, which result, for example, in the continuous filing of trademarks registration and patent applications, and in the preparation of suitable measures to protect the confidentiality of sensitive technical and commercial information, in particular of the trade secrets.

The protection of the Group's proprietary rights with respect to its corporate identity, services, products and know-how is essential to maintain its competitive advantage and market recognition.

The Group's intellectual property, including part of that of tk nucera, is managed at corporate level through the respective Milan and Fujisawa offices, part of the Intellectual Property department, which coordinate a network of local and foreign agents and professionals. The Intellectual Property department aims to create, protect and develop all property rights deriving from any of the Group's activities through: the identification of the appropriate legal protection applicable and the performance of the formal and substantive activities arising therefrom – such as filing, continuation, maintenance and enforcement of one's property rights against third parties.

Decisions regarding the geographical coverage of intellectual property rights to ensure protection in countries where the Group operates and/or which are deemed to be of strategic value are implemented by the Intellectual Property department in accordance with the guidelines received from the Marketing and Business Development function as well as the Research and Development function and the sales offices in the regions concerned. Access to the use of these intangible assets by the various Group companies is guaranteed and governed by appropriate inter-company agreements.

The Group also constantly monitors its portfolio of intellectual property assets, whether granted, registered or pending and subject to renewal, expiry or other official action requiring replication, as well as any events that may be potentially detrimental to the value of the portfolio in order to be able to react in a timely manner, where necessary.

The Group has always been encouraging innovation and creativity by consistently recognizing the contributions to the value of De Nora generated by its employees' inventions that are filed for patent applications. Continuing the employee incentive and recognition program started in previous years, financial awards were given to inventors throughout the Group, as well as certificates of recognition published on the company intranet.

Pursuing the goal of continuous improvement, in 2024 the procedure related to the "Inventors Reward and Recognition Program" was revised and innovations were proposed. The agreed changes will be finalized and implemented in 2025. In addition, in accordance with the patent strategy issued in 2023, a pruning exercise was carried out on the patent portfolio related to the cathodic protection technology field. In 2024, the patent strategy was also finalized and implemented, which guides all decisions of the Group relating to the life cycle of patents, from the conception of the invention to the expiry or relinquishment of the patent.

Trademarks

In order to defend itself against possible counterfeiting and other potentially damaging events, the Group also uses monitoring services, in connection with which it receives information on the filing by third parties of trademark applications that are similar to or may be confused with the Group's trademarks. The Group uses this information to develop the most appropriate strategy to defend its proprietary rights.

As at December 31, 2024, the Group owns 493 registered trademarks in 76 countries, and has 4 trademarks under consideration or trademark applications in 3 countries.

Patents

The Group operates through a portfolio of patents and utility models registered in countries relevant to the business and relies on the legal protection of its registered proprietary rights. As at December 31, 2024, it has 2,336 patents or utility models in 82 countries and 512 patent or utility model applications pending in over 38 countries or regional organizations, including the European Patent Office, the Gulf Cooperation Council Patent Office (in Saudi Arabia), the African Intellectual Property Organization and the Eurasian Patent Convention.

In 2024, 14 new patent applications were filed: 10 concerning the water electrolysis field, 2 relating to chlor-alkali and 2 relating to the Water Technologies segment.

Green Innovation

The newly established Green Innovation function aims to support the group in quantifying and monitoring the sustainability performance of proposed solutions, both for projects at R&D stage and for existing products. This fits within the group's objective to contribute to the development of solutions with reduced environmental impact, and to promote this vision within the organization.

To this end, the main activities of the function in 2024 were linked to:

- Drafting, updating and adoption of circular design and environmental sustainability guidelines, cast in the context of the De Nora Group. These guidelines are structured around life cycle thinking principles (integrated through product life cycle assessments), analysis of the presence of hazardous and critical substances, and assessments of aspects of product longevity, reusability and recyclability. To facilitate the adoption of these new concepts early in the product development phase, a short training course was provided to R&D staff.
- Mapping sustainability performance of R&D projects, using an assessment framework based on the principles highlighted in the circular design guidelines, and related updates of these assessments over time, as the technological maturity of various projects evolves. This included the initial mapping of the performance of existing R&D projects, while in parallel the product creation and development management process, which allows monitoring of the evolution of R&D project performance over time, was updated.
- Development product sustainability scorecards: these are designed as a document containing indicators that will then form a product sustainability identity card. The main activities involved the conceptualization of the evaluation and data collection system, related testing of some pilot products and preliminary data availability analyses, and finally interaction with the business development and marketing functions, with the aim of conveying these analyses to an external audience.
- Data collection activities and report development for external carbon footprint audits (with reference to the ISO 14067 standard) on specific products in the De Nora portfolio.
- Company-level GHG emission quantification: management and efficiency of the data collection process, improving the representativeness of required data and emission calculation models.
- Other activities in coordination with other functions, in line with requests received from the ESG accelerator lab.

RISKS DISCLOSURE

Introduction

De Nora has implemented an Internal Control and Risk Management System (SCIGR) with the aim of protecting and preserving the Group's value, supporting business continuity, regulatory compliance, and strategic decision making, in line with reference best practices and sustainability principles.

The risk management framework is an integral part of the Internal Control and Risk Management System, is integrated into business processes and extended to all operations. This framework is designed to identify, assess, manage, and monitor risks and is continuously being developed and evolved in order to improve the effectiveness of risk management processes, adapt to changes in the business and regulatory environment, and ensure a proactive approach to identifying and mitigating potential threats. The ultimate goal of the framework is to contribute to the creation of sustainable value for the Group.

The risk management process is explicated through a series of coordinated and consecutive actions involving actors at different company levels, beginning with the examination of adverse events that could potentially impact the defined strategic targets. Appropriate actions are then defined to reduce, monitor and control the probability of the occurrence of adverse events or to mitigate their impacts. Similar assessments are also explicated with reference to operational targets, compliance reporting and defined ESG goals.

The identified mitigation actions represent the core of the internal control system, which is responsible for ensuring its effective operation and adequacy, directly involving all internal players, ideally divided into first, second and third levels:

- First-level controls are conducted continuously by business units in accordance with the principles of separation of responsibilities and delegation of authority.
- Monitoring controls are provided by the second-level functions that are responsible for supervising, monitoring and directing management and compliance processes. These functions support the front line, ensuring that controls are adequate and effective. Key second-level functions include risk management, compliance, management control, safety and quality.
- The Internal Audit function represents the third level of control and operates independently of the previous levels, with priorities defined by the identification and assessment of business risks. The Internal Audit function provides an independent review of the entire control system.

The main risk scenarios identified classified into strategic, legal and compliance, operational, and financial are outlined below. The purpose is to analyze what are the main causes that feed into the business risk system and that could impact De Nora's economic and financial situation in the foreseeable future. For the purely financial risk component, the discussion of risks and consequent actions below is supplemented by the more extensive disclosure provided in Note 36 of the consolidated financial statements.

Strategic risks

Possible delay in the implementation of the Gigafactory project

The IT17 project is part of the integrated Important Projects of Common European Interest initiative, IPCEI Hydrogen Technology Hy2Tech - Technology for the Creation of a European Hydrogen Value Chain, and aims to design, build and validate a large-scale manufacturing hub (Gigafactory) for water electrolysis and fuel cell components as well as containerized modular alkaline electrolyzers. Following the selection of the IPCEI Snam Gigafactory project, a close collaboration between De Nora and Snam was initiated to realize a single integrated project. At the end of July 2021, the Ministry of Economic Development (MISE) was notified of the intention to execute the joint project, which included the participation of De Nora in addition to Snam. Pending the adoption of the Authorization Decision by the European Commission, the Ministry of Ecological Transition (MITE) and De Nora signed an agreement at the end of June 2022 for the purpose of activating the IPCEI fund to partially finance the IT17 project under the Italian National Recovery and Resilience Plan (NRRP).

On July 15, 2022, under EU state aid rules, the Commission approved the IPCEI Hy2Tech project, which includes Euro 5.4 billion in public funding, 35 companies and 41 projects. De Nora is involved in Hydrogen Generation Technology and Fuel Cells Technology. Subsequently, through an Activation Decree dated October 13, 2022, the MISE defined the allocation of resources, terms and methods of implementation of the IPCEI Fund's incentives for Hy2Tech. In May 2022, the jv between Industrie De Nora and Snam was formally created with the issuance of the Joint Venture and Shareholders' Agreement. In January 2023, De Nora notified the MIMIT of the start date of works, identified as October 3, 2022. On July 3, 2023, Concession Decree no. 2026 was published, by which MIMIT awarded De Nora an amount of approximately Euro 32 million in the form of an expenditure grant from the fund established by the Ministry for the financial support of companies participating in the implementation of Important Projects of Common European Interest.

De Nora identified some critical issues regarding the timing of implementation and completion of the First Industrial Deployment phase, scheduled to be completed by December 31, 2025. This time target turned out to be unattainable for two main reasons: the difficulties encountered for the start of the civil works for the industrial Gigafactory and, mainly, the delay in expected sales volumes, based on the changed macroeconomic and regulatory scenarios compared to what was known at the time of the aid approval. De Nora then presented to MIMIT the reasons underlying the request for a 12-month extension of the expenditure eligibility period. On May 31, 2024, the request for the extension of the IPCEI IT17 project was formally sent to MIMIT, accompanied by the technical report preparatory to the request for the time extension of the expenditure eligibility period. On December 18, 2024, MIMIT notified acceptance of the extension, from December 2025 to December 2026 of the project completion date. On December 20, 2024, the Ministry of Enterprise and Made in Italy also notified De Nora of the award of an additional subsidy in the form of an expenditure grant amounting to Euro 31 million, to supplement the subsidies already granted by concession decree No. 2060 of July 3, 2023, up to the maximum value of the subsidies due to De Nora for the implementation of the De Nora Italian Gigafactory project in joint venture with Snam S.p.A.

In order to achieve the strategic targets set out by De Nora for success in the green hydrogen reference market and to obtain public funding for its implementation, it is crucial that the startup of the new Gigafactory takes place within the defined timeframe. To this end, construction work on the Gigafactory began in May 2022 with the identification of the area, and on June 11, 2024, a groundbreaking ceremony was held in Cernusco sul Naviglio, where De Nora and Snam celebrated the start of works for the Gigafactory. De Nora subsequently identified the general contractor and obtained all administrative permits to proceed with the construction of the largest electrolyzer production hub in the country, with a projected capacity of 2GW equivalent by 2030.

Despite De Nora's best efforts to ensure the commissioning of the new Gigafactory within the planned deadlines, unexpected disruptions, non-delivery of critical equipment or materials, or slowdowns in construction activities beyond its control could adversely affect operations and growth prospects with respect to initial expectations and therefore be reflected in the Group's economic and financial situation.

Evolution of the regulatory provisions concerning the development of green hydrogen production

A slow pace continues to be observed in the contracting process for new green hydrogen production facilities. This slowdown, which has further increased since last year, is mainly due to regulatory uncertainty in key markets (EU and USA), as well as other factors such as the lack of grid connection infrastructure and consistently too high power prices even under curtailment.

In the USA, the uncertainty is due to the delayed publication of the long-awaited Inflation Reduction Act (IRA) legislation, which covers the conditions necessary to meet the requirements to qualify for the incentives provided. In Europe, however, the adoption of the RED III directive by Member States is progressing slowly and a high cost of energy obtained from renewable sources is observed, except in the Iberian Peninsula.

Also in its current edition, the IRA recognizes a key role for green hydrogen in achieving the economy's decarbonization targets, providing for tax credit mechanisms and various incentives that, if effectively implemented, would reduce the cost of green hydrogen in the USA to the point where it becomes competitive with fossil fuels and thus accelerates the transition to a low-emission economy. On the other hand, with reference to hydrogen, the RED III directive provides for the introduction of clear criteria for defining renewable hydrogen and its derivatives (such as green ammonia) and the promotion of hydrogen use in hard-to-electrify sectors, such as heavy industry and long-haul transportation. The EU Member States are required to adopt the provisions of this directive within the framework of their national law by the deadline provided therein. Currently, Italy has not yet officially transposed the RED III directive (Directive 2023/2181), which came into force in the European Union on November 20, 2023.

De Nora can mitigate this risk scenario through constant dialogue in the appropriate forums with national and international bodies and authorities.

However, the market scenario is independent of the possibility of De Nora's intervention.

Delay by developers in the implementation of investments for the production of green hydrogen

Growth in the green hydrogen production sector and electrolysis and electrolyzer solutions is dependent on various factors such as: increased renewable energy production, political and industrial commitment to supporting the sector, the development of an adequate global outlet market for green hydrogen, the actual ability of developers to make the necessary investments to set up the green hydrogen production capacity required by the market, the effect of inflation on the investments required to construct green hydrogen production plants.

Despite the successes recorded by De Nora in these early years and a general sense of optimism with regard to green hydrogen, it is now increasingly clear that more realism and pragmatism is needed about the actual process of developing the sector. The market is not yet ready and is driven by new and extremely complex technologies. This leads to inevitable frictions and slowdowns in the sector's development. In fact, a general slowdown in the process of obtaining the necessary permits to initiate investments is confirmed, and the rules defining green hydrogen in Europe limit its market penetration as expected by the RePowerEU (10 million tons by 2030). At the same time, there is a concentration towards geographical areas which already present favorable conditions such as the presence of financially sustainable technological partners, low cost of renewable energy, real end-user need for hydrogen, the latter which we believe to be the most important point in the adoption of green hydrogen.

The worsening of conditions in terms of the slowdown in the development of the green hydrogen sector, which despite remaining a sector of huge proportions is experiencing significant consolidation, could have negative effects on activities and on growth prospects with respect to initial expectations and therefore be reflected in the Group's economic, financial and equity situation.

The synergistic work between De Nora, which is able to develop and produce high-performance electrodes for the production of high-quality hydrogen with low energy consumption, and the leading technology OEMs for the supply of solutions for the generation and utilization of hydrogen on a large scale, makes it possible to face and hopefully overcome the technical difficulties that could cause delays in plant construction. In addition, in 2024 De Nora established partnerships with major players who have made significant investments in hydrogen.

De Nora implements mitigation measures for the risk scenario in question, which essentially consist of:

- the Group's strategic positioning that enables it to preside over major development markets through a select number of vertically integrated key customers and partners with significant investment capabilities to address this sector;
- the achieved production capacity. In fact, also thanks a prudent investment strategy carried out by minimizing the risk of overcapacity, De Nora has developed production capacity to meet the needs in the main Asian, Middle Eastern, European and American markets, also thanks to its already present geographical positioning in these areas;
- the long-established partnership with tk nucera, which is the main technology provider with a larger number (GW scale) than its competitors of projects that have passed the FID (Final Investment Decision). Through the joint venture with tk nucera, De Nora accesses projects that have passed a system of internal qualification and selection of the joint venture, that ensures its reliability in the market and financial standing, in addition to business continuity, given projects selected in consideration of subsequent expansion.

Effect of competition on growth expectations in the green hydrogen market

Along the green hydrogen value chain, De Nora is currently positioned as a supplier of components (mainly electrodes, and cell components) for the latest generation alkaline electrolyzers. Electrodes represent one of the key components of electrolyzers since they determine their energy consumption, efficiency and the very size of the electrolyzer, and therefore have an impact on the systems economy in terms of LCOH (Levelized Cost of Hydrogen). De Nora's business model today provides for the supply of high-quality electrodes and cell components (in terms of their performance and duration over time) produced on a large scale and more recently also of containerized electrolyzers for "decentralized" markets.

The risk scenarios considered in its model take into consideration the belief that the green hydrogen development sector is coveted by a number of entities – offtakers (energy players, industrial gas suppliers & traders, chemical companies, solar panel/PV and eolic turbine companies, etc.) – that could, through direct investments, or through partnerships and consortia transactions with other operators already active in the hydrogen and low-carbon energy sector, attempt to enter the market in direct competition with tk nucera.

Therefore, De Nora is exposed to the risk of intensified competition and this could have significant unfavorable effects on its activities and growth prospects as well as on its economic and financial position.

De Nora mitigates the competitive risk through a coordinated series of actions, also in collaboration with tk nucera, aimed at maintaining the technological and competitive gap with respect to the competition. In particular: investments in research and development continue to be a hallmark of the De Nora Group with five R&D laboratories worldwide; significant investments in plant and machinery already made or underway to upgrade production plants to meet the needs of producing electrodes with AWE technology; and strong protection of corporate know-how, both through the continuous filing of patent applications or licenses, and through specific actions aimed at protecting access to confidential information by unauthorized third parties.

In addition, although the competitive risk cannot be ignored and the competitive structure of the current players and the competitive intelligence studies conducted suggest that the risk of these scenarios actually materializing is more remote. In fact, it is expected that, as the market is stabilized, it will be difficult to imagine that De Nora's competitors in the electrode core will have sufficient investment to give them the necessary boost to secure production capacity.

Competitive benchmark analyses show the consolidated leadership of the Group with respect to each parameter considered (installed production capacity, product quality, consumption, etc.). Finally, thanks to its unique strategic positioning, diversification of businesses and geographic areas in which it operates, De Nora is among the very few companies active in the hydrogen sector that manages to generate cash, which allows it to meet market challenges more readily.

Uncertainty about the possible evolution of the tk nucera joint venture

The Group manages part of its business through thyssenkrupp nucera ("tk nucera"), a joint venture established in 2015 with the ThyssenKrupp Group, in which the Group continues to hold a minority interest, even after the tk nucera listing on the Frankfurt Stock Market in 2023. In addition to being the Group's main customer in the Electrode Technologies business segment, tk nucera is a key partner for the achievement of the development targets in the energy transition sector envisioned by the Group over the plan period, as these relate to tk nucera's ability to establish itself as a key player in the construction of green hydrogen production plants.

The commercial relations between the joint venture tk nucera and De Nora are governed by a Toll Manufacturing Agreement (TMA) which governs the reciprocal commercial and operational commitments. The TMA requires tk nucera to purchase from De Nora, exclusively within the quantity limits defined in the same TMA): (i) cell construction and assembly services for the various tk nucera technologies; (ii) activated anode and cathode electrodes; and (iii) cell maintenance services. The TMA does not bind De Nora to an exclusive supply relationship with tk nucera, and therefore De Nora remains free to provide the same services also to third parties, among other things, in the green hydrogen sector.

However, governance relationships are governed by a shareholders' agreement which will be effective until November 4, 2038, automatically renewed for another five years in the absence of notice of termination communicated by one of the parties.

Due to the minority interest held by the Group, the Group's influence on the corporate governance structure and on the activities carried out by tk nucera is limited and may not be sufficient to prevent decisions that could have significant negative impacts on the Group's business, economic position and operations results.

In addition to leveraging the non-exclusivity of supply to tk nucera, De Nora mitigates the risk scenario in question through the continuous search for cutting-edge technological solutions able to fully comply with the specifications required by tk nucera.

Availability of essential raw materials

Several of the Group's products are the result of complex production processes that require the use of raw materials available in illiquid commodity markets characterized by a small number of suppliers concentrated in specific geographical areas, limited quantities of raw materials extracted annually and in a limited number of sites.

De Nora is therefore exposed to the risk that as a result of (even temporary) interruptions in mining activities due to disasters, accidents, wars, riots or political stances of supplier countries (trade restrictions, duties, sanctions, etc.) there could be an unavailability or a sharp rise in the prices of essential raw materials and this could have significant negative effects on the Group's activities and prospects as well as its economic and financial position. The risk scenario in question is further confirmed by the ongoing war between Russia and Ukraine in consideration of the fact that for some metals (titanium and nickel) Russia is one of the main producers in the world.

In addition, the Houti attacks on commercial ships transiting to the Suez Canal that occurred in 2024, as a result of escalating events in the Middle East, led many shipping companies to announce the suspension of cargo operations through the Suez Canal, preferring alternative routings such as passing through the Cape of Good Hope. The consequences for international trade have been a general increase in the cost and time it takes to transport goods, with significant impacts on European ports and consequences globally.

De Nora mitigates the risk scenario in question through a coordinated range of actions aimed at ensuring supply and production continuity. In particular, the Group: undertakes to guarantee its suppliers essential raw materials minimum purchase volumes to be made during the contract term (usually not exceeding one year); plans its purchasing requirements in coordination with production and future production forecasts, ensuring minimum stock quantities to meet production requirements for certain periods of time; holds trade negotiations with major producers and traders in order to limit its dependence on suppliers.

Climate Change Risks

Climate change risks are classified into two macro categories: risks related to the transition to a lower-carbon economy and risks related to the physical impacts of climate change.

In climate change mitigation and adaptation efforts, transition risks could lead to significant changes in government policies regarding regulations, technology and market. These risks can pose different levels of financial and reputational risk to companies depending on the nature, speed and impact of climate change. This category includes risks related to:

- current and emerging regulation risk - tightening of regulations related to emission reduction;
- technology risk - increased cost of business operations due to technological developments imposed by the legislature or consumer sensitivity in response to climate change;
- legal risk - increased situations involving disputes or legal action against an organization because of its contribution to or failure to mitigate the side effects of climate change;
- market risk - financial losses or lower returns due to changes in market prices or to conditions determined by climate change or climate policies.

On the other hand, risks related to the physical impacts of climate change are represented by:

- acute physical risks - these are risks caused by extreme weather events such as hurricanes, floods and fires. These events can cause significant physical damage and financial losses to businesses and communities. For example, the increasing frequency and severity of hurricanes in coastal areas can damage infrastructure, disrupt supply chains and lead to business disruptions and claims for damages;
- chronic physical risks - these are risks associated with the long-term impacts of climate change, such as rising sea levels, increased frequency and severity of extreme weather events, and changes in precipitation patterns. These risks can lead to gradual and irreversible damage to the environment, infrastructure and human health and may affect various sectors, such as agriculture, tourism and construction. Chronic physical risks can also have indirect effects on businesses, such as supply chain disruptions, regulatory changes and reputational damage.

Please refer to the Sustainability Report for further details regarding climate change risks and how they are managed (description of targets, actions and resources related to climate change policies).

Legal and compliance risks

Compliance with international product marketing regulations

The De Nora Group sells its products and services in more than 90 countries. Depending on the uses and application purposes of the equipment, products and components manufactured and/or sold by the Group, and of the geographical area involved, the following reference standards could be applied (the list proposed cannot be considered exhaustive):

- European Regulation EC/1907/2006 (concerning registration, evaluation, authorization and restriction of chemicals - "REACH Regulation");
- the "Reach-like" regulations in force in the UK and other non-EU countries;
- EU Regulation 528/2012/EU, concerning the introduction to the market and use of biocides ("Biocides Regulation") and, in particular, the program for the revision of active substances generated in situ, which includes some solutions produced by the equipment and systems (electrolyzers and ozone production equipment, sodium hypochlorite, chlorine dioxide) made by the Group;
- EU Regulation (EU) 1272/2008 (concerning the classification, labelling and packaging of substances and mixtures - "CLP Regulation");
- EU Directives (EU) 2020/2184 (repealing previous 1998/83/EC directive) concerning the quality of water intended for human consumption;
- EU Directive 2021/19/EU on waste electrical and electronic equipment (WEEE or RAEE in Italy);
- EU Directive 2011/65/EU on the restriction on the use of certain hazardous substances in electrical and electronic equipment - "RoHS Directive";
- the applicable directives envisaged by the CE mark (e.g. the PED Directive, the Atex Directive, the EMC Directive, the LV Directive) relating to the safety of the products marketed;
- EU Regulation (EU) 2019/1021 on persistent organic pollutants ("POP") relating to the limitation on the placing of pollutants on the market;
- the requirements of the UK Water Regulations Approval Scheme (WRAS) relating to products in contact with drinking water;
- American National Standard NSF relating to drinking water treatment systems in the USA;
- the USA Toxic Substances Control Act (USA, 1976) relating to the production, import and use of chemical products;
- the USA Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA") relating to pesticides distributed, imported or sold in the United States (under the control of the agency for environmental protection - EPA);
- the safety requirements imposed by the USA UL mark;
- the global requirements of the Global Harmonized System of Classification and Labelling of Chemicals (GHS).

If the Group does not comply with the applicable product regulations, the Group companies could suffer significant financial and administrative sanctions, including criminal sentences in the most serious cases, with negative impacts on the Group's reputation and on the Group's economic and financial position.

De Nora mitigates the risk scenario relating to product compliance through the preparation by the Regulatory Affairs department of specific authorization and controls processes aimed at monitoring the development of reference regulations and ensuring compliance over time and the specific application of the aforementioned regulations by all functions/departments involved to the entire products and services portfolio without any geographical limitation.

Compliance with international regulations on exports

Export control regimes governed by USA, European and United Nations regulations impose restrictions on the sale of certain products and/or on doing business with certain parties and/or in certain countries or sectors. In particular, as a company based in the European Union, Industrie De Nora S.p.A. is strongly committed to ensuring that the Group's activities comply with the regulations adopted by the European Union.

The regulations applicable to the Group include European Regulation (EU) 2021/821, which provides for rules on the control of exports, brokering, technical assistance, transit and transfer of dual-use items. In addition, due to the presence of its customers in different geographic areas, the Group is required to monitor and comply with national, supranational and/or international regulations that provide for trade restriction measures with customers and suppliers located in specific countries.

In particular, as a result of Russia's military aggression of Ukraine and the resulting ongoing geopolitical tensions between Russia, on the one hand, and the European Union and the United States, on the other, sanctions and restrictive measures have been adopted in relation to certain industrial sectors and/or specific Russian entities, as well as increased export controls on certain products intended for the Russian market. These measures have led to the progressive reduction in trade relations with, and supplies to, Russian counterparts.

Therefore, the De Nora Group is exposed to the risk that, upon the occurrence of further unpredictable geopolitical developments, additional restrictions will be imposed on its business relations with the countries in which De Nora operates and/or with entities De Nora has business relations with. In addition, if the Group does not comply with international trading regulations, the Group c could suffer significant financial and administrative sanctions, including criminal penalties in the most serious cases, with negative impacts on the Group's reputation and on the Group's economic and financial position.

De Nora mitigates this risk scenario through regulatory monitoring activities carried out by the Compliance function, supported by policies, processes and controls aimed at compliance with applicable regulations by all functions and departments involved. Specifically, in order to prevent and mitigate the risk of violation of export regulations, De Nora has adopted a specific global policy and from 2024 policies have been introduced at local level aimed at closer monitoring of the matter. The aforementioned policies make provision for: monitoring of the countries and parties subject to restrictions, as well as the level of restrictions in force; due diligence of the parties subject to restrictions, in order to avoid transactions with prohibited parties; classifications of products to determine the applicable export compliance requirements and to check the need of any licenses or other authorizations for export; targeted training for those belonging to the functions responsible for international commercial transactions and export control; and end-user declaration requests aimed at certifying that the purchaser or end-user of goods and/or technologies complies with the export regulations in force.

Business Ethics

The risk relates to illegal or unlawful conduct and violations of laws and regulations in force, in addition to risks relating to anti-corruption and export control.

In recent years, the legislative and regulatory framework applicable to the fight against corruption has become increasingly strict and organizations increasingly find themselves operating in environments exposed to this risk, as well as having to comply with multiple regulations on the matter, in various countries around the world. By way of example, note should be taken of Legislative Decree no. 231/2001 and the Anti-Corruption Law (i.e. Law 190/2012) in Italy, the Foreign Corrupt Practices Act in the United States and the Bribery Act in the United Kingdom. All these regulations pursue the same objective: to combat and crack down on corruption.

The Group's business model requires continuous liaising with a number of third parties (suppliers, intermediaries, agents and customers) and needs to entertain commercial relations also in countries characterized by high levels of corruption (as per the Corruption Perception Index), often through commercial agents and local public officials.

Failure to comply with national and international anti-corruption regulations could result in the imposition of criminal and/or civil fines and penalties, including prison sentences, with a negative effect on the Group's business, financial situation and/or operating results and could affect De Nora's reputation and the Group's ability to fulfill its obligations.

De Nora manages these risks by:

- implementing a set of binding procedures for managing the goods and services procurement process, so as to regulate all aspects from selection to purchasing;
- mitigating the risk of corruption by the control principles contained in the Group-wide Code of Ethics and the procedures contained in the 231 Model applied to De Nora Group's Italian companies. Furthermore, at the end of October 2023, the Group's anti-corruption policy was issued;
- training activities for all personnel on the Code of Ethics, the 231 Model, the anti-corruption policy and the whistleblowing policy.

Please refer to the Sustainability Report for further details.

Operational risks

The Group may experience difficulties in protecting Intellectual Property

The Group operates through research centers with offices located in Italy, the United States and Japan and, in addition to being able to boast a highly specialized Research and Development team, maintains a network of partnerships with the main international research institutes and universities as well as with its customers. Relationships with customers originate in many cases from research projects aimed at meeting their specific requirements and in some cases participated in by the customers themselves, which over time can lead to the commercialization of the products developed and, consequently, to the consolidation of the relationship. The strong link is also based on a continuous technological renewal of the product portfolio and the Group's ability to guarantee after-sales services and other sales. The research programs are effectively integrated in the various centers and coordinated at central level, contributing to the creation of a portfolio of projects that is balanced between the development of new products and the optimization of existing ones.

The protection of the Group's Intellectual Property (understood in its entirety) is a key element for the creation of value and is fundamental to maintaining the competitive advantage and recognition of the market. Therefore, in the event of unauthorized access, industrial espionage or employee disloyalty, disclosure of part of the technological know-how, such as industrial secrets, formulas or production processes, the Group could suffer significant negative impacts on its business, economic position and results of operations.

De Nora mitigates the risk scenario in question through significant oversight of internal procedures and IT controls aimed at ensuring that only authorized personnel have access to confidential information according to the "need to know" principle. In addition, the Group's Intellectual Property is managed centrally through the respective Milan and Fujisawa offices, part of the Intellectual Property department, which coordinate a network of local and foreign agents and professionals. The Intellectual Property department aims to acknowledge, protect and develop the property rights deriving from any of the Group's activities through the identification of the appropriate legal protection applicable and the performance of the formal and substantive activities arising therefrom – such as filing, continuation, maintenance and enforcement of one's property rights against third parties. The Group constantly monitors its portfolio of licensed, registered or pending intellectual property assets subject to filing as regards renewals, expiry dates or other official actions, as well as with regard to any events that may be potentially detrimental to the value of the same portfolio in order to be able to react in a timely manner, where necessary.

It should be noted that although the Group's intellectual property rights, understood in their entirety, represent a key element for the creation of value of the Group's activities, the Group's results do not depend on individual patents, licenses or contracts whose object is the intellectual property of the Group.

Possible production facilities downtime

The Group's operations are carried out in several production plants. Therefore, the Group is exposed to the risk of having to interrupt or suspend its production activities due to malfunctions, breakdowns, accidents or natural disasters that may occur at its production plants.

The occurrence of these events could have adverse effects on the activities and prospects as well as on the economic, financial and equity situation of the Group.

De Nora mitigates this risk scenario through adequate internal procedures aimed at reducing the possibility of accidents and adopting the safety measures required by local regulations and best practices on health and safety. In addition, as part of the insurance program, the Group has taken out insurance policies that provide adequate coverage for direct damage to property (i.e. buildings, equipment, inventory or goods), and indirect damage (business interruptions or losses). Lastly, production lines are redundant to a certain extent in the various plants in order to ensure the continuity of supplies in the event of interruption of production activities in one plant.

The Group operates through numerous plants and industrial processes that may expose workers to health and safety risks

With regard to workplace health and safety, the risks of occupational injuries and illnesses are mainly caused by handling materials in the facilities and the use of chemical and hazardous substances. The main health and safety risks to which the personnel of the Group and of the contractors are exposed are therefore attributable to the performance of operating activities at the production sites.

The Group's production activities are subject to national and international laws and regulations on health, safety and the environment. Future legislative and/or regulatory changes could affect the Group's operations, the ability to compete on the market and the financial results, if such changes are not promptly known, anticipated and managed.

De Nora manages these risks by:

- adoption of a centralized management system based on the identification and assessment of factors considered critical at different levels: Group, country and, lastly, operating unit. This approach makes it possible to ensure a complete picture of the risks associated with individual production activities, in order to manage, monitor and minimize health and safety risks;
- continuous assessment of health and safety risks and the execution of targeted controls and audits, both internal and with the support of third parties, aimed at preventing accidents at work and maintaining legal requirements in the health & safety (H&S) area;
- adoption of tools and operating methods such as collection, assessment, aggregation and reporting of data at central level, as well as the implementation and verification of preventive and corrective actions, monthly monitoring of significant events (accidents, near misses, non-compliance and reporting), personnel training aimed not only at transferring technical knowledge, but also at helping them understand the approach adopted and the risks incurred due to failure to comply with H&S rules and procedures;
- definition and support to implementation of a health and safety management system according to the ISO 45001 standard in all the Group's manufacturing plants, in support of local and centralized safety policies.

The Group operates through numerous plants and industrial processes that may lead to environmental exposure risks

The production activity carried out by the Group is subject to specific environmental regulations, including the management of raw materials, energy resources, hazardous substances, water discharges, atmospheric emissions, waste, including the prevention of pollution and the minimization of impacts on environmental matrices (soil, subsoil, water resources, atmosphere). The evolution of these regulations is also geared towards the adoption of increasingly stringent requirements for companies, which often involve the adaptation of technologies (Best Available Techniques) and risk prevention systems, with the relevant associated costs.

Despite the Group being heavily and continuously committed to protecting the environment, a potential impact on the environmental matrices in the operational management of activities cannot be ruled out, with possible implications on production continuity and economic and reputational consequences. In addition, cases of environmental non-compliance could occur.

De Nora manages these risks through:

- responsible management of hazardous and non-hazardous waste related to business activities, dissemination of a corporate culture aimed at correct and responsible waste management, promoting methods and practices such as re-use, separated waste collection and recycling of waste;
- responsible management of chemicals and materials related to business activities, in order to prevent these substances from spilling into the environment;
- commitment to implementing circular economy practices to reduce its environmental impact, using fewer resources for the production of its products and keeping materials in the production cycle for as long as possible;
- definition of an environmental management system according to the ISO 14001 standard in all the Group's manufacturing plants. These environmental management systems make provision for the assessment of environmental risks, the planning of actions to reduce their impact and the implementation of monitoring and controls on the adequacy of management systems, including personnel training programs;
- implementation of decarbonization strategies, through the monitoring and reduction of Greenhouse Gas (GHG) emissions along the entire value chain and the development of initiatives to assess the emissions avoided. In this context, many of the Group's offices are defining or implementing plans for the production or procurement of electricity from renewable sources.

Possible cybersecurity breaches

The potential risk areas are all those involving the use of information and communication technologies, since the use of IT tools is widespread within the Group.

The growing spread of technologies that allow the transfer and sharing of sensitive information through virtual spaces leads to situations of increased IT vulnerability. Therefore, the Group is committed to protecting information systems from compromise, theft or damage to hardware, software and of the information contained therein, as well as from interruptions in the services provided by them. Exposure to potential cyber-attacks actually stems from various factors, such as the complexity of IT networks, the increased popularity of remote working, the global distribution of IT systems and the storage of high value-added information (such as patents, technological innovation projects, as well as financial projections and strategic plans not yet disclosed to the market) in the cloud. Hacker attacks or breaches of the company IT system could affect business operations with possible penalties and reputational damage.

De Nora manages these risks through a variety of preventive and reactive measures, including:

- the implementation of an information security policy that defines the responsibilities and rules to be followed to protect data, systems and networks, including guidelines for the protection of IT infrastructure and control systems in industrial settings;
- the assessment of information risk and the definition of security requirements for new technology solutions according to the security by design principles;

- the implementation of advanced protection systems such as firewalls, attack detection systems, e-mail protection, antivirus, multi-factor based authentication, and data encryption;
- the detection and management of technical vulnerabilities, i.e. the identification and correction of weaknesses on information systems that could be exploited by malicious players;
- the monitoring of anomalous events through tools and processes that enable the detection of suspicious or irregular activity on devices, networks, and applications in real time, followed by the execution of a cyber incident management process that involves timely reporting of the incident, root cause analysis, containment, and resolution. In case of incidents with critical disruptions, recovery plans will be implemented through interventions to ensure the operation of essential ICT systems and services;
- ongoing employee training on good cybersecurity practices, such as the use of complex passwords, recognition of phishing emails, and protection of mobile devices.

Financial Risks

Please refer to what is described in the Notes to the Consolidated Financial Statements and in the Notes to the Separate Financial Statements of Industrie De Nora S.p.A.

RELATED PARTY TRANSACTIONS, ATYPICAL AND/OR UNUSUAL TRANSACTIONS, OTHER INFORMATION

Related Party Transactions

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

Information on transactions with related parties, including that required by CONSOB Communication of July 28, 2006, is included in the Notes to the Consolidated Financial Statements as at December 31, 2024.

It should be noted that in the reference period:

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

On July 5, 2022, the Board of Directors of Industrie De Nora S.p.A. approved a procedure for related parties transactions ("RPT Procedure"), subject to the favorable opinion of the Related Parties Committee, in line with the provisions on related party transactions adopted by CONSOB. Subsequently, the procedure was amended by the Board of Directors on May 10, 2023, following the favorable opinion of the Related Parties Committee. The RPT Procedure can be consulted, together with the other documents on corporate governance, on the website www.denora.com.

Atypical and/or unusual transactions

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

Other Information

As regards the list of secondary offices and the main corporate information of the legal entities that make up the Group, please refer to the section on the Consolidation area included in the Notes to these Consolidated Financial Statements.

As at December 31, 2024, the parent company does not hold directly or through trustees or nominees, any shares of parent companies, nor has it acquired or sold such shares or quotas during the financial year. Regarding treasury shares, reference is made to what disclosed in the previous paragraphs and in the Notes to these Consolidated Financial Statements.

The employees of the De Nora Group companies are bound by the Code of Ethics, which provides the ethical and behavioral standards to be followed in the conduct of day-to-day activities. The Group is committed to maintaining a consistent standard of ethical conduct at a global level, with respect for the cultures and the commercial practices of the countries and communities in which it operates.

Compliance with the Code by directors, managers and employees, as well as by all those who work to achieve the Group's targets, each within their own area of responsibility, is fundamentally important to De Nora's efficiency, reliability and reputation, factors that play a crucial role in the Group's success.

The principles and guidelines set out in the Code are addressed and analyzed in further detail in other policies and company procedures.

The offices of the Group companies as at December 31, 2024 are shown below:

Company	Sites
Industrie De Nora S.p.A.	Italy, Milan
De Nora Italy S.r.l.	Italy, Milan Italy, Cologno Monzese*
De Nora Water Technologies Italy S.r.l.	Italy, Milan Italy, Cologno Monzese*
De Nora Italy Hydrogen Technologies S.r.l.	Italy, Milan
De Nora Water Technologies FZE	UAE, Dubai
De Nora Italy S.r.l. Singapore Branch	Singapore
De Nora Water Technologies, LLC - Singapore Branch	Singapore
De Nora Deutschland GmbH	Germany, Rodenbach
Shotec GmbH	Germany, Hanau
De Nora Water Technologies Inc - Abu Dhabi	UAE, Abu Dhabi
De Nora India Ltd.	India, Goa
De Nora Water Technologies UK Service Limited	UK, Tamworth
De Nora Permelec Ltd	Japan, Fujisawa Japan, Okayama*
De Nora Hong Kong Ltd	China, Hong Kong
De Nora Elettrodi (Suzhou) Co., Ltd.	China, Suzhou
De Nora China - Jinan Co., Ltd.	China, Jinan
De Nora Elettrodi (Suzhou) Co., Ltd. Shanghai Pudong Branch	China, Shanghai
De Nora Water Technologies (Shanghai), Ltd.	China, Shanghai
De Nora Glory (Shanghai) Co., Ltd.	China, Shanghai
De Nora Water Technologies (Shanghai) Co. Ltd.	China, Shanghai
De Nora do Brasil Ltda	Brazil, Sorocaba
De Nora Tech, LLC	USA, Concord (OH) USA, Chardon (OH)* USA, Mentor (OH)*
De Nora Water Technologies, LLC	USA, Sugar Land (Texas) USA, Albuquerque, NM* USA, Colmar (PA)*
De Nora Neptune, LLC	USA, Fort Stockton (TX)
Capannoni S.r.l.	Italy, Milan
Capannoni USA LLC	USA, Concord (OH)

*Secondary offices.

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

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

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

On an annual basis, the Board of Directors, on the proposal of the Appointments and Remuneration Committee, defines the remuneration policy, in compliance with the regulatory provisions and the recommendations of the Corporate Governance Code. Pursuant to the law, the remuneration policy and compensation paid constitutes the first section of the Report on the remuneration policy and compensation paid and will be submitted to the Shareholders' Meeting called to approve the 2024 Financial Statements.

CONSOLIDATED SUSTAINABILITY REPORTING

GENERAL DISCLOSURES

BP-1 General basis for preparation of sustainability statements

This Consolidated Sustainability Reporting is drafted in accordance with the requirements of the **Corporate Sustainability Reporting Directive (CSRD)** (EU Directive 2022/2464) and its delegated acts, as well as the Italian Legislative Decree transposing it in Italy. This report is prepared in accordance with the **European Sustainability Reporting Standards (ESRS)** adopted by the European Commission, specifically following the ESRS 1 "General Requirements" and ESRS 2 "General disclosures", as well as topical standards.

The scope of consolidation of the non-financial reporting is aligned with that of the Group's consolidated financial statements, as required by ESRS 1.

This Consolidated Sustainability Reporting is based on the data and non-financial information for all companies of the De Nora Industries Group (hereinafter "the Group" or "De Nora"), as of December 31, 2024. The Consolidated Sustainability Reporting is prepared on a consolidated basis and none of the companies included in the scope of consolidation are exempt from reporting.

For the purpose of preparing this Consolidated Sustainability Reporting the Group also considered its value chain, encompassing all the steps that make up the process, from the activities directly carried out by De Nora (hereinafter also referred to as "Own Operations") to the upstream and downstream operations of its own chain (hereinafter also referred to as the "Value Chain"). The section "Disclosure Requirement SBM-1: Strategy, business model, and value chain" offers a comprehensive description of these stages. In addition, in the section "SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model," material impacts, risks, and opportunities identified along different stages of the Group's value chain are analyzed.

De Nora Group did not make use of the option of omission of material disclosure regarding intellectual property, know-how, or innovation results. In addition, the Group did not benefit from exemptions related to the non-disclosure of impending developments or matters under negotiation, as provided for companies based in an EU member state.

The various types of data used by the Group in order to prepare the Consolidated Sustainability Reporting can be divided into four main categories:

(i) **Financial information:** e.g. turnover, Capital Expenditures (hereinafter also "Capital Expenditures" or "CapEx"), Operating Expenditures (hereinafter also "Operating Expenditures" or "OpEx"), which allows to quantify the economic aspects of the Group's operations;

(ii) Environmental data: such as energy and water consumption, waste generation, to assess the impact on the environment of the Group's activities;

(iii) Social data: such as work injury rate, training hours, employee diversity, to assess the impact on the Group's social topics; and

(iv) Information on company policies: such as Human Rights Policy and Code of Ethics, to outline the approach to managing certain topics in the environmental, social and governance spheres.

Data collection takes place mainly through shared Excel files or directly through extractions from internal information systems, such as SAP. Then, some of this data is processed using advanced accounting systems and analysis tools to ensure accurate interpretation and optimal use of the information.

To protect data, De Nora adopts technical and organizational measures to ensure compliance with Regulation (EU) 679/2016. These measures include pseudonymization, data minimization, and data protection impact assessment, ensuring the security and confidentiality of the information processed.

BP-2 Disclosure in relation to specific circumstances

Other medium- or long-term time horizons than those defined in ESRS 1

In preparing this Consolidated Sustainability Reporting, the following time definitions were adopted:

i. short-term: the period adopted by the Company as the reporting period in its financial statement;

ii. medium-term: up to 5 years;

iii. long-term: beyond 5 years.

These definitions were adopted in accordance with the requirements of the ESRS 1 standard.

Value chain data and metrics estimated using indirect sources

Managing Greenhouse Gases (GHG) emissions is a crucial aspect for achieving the Group's sustainability targets. In this context, accurate emission monitoring and reporting are critical to assessing the overall environmental impact and identifying areas for improvement.

Compared to the metrics included in the Consolidated Sustainability Reporting, those related to Scope 3 greenhouse gas emissions, i.e., indirect emissions that occur along the value chain, are the only ones that are not exclusively within the Group's scope. Currently, among the data used calculation of Scope 3, in some categories, it was possible to use primary data collected directly from De Nora (e.g., in the case of product-specific information) or from third parties (e.g., employee travel distances provided by the travel agency). In other cases, secondary data was used, which generally corresponds to industry or country averages according to the reference category. In few cases, assumptions have been made in order to calculate all the necessary items within the various categories where no information of any kind is yet available. Sector or Country averages are derived from official sources that are specified in the section on the calculation methodology for Scope 3, as are the assumptions used. De Nora plans to prioritize, in the coming financial year, improvements in the calculation of category "3.11 Use of products sold", particularly with regard to Water Technologies systems whose emissions are currently determined with a spend-based method.

Sources of estimation and outcome uncertainty

As mentioned above, the information subject to estimation mainly concerns Scope 3 emissions, where secondary data was used in the absence of primary data.

Moreover, among its locations, De Nora also has administrative offices that are leased and shared with other entities, such as in the case of small offices inside buildings in which there are several entities. Since direct, location-specific data cannot always be obtained in these situations, average statistics for the reference nation made available by government agencies were used to determine them with sufficient accuracy. Specifically, estimates were needed to calculate water consumption at the Shanghai, Crile and Yokohama offices and waste generation at the Shanghai, Singapore, Dubai, and Abu-Dhabi offices.

For the Albuquerque site, all environmental metrics are the result of an estimate based on the values of a De Nora site that was larger but had similar characteristics, which have been reproportioned on the number of employees.

It should be noted that, given their administrative function and small size, the locations reported in the following section have little impact on environmental data.

Changes in the preparation or presentation of sustainability information

During 2024 De Nora reviewed the calculation methodology of Scope 3, which is linked to a reduction target as outlined in the ESG plan and submitted to SBTi. The review of category 3.11 "Use of sold products", led to the revision of the 2022 emissions baseline, as reported in Disclosure Requirement E1-6, to which reference is made.

Reporting errors in previous years

For De Nora, 2024 represents the first year of using new reporting standards. Since the reference standards have changed, it is not possible to identify errors from previous years based on a different regulatory framework. As a result, any differences in the data do not result from errors in the application of previous standards, but from the adoption of updated reporting criteria.

Disclosures arising from other regulations or generally accepted statements on sustainability reporting

Transparency and compliance with international ESRS standards are critical for effective reporting of environmental, social and governance performance. In this context, the adoption of globally recognized guidelines helps ensure the accuracy and comparability of data, facilitating the assessment of impacts and progress toward sustainability targets.

The information contained in this Consolidated Sustainability Reporting not only meets the regulatory requirements of the ESRS Standards, but also includes data prepared following internationally recognized guidelines and frameworks. Specifically, for the measurement and management of greenhouse gas emissions (hereinafter also "Greenhouse Gas" or "GHG"), reference is made to the Greenhouse Gas Protocol (hereinafter also "GHG Protocol"), a set of voluntary standards widely adjusted by organizations for the classification and calculation of Scope 1, 2 and 3 GHG emissions. This integrated approach ensures more comprehensive reporting in line with key global sustainability benchmarks, providing a more in-depth and transparent view of environmental performance. In addition, during the year, the Group submitted its targets for Scope 1 and 2 emissions, Scope 3 emission intensity, and renewable energy use of the Science Based Targets initiative (SBTi), achieving their validation. While the SBTi is not mandatory by regulation, it is an internationally recognized framework for setting emission reduction targets in line with the Paris Agreement. Finally, within the report, the percentages of R&D expenditure and revenues, as well as other indicators that contribute positively to the UN Sustainable Development Goals (SDGs) were quantified and published, using the Global Indicator Framework (...as reported in Disclosure Requirement E1-6, with reference to the following paragraph "Disclosure Requirement SBM-1: Strategy, business model and value chain," sub-paragraph "Commitment to the Sustainable Development Goals"). Again, the SDGs represent a voluntary framework, useful for measuring the contribution of business activities to the sustainable development targets. These indicators were developed with reference to the document "An analysis of the goals and targets," developed by the Global Reporting Initiative (GRI) and the UN Global Compact (UNGC), which, in turn, refers to a set of established standards including the GRI itself; the SDG Compass, developed by UN Global Compact and the World Business Council for Sustainable Development (WBCSD).

Inclusion by reference

It should be noted that the Group did not make use of inclusion by reference.

GOV-1 The role of the administrative, management and supervisory bodies

De Nora has defined a corporate governance system capable of contributing to the efficient and sustainable management of its activities, with the aim of creating value in the medium to long term for its shareholders and stakeholders.

The corporate governance system, consisting of the corporate bodies, systems and internal policies, and procedures adopted by the De Nora Group, is based on four pillars:

1. the central role of administrative and supervisory bodies;
2. the effectiveness and transparency of management choices;
3. the careful and diligent monitoring of related party transactions;
4. the set of values defined, recognized, shared, and established in the Code of Ethics and company policies.

In order to ensure the necessary consistency between execution and monitoring, there is a system of internal rules that define segregation of duty and a balanced relationship between management and control.

The Corporate Governance system adopted by De Nora was developed in line with the principles included in the Corporate Governance for listed companies, promoted by Borsa Italiana S.p.A., which the company complies with.

The Board of Directors (BoD) of Industrie De Nora consists of 12 members, including one executive director (CEO) and 11 non-executive directors, including one director with delegated powers (the Chairperson). Among the non-executive directors, six are independent (50%), in accordance with legal and regulatory standards applicable to listed companies and the principles of the Corporate Governance Code. The BoD includes four female and eight male members, with 33% female representation; currently, the Company considers gender diversity for the purpose of the BoD composition, in accordance with applicable regulations, but does not adopt specific criteria for other diversity metrics such as age, cultural background, or professional experience, beyond what is required by applicable regulations. There are no representatives of employees and other workers in the administrative, management, and supervisory bodies. As regards age, at the date of this Report, all members are over 50 years old. In line with the Code of Corporate Governance, the Regulations of the Board of Directors stipulate that members should have professionalism and skills appropriate to the tasks entrusted to them, and that they should have in-depth knowledge of business sectors, company dynamics and their development. The experience related to the Group's industries, products, and geographic areas of the members of the Board of Directors and the Board of Statutory Auditors derives mainly from: (i) the experience gained by some of them as board members of IDN; (ii) prior or additional professional experience, or specific technical expertise of individual members gained as part of their training or academic courses; (iii) board induction activities organized by the Company during the financial year.

De Nora's corporate governance is structured to ensure effective and responsible management of sustainability-related impacts, risks and opportunities. This system involves various bodies and key figures within the Company, ensuring that sustainability policies are consistent with the Company's mission and sustainable development principles. The Group's Purpose, Vision and Mission, formalized in 2021, express De Nora's commitment to fostering progress through the development of green technologies, contributing to a sustainable future. The Company is dedicated to promoting collaboration in an environment based on integrity, fairness, and respect.

The distribution of responsibilities and the specific roles of each body and function involved in this process are outlined below.

For more information regarding the functioning of the corporate bodies, please refer to the Corporate Governance Report, published on the Company's website www.denora.com "Governance – Shareholders' Meetings" section.

Board of Directors

The Board of Directors (BoD) is responsible for identifying impacts, risks, and opportunities related to sustainability, ensuring their integration into corporate strategy. In addition, the BoD is responsible for their subsequent management and control, including for the purpose of preparing the Consolidated Sustainability Reporting.

This body also sets guidelines for the internal control and risk management system at least once a year, establishing criteria to ensure an approach consistent with sound and responsible corporate management. It also approves business plans, monitors their implementation, and evaluates overall business performance.

Chairperson of the Board of Directors

The Chairperson of the Board guides the governing body in the pursuit of the Company's sustainable success, oversees the Company's external relations, including in particular dialogue with shareholders and other relevant stakeholders.

Chief Executive Officer (CEO)

The CEO leads the implementation of sustainability policies, promoting a corporate culture geared toward sustainable success and ensuring that the organization responds effectively to sustainability-related challenges and opportunities.

They are responsible for establishing and maintaining the internal control and risk management system, including those related to sustainability.

Control, Risk, and ESG Committee

The Control, Risk and ESG Committee (CCRESG) assists the Board of Directors with investigative, propositional and advisory functions regarding the internal control system, risk management and environmental, social, and governance (ESG) matters.

In particular, the Committee supports the Board in establishing guidelines for the internal control and risk management system, assessing and reporting, at least semi-annually, on its adequacy and effectiveness. It also monitors processes for identifying, assessing, and managing major business risks, including those related to sustainability.

With regard to ESG matters, the Committee is responsible for:

1. providing support and advice to the Board of Directors regarding processes, initiatives, and activities aimed at promoting the Company's commitment to sustainable development throughout the value chain;
2. examining the content of the Consolidated Sustainability Reporting, as well as conducting analyses on the use of the standards adopted for such reporting;
3. evaluating sustainability policies to ensure the creation of medium- to long-term value for shareholders and stakeholders, in accordance with the principles of sustainable development;
4. examining the Company's and Group's corporate policies to effectively integrate environmental, social, and governance aspects into the business model.

Head of the Internal Audit and Risk Management function

They verify the proper functioning and consistency of the internal control and risk management system with the guidelines set by the Board of Directors. They are responsible for:

1. reviewing and evaluating the effectiveness of the internal control system, ensuring that policies and procedures are adequate to manage business risks;
2. identifying, assessing and monitoring business risks, proposing measures to mitigate them, and ensuring that they are managed appropriately;
3. providing the Board of Directors and the Control and Risk Committee with an independent assessment of the effectiveness of the internal control and risk management system;
4. collaborating with other business functions to ensure that processes comply with applicable regulations and internal policies, promoting a risk-aware and responsible culture.

Manager responsible for preparing the Company's Financial Reports

They are responsible for preparing administrative and accounting procedures for financial statements and financial reporting, certifying that they correspond to accounting records. From 2024, they assume the position of Chief Sustainability Executive and are also in charge of non-financial reporting.

Board of Statutory Auditors

It supervises the adequacy and effectiveness of the internal control system, monitoring and ensuring that the Group effectively manages sustainability-related risks, impacts and opportunities, ensuring proper reporting and compliance with regulatory requirements.

Board committees

In addition to the Control, Risk and ESG Committee, there are three other committees supporting the Board of Directors: Appointments and Remuneration Committee, Related Parties Committee, Strategies Committee.

It should be noted that the Board of Statutory Auditors is composed of three standing auditors and three alternate auditors. Two members are female, accounting for 33% of the total.

De Nora's governance system is designed to integrate the management of impacts, risks and opportunities across all business functions. The Board of Directors, the CEO, the Control, Risk and ESG Committee, and the Internal Control and Risk Management function play crucial roles in this process, supported by other key figures such as the Executive responsible for preparing the Company's financial reports. In particular, the Manager responsible for preparing the Company's financial reports ensures the reliability and transparency of financial and sustainability information and reports directly to the Board of Directors, which may, in turn, rely on the Control, Risk, and ESG Committee. Finally, the Board of Directors is responsible for setting strategic targets, including those related to material impacts, risks and opportunities. Together with the above-mentioned bodies, the Board of Directors monitors progress in their achievement.

All Board of Directors members have expertise regarding ESG topics, enabling them to oversee the organization's impacts on the economy, the environment and people. In this area, corporate bodies make use of their members' specific technical skills, gained mainly through professional experience, as in the case of directors with executive positions in other listed companies or independent directors, experience in foundations or charities, specific educational qualifications and academic appointments. In addition, specific sustainability training is provided through the support of advisors appointed by the Company for dedicated sessions. The Board of Directors members' professional experience enables them to effectively address the challenges and opportunities related to sustainability. In particular, the Board members' specific technical skills enable them to: (i) identify and assess environmental impacts; (ii) manage social risks; and (iii) promote responsible governance.

In addition, sustainability training, through the support of external advisors, enables corporate bodies to be updated on best practices and regulatory developments, thus ensuring the proactive and informed management of impacts, risks, and opportunities.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

De Nora sustainability governance was strengthened with the approval of the strategic sustainability plan (hereinafter also the "ESG Plan" or "Sustainability Plan"), which led to the creation of specific ESG governance bodies. These bodies are responsible for implementing initiatives, setting policies, and monitoring metrics, achieving targets, and producing reports for various stakeholders. The relative roles and responsibilities within the corporate governance system are described below.

The **ESG Steering Committee** reports directly to the CEO and is composed of the Group's top management, representing the various functions. This committee meets monthly to monitor KPIs related to the company's sustainability performance in key areas and to set policies, actions, and targets to improve this performance. Monthly monitoring is based on the activity of the *Stream Leader*, figures responsible for the ESG initiatives of their function or geographic area, mostly coinciding with members of the ESG Accelerator Lab, who are in turn responsible for overseeing the status of initiatives and any critical issues and/or opportunities to report to of the ESG Steering Committee. The ESG Steering Committee reports at least twice a year on the results and progress of initiatives to the Control, Risk, and ESG Committee and the Board of Directors.

The **ESG Accelerator Lab** reports to the Head of Investor Relation (or "IR") and ESG Director, and consists of a central cross-functional team that includes the ESG function and representatives from different business functions. It carries out project management activities in the implementation of ESG initiatives, coordinating data collection, processing and monitoring processes, and directing the achievement of set targets, rating activities, and benchmarking analyses on emerging trends and best practices.

In addition, to support the ESG Accelerator Lab, **ESG Focal points** have been established at each operational site and business function, points of reference and liaison between local organizations, and/or different business areas they are part of and the central team, which support the latter in data collection and other activities.

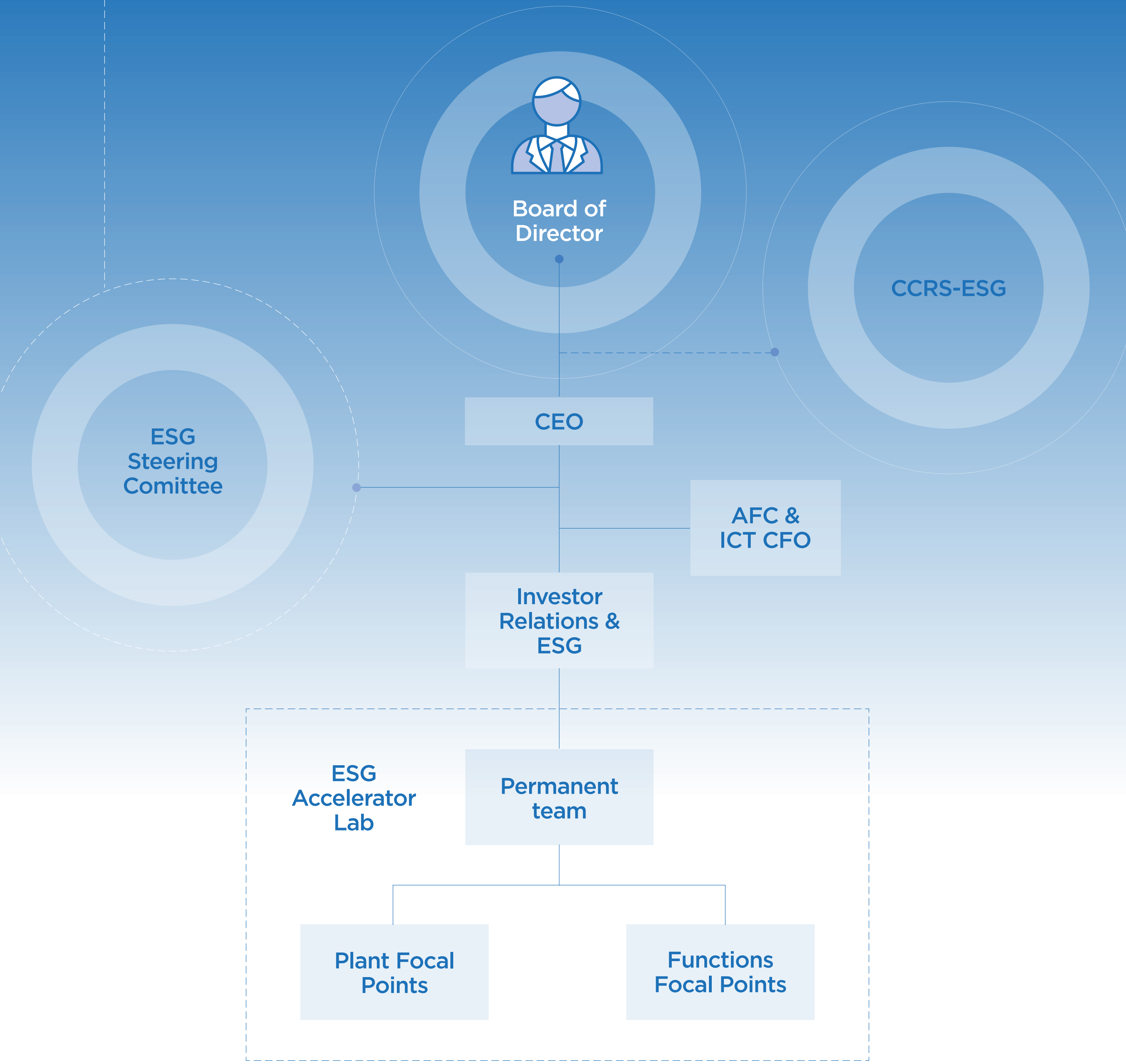
In addition to periodic reporting on the progress of the strategic plan, the ESG function interfaces throughout the year with the CRESGC and the Board of Directors on topics such as the European taxonomy and the Double Materiality assessment. Specifically, the first Double Materiality assessment was carried out in 2024, during which the administrative, management, and supervisory bodies were involved in identifying the impacts, risks, and opportunities relevant to De Nora, which were approved by the Board of Directors.

The impacts, risks, and opportunities managed by the administrative, management, and supervisory bodies are those identified by the Double Materiality assessment.[1]

[1] For further information on the material IROs in question, please refer to the table in Appendix 1 "Material impacts, risks and opportunities and their interaction with strategy and business model".

ESG Steering Comittee

- Chief Financial Officer
- Chief Marketing & Business Development Officer
- Chief Officer People, Organization, Social Communication and Happiness (P.Or.SC.H.)
- Chief Operating Officer
- Chief Legal Officer
- Chief Technology Officer
- Chief Procurement Officer
- DNWT Chief Officer
- Latin America Chief Officer
- Energy Transition & Hydrogen Director
- Innovation Manager
- Investor Relator and ESG Director



GOV-3 Integration of sustainability-related performance in incentive schemes

The objective of the remuneration's variable component of remuneration is to align individual performance with the Company's short and medium/long-term targets. It allows, on the one hand, for management decisions to be aligned with the targets and interests of the Company and, on the other, to drive the creation of value and sustainable success in the long term. In turn, it consists of:

- a short-term component, based on an annual incentive plan;
- a medium/long-term component, based on financial instruments linked to medium/long-term results.

The percentage of short-term variable component is determined taking into account the weight of the role according to the weighting methodology of the positions adopted, the technical, managerial, and professional skills of the person, the extent and nature of the specific powers assigned, as well as on the basis of the market practices with respect to both the sample of reference companies selected and the general market.

Through the medium-/long-term variable component of remuneration, De Nora intends to:

- promote the creation of sustainable value for shareholders through management engagement;
- align the interests of individual beneficiaries with those of the Group and stakeholders through the development of a common vision;
- retain the Group's top management;
- link remuneration with the Company's value creation targets;
- weigh remuneration according to the results actually achieved, through a scale that rewards performance in line with or exceeding the targets, and which is gradually reduced to zero if a minimum threshold is not reached;
- focus top management on the creation of sustainable value in the medium/long-term.

Targets within the short/long-term incentive plan are linked to the targets of the Strategic Sustainability Plan and/or specific, individual ESG targets. The short-term variable component has at its core a KPI linked to sustainability targets, with a variable weight between 10-20% linked to role-specific targets or corporate ESG targets. The medium/long-term variable component has a KPI with a 20% weighting linked to the Sustainability Plan.

For the CEO and Key Executives, KPIs, and metrics are approved and updated by the Appointments and Remuneration Committee and by the Board, while for the rest of the employees they are approved by the People Organization, Social Communication, and Happiness Chief Officer.

GOV-4 Statement on due diligence

De Nora implements several key due diligence elements, summarized in the following table.

Core elements of due diligence	Sections in sustainability statements
a) Embedding due diligence in governance, strategy and business model	GOV-3 Integration of sustainability-related performance in incentive schemes; SBM-1 Strategy, business model, and value chain
b) Engaging with affected stakeholders in all key steps of the due diligence	SBM-2 Interests and view of stakeholders
c) Identifying and assessing adverse impacts	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities
d) Taking actions to address those adverse impacts	SBM-1 Strategy, business model, and value chain; E1-3 Actions and resources in relation to climate change policies; E2-2 Actions and resources related to pollution; E3-2 Actions and resources related to circular economy; E4-3 Actions and resources related to biodiversity and ecosystems; E5-2 Actions and resources related to resource use and circular economy; S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions; S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action; S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions; G1-3 Prevention and detection of corruption and bribery
e) Tracking the effectiveness of these efforts and communicating	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies; SBM-1 Strategy, business model and value chain

GOV-5 Risk management and internal controls over sustainability reporting

The Group has begun to equip itself with an internal control system over sustainability disclosures, with the aim of mitigating data misstatement risks by ensuring the accuracy, reliability, and transparency of disclosures in the Consolidated Sustainability Reporting. Integrated with respect to what is provided for economic and financial disclosure, this system is concerned with quantitative information with reference to the Companies in the Group's scope of consolidation.

The internal control system was developed from the Double Materiality assessment, later enriched through the analysis of the link between the datapoints subject to disclosure and other targets pursued by the Group (Sustainability Plan, Incentive Plans, MOG 231, Industrial Plan). Priority scoring was then assigned to datapoints based on the complexity of reporting processes, involvement of third parties, and whether estimates were used in the calculation activities. Reporting processes were defined for all datapoints deemed material, identifying risks and controls designed to ensure the accuracy, completeness, and consistency of data.

In the coming years, the control matrix and thus the sets of indicators covered by the internal control system may be further extended and supplemented based on the findings of future periodic updates of the Double Materiality assessment.

The analysis of the processes underlying the data collection for the data points included in the current configuration of the internal control system made it possible to identify specific control points to cover accuracy, completeness, and consistency risks. In addition, with regard to the reporting of European Taxonomy KPIs (i.e., Turnover, CapEx and OpEx), the analysis of the underlying processes enabled the identification of control points with regard to the calculation activities of both denominators and numerators.

The main risks identified relate to potential errors due to processing or consolidation of data from primary sources.

In dealing with datapoints considered “high priority”, the risks identified are:

- Any errors due to incorrect manual data entry;
- Potential errors due to incomplete data;
- Potential errors due to inconsistent data.

The mitigation strategies put in place included the implementation of investigative controls, defined at the process level, aimed at detecting errors in reporting activities. The first step of data verification is done by ESG Focal Points on information collected locally and centrally, if they are not directly responsible for the data. After that, the ESG function takes care of data aggregation and performs an additional data consistency check.

In 2024, the reporting of annual sustainability data was subject to independent testing by the Group’s Internal Control Function with the help of a leading consulting firm, with the aim of verifying the effectiveness of the controls defined to cover the risks that emerged during the process analysis.

The findings of the test triggered information flows containing updates and potential findings to the relevant operational functions and will enable the integration of the internal controls framework and sustainability reporting processes of each function involved. These findings were promptly brought to the attention of the Group’s administrative, management, and supervisory bodies. In addition, general managers and heads of business processes affected by sustainability disclosure requirements were asked to issue an assurance letter confirming the validity of the data submitted to the Investor Relations and ESG function.

SBM-1 Strategy, business model, and value chain

De Nora operates through three distinct business segments: Electrode Technologies, Energy Transition and Water Technologies. Each segment differs in its technology offerings, services, customer type, markets and business model, thus generating diversification of revenue and margins by product, application and geography. De Nora's offering is intended for both new and existing installations. The products mainly consist of electrodes (key components used in electrochemical processes) and systems and equipment used for water treatment. Aftermarket services include periodic maintenance of electrodes and systems, supply of spare parts, re-coating of electrodes and modernization of systems with state-of-the-art technologies.

De Nora's main customers from the three business segments include:

- Engineering Procurement Construction (EPC) companies that supply complete plants to end-users;
- Original Equipment Manufacturers (OEMs) using De Nora products in their electrochemical systems, later supplied to end customers;
- End-users, such as for example large international chemical groups or small chemical companies that produce or use chlorine and/or soda ash, companies characterized by energy-intensive production processes or hydrogen users ("Hard to Abate") committed to reducing their CO_2 emissions through the use of green hydrogen, manufacturers of components and printed circuit boards for the electronics and battery industries, mining companies, companies involved in disinfection and distribution of drinking water, companies in multiple industries that need systems to treat process, cooling and waste water.

De Nora serves its customers directly through its sales and technical service network and indirectly through distributors and representatives.

It should be noted that De Nora does not operate in any of the significant sectors identified by the ESRS. Specific information on its employees, such as the breakdown by geographic area, can be found within section "S1-1 Characteristics of the undertaking's employees" in the chapter "ESRS S1 Own workforce." while revenues are detailed in the "Business Performance" chapter of the following document.

The main products, applications and markets for each business segment are reported below.

ELECTRODE TECHNOLOGIES

With nine production and assembly plants, De Nora is the leading electrodes manufacturer globally. Its leadership is based on its extensive knowledge of electrochemical processes, a broad and constantly evolving product portfolio, and the quality of the services offered.

De Nora's offerings include the manufacture and sale of electrodes (anodes and cathodes), electrochemical cell components and related services. The main services include periodic maintenance of electrodes, their replacement with new products able to improve the performance of the process, the supply of spare parts, and technical support activities.

An electrode typically consists of an inert, metallic substrate (usually titanium or nickel) resistant to highly corrosive environments that conducts electric current, and on which De Nora deposits, using proprietary technologies, a catalytic coating based on noble metal oxides such as platinum, iridium, and ruthenium. This coating facilitates the desired chemical reaction and prevents passivation and/or corrosion of the substrate, enabling its reuse.

De Nora's R&D function is committed to continuously improving the performance of electrodes aimed at optimizing energy consumption, increasing process efficiency, eliminating parasitic reactions, and prolonging their life span, with a focused attention to sustainability parameters. The design of a new electrode or coating formulation is done by assessing positive impacts in terms of Life Cycle Assessment (LCA), carbon footprint, and raw material circularity.

The Group has its own know-how and technologies that enable it to manage the life cycle of electrodes from a circular perspective, either through the application of a new catalytic layer, which restores their original performance, or, alternatively, by recovering and/or reusing the metals of which they are composed.

Coating composition, electrode geometry and manufacturing process vary depending on the final application. Therefore, electrodes can be classified into product families according to market or application and are generically commercialized by De Nora under the DSA® brand name.

In particular, De Nora electrodes are mainly used in the chlor-alkali, electronics, and metal refining industries.

Chlor-alkali

De Nora technologies are used to produce chlorine and caustic soda, and their derivatives, by electrolysis of aqueous solutions of sodium chloride. Chlorine and caustic soda are critical to many chemical and manufacturing industries, including the production of plastics, polyurethanes, pharmaceuticals, detergents, disinfectants, aluminum, and in water treatment.

De Nora has changed chlorine chemistry by replacing graphite used as the anode in the electrolysis process with DSA® metal electrodes, thus ensuring better consumption, pure uncontaminated products, and lower environmental impact with graphite-free discharges.

In the chlorine soda sector, De Nora's offerings are electrodes (anodes and cathodes), or electrolyzer components, based on titanium, nickel, and noble metals. Maintenance and technology upgrade services are then offered.

Electronics

De Nora technologies are used in electrochemical "galvanic" processes for the deposition and formation of metals from acidic solutions containing metal ions. De Nora was the first in the world to introduce metal electrodes into galvanic processes that have progressively replaced lead or soluble electrodes, improving the performance of electroplating processes, the chemical/physical qualities of final products, additive consumption, and reducing the impact on the environment.

The main target industries are printed circuit boards and lithium-ion batteries, whose products are intended for various target markets, such as consumer electronics, automotive, and communications.

De Nora's offering includes titanium and noble metal electrodes (anodes), used in various electrochemical processes, for

- the production of ultra-thin (a few microns) copper foil for the electronics industry and lithium battery production;
- the copper plating of printed circuit boards.

When no longer suitable for PCB production, the electrodes can have a second life and be used for the purification of wastewater from electroplating processes to remove and recover dissolved metals in solution (mainly copper). On the other hand, once the electrodes reach the end of their life, they can be regenerated or undergo a process to recover the materials they are composed of (titanium and noble metals), thus ensuring circularity and reducing the consumption of virgin material.

Metal refining in the mining sector

De Nora technologies are used by mining companies in the refining of nonferrous metals, such as nickel and cobalt, to achieve high purity.

In particular, De Nora mainly offers anodes or anode packages based on titanium and noble metals.

Compared with competing lead-based technologies, De Nora's technology saves energy, improves the efficiency of the production process, and reduces the environmental impact due to the absence of lead-based sludge. At the end of their life, electrodes can be reconditioned and reused, reducing raw material consumption, and promoting sustainable use.

WATER TECHNOLOGIES

The Water Technologies business provides water treatment solutions to the municipal, industrial, and residential sectors. More specifically, the Group offers a broad portfolio of technologies for swimming pool disinfection, electrochlorination of seawater and brine, and sanitization and filtration of drinking water and wastewater. Among disinfection technologies, in addition to electrochlorination, De Nora offers ozone, chlorine dioxide, chlorine gas, and UV systems.

In addition to the installation of new systems, De Nora also provides maintenance services, re-engineering of existing systems, on-site or remote technical support, and spare parts.

Production includes construction and assembly of portfolio systems, and assembly of electrodes in portfolio electrochemical systems.

Main De Nora products in the Water Technologies business

Electrochlorination

Electrochlorination is one of the technologies used for water treatment and disinfection. It uses electricity to generate a chlorine-based solution (sodium hypochlorite) from a salt solution, such as seawater or brine.

Typically, when water is intended for human consumption, brine systems are used. In contrast, seawater-fed systems are used to treat process water, cooling water, wastewater, and other industrial water (e.g., from firefighting), especially in power plants, in industrial complexes such as refineries or natural gas liquefaction plants, on offshore oil, and gas extraction and processing platforms.

A leading global provider of such technology, the Group manufactures and sells electrochlorination systems to both the municipal and industrial sectors. By enabling the production of disinfectant agents on-site, electrochlorination systems eliminate the problems associated with transport, storage, and dilution of chemicals. State-of-the-art products have been optimized to enable energy savings and minimize by-product production.

The systems are designed to last a long time; the main components, the electrodes, are periodically replaced and the metals that composes them are recovered.

The main product families can be traced back to De Nora's brands. In particular:

- ClorTec®: systems that generate sodium hypochlorite at low concentration (0.8% - 8000ppm) by electrolysis of salt-based brines (NaCl);
- CECHLO® systems: systems used for the production of high concentration (13%) sodium hypochlorite (NaClO) or chlorine gas (Cl_2) and caustic soda (NaOH);
- SEACLOR®: systems that generate sodium hypochlorite at low concentration (0.2%) through direct electrolysis of seawater.

Swimming pool chlorination

De Nora supplies electrodes to major companies in the swimming pool industry that manufacture and commercialize salt chlorinators. The latter are small-scale electrochlorination systems used for swimming pool water disinfection, mainly in residential settings. Compared with traditional chemical-based disinfection processes, salt chlorinators offer improved water quality, use natural disinfection products (salt), and operate in an automated manner, thereby reducing risks associated with chemical handling and storage. In addition, when the chlorine-based disinfectant (sodium hypochlorite) attacks and inactivates pathogens, and oxidizes organic contaminants, it decomposes back to its original state as salt (NaCl) dissolved in water. This is a perfect example of circularity, as the salt is ready to be electrolyzed again in the chlorinator inserted into the recirculation circuit. De Nora Group is the leading global supplier of electrodes intended for swimming pool chlorination.

Disinfection and filtration

In the area of disinfection and filtration systems, De Nora mainly targets the municipal market, designing and selling systems, and technologies for potable water and tertiary wastewater treatment, ranking among the top three and top five global players depending on the technologies.

For water disinfection, the Group offers a range of products and technologies using various treatment methods: chlorine gas, chlorine dioxide, ozone, and ultraviolet (UV) light.

Capital Controls® Ozone systems generate ozone (O_3), a powerful, highly unstable oxidant that has a rapid reaction time; ozone does not require the addition of chemicals and therefore does not generate byproducts. De Nora solutions are used in potable water treatment and for the treatment of industrial water affected by pollutants, including hydrocarbons, surfactants, and phenols.

Capital Controls® chlorine dioxide systems generate ClO_2 through an on-site chemical reaction by mixing two precursors, and are used for water potabilization. Again, the systems have the advantage of not producing health-threatening byproducts.

Capital Controls® UV systems treat groundwater, wastewater, and drinking water by conventional UV disinfection and Advanced Oxidation Process (AOP) solutions in combination with other technologies.

With regard to filtration systems, De Nora designs produces and sells advanced filtration systems for the removal of complex contaminants, and filtration technologies for the removal and/or adsorption of contaminants or pollutants and health hazardous substances such as Arsenic or nitrogen-based eutrophicates. These products, marketed as DE NORA TETRA® and De Nora SORB are used for the pre-treatment of seawater for desalination, filtration of drinking water sources, and tertiary wastewater treatment.

The wide range of disinfection and filtration solutions allows the company to innovatively combine technologies to meet the needs of customers and the continuously evolving market.

New areas of application

The Group is expanding its activities into new applications, including services for the removal of contaminants of emerging interest, including pharmaceuticals, personal care products, and industrial chemicals that are increasingly found in drinking water worldwide (PFAS), aiming at ensuring compliance with limits required by regulatory agencies in different geographic areas.

ENERGY TRANSITION

The Group has several technology solutions for energy transition in its portfolio, based on its century-long and established experience gained in the electrode market. The main products, anodes and cathodes, are designed for green hydrogen production plants through alkaline water electrolysis (AWE) processes and to transform hydrogen or methanol through reconversion into water molecules in fuel cells.

De Nora is constantly engaged in research and development activities aimed at reducing the use of noble metals in its technological solutions and increasing energy efficiency. Electrodes play a key role in the green hydrogen value chain. The Group's strong technological positioning has its roots in its long experience in the chlor-alkali market. To date, De Nora's electrodes allow low specific energy consumption (kWh/kg) at any operating current density, ensuring, compared with competing technologies operated at high current density, a more competitive cost of hydrogen produced (levelized cost of hydrogen, or "LCOH").

Alkaline electrolysis of water (AWE)

In the medium and long term, alkaline electrolysis is expected to be used mainly for decarbonization of "hard to abate" industries, such as steel mills and refineries, and to produce "green chemicals," such as ammonia, methanol, and "green fuels" for aviation, not to mention that hydrogen is an energy carrier that allows energy storage and transportation without relying on power lines or battery systems.

The Group supplies electrodes (anodes and cathodes) containing noble metals and nickel cell elements for alkaline water electrolysis (AWE) on order for its joint venture partner Nucera.

De Nora also recently developed a proprietary small-scale, modular pressurized hydrogen electrolyzer (1 MW to 7.5 MW) marketed under the Dragonfly® brand name.

The plug-and-play system, which addresses the need for hydrogen to be available in a decentralized manner, reduces the need for transportation, storage, and distribution infrastructure.

The production of green hydrogen, based on the electrolysis of water and through the use of renewable energy, allows a saving of about 9/10 tons of CO_2 emitted for each ton of hydrogen compared to traditional technologies based on the hydrocarbon Steam Reforming process.

Fuel cells

Fuel cells convert the potential energy contained in gas directly into electrical energy by the reverse process of electrolysis: hydrogen gas reacts with oxygen, producing water and electricity. Fuel cells are modular and are used in mobility sectors, commercial and industrial installations, and residential applications to provide clean and sustainable energy.

De Nora offers gas diffusion electrodes (GDE) produced by depositing catalytic layers of noble metals on carbon-based substrates. GDEs are, together with ion exchange membranes, the key component of fuel cell architecture.

The sustainability strategy

Sustainability is an integral part of the De Nora's business model, due to the ongoing commitment to technological innovation that has characterized the Group's development since its inception. In fact, research and development of innovative technological solutions over time, while aiming to meet the needs of customers and target markets, has actually also pursued environmental sustainability targets: improving the energy efficiency and durability of its solutions, and promoting circular business and production models. Attention and care for the people involved in the company have also always been part of the Group's *modus operandi*, embodying principles of sustainability.

Against this background, in December 2023 De Nora outlined and approved its Sustainability Strategy and related Plan to 2030 integrated into the Industrial Plans, making a conscious commitment to value creation and progressive generation of positive impacts along the entire value chain.

As a leader in most of the industrial segments in which it operates, De Nora's ambition is to also play a leading role in some specific sustainability areas, close to and integrated into its business model, and in particular Green Innovation and the Circular Economy, while aiming to improve the environmental impact of its operations.

The Group is committed to the development of sustainable technologies that promote economic growth through careful management of natural resources, circularity, and the use of clean energy. De Nora is committed to fostering a stimulating and inclusive work environment and to supporting and engaging the local communities in which it operates, progressively aiming for sustainable supply chain management.

De Nora is also committed to conducting its business in an ethical and transparent manner, supported by sound governance in line with international best practices.

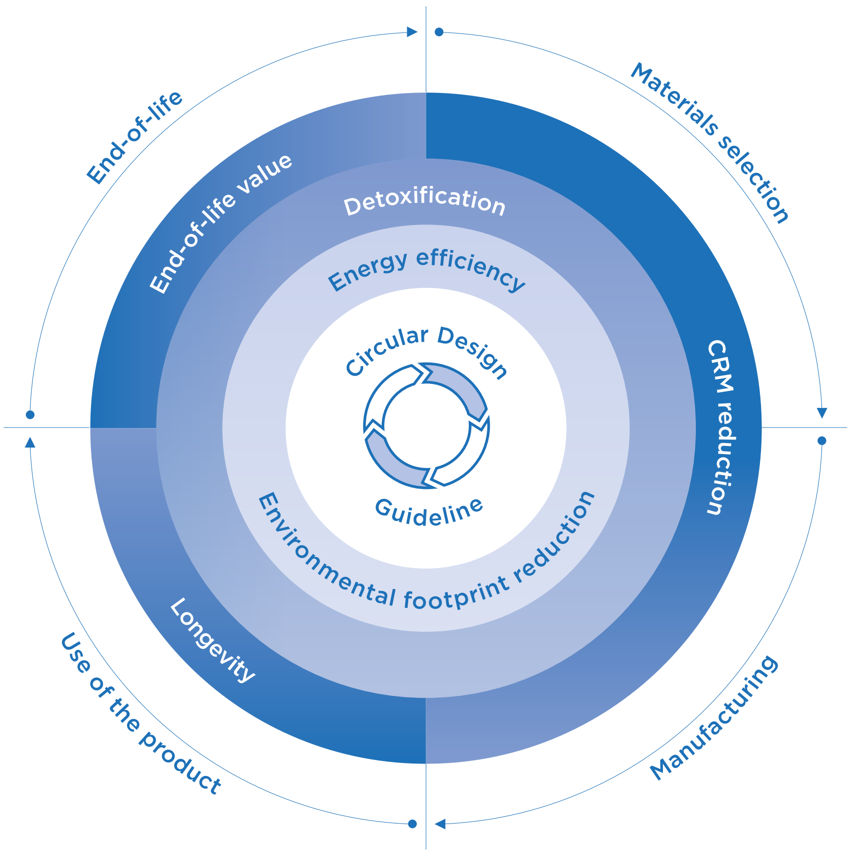
The Group's sustainability strategy is based on four pillars (described below) managed through structured governance that ensures ethicality and transparency.

1. Green Innovation: De Nora is actively committed to the development of technological innovation, constantly searching for new solutions to improve the operational efficiency and sustainability profile of its products, aiming to contribute to value creation accompanied by a reduction in the environmental impact of its customers and end markets, and contributing positively to the SDGs targets as described below. Technological innovation affects all solutions offered by the Group's different businesses from Electrode Technologies to Water Technologies up to Energy Transition. By integrating a circular design, Life Cycle Assessment (LCA) principles, product scorecards and optimized use of noble metals, the Group actively contributes to developing solutions with low environmental impact and promoting this vision throughout the organization.

The initiatives envisaged by the plan in this area aim to establish the company activities as a best practice in the sector and allow De Nora to position itself among the reference players in Green Innovation.

During 2024 in particular, the Group introduced the Circular Design Guidelines, guidelines for sustainable product development, into the processes of the R&D department, with respect to which training courses were also conducted for research laboratory staff. The chart below shows, in summary, the key factors of these Guidelines: the outer circle shows the stages of the product life cycle: from material selection, to manufacturing, to use, and finally to end-of-life management. The internal circle sectors indicate the five pillars of the guidelines, applicable to one or more stages of the product life cycle. Each of the five pillars is assigned a specific KPI. These Guidelines will be used to evaluate all projects developed by R&D activities, verifying the effective application of these principles on new products.

Circular Design Guideline



The outer circle represents the life cycle of a product

The inner circles represent the 5 pillars of the guidelines

In addition, the structure of the product Sustainability Scorecards, documents that will represent identity cards mainly in terms of the climate and environmental impact of De Nora's technologies, was defined during 2024. This Scorecard will be applied progressively over the next few years to all Group products, starting with new ones, and will be subject to disclosure to key stakeholders in addition to being useful tools for evaluating subsequent product innovations. Scorecard information will include LCA-type and circularity indicators, mapping of hazardous and critical substances, and indicators on product durability and reusability, among others. The scorecards will also highlight possible positive impacts of the technologies offered by De Nora, such as, for example, the potential decarbonization of certain production processes resulting from products supplied under Energy Transition and the disinfection and treatment of water for drinking or industrial use.

Activities related to green innovation form the basis of the Group's handprint, enabling its customers to increase their energy efficiency, decarbonize hard-to-abate processes, and treat, disinfect, and filter water while ensuring its safe and circular use.

2. Climate Action and Circular Economy: While the Green Innovation pillar represents the Group's handprint, i.e., the ability to contribute positively to the preservation of the planet and the sustainable use of resources (such as water), the Climate Action and Circular Economy pillar represents De Nora's commitment to manage and reduce its footprint, i.e., the environmental impacts of its operations, mainly through decarbonization and circularity initiatives of its production processes.

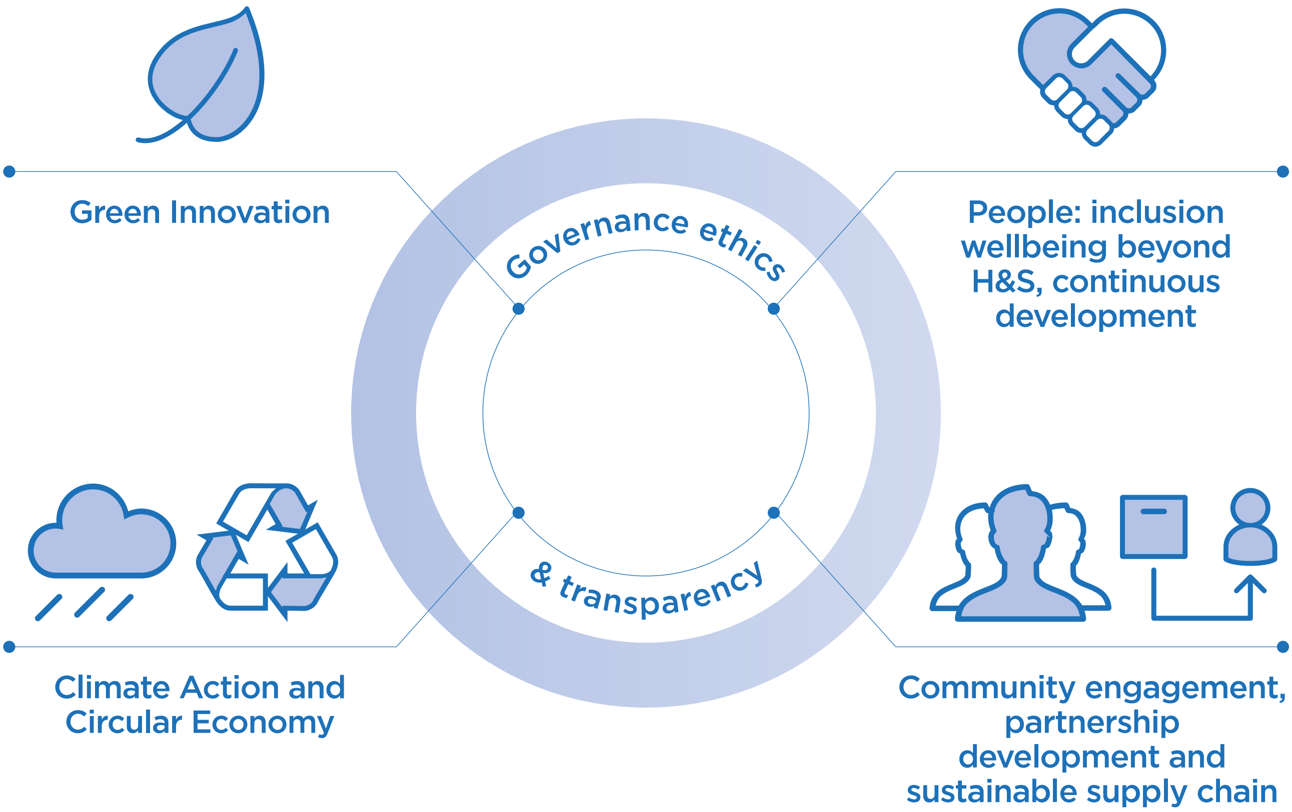
   With reference to decarbonization of production activities, the Plan includes greenhouse gas emission reduction targets in line with the 2030 agenda, which have obtained validation by Science Based Target initiative (SBTi).

   The circular economy is promoted by strengthening sustainable business models along the entire value chain, minimizing waste, optimizing the use and reuse of strategic raw materials such as noble metals, and promoting the circular use of the planet's water resources with its broad portfolio of technological solutions dedicated to water filtration and disinfection.

3. People: Inclusion, wellbeing beyond H&S topics and continuous development: De Nora has always taken a holistic approach to employee wellbeing, identifying mental health as a top priority along with physical health protected by health and safety measures. The ESG plan provides for the development of comprehensive solutions and the consolidation of those already in place, including surveys, training programs, hotlines, psychological counters, health insurance, and in-house medical services. Multiculturalism and diversity are strategic resources that De Nora promotes by continuously pursuing best practices to ensure equal opportunities, and respect for diversity and inclusion, against any form of discrimination.

4. Engagement of local communities, partnerships and development of a sustainable supply chain: The ESG plan sets out to strengthen the development of partnerships with higher technical institutes and universities, and relations with local communities. In this regard, De Nora has always been actively involved in projects in line with its values, including numerous charitable initiatives and community support, also involving its workforce. Currently, the relationship with suppliers comes to the forefront through the Group's supplier portal (SRM - Supplier Relationship Management) where, in addition to master data, information regarding financial soundness and commitment to ESG topics are required. In addition, they are asked to complete an ESG questionnaire developed by an authorized and certified third party for this type of assessment. Sustainability plan initiatives in this area have the objective of being able to create a network in line with its vision and dedication to ESG principles, setting up a supply chain that ensures respect for human rights and environmental protection, for which De Nora can represent a reference point in the path towards the adoption of sustainable practices and growth.

ESG Plan pillars



The development of these four strategic pillars is managed and orchestrated through structured governance that ensures ethics and transparency. De Nora presents a Sustainability Plan for 2030, consisting of 48 initiatives:

- 12 flagship initiatives related to the Green Innovation, Climate Action, and Circular Economy pillars;
- 20 initiatives defined as quick items, so named because they represent activities that had already been started at the time of the Plan’s approval. These include initiatives to improve disclosure on certain topics (such as, for example, Health and Safety) and the adoption of certain policies (such as now the Human Rights policy and the DE&I policy);
- 16 cross-cutting initiatives across strategy and governance pillars.

During 2024, all activities in the plan for the financial year were completed, including 15 quick items and the start of major activities related to flagship initiatives.

The main initiatives and targets defined by the sustainability plan to 2026 and 2030, such as the tangible commitment to the pursuit of responsible business practices and aimed at improving De Nora’s positioning in the areas previously described as pillars of the ESG strategy, are described below. Given their nature, some initiatives do not have quantitative targets and the subsequent definition of related KPIs to be monitored. In these cases, where possible, it has been indicated when it is intended to launch or complete the initiative.

	Initiatives	KPIs	Targets (Baseline 2022)	Actual 2024
Green innovation	Implementation of Circular Design Guidelines, based on LCA (Life Cycle Assessment) into R&D processes	Guideline adoption	To be embedded in 2024	Guidelines implemented in R&D processes
	Disclosure and calculation of: • R&D expenses with positive impacts • Revenues with positive impacts	% R&D costs with positive impact on the SDGs	>80% by 2026	98% R&D costs
		% of revenues with positive impacts on the SDGs	>50% by 2026	27% revenues 9% order intake
	Develop a product scorecard based on LCA and the Circular Design Guideline (SMB -1-40-e)	Product Scorecard methodology % of products classified with the scorecard	To be developed in 2024 100% new products by 2025 100% products assessed by 2027	Methodology defined and applied to pilot scorecards
	Value proposition scorecard Employee training Visibility campaign for external stakeholders	% of employees trained	100% salespeople by 2025 50% white collar by 2027	Ongoing
	Optimization of noble metals within products	t noble metals/m^2 of electrode[1]	-4% by 2026	-2,1% vs 2022
Climate action	Carbon footprint reduction • Submission to SBTi • Decarbonization development plans for production sites • Monitoring of Scope 3 emissions methodology • Integration of GHG emission parameters into Capex decisions	Reduction of Scope 1 and 2 emissions	-50% by 2030 -25% by 2027	-14% vs 2022
		Reduction Scope 3 emissions	-52% by 2030 (intensity[2])	70,941,098 tCO_2e
		% electricity from renewable sources	100% by 2030 40% by 2026	29% electricity from renewable sources
	Certifications • Energy management systems • Environmental management system	ISO 50001 certified sites	100% sites by 2027	14% certified sites
		ISO 14001 certified sites	100% sites by 2025	64% certified sites

[1] KPI built on 3 main product lines: Membranes, Pools and Electrochlorination, Alkaline Water Electrolysis.
[2] CO_2 Emissions per Gross Profit.

	Initiatives	KPIs	Targets (Baseline 2022)	Actual 2024
Circular economy	Group waste management • Optimize waste management • Increase share of wood packaging reused	% waste diverted from disposal	55% to 2030	Target set 40% waste diverted from disposal
		% of wood packaging waste reused	40% by 2026	16% of wood packaging waste reused
	“Deforestation-free” wood packaging	% “Deforestation-free wood packaging	>80% by 2030	Ongoing
	Increase/Disclose quantity of recycled in noble metals[3]	% percentage of recycled noble metals (by weight)	5% by 2030	1.7% recycled noble metals purchased Set up data collection systems to track pre- and post-consumer recycled metals starting in 2025
	Strengthen and give more visibility to circular services (re-coating)	% of products (in terms of m²) designed for second life	Disclosure to 2026	Ongoing
Biodiversity	Mapping of ecological zones to define biodiversity	Analysis	Mapping in 2024	Mapping carried out, results used for the Double Materiality assessment
	Monitoring and optimizing water use at production sites starting with those in water-stressed areas Environmental Emergency Plan for production plants	Selection of KPIs in progress	Assessment from 2025	
	Environmental Emergency Plan for production plants	Analyses and document drafting	2024	Developed environmental emergency plans for production sites
	Partner and adhere to third-party initiatives for biodiversity preservation	# plants/emissions avoided		200 trees in collaboration with Treedom
	CDP Water and CDP Forest Questionnaire	Submissionand disclosure	2026	

[3] Recycled metals: Metals purchased from suppliers who certify the recycled origin. Recovered metals: metals reused, including after third-party processing, originating from production waste or the withdrawal of used electrodes. Recycled metal includes metal purchased from suppliers who certify its origin from recycling.

	Initiatives	KPIs	Targets (Baseline 2022)	Actual 2024
Employee Health & Safety	Development of governance and culture related to Health and Safety • Periodic "gemba walk" in the plants • Periodic report on H&S • Organize "Safety days" in the plants	no. plants with gemba walks	All plants by 2025	21 gemba walks
		Frequency of reports	Quarterly reports	Quarterly reports implemented
		no. plants with safety days	All plants by 2025	4 Safety days
	Mental health awareness • Introduce mental health training module • Introduce mental health first aid training (for a selected number of staff) • Establish a mental health hotline or other form of support channel	% employees trained on general module	25% by 2026	
		no. of employees for 1st aid training	1 person for each major plant[4] by 2026	
		# territories	100% by 2026	
	Certifications	ISO 45001 certified sites	100% by 2025	28% sites certified
Employee *Diversity*, Equity & Inclusion	Extension of parental and relocation policy to same-sex couples and single parents		2024	Policy updated and expanded as per Plan
	Monitor the methodology for calculating the Gender Pay Gap, and 0 gender pay gap in hiring	Gender Pay Gap		-3% Average Pay Gap -2% Pay Equity Gap
	Affinity network for women and LGBTQ+ employees across all territories		Launched in 2024	3 initiatives in Italy, USA, Brazil
	Enhance recruitment processes to ensure inclusion of candidates with diverse abilities	no. territories completing the review	All Group by 2026	Pilot project carried out in Italy on disability management for managers involved in recruitment processes
	Internal and external communication campaigns on DE&I with success stories Adoption of a DE&I policy	n. stories per year Policy Adoption	4-8 (at least 1 per quarter) 2024	4 stories on DE&I published on internal portal
	Introduce % target of women in new hires (by category)	*% of women among new hires (white collar)*	Target to be introduced by 2024	Introduced target: 40% of women among new hires 2025-2027
	Upskilling, networking and mentorship schemes specifically for women, also through networking with associations (D. Value)			In.C.L.U.De Italian pilot program on inclusive leadership training 100% managers trained, including CEO and COs

[4] Dubai, Abu Dhabi, India, Shanghai, Suzhou and Jinan.

	Initiatives	KPIs	Targets (Baseline 2022)	Actual 2024
Community engagement	Disclosure related to expenditure dedicated to local communities	Expenditure dedicated to local communities (euros)	Disclosure from 2024	Donations 100,501€
	Employee involvement • Launch and promote initiatives of employee donations • Promotion of participation in local events and charities in all geographical areas	Hours donated/year		570+ volunteering hours
		% employees involved		120+ employees involved
	Educational partnerships to support the development of STEM careers and strengthen the pipeline of future talent. • Introduce gender considerations in partnerships with universities, high schools and research institutes • Visits to laboratories and plants, occupational lectures and problem-solving training	% of female students involved	>40% by 2026	
		# Students involved	>20 per site[5]/ year by 2026	
Responsible Supply Chain	Disclosure of the percentage of local expenditure for suppliers	% local supplier expenditure	Data Disclosure	71% spend on local suppliers
	Internal awareness campaign aimed at sustainable supply chain management	Internal communication event	2025	
	Sustainability assessment of suppliers • Supplier analysis platform upgrade • Development of the percentage of suppliers evaluated according to ESG criteria	% suppliers assessed (selected on the basis of expenditure)	>50% of suppliers[6] by 2030 >25% of suppliers7 by 2026	895 suppliers involved, 192 assessed 21% of suppliers
	Inclusion of ESG requirements in procurement processes, rewarding sustainable suppliers	Being defined	2026	
	Supplier Engagement • Engagement of higher-risk suppliers • Training for selected providers (e.g. SMEs) • Organization of audits for high-risk suppliers	% of high-risk suppliers engaged	100% by 2026	
		no. suppliers audited	2 in 2025 (*pilot*)	

[5] Defined as site which has more than 100 employees.
[6] Considering a base of suppliers that represent 80% of total spending.

	Initiatives	KPIs	Targets (Baseline 2022)	Actual 2024
Product Quality & Safety	Harmonization of the methodology for managing complaints and product recalls		By 2026	
	Group-wide customer satisfaction targets (Net Promoter Score)	Net Promoter Score	NPS across the Group by 2025	Ongoing
	ISO 9001 Certification (Quality Management)	Sites certified	100% of sites certified by 2025	100% sites certified
Governance Business Ethics	Human rights policy adoption	Policy Adoption	To be adopted in 2024	Policy Adopted
	Roll out a monitoring system on anti-corruption policy		Implementation by 2026	Ongoing
	Carry out ad-hoc deepening training sessions for each geography	% of white collars that completed the training	100% by 2026	Training carried out in Italy
	Adoption of regional guidelines for Export Control and economic activities	% countries/regions who have adopted the guidelines	100% by 2026	Linee guida implementate in EMEA
	Disclosure relativa alla normativa "Conflict Minerals"		2024	Released in the new ESG Supply Chain Policy
	Disclosure related to the "Critical Raw Materials" regulations		2026	Ongoing
	Executive manager compensation tied to ESG targets	% target MBO and PSP[8]	20% - CEO 10%+ Key Executives	20% CEO 10%+ Key Executives

[8] Performance Shares Plan.

Commitment to Sustainable Development Goals

Sustainability at De Nora informs the continuous development and expansion of its product portfolio in the electrode, water technology, and energy transition business segments.

The Group aims to provide new solutions that can contribute to the achievement of the targets provided for in the UN's 2030 Agenda. Specifically, with respect to the products offered, the organization has identified the following, from the 17 Sustainable Development Goals (SDGs), as the main ones to which it contributes: Affordable and clean energy (7); Climate Action (13); Sustainable cities and communities (11); Clean water and sanitation (6); Life below water (14); Industry, innovation and infrastructure (9). Moreover, through the social, environmental and governance initiatives that the company carries out within its business activities and along the value chain, De Nora is also committed to achieving other SDGs including: Gender equality (5), Decent work and economic growth (8), and Responsible consumption and production (12).

From 2024, the Group's commitment has become even more concrete through targets for R&D expenditure and revenues that positively contribute to the SDGs included in the strategic sustainability plan and shown in the table above. With regard to R&D expenditures, in 2024 research and development projects were classified according to their purpose and assigned to relevant UN targets. This ranking was done by evaluating the targets or KPIs achieved by various product development projects, assessing how well the new product reflects the application of the sustainability framework outlined in the Circular Design Guidelines, compared to a previous or benchmark product. Expenditure associated with projects not contributing to any SDGs was then isolated and deducted from the total expenditure to be allocated to individual projects. Analyses showed that 98% of expenditure on research and development projects contributes either to goal 13, aiming to reduce the carbon footprint and energy consumption of products, or to goals 8 and 12, as they are geared toward recyclability, reusability, or reduction of noble metal consumption. On the other hand, with regard to revenues, the SDG Indicators (SDG Indicators – SDG Indicators) were used as criteria for selecting product lines, services, or businesses that positively contribute to at least one of the goals. To ensure the greatest possible accuracy and transparency in the reporting of this data, only those products and services, projects and businesses for which it was possible to value the indicators defined by the United Nations with the Global Indicator framework applied to De Nora's activities were considered for 2024.

SDG Goal	UN Goal	UN Indicator	De Nora Indicator	De Nora indicator value 2024	Revenues/ Order intake 2024
Goal 6. Ensure availability and sustainable management of water and sanitation for all	6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all	6.1.1 Proportion of population using safely managed drinking water services	a) Volume of water treated and made drinkable b) Population with access to treated drinking water	a) 95,469,133 m^3/day b) 540,830,175 people	€52,750,842 order intake
	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	6.3.1 Proportion of domestic and industrial wastewater flows safely treated	Volume of wastewater treated through projects in the "municipal" sector	29,689,062 m^3/day	€19,541,294 order intake
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all / Goal 12. Ensure sustainable consumption and production patterns	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead / 12.2 By 2030, achieve the sustainable management and efficient use of natural resources	8.4.1/ 12.2.1 Material footprint, material footprint per capita, and material footprint per GDP	Square meters of reused electrodes	140,013 m^2	€128,817,441 revenues
Goal 13. Take urgent action to combat climate change and its impacts	13.2 Integrate climate change measures into national policies, strategies and planning	13.2.2 Total greenhouse gas emissions per year	CO_2 emissions avoided per year of use of Energy Transition products	1,118,000 tCO_2e/year	€105,175,132 revenues

Anything that was not measurable in the reporting year was excluded from the revenues calculation, even though the characteristics and purpose of the product or project itself could be traced back to one of the goals. The figures for goal 6 were defined based on the 2024 order intake of the Water Technologies division, therefore the contribution of these projects is not included in the revenues percentage. Water purification and wastewater treatment projects account for 9% of the Group's order intake. With these projects awarded in 2024, De Nora will enable its customers to produce up to 100,000,000 m^3/day of drinking water and treat up to 30,000,000 m^3/day of wastewater. For goals 8 and 12, recoating and remeshing activities (explained in detail in "E5-2 Actions and resources related to resource use and circular economy") were included, which enable the reuse of electrodes and make up 15% of total revenues, while for goal 13, revenues from the Energy Transition business unit are considered, which amount to 12%. The avoided CO_2 emissions associated with the latter goal were determined by assuming that De Nora products will operate with a 100% renewable mix and that the green hydrogen produced will replace gray hydrogen production (associated with about 10 kg CO_2eq of direct process emissions per kg H_2 produced). Emissions shown are for one year of systems operation.

Over the next two years, De Nora is committed to improve the monitoring of the indicators linked with each relevant goal in order to be able to meet the targets set in terms of calculating and disclosing the revenues percentage contributing to the SDGs. In the case of both R&D expenditure and revenues, any products/services or projects that contribute to more than one goal have been assigned to only objective so as not to incur double counting.

Beside are the percentages pertaining to R&D expenditure and revenues in 2024.

It should be noted that these metrics are not validated by an external entity other than the one issuing the compliance statement for this Consolidated Sustainability Report.

9%

Order intake

27%

Revenues

98%

R&D expenditure

Value chain description

De Nora operates through three business segments that target different end markets. Within the technology portfolio, many of the solutions offered are related to electrochemical processes. In particular, this applies to all activities in the Electrode Technologies and Energy Transition business segments and to the Pools and Electrochlorination business lines within the Water Technologies business segment. In addition to electrochemical technologies, Water Technologies offers other water disinfection technologies, such as ozone and UV, and filtration. The systems-related business model differs in terms of supply chain from that of electrodes.

De Nora operates primarily upstream in the electrochemical value chain of its destination markets, supplying critical components and technologies to its customers, who integrate them within various production or water treatment processes. The Company collaborates with a global network of suppliers, customers and business partners to promote innovation and sustainability throughout the value chain.

Upstream value chain (suppliers):

(i) Main suppliers: De Nora relies on a network of global and local suppliers for each of its three business areas to procure:

- Electrode Technologies and Energy Transition:
  - Raw materials such as metals, including noble metals, and chemicals. Metals, mainly nickel and titanium, and noble metals, such as iridium and ruthenium, are purchased from traders or, to a lesser extent, directly from mines. Nickel and titanium are sourced mainly from Japan and China. The main iridium and ruthenium mines are located in South Africa and Zimbabwe.
  - Mechanical manufacturing and production services.
  - Wood, cardboard, and other packaging materials mainly from local suppliers.
  - Logistics, transportation, and consulting services.
- Water Technologies:
  - Semi-finished products in steel, plastic, fiberglass, polypropylene, and polyethylene. These come mainly from the United Kingdom and the United States, following a "regional" approach to favor suppliers located in the same geographical areas as the plants.
  - Electronic components mainly from China.
  - Chemicals and other consumables.
  - Logistics, transportation, and consulting services.

(ii) Relations with suppliers: The company takes a collaborative approach based on transparency, ethics, and sustainability. A Code of Ethics for suppliers and an ESG assessment process ensure monitoring of business partners also linked to environmental and social standards. De Nora is committed to building long-lasting relationships with its suppliers, with the goal of creating engagement also on sustainability matters.

Downstream Value Chain (Customers and Distribution Channels):

(i) Main customers: De Nora's customers come from various industries, described earlier in this paragraph, and include:

- Engineering Procurement Construction (EPC) companies that supply complete plants to end-users;
- Original Equipment Manufacturers (OEMs) who use De Nora products in their production processes;
- End-users.

(ii) Distribution channels: De Nora markets its products through a direct and indirect sales network, which includes:

- Direct sales to industrial customers.
- Distributors and specialist dealers.
- Business partners and systems integrators.

(iii) End-users: The end-users for whom De Nora's products are intended differ according to different business segments and operate mainly in the following sectors:

Electrode Technologies

- Production of chemicals (chlor-alkali).
- Manufacture of lithium batteries, printed circuit boards and electronic equipment.
- Refining of nonferrous metals (nickel, cobalt).

Water Technologies

- Utilities and municipal water treatment companies (drinking and wastewater).
- Industrial customers clients in need of process water treatment in the energy, oil and gas.
- Pool disinfection.
- Energy Transition
- Green hydrogen production for hard-to-abate sectors (e.g., steel).
- Production of green hydrogen for the fertilizer industry (green ammonia).
- Sustainable mobility.

(iv) Customer relations: The Company builds long-term relationships based on trust, collaboration and innovation, offering technical support, after-sales service, and customized solutions.

The main geographic markets for the **Electrode Technologies** segment are **Asia**, with a special focus on **China**; the Americas, with a special emphasis on the **United States** and **Brazil**; and the EMEIA area (Europe, Middle East, and India).

For the Water Technologies (WST) segment, the main markets are the Middle East, North America, Asia (China), and Europe. In the Pools sector, the largest market is the United States, followed by Europe and Australia.

Finally, in the Energy Transition segment, current revenues come mainly from two key projects: one in the Middle East (Saudi Arabia) and one in Northern Europe (Sweden). There are also other smaller projects in Italy, Greece, Japan, China, and the United States.

Main features of De Nora's business model within the value chain:

(i) Innovation: De Nora invests significantly in research and development to create innovative technologies that meet market needs.

(ii) Quality: The company is committed to providing high-quality products and technologies that meet efficiency, reliability, and durability standards.

(iii) Sustainability: Sustainability principles are integrated throughout the value chain, from supplier selection to the design and management of production processes.

(iv) Circularity: De Nora promotes circular economy through electrode coating and remanufacturing as well as electrode leasing.

In conclusion, De Nora stands out for a business model that promotes innovation, quality, sustainability and circularity, creating value for all stakeholders, and contributing to the energy transition and responsible resource management.

SBM-2 Interests and views of stakeholders

Stakeholder engagement is a crucial element for the success and sustainability of business operations, as it enables understanding of expectations, mitigation of risks, and creation of shared value through transparent and constructive dialogue. The categories of stakeholders identified for the Group are listed below:

- Employees: include all full-time, part-time, temporary and seasonal workers who contribute with their skills, commitment, and dedication to the achievement of the Company's targets.
- Customers: include companies that purchase and use the products or services offered.
- Banks: include all financial institutions that provide banking and credit services to the Group.
- Investors and shareholders: include all individuals and entities with ownership interests in the Group.
- Suppliers: include all companies that provide goods and services necessary for De Nora's operations.
- Partners: include all organizations and individuals with whom the Group collaborates to achieve common targets.
- Local communities: include all individuals and groups living and operating in the areas where De Nora is present.
- Institutions and regulatory bodies: include all government authorities and organizations that establish and monitor regulations and laws.
- Industry associations: include all organizations representing the collective interests of companies operating in the same industry.
- Media: include all organizations and professionals involved in information and communication, such as newspapers, magazines, television, radio, and digital platforms.
- Competitors: include all companies and individuals operating in the same industry and offering similar products or services.
- Universities and research centers: include all academic and research institutions that collaborate with the organization in the development of knowledge and technology.

De Nora pays special attention in developing engagement activities of its stakeholders at multiple levels, taking care of investor relations, organizing targeted events, and promoting engagement activities, especially when updating the Double Materiality assessment. As described in "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities", this assessment is updated with the intention of responding in an increasingly adequate manner to the expectations of stakeholders whose needs and concerns could influence the evolution of De Nora's strategy and business model.

Investor Engagement Activities

Relationship and engagement activities with investors (shareholders and non-shareholders) and financial analysts play a key role for the Group, which is committed to maintaining continuous, transparent, proactive, and constructive communication with the entire financial community. Reporting and communication activities cover all major issues related to the Group, including the evolution of the business and competitive scenario, the development of financial results, strategy, and performance, and in general the various sustainability topics, as further specified later.

The Board of Directors has identified a person responsible for managing relations with shareholders – whether institutional or retail investors – and other relevant members of the financial community ("Investor Relator"). As at the date of this Consolidated Sustainability Reporting, the role of Group Investor Relator is assigned to Chiara Locati (Head of Investor Relations and ESG).

Policy for managing dialogue with shareholders and the financial community

De Nora maintains dialogue with investors that is based on the principles of fairness and transparency, in compliance with EU and national regulations on market abuse, and in line with international best practices. With this objective in mind, the Company is committed to disseminating comprehensive and timely disclosure, capable of effectively representing its business strategy and performance, with particular emphasis on the dynamics that ensure the creation of sustainable value over time. This commitment was formalized with the approval, in February 2022, of the Policy for Managing Dialogue with Shareholders and Other Relevant Stakeholders (e.g., financial analysts, institutional investors, rating agencies, and other financial interlocutors), aimed at regulating the traditional means engagement, as well as the dialogue between the Board of Directors and the Affected Parties on issues within the Board's purview (the "Engagement Policy"), in implementation of Art. 1, principle IV, and related recommendations, of the Corporate Governance Code for Listed Companies promoted by Borsa Italiana, to which the Company adheres, and in line with the engagement policies adopted by institutional investors, proxy advisors and active managers, and with international best practices.

Available to the public through the Company's website: www.denora.com in the Investor Relations sector, the Engagement Policy governs, inter alia, the methods of communication with shareholders, the topics of dialogue, the role of the Investor Relator and the involvement of other corporate bodies, as better detailed in the table below.

Communication methods	
Periodic Reporting	For example: annual financial report, sustainability report, periodic accounting reporting and reporting connected to the Shareholders' Meetings (notice calling the meeting, minutes and Directors' report, Q&A files relating to the items on the agenda for the Shareholders' Meetings)
Shareholders' Meetings	The shareholders' meeting is the decision-making collegial body of the Company and may be held on an ordinary or extraordinary basis depending on the matters to be decided upon and approved
Press Releases	Press releases are issued to the public through the regulated information dissemination system SDIR and the Company website
Website	All the information aimed at Shareholders and the Financial Community is promptly made available on the website www.denora.com, [Investor Relations] section and [Corporate Governance] section; the other sections of the website contain further detailed information that allows informed opinions to be developed regarding the Company and the group
Conference call / audio webcast	Following the dissemination of a press release relating to the economic-financial data for the period or to events connected to 'price sensitive' information, these calls may be accompanied by a presentation promptly published on the above-mentioned company website
Roadshows and Investor Conferences	Meetings with current and potential investors are usually accompanied by a presentation; the issues discussed relate to information previously disclosed to the market when the results or relevant Company events are published
Meetings upon request / Company visits	Meetings upon request ('Meetings upon Request') - also in accordance with the topic under discussion and according to the cases and subject to assessment by the Company - can be held using a one-way mechanism, i.e., with only the Investors expressing their ideas on specific issues, or using a two-way mechanism, i.e., with an effective exchange of information between the Investors and the Company, on a bilateral basis (i.e., in the presence of only one Investor) or on a collective basis (i.e., in the presence of a number of Investors). They are usually accompanied by a presentation; the issues discussed relate to information previously disclosed to the market when the results or relevant Company events are published. Company visits - also upon request - may also include a visit to the production and development departments of the company
Social Media Channels	To keep Shareholders constantly up-to-date on most recent Company-related news, De Nora is present on a number of social media channels managed by the Marketing Department
Contacts with specific company departments	Contacts with the Marketing Department, for the relations held with the media, and with the Legal Department, for the exercise of shareholders' specific rights and their attendance at shareholders' meetings

The Engagement Policy assigns to the Investor Relations Department the task of interacting with institutional investors, as well as with financial analysts and rating agencies, on an ongoing basis. In managing dialogue with shareholders and the financial community, the Company follows the principles of transparency, clarity, timeliness, equal treatment, and access to information and compliance, avoiding any form of unjustified selective information.

As required by the Engagement Policy, the Investor Relator prepares a comprehensive Report on a quarterly basis regarding the activities carried out during the reference period. This Report is sent to the Chief Executive Officer and, if requested, periodically sent to the Board of Directors. The report contains: an analysis of the share performance and its target market (market multiples, absolute and relative performance of prices and trading volumes) the number of meetings held and a description of the types of investors met, the issues addressed during the meetings, and any feedback received from investors, analysts, and brokers. The report also contains a description of the Engagement meetings conducted at the request of individual shareholders, detailing the issues the shareholders were exposed to and any messages they request be conveyed to the governing bodies. In the case of specific matters, such as, but not limited to, remuneration policy, through the Corporate Office, the Investor Relator promptly conveys information to the relevant board committee (e.g., the Appointments and Remuneration Committee).

Feedback gathered during interactions with investors is considered valuable by management and integrated into the Group's activities wherever possible. In particular, the definition and implementation of the Sustainability Plan by 2030 included, at various stages, some specific investor requests such as the disclosure, initiated during 2024, related to the contribution of De Nora's activities to the UN Global Sustainable Development Goals, as previously described.

Investor Relations Activities

In 2024, De Nora set up numerous contacts with the national and international financial community, carrying out intense and transparent investor relations activities through both in-person roadshows in the main European markets (London, Paris, Oslo, Stockholm, Milan, and Rodenbach) and virtual roadshows, reaching investors across Europe and in the USA, Canada, and Asia. De Nora took part in numerous topical conferences organized by leading international brokers, and held regular public conference calls following the release of quarterly results. Special visits were also organized at the R&D laboratories of the Milan headquarters and the production plant in Rodenbach, Germany, where an open house joint event was held in March 2024 with the joint venture thyssenkrupp nocera: Innovative Technologies for Industry Decarbonization.

In November, De Nora's first Sustainability Day was held at the Museum of Science and Technology in Milan, Italy, also aimed at the financial community as described in the previous section.

Finally, in December, De Nora was involved in the "CFA Italian Research Challenge 2024" sponsored by CFA Society Italy and hosted about 40 students from 10 Italian universities who will conduct a financial analysis on De Nora's share during the first quarter of 2025.

As at December 31, 2024, the De Nora share was covered by seven financial analysts belonging to prestigious national and international brokers. ESG investors account for about 44% of Institutional Investors (data source Shareholder Identification Analysis conducted by Nasdaq IR Insight®).

Financial community relations activities in 2024

44%

ESG institutional Investors in the Group's shareholding structure as of December 31, 2024. No. 236 Investors met (of which 50% were Socially Responsible)

15

International conferences/ roadshows, including 2 ESG focused

14

On site visits (Milan laboratory and Rodenbach Site)

7

ESG Engagement Meetings requested by shareholders

58

Reverse Inquires / one to one meetings

1

Joint Event with thyssenkrupp nucera at the manufacturing plant in Rodebach

1

Sustainability Day

Sustainability Day 2024

On November 26, 2024, De Nora held its first Sustainability Day: "Value creation and generation of positive impacts along the value chain." The event was held for the purpose of engagement and communication with the main categories of stakeholders, based on sharing the ESG Strategy and Sustainability Plan by 2030. The event was made accessible both in-person, at the Museum of Science and Technology in Milan, and remotely (web-streaming) in Italian and English.

During the event, the Company explained to the main key stakeholder categories the sustainability path undertaken through the new ESG Plan to 2030 by providing details on the sustainability strategy, key 2030 targets, and illustrating the first qualitative initiatives completed during 2024. The contents were illustrated by the CEO, CFO and several company representatives from the IR & ESG function, as well as the R&D, Innovation, People, Organization, Social Communication & Happiness (P.Or.SC.H..), Global Procurement, Energy Transition, and Hydrogen and Water Technologies functions, demonstrating the full integration of ESG activities within the Group's business and operating model.

In fact, two proprietary technology solutions aimed at environmental sustainability aspects were also presented at the event: the Dragonfly® small-scale (1 to 7.5 MW) electrolyzer dedicated to the production of green hydrogen; and the Cechlo™ system, dedicated to the disinfection of water for both drinking and industrial use, presenting the flagship project related to the production of drinking water for the city of Hong Kong.

The event was attended by more than 250 participants (both in person and remotely): customers, suppliers, local representatives, partners, representatives of the financial community such as investors, analysts, and banking institutions, and of course employees, who attended from the Group's various domestic and international offices. The event was later made available both on the Society's website (www.denora.com) and on the company intranet in order to reach additional stakeholders at later times.

Finally, as also described in the section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities", an understanding of the interests and opinions of key stakeholders was achieved through a series of interviews and analyses. This process identified impacts, risks, and opportunities material to De Nora. Both internal and external stakeholders were involved. Regarding external stakeholders, a short questionnaire was shared with the aim of gathering feedback on the prioritization of impacts. The objective was to validate the assessment of impacts. Stakeholder responses were collected and integrated into the assessment, resulting in a final list of material impacts. In addition, the company considered the various stages of the value chain: the upstream section with the supply of raw materials and services, its own operations, from research and development, to production, sales, installation, and after-sales services, up to the downstream section with the use of the products sold.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Material impacts, risks and opportunities and their interaction with strategy and business model

In the context of the Group's sustainability, the Double Materiality assessment represents a key approach to assessing and understanding the impact of its activities. This method not only considers the effects of the company's operations, through its Own Operations or value chain, on the environment and society (**Impact Materiality**) but it also examines how environmental, social, and governance (ESG) factors affect the financial performance and resilience of the company itself (**Financial Materiality**). In 2024, the Double Materiality assessment provided a comprehensive and integrated view of impacts, risks and opportunities, offering a more comprehensive view by broadening the analysis horizon to the entire value chain (upstream and downstream) and introducing the Financial Materiality assessment.

Regarding the current and expected effects of material impacts, risks, and opportunities on its business model and strategy, the Double Materiality assessment conducted in 2024 allowed to identify and assess the main ESG factors that may affect the Group both in terms of impacts generated and financial risks and opportunities.

To date, the current effects of the identified impacts, risks, and opportunities have not resulted in immediate structural changes in the business model or corporate strategy, although they have helped to strengthen the integration of ESG criteria into decision-making processes. In particular, the assessment led to a deepening of the value chain monitoring, the adoption of more advanced metrics for sustainability management, and an increased focus on operational resilience issues.

However, the expected effects of some risks and opportunities – such as evolving environmental regulations, stakeholder expectations regarding the circular economy, energy transition, and biodiversity, as well as potential financial impacts of climate change – may require future adjustment of the business model or strategy. Should such conditions materialize, the Group will take appropriate strategic decisions and measures to ensure long-term competitiveness and sustainability in line with its commitment to responsible value creation.

The Group believes that the current financial effects of identified material risks and opportunities do not pose a significant risk of immediate adverse impacts on its financial position, performance, or cash flows. The assessment conducted in 2024 showed that while there are ESG factors with potential economic and financial impacts, the current impacts are contained and manageable through the strategies and mitigation measures already in place. In particular, continuous monitoring of risk indicators and market dynamics enables the Group to anticipate any critical issues and maintain a resilient financial structure.

The information on the expected financial effects of risks and opportunities will be provided exclusively on a qualitative level, as the requests considered by this datapoint are subject to a transition period ("phase in" under ESRS 1, Appendix C) for the current reporting year. Therefore, no further quantitative in-depth analyses related to financial resilience assessments were conducted in this first year of the Double Materiality assessment. However, the Group's business model and organizational structure are designed to effectively manage significant impacts, risks and opportunities, ensuring a dynamic and adaptive approach to changes in the regulatory and market environment. Continued strengthening of sustainability strategies and increasing integration of ESG factors into decision-making processes are key elements for the long-term resilience of the Group.

In 2024, the risk analysis allowed a more detailed examination of the issues related to climate change and water resource management, highlighting specific aspects such as operational risks deriving from extreme weather events and those associated with water scarcity along the entire value chain (upstream and downstream). At the same time, the assessment delved into **strategic opportunities** arising from the positive impacts generated by De Nora's solutions, including increased access to drinking water through water sanitation products and services and the role of **green hydrogen** production in supporting the energy transition down the value chain.

From the perspective of **impact materiality**, the shift from GRI to ESRS standards introduced a methodological change in the logic of defining impacts, with a more structured approach based on materiality and severity criteria. For a more in-depth discussion of the identified impacts, risks, and opportunities, see "[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities".

All material impacts, risks, and opportunities are covered by the new ESRS reporting standards. **The Company has not identified any material topics that are not already covered by ESRS**, confirming the adequacy of the framework in reflecting the most significant aspects for its business and stakeholders.

The following are the identified impacts, risks, and opportunities (IROs). Their description is given in "Appendix 1 - Material impacts, risks and opportunities and their interaction with strategy and business model."

ESRS Topic	IRO		Upstream	Direct	Downstream	Time horizon
E1 Climate change	Negative	Negative impacts caused by climate change due to greenhouse gas emissions	✓	✓	✓	Medium-long
	Positive	Positive impact on climate change derived from the sale of products and services which enable other industrial sectors to reduce their own emission footprint and foster circular economy		✓	✓	Medium-long
	Risk	Operational and compliance risks arising from evolution in the regulation concerning climate change	✓	✓		Medium-long
	Risk	Operational risks due to physical damage caused by extreme weather events that may impact assets owned by the Group		✓		Medium-long
	Opportunity	Strategic opportunities arising from green hydrogen production enabling downstream energy transition		✓	✓	Medium-long
	Risk	Operational risk caused by the price volatility of fossil fuels sources for energy		✓	✓	Medium-long
	Opportunity	Opportunity related to reduced energy-related costs		✓	✓	Medium-long
E2 Pollution	Negative	Deterioration of air quality due to emission of pollutants	✓	✓		Medium-long
	Negative	Potential negative impacts on biodiversity and ecosystems arising from mining activities	✓			Medium-long
	Negative	Potential negative impacts from pollution of water resource due to improper management and spillage of hazardous substances into the environment	✓		✓	Medium-long
	Risk	Risk related to non-compliance with laws regulation air pollution and the Group's need to comply with new regulations	✓	✓		Medium-long
E3 Water and marine resources	Negative	Negative impacts arising from the depletion of water availability, particularly in water-stressed areas, due to heavy water use at mining and product use stages	✓	✓	✓	Medium-long
	Positive	Positive impact on water quality derived from the sale of products and services which enable other industrial sectors, as well as municipalities, to reduce their negative impacts on the environment		✓	✓	Medium-long
	Positive	Positive impacts represented by increased access to drinking water through water sanitation products and services		✓	✓	Medium-long
	Negative	Potential negative impacts from pollution of water resource due to improper management and spillage of hazardous substances into the environment	✓		✓	Medium-long
	Risk	Operational risks due to possible interruption of suppliers' activities due to changes in the water regulation or due to the raw materials price increase caused by water scarcity	✓			Medium-long
	Opportunity	Strategic opportunities arising from the evolution of stricter regulations on water quality		✓		Short
	Opportunity	Strategic opportunities arising from the growing scarcity of water in different geographical regions			✓	Short
	Risk	Strategic risks due to reduced water availability for electrolysis processes of De Nora's client companies			✓	Medium-long
E4 Biodiversity and ecosystems	Risk	Operational risks related to possible interruption of suppliers' activities due to possible changes in the raw materials prices increase caused by changes in the regulation	✓			Medium-long
	Negative	Potential negative impacts on biodiversity and ecosystems arising from mining activities	✓			Medium-long

Risk/opportunity
- Risk
- Opportunity

Impact
- Negative
- Positive

Time horizon
- Short
- Medium-long

Value chain

ESRS Topic	IRO		Upstream	Direct	Downstream	Time horizon
E5 Circular economy	Negative	Potential negative impacts from pollution of soil, water and air due to incorrect waste disposal practices	■	■	■	Medium-long
	Risk	Operational risks due to the unavailability of raw materials due to their overexploitation (particularly noble metals)	■			Medium-long
S1 Own workforce	Negative	Potential damage to workers' health and safety due to the failures in overseeing safety principles	■	■		Short
	Negative	Potential damage to employees due to non-inclusive practices and failure to ensure equal opportunities	■	■	■	Short
	Negative	Potential negative impacts on employees' human and labour rights due to lack of protection of workers' collective bargaining and association rights	■	■	■	Short
	Risk	Operational and non-compliance risks associated with failure to protect the health and safety of its workers		■		Short
	Risk	Operational and reputational risks due to non-compliance with equal opportunity and diversity safeguards		■		Short
S2 Workers in the value chain	Negative	Potential damage to workers' health and safety due to the failures in overseeing safety principles	■	■		Short
	Negative	Potential damage to employees due to non-inclusive practices and failure to ensure equal opportunities	■	■	■	Short
	Negative	Potential negative impacts on employees' human and labour rights due to lack of protection of workers' collective bargaining and association rights	■	■	■	Short
	Risk	Economic and reputational risks arising from possible damage to the health and safety of both client's employees and final consumers due to non-compliance of products or services offered by De Nora to quality standards			■	Short
	Risk	Operational and reputational risks due to non-compliance with equal opportunity and diversity safeguards		■		Short
	Risk	Operational risks associated with suppliers' failure to protect the health and safety and human rights of their workers	■			Short
	Risk	Operational risks associated with suppliers' failure to protect workers' human and labour rights	■			Medium-long
S4 Consumers and end-users	Negative	Potential damage to health and safety of both client's employees and final consumers due to poor products' quality standards			■	Short
	Negative	Potential privacy harms for workers and business partners resulting from inadequate data protection practices		■	■	Short
	Risk	Economic and reputational risks arising from possible damage to the health and safety of both client's employees and final consumers due to non-compliance of products or services offered by De Nora to quality standards			■	Short
	Risk	Operational and reputational risks due to non-compliance with equal opportunity and diversity safeguards		■		Short
G1 Business Conduct	Risk	Reputational and non-compliance risks associated with the occurrence of corruption or unfair business practices		■		Short

Risk/opportunity
- Risk
- Opportunity

Impact
- Negative
- Positive

Time horizon
- Short
- Medium-long

Value chain

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

In order to define the relevant (or material) sustainability topics, the Group conducted a Double Materiality assessment as required by ESRS standards. ESRS 1 states that a sustainability matter may be relevant (or material) from one or both of the following perspectives:

- Impact materiality: when it concerns the Company's negative or positive, actual or potential, material impacts on people or the environment in the short, medium or long term.
- Financial materiality: when it is reasonable to assume that the omission, misstatement, or concealment of such information could influence the decisions that such users make on the basis of the Company's sustainability statement, if financial effects for the Company, either negative (risks) or positive (opportunities), caused by the activities carried out by the Group or those carried out along its value chain.

The Double Materiality approach broadens the Impact materiality prospective to include not only the impact, actual and potential, of De Nora through its Own Operations on the external environment, but also the impacts to which De Nora contributes through its own upstream and downstream value chain, as well as external factors that influence, or could influence, the same Group from an economic and financial perspective. This integrated approach considers both the risks and opportunities that environmental, social, and governance issues represent or could represent for the organization, and the impacts of the organization and its value chain on these same factors. In this way, it provides a more comprehensive and strategic view of corporate sustainability. The Double Materiality assessment will be reviewed every two years.

The Double Materiality process was divided into three main stages:

1. Understanding the context and defining the value chain (VC):

   In this first phase, the context in which the Group operates was analyzed, with the aim of clearly defining its value chain. This included identifying key players, suppliers and customers along the different stages of the production and distribution cycle. To support this analysis, a comparative document analysis was conducted, examining documents from peer and competitor companies, as well as industry standards such as SASB, MSCI, and S&P Global, to identify the most relevant material impacts for the industry. Pertinent legislation, such as the Task Force on Climate-related Financial Disclosures (TCFD), and internal documentation, including the Code of Ethics, the Sustainability Plan for 2026 and 2030, and company policies were also considered. To further enrich the process, interviews were conducted with the heads of the various business functions, who provided a detailed overview of the activities of each business unit, focusing on production, raw materials, supply chain, environmental aspects, and research and development.

2. Identification of material impacts, risks, and opportunities:

   Next, material impacts, risks and opportunities were identified, considering the direct and indirect implications of own operations, as well as those arising from the upstream and downstream value chain. This phase involved a comprehensive mapping exercise that outlined critical issues, while also taking into consideration future changes, such as emerging regulations and market trends.

3. Assessment of impacts, risks, and opportunities:

   Finally, an in-depth assessment of the identified IROs was conducted, with a focus on their economic and financial materiality to the Group and their impact on the external environment, including risks related to climate change and natural resources. The assessment also covered a review of corporate policies, sustainability plans, and relevant regulations.

Among those involved during this process are the heads of functions such as:

- CTO (Chief Technology Officer)
- Global Procurement Project Engineer
- Global Procurement Project Manager
- CPO (Chief Procurement Officer)
- Innovation Manager
- WIT (Water Italy) Global Product Director
- Director of Consolidation, Reporting & Accounting
- Internal Audit Director
- ICT Cyber Security and Operations Director
- Key Account Director
- DNIT Sales and Import-Export Director
- CEO (Chief Executive Officer)
- CFO (Chief Financial Officer)
- Chief Officer P.Or.SC.H.
- Chief MBD (Market Business Development)
- Chief Regional Officer (North America)
- DNWT Chief Officer
- CLO (Chief Legal Officer)
- COO (Chief Operating Officer)
- Chief Regional Officer (South America)
- Chief Regional Officer (EMEIA - Europe, Middle East, India, Africa).

Finally, meetings with the Group's top management were conducted to validate the results obtained. Members of top management involved include:

- CEO (Chief Executive Officer)
- CFO (Chief Financial Officer)
- Chief Officer P.Or.SC.H.
- Chief MBD (Market Business Development)
- Chief Regional Officer (North America)
- DNWT Chief Officer
- CLO (Chief Legal Officer)
- COO (Chief Operating Officer)
- Chief Regional Officer (South America)
- Chief Regional Officer (EMEIA - Europe, Middle East, India, Africa).

These interviews allowed us to gather crucial information to understand the internal dynamics of the Group and identify the main impacts, risks and opportunities related to sustainability. The meeting with top management also ensured the validation of results, ensuring that the identified strategies are aligned with corporate targets and sustainability priorities.

In fact, the information gathered during the interviews and the document-based analysis identified the material impacts for De Nora. The materiality of an impact is determined by three criteria:

(i) Entities (1-5): It assesses how severe the impact is and the external context in which it occurs, including the geographical context.

(ii) Scope (1-5): It measures how widespread the impact is and to what extent it can be measured in terms of impact on the value chain.

(iii) Irreparable nature of impact (1-5): It consider how difficult it is to repair the damage generated by the impact, as far as negative impacts are concerned.

In the case of a potential negative impact on human rights, the severity of the impact outweighs its likelihood. Likelihood refers to the chance of the impact occurring.

Specific activities, business relationships, geographical areas or other factors that carry a higher likelihood of generating negative impacts were considered in the process:

(i) Mining and production activities: Intensive water use in mining and production activities can deplete water resources, particularly in water-stressed areas. This can compromise access to drinking water for local communities and negatively affect aquatic ecosystems. De Nora carefully evaluates the impact of its operations in water scarcity regions and takes measures to reduce water consumption and improve efficiency.

(ii) Waste Management: Inefficient waste management can lead to soil and water contamination, harming biodiversity and natural habitats. De Nora focuses on responsible management of hazardous and non-hazardous waste, promoting practices such as reuse, recycling, and proper waste disposal. This is especially relevant in industrial areas where pollution can have a significant impact on the environment.

(iii) Supply Chain: De Nora assesses the risks associated with the supply chain, particularly with regard to the extraction of raw materials such as noble metals. Mining activities can pose high environmental risks, such as soil erosion and loss of fertility. De Nora works with suppliers to ensure that extraction practices are sustainable and comply with environmental regulations.

(iv) Local Regulation: De Nora takes into account local regulations and environmental laws in the regions where it operates. For example, the introduction of stricter water quality regulations can be both a risk and an opportunity. De Nora adapts to these regulations to reduce the environmental impact of its operations and seize business opportunities related to providing water treatment technologies.

(v) Strategic Collaborations: De Nora collaborates with strategic partners and external stakeholders to gather feedback and improve its sustainability practices. For example, a questionnaire was shared with technical experts and representatives of organizations to gather their feedback on impact prioritization. This involvement helps De Nora identify and address specific risks related to business relationships and operational activities.

Each impact is then assigned an overall severity score between 1 (least severe impact) and 15 (most severe impact). Each impact is assigned a likelihood between 0 (least likely impact) and 1 (most likely impact). The materiality threshold is set at a materiality score above 6. Materiality refers to the effect the impact may have on the environment and society.

Starting from the assessment of impacts, and considering dependencies on natural and social resources along the entire value chain, material risks, and opportunities were identified. The process of determining the materiality of these risks and opportunities was conducted according to a methodology based on an assessment that takes into consideration both the likelihood of occurrence and the magnitude of risks and opportunities.

Where possible, a quantitative approach was adopted in the assessment, using specific parameters to estimate the economic and financial impact of risks and opportunities, and to calculate the likelihood and magnitude of events. However, because many of the risks identified are qualitative in nature, the assessment also used qualitative analysis, considering the types of risks and the specific characteristics of each factor. In particular, risks and opportunities were classified according to their nature (environmental, social, economic, governance) and interconnectedness with the value chain, while taking into consideration the uncertainties associated with long-term forecasts.

To complete the assessment of impacts, a short questionnaire was shared with key external stakeholders, including technical experts, investor representatives and a strategic supplier representative. Stakeholder responses were collected and included in feedback gathered through internal stakeholders, resulting in a final list of relevant impacts. Finally, the results of the two assessments – Impact Materiality and Financial Materiality – were aggregated: impacts, risks, and opportunities were traced back to material sustainability topics. Preliminary results of the IROs prioritization were presented to De Nora management in an onsite session to gather further input on the significance of the identified impacts.

As made explicit in the previous paragraphs, the 2024 Double Materiality assessment involved the Internal Audit function and the Internal Auditor & Risk Management Director (position established during the year), but there is currently no integrated system for the overall assessment and management of the company's risks. With a view to continuous process improvement, De Nora is committed to continuing this type of activity in the coming years.

The internal control activities implemented for the reporting exercise with respect to metrics associated with material impacts and risks have been described in "GOV-5 Risk management and internal controls over sustainability reporting".

IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statements

The Group has differentiated its impacts, risks, and opportunities into three materiality thresholds: low, medium, and high. The materiality (medium or high) of material impacts, risks and opportunities is detailed in "Appendix 1 - Material impacts, risks and opportunities and their interaction with strategy and business model".

Instead, Disclosure Requirements listed in the following table were deemed as material.

ESRS	Relevant topic	pg.
E1 - Climate change	Climate change adaptation	111-134
	Climate change mitigation	111-134
	Energy	129
E2 - Pollution	Pollution of air and water	135-137
E3 - Water and marine resources	Water	138-141
E4 - Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	141-143
	Impacts on the extent and condition of ecosystems	141-143
E5 - Resource use and circular economy	Waste	143-148
S1 - Own workforce	Working conditions	149-159; 160-161; 163-165
	Equal treatment and opportunities for all	155; 159-160; 161-163; 165-167
S2 - Workers in the value chain	Working conditions	167-171
	Equal treatment and opportunities for all	167-171
S4 - Consumers and end-users	Working conditions	172-176
	Equal treatment and opportunities for all	172-176
	Information-related impacts for consumers and/or end-users	172-176
G1 - Business Conduct	Corruption and bribery	177-180

ENVIRONMENTAL INFORMATION

ESRS E1 Climate change

GOV-3 Integration of sustainability-related performance in incentive schemes

As already anticipated in the Chapter "ESRS 2 - General Disclosures," De Nora has integrated sustainability goals into the remuneration system, aligning top management remuneration with the sustainability strategy pursued by the Group. Specifically, it adopted a short-term incentive plan called Executive MBO (EMBO), applicable to the Chief Executive Officer and Key Executives. ESG targets have a weight of 20% for the CEO and between 10% and 20% for Key Executives. In 2024, the ESG target also included an environmental component, with a weight of 5%, related to the percentage of renewable energy produced or purchased out of the total energy used and, therefore, the reduction of emissions.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

De Nora does not currently have a resilience plan with reference to climate change, but is implementing the initiatives defined within the Sustainability Plan to achieve emission reduction targets validated by Science Based Target Initiatives and in line with the Paris Agreement. However, the Group has carried out an analysis of climate change risks, which is discussed in more detail in the following section.

IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The process of identifying and evaluating climate change-related IROs was conducted by De Nora through a Double Materiality assessment. This process was carried out during 2024 and is described within the section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" in the chapter "ESRS 2 - General Disclosures".

To date, other than what is described in section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" in chapter "ESRS 2 - General Disclosures," there are no specific processes for assessing IROs associated with GHG emissions in De Nora's operations and along its value chain.

De Nora identified material IROs related to climate change.

ESRS Topic	IRO		Time horizon
E1 Climate change	Negative impact	Negative impacts caused by climate change due to greenhouse gas emissions	
	Positive impact	Positive impact on climate change derived from the sale of products and services which enable other industrial sectors to reduce their own emission footprint and foster circular economy	
	Risk	Operational and compliance risks arising from evolution in the regulation concerning climate change	
	Risk	Operational risks due to physical damage caused by extreme weather events that may impact assets owned by the Group	
	Opportunity	Strategic opportunities arising from green hydrogen production enabling downstream energy transition	
	Risk	Operational risk caused by the price volatility of fossil fuels sources for energy	
	Opportunity	Opportunity related to reduced energy-related costs	

The impacts identified are both positive and negative, specifically:

- Negative impacts caused by climate change due to greenhouse gas emissions;
- Positive impact on climate change from selling products and services that enable other industries to reduce their emissions footprint and promote the circular.

In addition, two material risks related to climate change have been identified, which can be divided into physical risks and transition risks.

Physical risks:

- Operational risks due to physical damage caused by extreme weather events that may affect Group-owned assets

Transition risks:

- Operational and compliance risks arising from evolving climate change regulations.

Moreover, a significant opportunity arises from the positive impact.

- A strategic opportunity arising from green hydrogen production enabling downstream energy transition along the value chain.

For more in-depth information, see section SBM - 3 Description of the process to identify and assess material impacts, risks and opportunities in Chapter "ESRS 2 - General Disclosures".

Climate risk analysis

In accordance with the recommendations of the Task Force on Climate-related Financial Disclosure, climate change risks are classified into two macro-categories: risks related to the transition to a lower-carbon economy and risks related to the physical impacts of climate change.

Transition risks are classified into:

- Current Regulation Risk
- Emerging Regulation Risk
- Legal Risk
- Technology Risk
- Market Risk
- Reputation Risk.

Physical risks from climate change are divided into acute risks, extreme weather events such as hurricanes, floods, and wildfires, which can cause extensive physical damage and financial losses to businesses and communities, and chronic risks, which are associated with long-term impacts related to climate change, such as sea level rise, increased frequency and severity of extreme weather events, and changes in precipitation patterns.

The analysis of acute and chronic physical risks was carried out with reference to the climate scenarios published by the International Panel on Climate Change (IPCC), the "Concentration Pathways (RCPs)". Below are the four main scenarios, each representative of different effects of climate change by 2100, considered in the analyses given in the following sections:

- RCP2.6: This scenario assumes significant mitigation efforts aligned with the Paris Agreement, with the goal of keeping global warming below 2°C. The frequency and intensity of extreme climate events are significantly reduced, while sea level rise is low but still significant.
- RCP4.5: This scenario assumes moderate mitigation efforts. Temperature is expected to rise by 2.5-3°C, and heat waves, storms and precipitation will be more frequent and intense. Sea level rise is more pronounced, with significant impacts on coastal areas.
- RCP6.0: This scenario assumes less aggressive mitigation measures. Temperature is expected to rise by 3-3.5°C and a significant rise in sea levels is expected.
- RCP8.5: "Business-as-usual" scenario, assumes no significant change in emissions policies takes place. Temperature is expected to rise by 4-5°C, and extreme weather events will occur more frequently and with greater intensity. The rise in sea levels is very high, with frequent flooding and damage to coastal infrastructure.

In line with the targets set out in the Sustainability Plan, De Nora Group has adopted a strategic and integrated approach to assessing and managing risks associated with climate change and environmental, social and governance aspects, recognizing the growing importance of these issues for the Organization and its stakeholders.

The assessment of climate change risks first focused, through a special internal survey ("Survey"), on the adequacy of processes for managing such risks by the Group's companies. The activity made it possible to assess the adequacy of the mitigation plans adopted by the companies and to develop additional risk management and mitigation programs where necessary.

The analysis of these risks has also made it possible to define the materiality of the impacts generated and suffered by the Group from a Double Materiality perspective, while at the same time identifying possible opportunities arising from climate change, promoting proactive and timely management over a medium/long-term time horizon.

The management of these risks is included in the current operational risk management processes in place in the various business units at the individual company level.

Assessment of physical risks from climate change

With reference to the individual risk categories, the survey conducted also aimed to identify in detail the actual exposure of the Group's assets to physical risks from climate change. Therefore, materiality was assessed in relation to the future climate scenarios developed by IPCC and described above.

The most significant acute physical risks for most production sites were found to be related to rainfall intensity. In detail, it was found that in China and Singapore this risk is material even in the most optimistic alignment scenario with the Paris Agreements (RCP2.6). In addition, the risks associated with floods and droughts are particularly material in this geographical area.

In the United States (Sugar Land and Colmar offices) and Japan (Fujisawa and Okayama offices) there was concern in relation to adverse events such as floods, cyclones and hurricanes, tornadoes, storms and heat waves. In general, with the exception of floods – which are considered material even in a moderate mitigation scenario (RCP4.5) – these risks are associated with scenarios with less aggressive or "business-as-usual" climate policies (RCP6.0 - RCP8.5).

As found for acute physical risks, chronic risks are also perceived differently within the different geographical areas in which the Group operates. In US offices, for example, water scarcity is a material issue even under the most optimistic assumption of alignment with the Paris Accords by 2100. Also considered material in the climate scenario described by RCP4.5 are risks from heat stress and, specifically for the Sugar Land site, sea level rise.

In Brazil it is assessed to be exposed to risks such as changing temperatures, heat stress, water scarcity, and soil erosion even under a strong climate change mitigation scenario. At the offices in China and Singapore, there was an overall concern in relation to a variety of chronic risks (mainly related to rising temperatures and precipitation patterns) even under optimistic climate scenarios such as RCP2.6 and RCP4.5, while in Japan, the materiality under poor mitigation scenarios of events such as water scarcity and sea level rise also emerged.

Overall, the Group's companies identified the main potential effects of adverse physical events in:

- reduction in turnover;
- increased operating and investment costs;
- decrease in the value and useful life of owned assets.

The evidence gathered will be critically important in the development and strengthening of locally based Adaptation Plans in response to the most significant acute and chronic physical risks, both with respect to existing sites and activities and those under design and construction.

Assessment of the Transition risks to a lower-carbon economy

The Survey conducted found that any tightening of regulations related to emission reduction is commonly perceived as an opportunity for De Nora's business in view of its commitment to innovation, which aims to sustainable growth in clean energy and water treatment. In fact, De Nora technologies are recognized as solutions that facilitate transition processes in many industrial applications.

Although technological risks are present, they are also generally considered irrelevant as the transition process that is underway in the various reference markets and sectors entails a greater customer focus on low-impact technological solutions. Products must therefore be improved and aligned with new political, legal, technological, and market contexts to address climate change mitigation and adaptation requirements. Through the efforts of its R&D department, De Nora is proactively responding to the challenges posed by technological advances and the transition to a lower-carbon economy. In fact, De Nora's Research and Development is focused on the creation of new electrode components and the engineering of cells and systems for all industrial electrochemical applications, targeting both mature markets to offer increasingly more up-to-date, efficient, competitive, and sustainable products and new markets as enabling factors.

For the same reasons, the risks of litigation and legal action against the Organization are not perceived as significant overall.

Market risk is linked to potential financial losses or lower returns due to changes in market prices or to conditions determined by climate change or climate policies. This risk is also recognized in De Nora, mainly in relation to rising commodity prices and changing consumer habits. However, it is considered insignificant overall given the Group's strategic positioning and ongoing commitment to product improvement.

Climate-related reputational risk refers to the risk of damage to the reputation of an Organization caused by the external negative perception of its contribution to the transition to a low-carbon economy.

For De Nora, reputational risk is mainly linked to the scenario of non-implementation of the Sustainability Plan by the Company. Also in this case, given the scope of the targets defined by the Sustainability Plan to 2026 and to 2030 and considering the commitment made by the Company to achieve them, the risk is considered irrelevant.

Risk Assessment

In addition, to corroborate the findings of the Climate Change Risk Survey, it was conducted an independent of the exposure to physical risks from climate change. This analysis was carried out with the help of a third-party, independent and internationally recognized platform that enables accurate climate risk assessment to be carried out on the basis of statistical models capable of analyzing climate evolution over the defined time horizon.

The assessment was conducted based on three climate scenarios described above:

- RCP8.5 o Business as usual,
- RCP4.5 o Emissions peak in 2040,
- RCP2.6 o Paris-aligned.

Risk Assessment Outcomes

The analysis carried out showed that, under the assumption of a Business as Usual (RCP8.5) scenario in the short, medium and long term, the main critical issue common to most of the Group's assets appears to be the risk of heavy rainfall.

The plants with the highest combined exposure to physical risks from climate change by 2030 were found to be those in the United States (Texas and Ohio), India, China, and Japan (Fujisawa).

A brief elaboration is provided below for the facilities with the highest combined exposure to physical risks from climate change by 2030.

- Goa - India

  The production site located in India is particularly exposed to drought risk. In addition, a material risk of heavy rainfall is inferred.

- Fujisawa - Japan

  The Fujisawa plant in Japan has historically been exposed to high winds, despite the fact that wind speeds are expected to decrease by about 0.53 m/s on average by 2030. The risk of heavy rainfall is also significant.

- Texas - USA

  In the Sugar Land area of (USA), the materiality of risks associated with high winds and heat stress was identified.

- Ohio - USA

  For the Mentor plant, the current and future risk exposure analysis shows a high level of "Wind Risk", with a rating above average but entirely consistent with the past.

  For all other climate events, the risk rating is minimal or low. Furthermore, these conclusions are valid for all three scenarios and time horizons considered.

- Suzhou - China

  In the Suzhou (China) plant, the current and future risk exposure analysis shows a high level of risk associated with heavy rainfall. The highest exposure is expected for "Precipitation Risk" and "Heat Stress." With reference to "Precipitation Risk", as the tolerance threshold is reached, specific adaptation measures will be required.

In 2024 all production facilities prepared Environmental Emergency Plans that define the actions to be taken should the adverse event occur, in order to protect the health of workers and minimize damage to assets and equipment.

2024 Taxonomy

As part of the Action Plan on Sustainable Finance published in 2018 and aimed at creating a set of rules around sustainable finance to redirect capital flows toward a more sustainable development model, in 2020 the European Commission established the European Taxonomy, which is a unique Europe-wide classification system that establishes a list of environmentally sustainable economic activities. This ranking tool is intended to support the European Union in increasing sustainable investments in the achievement of the EU's environmental targets: 1. Climate change mitigation (CCM), 2. Climate Change Adaptation (CCA), 3. Sustainable use and protection of water and marine resources WTR, 4. Transition to a circular economy CE, 5. Pollution prevention and control PCC, 6. Protection and restoration of biodiversity and ecosystems BIO. According to this classification system, an economic activity can be considered environmentally sustainable if:

- contributes significantly to the achievement of at least one of the six environmental targets;
- does not cause significant harm to any of the remaining environmental targets (Do Not Significant Harm - DNSH); and
- is carried out in compliance with the minimum safeguards (based on international guidelines aimed at protecting human and labor rights or if they do not comply with the minimum standards for responsible business conduct).

The regulatory framework related to the taxonomy is structured through the following set of rules:

— EU Regulation 852/2020, establishing the Taxonomy for environmentally sustainable activities;

— EU Delegated Regulation 2021/2139, which defines the list of activities and criteria related to the first two climate targets (or "Climate Delegated Act"). This Delegated Regulation was amended in 2022 (Delegated Regulation 2022/1214, or "Complementary Delegated Act") and later in 2023 (Delegated Regulation 2023/2485);

— EU Delegated Regulation 2022/2178, which specifies disclosure requirements (or "Disclosures Delegated Act"); and

— EU Delegated Regulation 2023/2486, which defines the list of activities and criteria for the remaining four environmental targets.

Taxonomy analysis process

Based on the requirements of the Regulations, a multi-step process has been implemented that establishes the methods and obligations for disclosing taxonomy information. This process made it possible to verify the applicability of the taxonomy to the Group, taking into account all consolidated companies and their activities. This process led to the identification of nine eligible economic activities, four of which were carried out directly by the Group and five of which resulted from investments aimed primarily at energy efficiency of its assets. Of these nine activities, four were found to be aligned following the assessment of compliance with:

— the substantial contribution criteria described in the delegated acts that ascertain whether the activities under consideration make a substantial contribution to the achievement of one of the six climate and environmental targets;

— "DNSH" criteria, which ascertain whether the activities under consideration cause material harm to any of the other environmental targets; and

— minimum safeguards.

Eligibility Analysis

The eligibility analysis considered all of De Nora's activities, with specific reference to the three segments: Electrode Technologies Business, Energy Transition Business, Water Technologies Business.

Eligible economic activities identified are:

- 3.2 "Manufacture of equipment for the production and use of hydrogen", with respect to the climate change mitigation and climate change adaptation targets, with reference to the production of electrodes and technologies dedicated to the generation of hydrogen by electrolysis of water ("3.2 CCM" and "3.2 CCA");
- 3.6 "Manufacture of other low-carbon technologies" ("3.6 CCM and "3.6 CCA") with reference to the production of components supplied to the joint venture thyssenkrupp nucera, which allow, through the use of HCL (hydrochloric acid) technology, to produce chlorine by decreasing emissions compared to traditional technologies;
- 5.1 "Repair, refurbishment and remanufacturing", with respect to the circular economy target, with reference to the recoating and reconditioning of electrodes for chlor-alkali applications and copper foil ("5.1 CE");
- 5.5 "Product-as-a-service and other circular-use and result-oriented service models", with respect to the circular economy target, with reference to the business of leasing electrodes for chlor-alkali and copper foil applications ("5.5 CE");
- 6.5 "Transportation by motorcycles, passenger cars and commercial vehicles", with respect to the climate change mitigation target, with reference to investments and costs incurred for the maintenance of the company's car fleet ("6.5 CCM");
- 7.1 and 3.1 "Construction of new buildings", with respect to the climate change mitigation and circular economy targets, with reference to investments incurred in the construction of new buildings (not related to the above activities) ("7.1 CCM");
- 7.2 and 3.2 "Renovation of existing buildings", with respect to the climate change mitigation and circular economy targets, with reference to investments incurred in the renovation of its assets (not related to the above activities). ("7.2 CCM" and "3.1 CE");
- 7.3 "Installation, maintenance and repair of energy efficiency equipment", with respect to the climate change mitigation target, with reference to investments incurred for efficiency upgrades in the Group's assets. ("7.3 CCM"); and
- 7.6 "Installation, maintenance and repair of renewable energy technologies", with respect to the climate change mitigation target with reference to investments incurred in the installation and maintenance of solar panels on Group plants ("7.6 CCM").

With reference to the analyses that the Group had set out to carry out with respect to the eligibility of the activities of the Water Technologies Business segment, these were not considered eligible at present, following clarifications obtained from the European Commission.

Alignment analysis - Electrode Technologies Business

Since the description of Activity 3.6 coincides for both the mitigation and climate change adaptation targets, consistently with ESMA recommendations, the Group assessed the contribution against both targets. However, the activity is not enabling and therefore only any "capital and operating expenses associated with the implementation of the adaptation solutions" may be considered eligible (Commission Notice numbers 385/2022 (No. 5) and 305/2023 (No. 19). Therefore, activity 3.6 is not considered eligible for the adaptation target.

3.6 - Alignment to the CCM target

The following substantive contribution criteria were considered to verify alignment:

- The economic activity manufactures technologies that aim to substantially reduce the life-cycle GHG emissions, and demonstrate such reduction, compared to the best available alternative technologies/solutions/products on the market;
- The life cycle greenhouse gas emission reduction is calculated using Commission Recommendation 2013/179/EU (96) or, alternatively, ISO 14067:2018 (97) or ISO 14064-1:2018 (98); and
- Quantified life-cycle GHG emission reduction is verified by an independent third party.

The sites where the activity is carried out were evaluated according to the following DNSH criteria:

- CCA: A climate risk questionnaire was shared at all De Nora plants in order to investigate with regard to the analysis carried out on climate physical risks. In addition, De Nora developed an analysis through a platform that leverages data modeling, machine learning and state-of-the-art climate science (please refer to the previous paragraph for further information);
- WTR: business impact analysis documents provided by all De Nora plants were analyzed. Next, a thorough assessment of potential environmental impacts was carried out, ensuring that the highest standards of sustainability were met;
- EC: The use of techniques that promote a circular production model has been verified, further confirming the commitment to responsible resource management and respect for the environment;
- PCC: interviews were conducted with the persons in charge of investigating the possible correspondence between the substances used by the Group and those on the lists mentioned by Appendix C; and
- BIO: An analysis was conducted to verify the proximity of De Nora's plants to location at high risk for local biodiversity. This analysis confirmed the absence of significant risks to surrounding ecosystems, and it was verified that the activity takes place at a safe distance from areas protected by Natura 2000 and UNESCO.

Since the quantified life cycle GHG emission reduction is not verified by an independent third party, the activity is deemed not to be aligned.

5.1 - Alignment to the EC target

To verify alignment with Activity 5.1 EC, the following substantive contribution criteria were considered:

- The economic activity consist in extending product life by repairing, refurbishing, or remanufacturing products that have already been used for the purpose intended by a customer. To this end, an analysis was carried out on recoating and refurbishing activities, which – in addition to pursuing an economic sustainability target – aim to extend the useful life of electrodes according to virtuous circular economy targets;
- Replaced parts, reconditioned products, or remanufactured products were the subject of a study on the contractual terms of De Nora's sales. This activity is conducted to verify adherence with provisions related to product conformity, seller liability (including the possibility of a shorter liability or limitation period for second-hand products), burden of proof, remedies for lack of conformity, manner, repair, replacement of goods, and commercial warranties;
- Finally, a study was carried out on waste management, which is pursued in accordance with the relevant local regulations and giving preference, according to the waste hierarchy, to management options aimed at recovery over disposal. The aforementioned Group HSE Policy was finalized and adopted, which regulates waste management from this point of view. These choices ensure that the materials inherent in the product, particularly critical raw materials and components that were not reused in the same product, are reused elsewhere.

In addition, only if reuse and recycling are not feasible, waste is disposed of in accordance with applicable European Union and national legislation.

Sites were evaluated according to the following DNSH criteria:

- CCM: Since the activity involves on-site production of heat/cooling or cogeneration, including electricity, calculations were carried out regarding direct greenhouse gas emissions for each De Nora plant to estimate that they are less than 270 gCO_2e/kWh;

The verification process of the remaining DNSH (CCA, WTR, PCC) was pursued consistently with the above.

5.5 - Alignment to the EC target

To verify alignment with Activity 5.5 EC, the analysis was pursued but the activity does not appear to be fully compliant with certain technical criteria.

Alignment analysis - Energy Transition Business

Since the description of Activity 3.2 coincides for both the mitigation and climate change adaptation objectives, the Group, consistent with ESMA recommendations, assessed the contribution against both objectives. However, the activity is not enabling and therefore only any "capital and operating expenses associated with the implementation of the adaptation solutions" may be considered eligible (Commission Notice numbers 385/2022 (No. 5) and 305/2023 (No. 19). Therefore, activity 3.2 is not considered eligible for the adaptation target.

3.2 - Alignment to the CCM target

To verify compliance with the substantial contribution criterion requiring a "life cycle greenhouse gas emission reduction of 73.4% for hydrogen and 70% for hydrogen-based synthetic fuels compared to a fossil fuel baseline of 94 g CO_2e/MJ," De Nora conducted an internal LCA study of electrodes made for major contracts currently in the backlog and underway, concerning the construction of alkaline water electrolysis plants powered, according to plans made public by end customers, exclusively by renewable electricity. This study was based on a methodology compliant with the requirements of Article 28 (5) of Directive (EU) 2018/2001 and also took into account the methodology for calculating greenhouse gas emission reductions from renewable transport fuels for liquids and gases of non-biological origin specified by Delegated Regulation 2023/1185. The results of this study showed that the greenhouse gas emissions associated with one ton of hydrogen are well below the required threshold of 3 t CO_2eq/t of H_2, thus confirming that the hydrogen component production activity under the above projects meets the requirements of the first two points related to the technical screening criteria. The study complies with the methods set out in the delegated regulation. In addition, it is noted that the emission reduction analysis, based on the LCA of the technologies provided by De Nora, has been third-party certified as required by regulations.

The verification process of DNSHs (CCA, WTR, CE, BIO, PCC) was pursued consistently with the above.

Investments related to the purchase of services from economic activities aligned with the Taxonomy

With reference to investment-related activities linked to eligible activities, the following activities were analyzed:

- 6.5 CCM: with reference to the costs associated with the operation and maintenance of the Company's fleet vehicles.

Substantial contribution 6.5 CCM

Regarding expenses incurred for the auto fleet, the substantial contribution criteria require these vehicles to belong to a specific emission class, which varies according to the type of vehicle. For the current reporting year, the activity meets the substantial contribution criteria only for electric and hybrid vehicles in the fleet.

DNSH 6.5 CCM

Specific DNSH criteria are provided for

Activity 6.5 with respect to the targets of CCA, CE and PCC. After analysis, the activity was found not to meet these criteria.

- 7.1 CCM and 3.1 CE: with reference to costs associated with the construction of new buildings. Since the activity is eligible for both the CCM and the EC targets, the alignment analysis was carried out against both targets.

Substantial contribution 7.1 CCM and 3.1 EC

In the absence of sufficient evidence to allow a full assessment of compliance with the criterion, the activity does not fully comply with the substantive contribution requirements of each activity.

DNSH 7.1 CCM and 3.1 CE

In the absence of sufficient evidence to allow a full assessment of compliance with the criterion, the Group considers the activity to be not fully compliant with the DNSH requirements of each activity.

- 7.2 CCM and 3.2 CE: with reference to costs associated with the renovation of existing buildings. Since the activity is eligible for both the CCM and the EC targets, the alignment analysis was carried out against both targets.

Substantial contribution 7.2 CCM

With respect to expenditures incurred for the renovation of existing buildings, the substantial contribution criteria require the building renovation to comply with the applicable requirements for major renovations. Alternatively, it must result in a reduction in primary energy demand of at least 30%.

DNSH 7.2 CCM

The verification process of DNSHs (CCA, WTR, CE, BIO, PCC) was pursued consistently with the above.

With reference to the costs incurred for the Cernusco sul Naviglio plant, where the Gigafactory will be built, De Nora carried out all the analyses to verify compliance with the substantial contribution criteria and DNSHs, and these costs were found to be aligned.

Substantial contribution 3.2 EC

In the absence of sufficient evidence to allow a full assessment of compliance with the criterion, the Group considers the activity to be not fully compliant with the substantial contribution requirements.

DNSH 3.2 CE

In the absence of sufficient evidence to allow a full assessment of compliance with the criterion, the Group considers the activity to be not fully compliant with the DNSH requirements.

- 7.3 CCM: referring to costs associated with the installation, maintenance and repair of energy efficiency equipment.

Substantial contribution 7.3 CCM

In the absence of sufficient evidence to allow a full assessment of compliance with the criterion, the Group considers the activity to be not fully compliant with the substantial contribution requirements.

DNSH 7.3 CCM

In the absence of sufficient evidence to allow a full assessment of compliance with the criterion, the Group considers the activity to be not fully compliant with the DNSH requirements.

- 7.6 CCM: creferring to the costs associated with the installation, maintenance, and repair of renewable energy technologies.

Substantial contribution 7.6 CCM

The substantial contribution provides for the installation, maintenance, and repair of solar photovoltaic systems and ancillary technical equipment.

For the current reporting year, the Group considers the activity to be in compliance with the criteria for substantial contribution for efficiency upgrades carried out at certain Group offices.

DNSH 7.6 CCM

For activity 7.6, a DNSH criterion is envisaged against the CCA target that has been verified for those offices where investments have been made.

Minimum safeguards

De Nora also performed an analysis on the compliance of its policies and procedures with the principles mentioned in Article 18 of the Regulations. These include the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, and the principles and rights established by eight Fundamental Conventions identified in the International Labor Organization (ILO) Declaration and the International Bill of Human Rights.

This analysis also took into account the guidance provided by the Platform on Sustainable Finance, which identifies human rights, corruption, taxation and competition as the four key issues addressed by the Regulation1 and the European Commission's Communication of June 20232 with respect to the "indicators of negative sustainability effects."

Coverage of minimum safeguard issues is ensured by De Nora through the adoption of specific instruments such as corporate policies, guidelines, and organizational and operational mechanisms. Of particular note are:

- Code of Ethics that ensures that activities are carried out in accordance with the rules of competition by promoting integrity and fair competition;
- Human Rights Policy in line with the guiding principles of the OECD Guidelines adopted in 2023, whereby the Group is committed to ensuring respect for human rights throughout its value chain;
- Global anti-corruption policy enshrining commitment against corruption and fraud;
- Global Whistleblowing Policy for reporting violations of the same Code and the Models;
- Policy on remuneration and compensation paid and the related report published annually;
- Contribution to the public finance and development of the countries in which De Nora operates through the timely payment of tax amounts due, in formal and substantive compliance with all domestic and international tax laws, regulations and practices, always maintaining an attitude of proactive cooperation and transparency with the tax authorities of the jurisdictions;
- Diversity, Equity and Inclusion (DEI) policy that outlines the promotion of a culture of inclusion that values diverse perspectives and an inclusive and respectful environment in which everyone feels valued, empowered, and supported; and
- Grievance mechanisms accessible to stakeholders through the Group's website.

Accounting standards and contextual information

As per the indications reported in Annexes I and II of Delegated Regulation (EU) 2021/2178, the Group calculated the Turnover, CapEx and OpEx indicators for all assets deemed eligible, assessing their specific weight with respect to their respective consolidated values. The following paragraphs summarize the calculation methodologies in detail, differentiating the denominator and numerator reporting methodology for each indicator.

Turnover KPIs

The Turnover KPI was calculated in accordance with the provisions of paragraph 1.1.1 of the aforementioned Regulations as the ratio of the share of net revenues from the sale of products or services, including intangible assets, associated with economic activities eligible/

aligned to the Taxonomy (numerator) to the Group's net revenue (denominator). In accordance with the provisions of the IAS 1.82(a) accounting reference cited in the regulations, the denominator corresponds to the item "Revenues" in the Consolidated Income Statement, amounting to Euro 862,613 thousand.

To quantify the numerator of the Turnover KPI, an analysis was made of the revenues of the product lines associated with the eligible economic activities that feed into the revenue item used to define the denominator. The value noted for eligibility was subsequently bounded to consider alignment analyses with the requirements of the Regulations.

The portion of revenues aligned with activity 3.2, "Manufacture of equipment for the production and use of hydrogen," was obtained through a framework outside of the Group's accounting systems to account for specific projects. While it was possible to obtain the revenue share related to activity 5.1 "Repair, reskilling, and remanufacturing," thanks to the definition of specific drivers that take into account the manufacturing process in use at the Group's operating offices for remanufacturing products.

The Turnover value associated with the eligible economic activities amounted to Euro 268,458 thousand, the table below provides a breakdown of revenues from contracts with customers according to the categories shown in Note 4 "Revenues".

Sale of Electrodes	After-sales services and other sales
111,231	157,227

Table 1: Quantitative breakdown of the amounts included in the numerator of the Turnover KPI (amounts in thousands of €).

It should be noted that the calculation methods have not changed from the previous year.

It should also be noted that the contextual information required by paragraph 1.2.3.1 b) refers to intercompany revenues, which are excluded from the calculation of KPIs as they are voluntary information, as indicated by FAQ 16 (Commission Notice 2022/285).

CapEx KPIs

The CapEx KPI was calculated based on the provisions defined in paragraph 1.1.2.1 of the aforementioned Regulations considering the increases recorded during the year and reported in Note 18 "Goodwill and other intangible assets" and Note 19 "Property, plants and machinery", including "Rights to use of property, plants and machinery". It should be noted that no amounts related to acquisitions generated by business combinations were recognized in the year, and consequently the Group's investments considered in the denominator amounted to Euro 67,333 thousand. The share of the denominator associated with eligible economic activities (numerator) amounts to Euro 47,110 thousand. The table below provides a breakdown of the investments recognized in the numerator of the CapEx KPI by asset category.

Property, plants, and machinery	Intangible assets	Rights to use property, plants, and machinery
46,783	327	-

Table 2: Quantitative breakdown of the amounts included in the numerator of the CapEx KPI (amounts in thousands of €).

For the quantification of the numerator of the CapEx KPI, the Group conducted a detailed analysis on asset movements in order to identify the components that can be associated with eligible economic activities.

For activities 3.2 "Manufacture of hydrogen production and utilization equipment," 5.1 "Repair, refurbishment and remanufacturing," and 5.5 "Product-as-a-service and other circular-use and results-oriented services models" associated with Turnover-generating business activities, investments were considered eligible on the basis of the share of turnover eligible or aligned with the individual company's total revenues.

A portion of the capital expenditures, amounting to Euro 11,281,387, is part of a "CapEx plan" and relates to a job order for the construction of a Gigafactory, reported under the eligible and aligned economic activity 3.2 "Manufacture of equipment for the production and use of hydrogen," which will expand the alignment of the same activity, contributing to the climate change mitigation target.

Other investments recognized in the CapEx KPI, related to manufacturing activities to be allocated only at plant level and not directly at individual taxonomic activity level, were considered to be eligible or aligned based on the share of eligible or aligned turnover in relation to the individual company's total turnover.

OpEx KPIs

For the calculation of the OpEx KPI, the expense items in the Group income statement were analyzed in detail in order to isolate the cost components defined in paragraph 1.1.3.1 of the above-mentioned Regulations, related to: i) non-capitalized research and development; ii) building renovation measures; iii) short-term leases, maintenance, and repairs; and iv) any other direct expenses related to the day-to-day maintenance of property, plants, and machinery, either by the company or by third parties to whom such tasks are outsourced, necessary to ensure the continuous and effective operation of these assets.

Proceeding in this way, a value was recognized for the denominator of the OpEx KPI of Euro 26,712 thousand. The share of the denominator associated with eligible economic activities (numerator) amounts to Euro 12,845 thousand; the table below breaks down these expenses by category. It should also be noted that for the OpEx KPI the calculation methodology has not changed from the previous year, and no expenses related to the daily maintenance of property, plants, and machinery were recognized in the denominator and/or numerator.

Expenses recorded in the numerator were associated with economic activities in a similarly to CapEx KPI reporting. With the exception of R&D expenses whose allocation has been allocated to activities on a timely basis, maintenance and repair expenses and short-term leases cannot be allocated directly at the individual taxonomy activity level and have been considered eligible or aligned on the basis of the share of eligible or aligned turnover in the individual company's total turnover.

Research and development	Maintenance and repair	Short-term lease
8,416	3,621	808

Table 3: Quantitative breakdown of the amounts included in the numerator of the OpEx KPI (amounts in thousands of €).

Comparison with previous year

As required by Delegated Regulation (EU) 2021/2178, non-financial companies in scope must provide comparisons with the previous year. Therefore, please refer to the tables below for details of the change in the numbers and percentages of the indicators required by the regulations. It should be noted that the change in KPIs compared to the previous year is not associated with a change in the accounting approach used when calculating the numbers and reporting of KPIs, but mainly with the inclusion of activities 6.5 "Transportation by motorcycles, cars and light commercial vehicles", 7.1 "Construction of new buildings", 7.2 "Renovation of existing buildings", and 7.3 "Installation, maintenance, and repair of energy efficiency devices".

E1-1 Transition plan for climate change mitigation

Within the Sustainability Plan there are several climate change-related initiatives with precise and measurable targets. The Group has not drafted a structured and specific transition plan for climate change mitigation, which may be defined in the coming years based on existing initiatives and developments in the regulatory environment.

The emission reduction targets set by the company, which include a 50% decrease in Scope 1 and 2 emissions by 2030, along with a 52% reduction in the intensity of Scope 3 emissions by 2030 and the use of 100% energy from renewable sources by 2030, are aligned with the global targets of limiting global warming to 1.5°C, as set out in the Paris Agreement. In addition, the submission of these targets to SBTi occurred during the year, a fact that further certifies the Group's commitment and the validity of the targets.

De Nora is implementing several initiatives to achieve the established targets.

Regarding the reduction of Scope 1 and 2 emissions, the Group is developing decarbonization plans for its major production plants, is continuing with the installation of solar panels at its sites, and is using energy from renewable sources certified through Guarantee of Origin ("GO").

With regard to Scope 3 emissions, and in particular to the category with the greatest impact, 3.11 Use of sold products, the reduction in emissions intensity will be pursued through: (i) the gradual decarbonization of the grid mix in the geographical areas where the Group sells its products, resulting in lower GHG intensity per unit of electricity consumed, (ii) the development of the Energy Transition business division whose technologies destined to generate green hydrogen produce near-zero emissions in the use phases. In addition, De Nora is developing initiatives to try to reduce the impact of other relevant categories such as 3.1 Purchased Goods and Services and 3.13 Downstream Leased Assets. Specifically, for the former, the Group will seek to increase the share of recycled and reused materials purchased, with a particular focus on noble metals.

Investments in solar panels and related activities to implement enabling technologies for the production of green hydrogen (including the construction of the Gigafactory, an innovative plant for the production of electrolyzers for the generation of green hydrogen, components for water electrolysis and fuel cells, and products to serve the Group's other divisions) are aligned with the European Taxonomy according to Delegated Regulation (EU) 2021/2178. No "locked-in" GHG emissions are present.

The ESG strategy is integrated into the Business Plan, influencing strategic choices and promoting the development of sustainable technologies that stimulate economic growth. Moving in this direction, De Nora aligns ESG targets with its financial strategy, supporting circular business models and optimizing the use of resources throughout the value chain.

The initiatives included in the plan have been approved by the Board of Directors, to which progress in implementing and achieving the targets is reported at least twice a year. The monitoring of the strategic Sustainability Plan was previously discussed in detail within the section "GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies" and the results achieved in 2024 for each initiative can be found in the section "The Sustainability Strategy" in the chapter "ESRS 2 General Disclosures".

E1-2 Policies related to climate change mitigation and adaptation

De Nora has adopted two main policies to manage material IROs related to climate change mitigation and adaptation: the QEH&S Policy and the ESG screening for investments procedure. The QEH&S Policy shows how the Group includes Quality, Environment, Health, and Safety issues in its business strategies, extending these principles to its suppliers through an evaluation process and requiring their adherence to the Code of Ethics for Suppliers. The ESG Screening for Investments Policy applies to the purchase of new equipment for existing and new facilities, as well as to the replacement of obsolete equipment, requiring that criteria related to energy efficiency and in line with the targets of the ESG plan, among others, be applied in the selection process.

The two policies highlight the Group's commitment to climate change mitigation. The ESG screening for investments Policy illustrates how each investment is evaluated through a sustainability lens, with a focus on the energy efficiency and environmental impact of the technologies adopted. This approach encourages the selection of energy-efficient equipment and favors electric solutions over fossil-fueled ones. In addition, for any capital expenditure that could affect the Company's carbon footprint and exceeds a certain threshold, there is a rigorous selection process according to ESG criteria. This commitment is also reflected in the QEH&S Policy, which emphasizes the importance of integrating environmental protection into the corporate culture. De Nora supports programs aimed at reducing environmental impacts and mitigating climate change, thus demonstrating its dedication to sustainability and reducing environmental impacts.

The QEH&S Policy emphasizes the company's commitment to supporting programs aimed not only at mitigation but also at adaptation to climate change, highlighting De Nora's willingness to proactively address environmental challenges.

Both the QEH&S Policy and the ESG screening for investments Policy address energy efficiency, placing it at the center of the Group's sustainability journey. De Nora is committed to promoting investments aimed at reducing energy consumption, even though this may result in higher costs. This principle is specifically applied in the selection of equipment such as machinery, compressors, HVAC (Heating, Ventilation, and Air Conditioning) units and lighting systems. De Nora favors the use of electric equipment over fossil-fueled equipment and, when an electric option is not available, opts for low-emission fuels, such as natural gas. In addition, the company considers the use of biofuels as an environmentally friendly alternative. To ensure compliance with these guidelines, screening mechanisms have been implemented to ensure that each investment takes into account not only the technical needs, but also the environmental impact.

Finally, the ESG screening for investments Policy addresses the issue of renewable energy deployment through specific evaluation mechanisms dedicated to panel purchases.

No additional topics in the area of climate change are discussed in the policies beyond what is described above.

The QEH&S policy and procedure are applicable to all Group companies, and the former also applies to third parties. The highest level of management responsible for implementing all the policies reported in the document, both those just described and those named in subsequent chapters, is the CEO.

E1-3 Actions and resources in relation to climate change policies

De Nora engages in numerous actions related to climate change mitigation and adaptation. Based on the decarbonization plans launched during 2024 at the Group's major plants, the major initiatives undertaken in this regard are as follows:

- Installation of solar panels: the Group carried out the installation of photovoltaic panels in several plants. The factories involved in the project are: Fujisawa, Okayama, Suzhou, Goa, Cologno, Milan, Rodenbach, Hanau, Tamworth, Mentor, Colmar, Sugarland, and Sorocaba. The details are as follows:
  - — Decarbonization levers: use of energy from renewable sources;
  - — GHG emission reductions achieved or expected: the expected reduction once the Group's entire solar panel fleet is installed and active is about 3,285 tCO_2eq, while that achieved by active plants in 2024 is about 600 tCO_2e;
  - — Amounts of CapEx and OpEx required to implement actions taken or planned, including relevant line items in the financial statements: the amount of CapEx is approximately Euro 2,155,144 in 2024. There are no

OpEx present;

— Performance Indicators: There are no performance indicators;

— The CapEx plan: decarbonization investments defined in the 2025-2027 Business Plans.

- Purchase of certified renewable electricity: all of the electricity purchased by the plants in Rodenbach (Germany), Okayama (Japan) and Sorocaba (Brazil) comes from renewable sources certified by Guarantee of Origin. Details are as follows:
  - — Decarbonization levers: use of energy from renewable sources; and
  - — GHG emission reductions achieved or expected: the reduction achieved is approximately 6,362.9 tCO_2eq, which is equal to what was budgeted;
  - — Amounts of CapEx and OpEx required to implement actions taken or planned, including relevant line items in the financial statements: CapEx or OpEx are not indicated;
  - — Performance Indicators: no performance indicators are present;
  - — The CapEx plan (if any): there is no CapEx plan;
- Electrification of forklifts: in 2024 De Nora began purchasing electric forklifts to replace those currently in place, with the target of replacing the entire fleet in the short term.
- Electrification of heat generators: in the Germany plant, a heat generator was replaced with an electric generator, which is expected to bring a reduction in GHG emissions of about 263 tCO_2eq per year.
- Energy Efficiency: in the Brazil plant, improvements were made to the industrial oven used for the production of coatings aimed at greater insulation and thermal efficiency, leading to a reduction of about 161 tCO_2eq during this year.

The Group is committed to continuing the aforementioned ongoing actions in the future. In particular, based on the decarbonization plans defined by the production plants in 2024 for which investments have been planned in the 2025-2027 Industrial Plans, De Nora plans to continue the installation of photovoltaic panels in its plants and further implemenatation of initiatives aimed at energy efficiency such as, for example, the replacement of heat generators in the plants and the electrification of the forklift fleet.

E1-4 Targets related to climate change mitigation and adaptation

De Nora defined several climate change-related targets related to both the reduction of GHG emissions and the management of climate-relevant IROs. In fact, the Group is committed to increasing the supply of renewable energy, starting from 3% related to the base year 2022 to 100% by 2030.

In addition, De Nora presents GHG emission reduction targets for all three Scopes, starting with 2022 as the reference year consistently with the definition in the Sustainability Plan Specifically, the Group is committed to:

- Reduce Scope 1 and 2 emissions by 50% by 2030;
- Reduce the intensity of scope 3 emissions by 52% by 2030; and
- Use 100% electricity from renewable sources by 2030.

All targets in the Sustainability Plan were defined following analysis of benchmarks, the regulatory environment and best practices, and based on the Group's activities and ambitions. Internal stakeholders, such as top management and representatives of relevant functions, were involved in their definition. The reduction targets, which have 2022 as their baseline, are presented in aggregate for Scope 1 and 2 and separately for Scope 3. For Scope 2, market-based emissions are considered. In addition, they were validated by SBTi consistent with the target of limiting global warming to 1.5 °C. In setting the targets, De Nora took into account the growth prospects of its businesses with the scenarios it envisioned in 2023, particularly for Scope 3. The Scope 1 and 2 target is significantly more stringent than SBTi's minimum requirement; this testifies to the Group's willingness to go beyond mere compliance and protects the validity of the target even in the event of stricter expectations or regulations. The main decarbonization levers for achieving the targets have been described in the preceding sections and, where possible, the expected impact has been provided. Monitoring of all ESG Plan targets takes place monthly as described in "GOV-3 Integration of sustainability-related performance in incentive schemes" in the chapter "ESRS 2 General Disclosures." The progress of climate change-related targets is given in "E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions" in the following chapter.

The calculation of scope 1, 2 and 3 emissions for target setting purposes was done in accordance with the GHG Protocol.[1]

[1] The GHG Protocol establishes a globally standardized framework for measuring greenhouse gas (GHG) emissions resulting from an organization's operations and its value chain.

E1-5 Energy consumption and mix

De Nora's energy consumption is determined by the use of natural gas for heat production (used both for heating and for the heat treatment furnaces), the consumption of electricity and fuel for the movement of trucks, forklifts, and company cars.

In 2024, the share of energy from renewable sources increased to 29% of electricity used in the year and 9% of total energy consumption.

	Unit of Measurement	2024
Coal fuel consumption and coal products	MWh	0
Fuel consumption from crude oil and petroleum products	MWh	2,708
Fuel consumption from natural gas	MWh	67,542
Fuel consumption from other non-renewable sources	MWh	396
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	37,656
Total fossil energy consumption	MWh	108,301
Share of fossil sources in total energy consumption	%	87.9
Consumption from nuclear sources	MWh	3,666
Share of nuclear sources in total energy consumption	%	3.0
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	9,932
Consumption of self-generated non-fuel renewable energy	MWh	1,331
Total renewable energy consumption	MWh	11,263
Share of renewable sources in total energy consumption	%	9.1
Total energy consumption	MWh	123,229

Energy consumption data is collected at each Group site based on bills and invoices from their providers. Therefore, it is a direct measurement for which there is no need to use assumptions and/or estimates. These metrics are not validated by an external body, other than the one issuing the compliance statement on this Consolidated Sustainability Reporting.

The Group is not part of the high-impact climate sectors listed in Datapoint 38 of this Disclosure Requirement.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

The Group presents a detailed analysis of its GHG emissions, as shown in the table below. The table also shows De Nora's progress against the 2022 baseline and progress toward the established targets.

In addition to the disclosure requirements, a metric related to emissions avoided through the use of products from the Energy Transition business segment is reported in the section "Commitment to sustainable development targets" under chapter "ESRS 2 General disclosures."

	2022 Baseline[2]	2023*	2024	%N/ N-1	2030	Annual % target / Base year
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions (tCO_2eq)	15,314	-	14,617	-	-50%	-5%
Percentage of Scope 1 GHG emissions covered by regulated emissions trading schemes (%)	0%	-	0%	-		
Scope 2 GHG emissions						
Gross location-based scope 2 GHG emissions (tCO_2eq)	16,968	-	17,750	-		5%
Gross market-based scope 2 GHG emissions (tCO_2eq)	18,601	-	14,689	-	-50%	-21%
Scope 3 GHG emissions						
Total gross GHG indirect emissions (scope 3) (tCO_2eq)	56,757,759	-	70,941,098	-		25%
Purchased goods and services 3.1	388,735	-	388,744	-		
Capital goods 3.2	9,731	-	6,253	-		
Fuel and energy-related activities 3.3	9,007	-	9,192	-		
Upstream transportation and distribution 3.4	3,676	-	2,846	-		
Waste generated during operations 3.5	3,055	-	2,402	-		
Business travel 3.6	1,042	-	6,112	-		
Employee commuting 3.7	2,762	-	2,672	-		
Upstream leased assets 3.8	NA	-	0.4	-		
Downstream transportation and distribution 3.9	2,336	-	1,373	-		
Processing of sold products 3.10	NA	-	0	-		
Use of sold products 3.11	54,069,894	-	68,998,599	-		
End-of-life treatment of sold products 3.12	987	-	8,439	-		
Downstream leased assets 3.13	2,266,380	-	1,522,300	-		
Franchising 3.14	NA	-	0	-		
Investments 3.15	154	-	166	-		
Total GHG Emissions						
Total GHG emissions (location-based)	56,789,949	-	70,973,465	-		25%
Total GHG emissions (market-based)	56,791,582	-	70,970,403	-		25%

	Baseline 2022	2023	2024	%N/ N-1	2030	Annual % target / Base year
Turnover[3] (M€)	852	-	863			
Scope 1 emission intensity (tCO_2e/€M)	-	-	17.0	-		
Scope 2 emission intensity (location based) (tCO_2e/€M)	-	-	20.6	-		
Scope 2 emission intensity (market based) (tCO_2e/€M)	-	-	17.0	-		
Scope 1 + Scope 2 emission intensity (location based) (tCO_2e/€M)	37,8	-	37.5	-		
Scope 1 + Scope 2 emission intensity (market based) (tCO_2e/€M)	39,7	-	34.0	-		
Scope 3 emission intensity (tCO_2e/€M)	65,797	-	82,240	-	-52%	25%
Total GHG emissions intensity (location based)	-	-	82,277	-		
Total GHG emissions intensity (market based)	-	-	82,273	-		

*As provided by the transitional provisions set out in ESRS 1, the comparative information has not been disclosed.

[2] As a result of an update in the calculation methodology and the emission factors used, reported in the following chapter, the Scope 1 emissions for the baseline year 2022 show a slight variation compared to what was presented in the 2023 Non-Financial Statement."

[3] The revenues used to calculate the intensity values shown in the following table coincide with the Group revenues reported in the "Business Performance" section of the following document.

Aggregate Scope 1 and Scope 2 market-based emissions decreased by 14% from the baseline, mainly due to an increase in the percentage of renewable energy used, which increased from 3% in 2022, to 29% in the current reporting year.

There are no biogenic CO_2 emissions from the combustion or biodegradation of biomass.

For the calculation of Scope 1 emissions the respective emission factors published by DEFRA[1] for the reporting year were used for each source. CO_2 equivalent emissions include the following greenhouse gases: CO_2 (carbon dioxide); CH_4 (methane); N_2O (nitrous oxide).

The CO_2 emissions deriving from electricity use, calculated according to the location-based methodology, were obtained, for plants operating in the United States (or "USA"), from "EPA eGrid[2]" related to the reporting year, while for other plants they were obtained from "Terna International Comparisons"[3] 2019. In particular, the coefficient of the state in which the establishment is located was selected. CO_2 emissions from electricity use, calculated using the market-based methodology, on the other hand, were derived for European plants, starting from "European Residual Mixes," (AIB[4]) relative to the reporting year, for plants operating in the United States, from "EPA Residual Mixes" relative to the reporting year, for non-EU and non-US countries, from "TERNA International Comparisons" 2019. Specifically, the "Residual Mix" of the state in which the plant is located was selected, which represents the mix of the remaining electricity generation shares, after the use of specific tracking systems for the energy sources used, such as Guarantee of Origin certificates, was taken into account. Regarding Scope 3, the calculation is based on internally collected primary and secondary data. No primary data provided directly by suppliers or other business partners are used. No categories were excluded from the calculation shown in the table.

The increase in Scope 3 emissions with respect to the baseline is mainly due to the category "3.11 Use of sold products" which is highly dependent on the mix of products sold in the year which are associated with different impacts in terms of energy consumption during their life cycle.

Considering that there have been no significant changes in the Group's perimeter and its upstream and downstream value chain, there is no consistent impact in terms of comparability of reported greenhouse gas emissions from one year to the next. De Nora includes the associate's GHG emissions in category 3.15 Scope 3 investments. The data shown in the table have not been externally audited other than in this document.

To calculate Scope 3 emissions, some assumptions were made, shown below:

Category 1:

- Emission factors for recycled Iridium and Ruthenium production are not available in the industry study considered (IPA 2017 - International Platinum Group Metals Association); therefore, the average based on available data for secondary production of Palladium, Rhodium, and Platinum was used.
- Emissions associated with the chemical precursor based on noble metals were modeled by considering 1% more than the emission factors related to individual noble metals in the considered industry study (IPA 2017 - International Platinum Group Metals Association). This 1% comes from De Nora's specific interactions with noble metal suppliers.
- Emissions associated with consumption of electrode coating solutions were modeled considering a 1% increase in total emissions associated with noble metals.

[1] Greenhouse gas reporting: conversion factors 2024 - GOV.UK. DEFRA is the Department for Environment, Food and Rural Affairs, a ministerial department of the UK government.
[2] Emissions & Generation Resource Integrated Database (eGRID) | US EPA. The EPA eGRID (Emissions & Generation Resource Integrated Database) is a comprehensive database managed by the US Environmental Protection Agency (EPA).
[3] Statistical Publications - Terna spa.
[4] European Residual Mix | AIB. The Association of Issuing Bodies (AIB) is an organization that standardizes and facilitates energy certification in Europe.

Category 4:

- For inbound logistics, 10,000 km via airplane has been assumed for the transportation of noble metals;
- For freight with subcontractors, two round trips by truck per 100 km were considered, considering that very often for cost reasons these subcontractors are located near the production plant;
- For outbound logistics paid for by De Nora, distances were calculated based on the production plants and country of the customers. Road and sea transport were considered as the main means. The mass of transported components was allocated per country according to that country's share of revenue.

Category 5:

- For the transport of waste generated 50 km distance traveled via truck between the plant and the treatment site was assumed.

Category 6:

- For business travel via automobile, a distance of 70 km per rental day was assumed.

Category 7:

- Considering the time and use of public freight by geographic area, the data were taken from DALIA Research[5] which compiled an extensive survey of freight around the world, covering 52 countries in 2017. This database was chosen because it was consistent and available for both required datasets, and very recent. Data on the average speed of transportation modes were taken from a document published by DALIA Research, which took data from the Mobility in Cities database. The data used in this document state that the private road network indicates mainly vehicles, while the public road network is typically buses.

Category 9:

- The distances were calculated based on the production plants and the registered offices of the customers. Road and sea transport were considered as the main means. The mass of transported components was allocated per country according to that country's share of revenue.

Category 11:

- For the Electrode Technologies business segment, energy consumption per product family was considered based on historical values from laboratory tests. De Nora is unable to know the actual consumption of its customers because it is upstream in the value chain, supplying components and not systems;
- For products in the Energy Transition business segment, an emission factor of zero was applied (assuming the products run on renewable energy, as they enable green hydrogen production);
- For products in the Water Technologies business segment, since the capacity of the systems sold is not known, a spend-based approach was used that was based on the average electricity consumption per euro of the electrode business segment;
- The model used for emission allocation considered a scenario in which the energy mix over the years will gradually undergo decarbonization. These values consider global emissions factors (which therefore do not take into account the specific characteristics of different geographical areas) and come from IEA[6] World Energy Outlook, Stated Policies Scenario (a conservative scenario based on current policies and regulations).

[5] Home - PureSpectrum. DALIA Research is a company specializing in the collection, analysis and presentation of attitudinal data through mobile technology.
[6] IEA – International Energy Agency. The International Energy Agency is an organization that provides recommendations, analysis, and data on the global energy sector.

Category 12:

- A distance of 50 km was assumed for waste transportation, the scenario for the type of waste treatment was evaluated based on the geographical area of the final end-user (OECD[7]); scenarios)
- It was considered that 1% of the constituent materials of De Nora products are plastic.

Category 13:

- In this category, since data associated with the m2 of electrodes currently leased is not available, a spend-based approach was adopted, considering for each product line the GHG intensity (ton CO_2eq/EUR) of the corresponding product line pertaining to the Electrode Technologies business segment (new electrodes).

The emission factors are set out below:

Category	GHG Protocol description	Input data	Unit of Measurement	Usage and method	Database
1	Purchased good and services	Emission factors for virgin noble metals	Kg CO_2eq/kg	Emission factors used to calculate emissions of consumed virgin noble metals using a material-based approach	IPA 2017 (International Platinum Group Metals Association) study
		Emission factors for recycled noble metals	Kg CO_2eq/kg	Emission factors used to calculate emissions associated with purchased recycled noble metals, using a material-based approach; for Iridium and Ruthenium, secondary production data are not available in the study; therefore, the average value resulting from secondary production of Platinum, Palladium, and Rhodium was used	IPA 2017 (International Platinum Group Metals Association) study
		Emission factors for materials, except noble metals	kg CO_2eq/kg	Emission factors used to calculate material emissions using a material-based approach	Ecoinvent 3.10
		Emission factors for services (patent rights, trademarks, R&D, licenses, new building construction)	kg CO_2eq/k€	Emission factors used to calculate services emissions using a spend-based approach. The database values relate to 2013, so the figure has been reworked to discount the value of money to the current financial year, including consideration of network decarbonization over the years	USEEIO v1.1 model life cycle results per $1 (2013 USD) demand for all goods and services in the producer's price model. The methodology behind USEEIO is described in Yang, Ingwersen et al., 2017
2	Capital goods	Emission factors for capital goods	kg CO_2eq/k€	Emission factors used to calculate capital goods emissions using a spend-based approach. The database values relate to 2013, so the figure has been reworked to discount the value of money to the current financial year, including consideration of network decarbonization over the years	USEEIO v1.1 model life cycle results per $1 (2013 USD) demand for all goods and services in the producer's price model. The methodology behind USEEIO is described in Yang, Ingwersen et al., 2017
3	Fuel and energy-related activities	Emission factors for fuels – upstream step	kg CO_2eq/kg	Emission factors for assessing emissions associated with the upstream step of fuels	EcoInvent /International Energy Agency (IEA Life Cycle Upstream Emission Factors 2023 (Pilot Edition))
		Emission factors for electricity – upstream step	kg CO_2eq/Wh	Emission factors for assessing emissions associated with the upstream step of electricity supply	EcoInvent /International Energy Agency (IEA Life Cycle Upstream Emission Factors 2023 (Pilot Edition))
		Emission factors for electricity losses and distribution	kg CO_2eq/kWh	Emission factors to assess emissions associated with electricity losses and distribution	EcoInvent /International Energy Agency (IEA Life Cycle Upstream Emission Factors 2023 (Pilot Edition))

[7] The Organisation for Economic Co-operation and Development | OECD. The Organisation for Economic Co-operation and Development (OECD) is an organization dedicated to promoting policies that improve the economic and social well-being of people around the world.

Category	GHG Protocol description	Input data	Unit of Measurement	Usage and method	Database
4	Upstream transportation and distribution	Emission factors for inbound logistics of acquired goods	kg CO_2eq/tkm	Emission factors to assess emissions associated with transportation of acquired goods – Ecoinvent provides supply datasets that include both production and transportation, the contribution associated with transportation only was extracted from these datasets (called "market for..")	EcoInvent 3.10
		Emission factors for inbound and outbound logistics with subcontractors	kg CO_2eq/tkm	Emission factors for assessing emissions associated with the transportation of goods acquired/received from subcontractors via truck	EcoInvent 3.10
		Emission factors for outbound logistics of goods	kg CO_2eq/tkm	Emission factors to assess emissions associated with outbound transportation of goods by ship and truck (for intercontinental and continental freight between legal entity/customer, respectively)	EcoInvent 3.10
5	Waste generated in operations	Emission factors for each type of waste	kg CO_2eq/kg	Emission factors to assess the emissions associated with the treatment of each type of waste	Ecoinvent 3.10
		Emission factors for waste transport	kg CO_2eq/tkm	Emission factors to assess the emissions associated with the transportation of each type of waste – considering transportation by truck	Ecoinvent 3.10
6	Business Travel	Emission factor for car transport	kg CO_2eq/km	Emission factors for assessing emissions associated with business travel by automobile use	Ecoinvent 3.10
7	Employee commuting	Emission factors for home-to-work transportation	kg CO_2eq/pkm	Emission factors to assess the emissions associated with home-to-work travel by different means of transportation	Ecoinvent 3.10
11	Use of sold products	Emission factors for electricity consumption – material-based approach	kg CO_2eq/ kWh @ reference year in the scenario considered	Emission factors to assess the emissions associated with the electricity consumption of most product lines (>95% of turnover) of the Electrode Technologies business segment (both for new electrodes/ aftermarket), also considering the decarbonization of the power grid in the coming years according to the IEA scenario	Ecoinvent/IEA (2021) Emission Factors database
		Emission factors for electricity consumption of some electrode families – spend-based approach	kg CO_2eq/ EUR @ 2024	Emission factors to assess the emissions associated with electricity consumption of some product lines (<5% turnover) of the Electrode Technologies business segment (both new electrodes and recoating)	Average kg CO_2eq/Euro resulting from product lines in the Electrode Technologies business segment for which a material-based approach was used
		Emission factor for electricity consumption Water Technologies – spend-based approach	kg CO_2eq/ EUR @ 2024	Emission factors for assessing emissions associated with electricity consumption in the Water Technologies business segment	Average kg CO_2eq/ Euro resulting from the product lines of the Electrode Technologies business segment (new electrodes)
12	End-of-life treatment of sold products	Emission factors for waste transport	kg CO_2eq/tkm	Emission factors to estimate waste transport to the disposal site (assuming 50 km via truck for all plants and waste types)	Ecoinvent 3.10
		Emission factors for end-of-life treatment of waste other than packaging	kg CO_2eq/kg	Emission factors for end-of-life treatment of each type of waste other than packaging	Ecoinvent 3.10
		Emission factors for end-of-life treatment of metals	kg CO_2eq/kg	Emission factors for the end-of-life treatment of each metal	Ecoinvent 3.10
13	Downstream leased assets	Emission factors for calculating consumption associated with leased electrodes	kg CO_2eq/ EUR @ 2024	Emission factors for calculating consumption associated with leased electrodes	kg CO_2eq/EUR per product family resulting from the Electrode Technologies segment (new electrodes) for which a material-based approach was adopted

ESRS E2 Pollution

IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

The process of identifying and evaluating pollution-related IROs was conducted by De Nora through a Double Materiality assessment. This process was carried out during 2024 and is described within the section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" in the chapter "ESRS 2 – General Disclosures".

The impacts, risks, and opportunities identified are as follows:

Upstream | Direct | Downstream

ESRS Topic	IRO	Time horizon
E2 Pollution	Deterioration of air quality due to emission of pollutants	
	Potential negative impacts on biodiversity and ecosystems arising from mining activities	
	Potential negative impacts from pollution of water resource due to improper management and spillage of hazardous substances into the environment	
	Risk related to non-compliance with laws regulation air pollution and the Group's need to comply with new regulations	

To identify material IROs, the location of the Group's sites was assessed and the Company's activities, both in its own operations and along the value chain, were analyzed. To better understand the Company's activities and to validate the results obtained, interviews were conducted with the interest functions; in-depth analyses were not conducted regarding external stakeholders (e.g., affected communities).

E2-1 Policies related to pollution

Within QEH&S Policy, described in Chapter "E1 Climate change" under section "E1-2 Policies related to climate change mitigation and adaptation", De Nora is committed to supporting programs aimed at reducing its environmental footprint and impacts, in line with a number of standards, including:

- Commitment to environmental protection, including pollution prevention and other specific commitments relevant to the organization's context;
- Commitment to climate change mitigation and adaptation, with reduction of environmental impacts;
- Preservation and protection of the environment in which it operates, efficient use of resources, and ensuring sustainability throughout the entire value chain.

In addition, it is clearly stated in the Code of Ethics that the Group is committed to integrating environmental protection into its corporate culture, including pollution prevention as a fundamental commitment in the context of the organization.

For the future, based on regulatory developments and the outcomes of periodic updates of the Double Materiality assessment, the Group considers further formalizing its commitments in terms of air pollution prevention and control by integrating its policies, as well as implementing additional controls on suppliers and other operators in the upstream and downstream value chain to ensure that they are in line with its policies.

E2-2 Actions and resources related to pollution

In addition to greenhouse gas emissions for which various containment and reduction initiatives are underway expressed in the previous chapter, De Nora monitors other significant air emissions. Currently, the Group's efforts in this specific issue are related to ensuring compliance with various local regulations that impose stringent limits on chimney emissions. These types of pollutants, in fact, are most relevant upstream in the value chain where the production of raw materials used in De Nora products can cause air pollution mainly during extraction and transportation. Other than what is explained below inherent in its own operations, the Group has taken no other focused actions to monitor pollutants and, as of the date of this Consolidated Sustainability Reporting, has no specific actions planned for the future.

However, De Nora is committed to containing emissions to limit the impact of greenhouse gases, particulate matter and other pollutants. In fact, nine plants are currently ISO 14001 certified, a standard that enables De Nora to identify, plan and monitor initiatives designed to control emissions in compliance with thresholds imposed by local legislation.

Company	Country	Site	ISO 14001
De Nora Deutschland GmbH	Germany	Rodenbach	✓
De Nora Permelec Ltd.	Japan	Fujisawa	✓
De Nora Italy S.r.l.	Italy	Cologno Monzese	✓
De Nora Water Technologies Italy S.r.l.	Italy	Cologno Monzese	✓
De Nora do Brasil Ltda	Brazil	Sorocaba	✓
De Nora India Ltd	India	Goa	✓
De Nora Elettrodi Suzhou	China	Suzhou	✓
De Nora China Jinan	China	Jinan	✓
De Nora Water Technologies UK	UK	Tamworth	✓

E2-3 Targets related to pollution

De Nora does not have specific targets regarding the reduction of air emissions not related to those previously covered in the section "E1-3 Actions and resources in relation to climate change policies" because, as stated in the Strategic Sustainability Plan, the Group states its intention to achieve ISO 14001 certification by 2025 for all its sites. ISO 14001 is not a mandatory certification and does not set specific limits for air emissions, but it does require companies to **identify, monitor, reduce, and manage** these impacts in accordance with current regulations and with a continuous improvement approach. Specifically, companies are expected to (i) identify and assess their air pollution impacts, (ii) ensure regulatory compliance, (iii) measure and monitor their impacts, (iv) encourage prevention, (v) draw up contingency plans, and (vi) provide for continuous improvement actions.

E2-4 Pollution of air, water, and soil

De Nora periodically monitors its pollutant gas emissions to ensure compliance with current regulations and environmental standards.

Measurement of the amount of pollutants is the responsibility of the EH&S function at the production sites, which collects the necessary data for data collection and reporting. This function cooperates with external local laboratories, which provide and certify information regarding the amounts of pollutants produced. Measurement methods include laboratory analysis and emission monitoring, carried out through spreadsheets and periodic analyses conducted by both in-house analytical laboratories and external providers. In most cases, measured pollutant concentrations are then converted to amounts emitted during the year after multiplying by the outflow and machine hours for the year. In some cases, pollutant emissions are determined through calculations based on consumption of energy or chemical compounds.

The data collection process involves various sources and players: in addition to the EH&S function, the ESG function and the local Focal Points participate in this process, as per the governance described in the section “Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies” in the chapter “ESRS 2 General Disclosures”.

The measurements and quantification of pollutants emitted in 2024 showed that all volumes of pollutant gases generated in De Nora’s own operations are below the thresholds established in Annex II of Regulation (EC) No. 166/2006, so they were not reported within the following document respecting the provisions of Datapoint 29 of this Disclosure Obligation. These metrics are not reviewed by an external entity.

E3 ESRS Water and marine resources

IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

Through the Water Technologies business, De Nora is engaged in the sale of water treatment products and services. Therefore, it considers within its scope of disclosure all water-related processes that can be materially affected by or affect the Group.

The process of identifying and evaluating impacts, risks and opportunities related to water and marine resources was conducted by De Nora through a Double Materiality assessment. This process was carried out during 2024 and is described within the section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" in the chapter "ESRS 2 - General Disclosures".

The identified IROs as follows:

Upstream | Direct | Downstream

ESRS Topic	IRO	Time horizon
E3 Water and marine resources	Negative impacts arising from the depletion of water availability, particularly in water-stressed areas, due to heavy water use at mining and product use stages	
	Positive impact on water quality derived from the sale of products and services which enable other industrial sectors, as well as municipalities, to reduce their negative impacts on the environment	
	Positive impacts represented by increased access to drinking water through water sanitation products and services	
	Potential negative impacts from pollution of water resource due to improper management and spillage of hazardous substances into the environment	
	Operational risks due to possible interruption of suppliers' activities due to changes in the water regulation or due to the raw materials price increase caused by water scarcity	
	Strategic opportunities arising from the evolution of stricter regulations on water quality	
	Strategic opportunities arising from the growing scarcity of water in different geographical regions	
	Strategic risks due to reduced water availability for electrolysis processes of De Nora's client companies	

To identify material impacts, risks and opportunities, the location of the Group's sites was assessed and the company's activities were analyzed, both in its own operations and along the value chain. To better understand the company's activities and to validate the results obtained, interviews were conducted with internal stakeholders; in-depth analyses were not conducted regarding external stakeholders (e.g., affected communities).

The analysis carried out reveals positive impacts, resulting from the company's own operations, represented by the contribution to the generation of drinking water, including in water-stressed areas, through the provision of technologies and solutions dedicated to treatment and, in particular, filtration and disinfection of water. In addition, the technologies offered enable the treatment of wastewater, both industrial and urban, and the reuse (zero discharge) of the water resource for various purposes.

The identified negative impacts arise mainly in the upstream part of the value chain and relate to the use of water in production processes, including in areas of high water stress, which is particularly intense during the course of mining activities.

E3-1 Policies related to water and marine resources

The Group demonstrates a particular focus on water management through its Water Technologies business segment (for more information, see chapter ESRS 2-General Disclosures, under "Strategy, business model and value chain"). As of today, there is no specific corporate policy to manage significant impacts, risks and opportunities related to the water resource as the Group reserves the right to evaluate in the future the integration of the current range of policies based on established priorities and changes in the context in which it operates. However, within policies such as QEH&S Policy and the Suppliers Code of Conduct (please refer to the chapter "Policies related to climate change mitigation and adaptation" in the chapter "ESRS E1 Climate change"), the issue of managing environmentally material topics for De Nora is addressed, indirectly touching on the issue of water resource management within its own operations. In the former, the Group reaffirms its commitment to sustainability, including an emphasis on spreading a culture of environmental responsibility and conservation. In the second, emphasis is instead placed on the requirements that De Nora's suppliers shall meet in order to collaborate with the Group, including compliance with regulations and standards related to sustainable management from an environmental point of view.

E3-2 Actions and resources related to water and marine resources

As previously detailed in section "E-2 Actions and resources related to pollution", at present, nine of the Group's plants are ISO 14001 certified, a standard that testifies to De Nora's ongoing focus on increasingly sustainable and environmentally friendly practices, with the goal of achieving certification for all plants by 2025. ISO 14001 requires organizations to identify and manage environmental aspects of water use and consumption, promoting sustainable practices to reduce environmental impacts and improve water use efficiency. In addition, organizations must monitor and measure their water-related performance to ensure compliance with established environmental objectives. This certification allows the company to have control over water consumption. At present, with respect to the mitigation of potential negative impacts on water management, there are no initiatives involving other players in the value chain.

The industrial use of water at De Nora is related to a number of crucial plant processes, including air washing, chemical surface treatment, electroplating, coating, and the production of deionized water for specific uses, such as chemical analysis, irrigation systems, eyewash stations, and safety showers. These processes require a responsible and innovative approach to water management. The company's proposed disinfection and filtration technologies, as described in the "SBM-1 Strategy, business model, and value chain" section of the chapter "ESRS 2 General Disclosures," are designed to ensure water safety and quality, ensuring sustainable and circular use of this vital resource. De Nora addresses both the municipal market, designing and supplying systems and technologies for drinking water and tertiary wastewater treatment, and the industrial market for process water treatment and disinfection. More specifically, filtration and disinfection systems enable the continuous reuse of process water within industrial plants, and, in addition, filtration solutions enable the use of seawater for cooling processes, thus reducing water stress. De Nora's technologies ensure the supply of drinking water in many metropolitan areas, such as in Los Angeles, America, and the Gulf regions (Middle East), which face severe water stress challenges. In these areas, De Nora provides filtration and disinfection systems, both primary and secondary, for seawater desalination projects of great importance.

In addition, the company offers a full range of technologies for the removal of emerging contaminants, such as nutrients, arsenic, and PFAS, ensuring compliance with the limits imposed by the regulations in force in various regions. These initiatives are an integral part of De Nora's commitment to the sustainability and protection of water resources, contributing to a more responsible, safe and environmentally friendly future.

E3-3 Targets related to water and marine resources

De Nora is committed to reducing water consumption in its production processes, with a focus on the most water-stressed areas in which it operates.

The targets of the Sustainability Plan that are related to water and marine resources can be traced back to measuring the positive impacts of using the Water Technologies business products. De Nora, in fact, starting from the following disclosure, it has begun to communicate to its stakeholders the percentage of revenues that contribute positively to the SDGs, as reported in "Commitment to Sustainable Development Goals." To achieve the target of 50% of revenues that contribute positively, a path has been undertaken to continuously improve the quantification of liters of treated water and the population's access to potable water made available through De Nora technologies. With specific reference to the 2024 financial year, the contribution KPI reported in the "Commitment to Sustainable Development Goals" section of the chapter "ESRS 2 General Disclosures" has been made available based on the order intake.

This is a voluntary target in the definition of which no stakeholders from outside the Group were involved.

E3-4 Water consumption

De Nora uses water for both civil and industrial purposes. In most production plants, water is collected through the local network. There are some exceptions, such as in the case of De Nora Japan (Fujisawa facility) where groundwater is collected directly by the company. The two sources are shown in the table under the headings "Third-party water" and "Groundwater".

Domestic and municipal water is discharged directly into the local sewage system, while industrial wastewater is treated through an on-site treatment plant or by shipping water tanks to a third party for treatment. All industrial water is treated according to local legislation and discharged after having been tested and having met quality parameters. Only one plant of significant size, located in China, is situated in a water-stressed area. In this case, water withdrawal and discharge are heavily regulated by the local government, and the company strictly follows the relevant guidelines.

The table below shows water consumption by source in the year 2024, measured in cubic meters (m^3).

Water consumption	Unit of Measurement	Water-stressed areas	Total consumption
Water consumption per source:			
Surface water	m^3	-	-
Groundwater	m^3	-	43,914
Seawater	m^3	-	-
Third-party water	m^3	3,644	7,253
(a) - Total water consumption	m^3	3,644	51,167
(b) - of which: freshwater	m^3	3,644	51,167
(c) - of which: total water recycled and reused	m^3	-	-
(d) - of which: total water stored	m^3	-	-
Water withdrawals	m^3	57,536	204,867
Water discharges	m^3	53,892	153,700
Water consumption intensity	m^3/M€	-	59.3

Water for human consumption is used at all Group sites. Production sites make additional use of water in industrial processes, which account for the most significant portion of water withdrawal and consumption. In production facilities pertaining to the ET business, most of the water is used for industrial washing processes or for the operation of wet scrubbers (in which water is used to prevent the release of pollutants into the atmosphere). In manufacturing plants pertaining to the WT business, on the other hand, water intended for industrial purposes is mainly used for testing activities of manufactured machinery before it is sent to customers.

Production facilities pertaining to the ET business are responsible for almost all of the Group’s water consumption.

For these reasons, in most of the group’s offices, it is assumed that water discharges coincide with the amount of water withdrawn.

To quantify the amount of water withdrawn, direct reading of the data from provider bills or meters is performed so, excluding the exceptions reported in the section “Sources of end uncertainty of results” in the chapter “ESRS 2 General Disclosures” no assumptions and/or estimates are used. The metrics shown in the table are not subject to review by an external body other than the entity issuing the compliance statement on this Consolidated Sustainability Reporting.

ESRS E4 Biodiversity and ecosystems

E4 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to biodiversity and ecosystems

The process of identifying and assessing impacts, risks and opportunities related to biodiversity and ecosystems was conducted by De Nora through a Double Materiality assessment. This process was carried out during 2024 and is described within the section “IRO-1 Description of the process to identify and assess material impacts, risks, and opportunities” in chapter ESRS 2 “General Disclosures”.

In this process, the Group identified the following impact and systemic risk upstream in its value chain, however, no dependencies were identified in biodiversity and ecosystems:

	Upstream	Direct	Downstream	
ESRS Topic	**IRO**			**Time horizon**
E4 Biodiversity and ecosystems	Risk	Operational risks related to possible interruption of suppliers’ activities due to possible changes in the raw materials prices increase caused by changes in the regulation		
	Negative impact	Potential negative impacts on biodiversity and ecosystems arising from mining activities		

To date, the Group has not conducted consultations with affected communities on sustainability assessments of shared biological resources and ecosystems.

In 2024, De Nora mapped its facilities in relation to areas exposed to biodiversity risks. The assessment, carried out through the “Biodiversity risk filter” tool of the WWF (WWF Biodiversity Risk Filter), shows that offices in the United States, the United Arab Emirates and China are located near high or very high risk areas.

The distribution of the legal headquarters of De Nora’s suppliers shows a concentration in seven main countries: Japan, Germany, United States, Italy, China, United Kingdom, South Africa, and Brazil. These areas mostly reflect the location of De Nora’s sites, except for South Africa where part of the mining activities recalled in the biodiversity and ecosystem IROs take place.

E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

De Nora recognizes that activities upstream in its value chain, such as metal mining and refining, can pose significant environmental risks and impacts due to the exploitation of soil and limited resources. The Group has not identified any material impacts related to its activities. For the following reason, De Nora believes that the most suitable tool for mitigating the identified risks and impacts is active monitoring of its supply chain.

An assessment, described in the previous section, was carried out during 2024, leading to the assessments included within the Double Materiality assessment. Given the lack of materiality in own operations, no further investigation of the potential impacts of the Group on biodiversity is planned, nor has a resilience analysis been conducted with reference to the topic.

E4-2 Policies related to biodiversity and ecosystems

De Nora has not adopted specific policies to manage its impacts, risks, dependencies and opportunities material in terms of biodiversity and ecosystem as the analysis described was carried out in 2024. However, in policies such as the QEH&S Policy, the Code of Ethics, and the Code of Ethics for Suppliers (for more in-depth information, see "Policies related to climate change mitigation and adaptation"), the issue of general commitments to reduce the impact of activities and the supply chain on the environment is addressed. In particular, the QEH&S Policy and the Code of Ethics specify its commitment to the protection of the environment in which the Group and its suppliers operate, which includes the protection of biodiversity and ecosystems.

E4-3 Actions and resources related to biodiversity and ecosystems

The Group promotes actions related to biodiversity and ecosystems especially with regard to transactions upstream in its value chain.

De Nora has implemented a Suppliers Relationship Management (SRM) system, with the goal of improving supplier interaction and knowledge. ESG assessment criteria have been integrated within this platform, proving De Nora's commitment to encouraging the spread of a culture of responsibility also to third parties.

In fact, the Group is evaluating its suppliers through a questionnaire, within which they are asked to submit information regarding the environmental choices each of them makes, thus also touching on the issue of biodiversity. Specifically, suppliers must explicitly state that they follow and abide by regulations on the environment, as well as declare any certifications related to management systems.

As part of the strategic sustainability plan initiatives, De Nora's production facilities have drafted Environmental Emergency Plans that also deal with the management of emergencies, such as spills into water and soil, that may damage the surrounding ecosystem. In addition, on Sustainability Day, De Nora launched its reforestation initiative in partnership with Treedom.

E4-4 Targets related to biodiversity and ecosystems

Within the Sustainability Plan, De Nora is committed to monitoring and assessing the environmental impacts and certifications of its suppliers, engaging those considered high risk. In particular, since biodiversity is only material in the upstream part of the value chain, De Nora intends to use the information gathered through supplier ESG assessment questionnaires to proactively investigate those with potential impacts and verify that they meet certain biodiversity standards. This type of activity will be further detailed following the implementation of a supplier ESG assessment platform and their risk mapping.

There are no targets, referring to any aspect of the mitigation hierarchy, aligned with the Kunming-Montreal Global Biodiversity Framework nor with the EU Biodiversity Strategy 2030 and/or other national biodiversity and ecosystem-related policies and legislation. In addition, it should be noted that no offset tools are used.

ESRS E5 Resource use and circular economy

IRO-1 Description of the process to identify and assess material resource use and circular economy-related impacts, risks and opportunities

De Nora considers within its scope of disclosure all circular economy-related processes that may be materially affected by or affect the Group.

The process of identifying and evaluating IROs related to the circular economy was conducted by De Nora through a Double Materiality assessment. This process was carried out during 2024 and is described within the section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" in the chapter "ESRS 2 - General Disclosures"

A systemic risk related to raw material availability was identified in this area with particular reference to noble metals.

Material impacts, risks and opportunities in relation to the circular economy are outlined below:

ESRS Topic	IRO	Upstream / Direct / Downstream	Time horizon
E5 Circular economy	Negative impact	Potential negative impacts from pollution of soil, water and air due to incorrect waste disposal practices	
	Risk	Operational risks due to the unavailability of raw materials due to their overexploitation (particularly noble metals)	

E5-1 Policies related to the circular economy

De Nora adopts a series of practices geared toward responsible waste management, both hazardous and nonhazardous, promoting a corporate culture that encourages proper and conscious handling of these materials. This commitment is manifested both through responsible waste management, seeking as far as possible to prevent waste production and encouraging practices such as reuse, recycling and other recovery operations, as well as through services that enable the company to extend the life cycle or give a second life to their products.

The QEH&S Policy provides an explicit reference regarding the responsible use of resources and the reduction of environmental impact in the Group's areas of responsibility, which includes responsible waste management.

In addition, during 2024, De Nora defined the Circular Design Guidelines which mainly concern aspects related to circular economy and climate change (already described in the section "Sustainability strategy" in the chapter "ESRS2 General Disclosures"). This framework establishes guidelines in terms of ecodesign to be considered in the development of products for sale, and thus applicable not only to its own operations but also, indirectly, to the downstream value chain.

Following this recent adoption, De Nora updated the process of creating and evaluating its research products, incorporating an environmental sustainability assessment from the earliest stages of development. This new approach requires each project to be evaluated on its adherence to the new Circular Design Guidelines.

At the beginning of each project, during the conceptual design phase, a qualitative assessment is performed that evaluates the expected results against a reference benchmark, understood as either a product that will be replaced by the new one (if an internal benchmark exists) or a state of the external art/product. This first step helps identify potential critical issues and opportunities for improvement in relation to sustainability targets. Later, at a more advanced and mature stage of product development, a quantitative assessment is carried out based on specific sustainability indicators. These indicators assess the effects related to carbon emissions during product manufacture and use; the toxicity of substances used in compliance with current regulations; product durability and its suitability for manufacturing; as well as the possibility of dismantling and recycling of materials at the end of its useful life.

Based on the results obtained from the above evaluations, project performance is analyzed against the stated benchmark, in terms of improvements and/or deterioration. This assessment is a key element in the decision-making phase regarding project progress.

E5-2 Actions and resources related to resource use and circular economy

Circularity is an integral part of De Nora's business model, and is inherent in the DNA of both the supply of electrodes and the solutions for water filtration and disinfection. Circular economy initiatives start with De Nora's own operations, but by their nature involve other players in the value chain. Among the operations aimed at a circular economy related to the supply of electrodes, De Nora performs re-meshing, re-coating, and top-coating where technically possible. The re-meshing operation involves replacing an entire electrode with a new one, keeping the substrate intact and allowing it to be reused. Re-coating and top-coating operations, on the other hand, involve reapplying the coating to the same metallic substrate, thereby also extending the life of the substrate, in addition to that of the system in which the electrode is inserted. Circularity in the use of electrodes designed for a second life is a key element of De Nora's business model, which offers coating and repair services, encouraging the reuse of electrodes and the recovery of metals such as titanium, nickel, and noble metals. De Nora also leases some assets, contributing to the retention of the value of these products within the company.

As part of its Sustainability Plan initiatives, De Nora is implementing several actions to promote a circular economy and reduce the use of virgin materials. With regard to the 2026 target of increasing reused packaging, several companies are stipulating agreements with their customers to recover packaging once it has been delivered and, at the Cologno plant, the purchase of equipment for on-site recovery of packaging materials has been initiated. De Nora is also engaged in activities to reuse the noble metals generated in production processes and, in some plants, to recover the residual quantities of these materials in used electrodes. Therefore, with the target of increasing the amount of recycled noble metal, an internal procedure is being established to more accurately track material recovered from production waste (pre-consumer) and material recovered from end-of-life electrodes (post-consumer) that can be considered recycled noble metal for all intents and purposes. Finally, with regard to waste management, in 2024 the Group focused on conducting an analysis of the data and context of the various plants to establish a percentage target of waste not destined for disposal. As envisaged in the Sustainability Plan, a target has been set for 2030 to achieve a percentage of 55% waste diverted from disposal. In view of the new target, specific initiatives have been launched aimed, for example, at reuse of spent acids, with the aim of identifying innovative solutions for reducing industrial waste and its possible reintegration into production cycles.

E5-3 Targets related to resource use and circular economy

As part of its commitment to sustainability, De Nora aims to set clear, measurable and voluntary targets concerning the efficient use of resources and the promotion of the circular economy.

De Nora is committed to optimizing waste management and promoting sustainable practices through a series of specific targets defined within the Sustainability Plan:

(i) Optimize waste management: De Nora has set the goal to be achieved by 2030, as envisaged by the plan, and is committed to expressing its commitment to specific initiatives for local companies.

(ii) Increase share of wood packaging reused De Nora aims to reach 40% reused wood packaging waste by 2026.

(iii) "Deforestation-free" wood packaging: The target is to ensure that more than 80% of wood packaging comes from deforestation-free sources by 2030.

(iv) Increase recycled content in noble metals and reduce their content within products: De Nora aims to achieve a 5% portion of recycled noble metals (by weight) content by 2030 and decrease its content by 4% (referring to the three product lines: Membrane, Pools, AWE) by 2026.

(v) **Quantify and disclose the percentage of revenues that contribute positively to the SDGs** (particularly Goal 12 "Responsible Consumption and Production") and come from products that are "designed for second life".

(vi) **Finally, De Nora set a target based on the percentage of R&D revenues that contribute to the Sustainable Development Goals (SDGs)**, aiming to exceed 80% by 2026. This KPI is monitored based on adherence to the principles of internal circularity guidelines by assessing the achievement of expected results against the project benchmark during the product creation process for each De Nora Group research project, and is reported in the section "Commitment to Sustainable Development Goals".

The current initiatives and targets listed above for the coming years cover almost all waste hierarchy aspects, specifically: prevention, through resource efficiency and ecodesign, the reuse, both of strategic and secondary materials; and recycling, both for the purchase of non-virgin raw materials and for the destination of one's waste.

The Sustainability Plan targets were defined following analysis of benchmarks, of the regulatory environment and best practices, and on the basis of the Group's activities and ambitions without direct involvement of external stakeholders.

E5-4 Resource inflows

Resource inflows for De Nora mainly include metals, noble metals, packaging materials, chemical compounds and other process consumables. The quantity of materials used is closely related to the production mix of the financial year.

Regarding the use of organic material, which is limited to packaging, De Nora already uses Forest Stewardship Council (FSC) certified packaging, but it is structuring itself to collect and track information. In addition, the Group recorded an increase in reused wood, which reached 16% in 2024.

Resource inflows	Unit of Measurement	2024	2024 % Of which reused/recycled
Noble metals			
Iridium	Kg	1,226	
Platinum	Kg	153	
Rhodium	Kg	34	
Ruthenium	Kg	7,809	
Palladium	Kg	13	
Total Noble Metals	Kg	9,235	
Metals			
Nickel	Kg	112,096	
Of which reused/recycled	Kg	-	-
Titanium	Kg	1,512,812	
Of which reused/recycled	Kg	89,980	5.9%
AKOT grade hydrochloric acid (HCl)	Kg	1,009	
Of which reused/recycled	Kg	-	-
Titanium-Palladium Ti-Pd (for HCl) - indicates % Pd	Kg	42,744	
Of which reused/recycled	Kg	-	-
Steel	Kg	278,935	
Of which reused/recycled	Kg	32,000	11.5%
Other metals for substrates and mechanical applications	Kg	7,972	
Of which reused/recycled	Kg	-	-
Total Metals	Kg	1,955,568	

Resource inflows	Unit of Measurement	2024	2024 % Of which reused/recycled
Consumables			
Abrasive for sandblasting (corundum)	Kg	313,669	
Hydrochloric acid HCl	Kg	1,824,882	
Sodium hydroxide NaOH (alkaline treatments, neutralizations)	Kg	828,520	
Nitric Acid HNO_3	Kg	28,432	
Sulfuric Acid H_2SO_4	Kg	184,497	
Helium	Kg	7,533	
Argon	Kg	567,259	
Other materials	Kg	106,360	
Total consumables	Kg	3,870,509	
Packaging			
Wood	Kg	1,440,795	
Of which reused/recycled	Kg	225,393	15.6%
Cardboard	Kg	166,324	
Of which reused/recycled	Kg	470	0.3%
Corrugated cardboard	Kg	156,711	
Of which reused/recycled	Kg	4,267	2.7%
Ranpak paper	Kg	21,056	
Of which reused/recycled	Kg	-	-
PE film	Kg	14,971	
Of which reused/recycled	Kg	1,021	6.8%
Bubble film	Kg	3,698	-
Of which reused/recycled	Kg	17	0.5%
Plastic skid	Kg	1,712	
Of which reused/recycled	Kg	-	-
Polystyrene	Kg	32,673	
Of which reused/recycled	Kg	135	0.4%
Other packaging materials, please specify	Kg	101,372	
Of which reused/recycled	Kg	-	-
Total packaging material	Kg	1,939,313	
Other			
Glass tubes	EA	3,651	
Sodium chloride	Kg	682,198	
Teflon	Kg	59,183	
Zirconia	Kg	176,788	
UV Lamps	EA	2,418	
Other materials	Kg	1,228	
Total other materials	Kg	919,396	
Total material used	Kg	8,694,021	

Information on materials used is reported within the Group's management system and, from there, extracted and processed to obtain the data shown in the table, so no special assumptions and/or estimates were used. These metrics are not reviewed by an external entity other than the party issuing the compliance statement on this Consolidated Sustainability Reporting.

E5-5 Resource outflows

The waste generated by De Nora's plants is mainly industrial waste and comes from the materials used in production processes (mainly metals, noble metals and chemical compounds). The volume of waste produced in the reporting year is equivalent to about 6 tons. Hazardous waste, which accounts for 64% of the total, consists mainly of chemicals that are properly treated and neutralized. Aboutf 40% of waste goes to recycling, reuse and other recovery operations.

Resource outflows E5-5-37	Unit of Measurement	2024
(a) Total amount of waste generated	Tons	6,194
Non-hazardous waste		
(b) i - diverted from disposal due to preparation for reuse	Tons	-
Of which on-site	Tons	-
(b) ii - diverted from disposal for recycling	Tons	660
Of which on-site	Tons	1
(b) iii - diverted from disposal for other recovery operations	Tons	256
Of which on-site	Tons	-
(b) Non-hazardous waste diverted from disposal	Tons	916
(c) i - intended for disposal by incineration with energy recovery	Tons	53
(c) i - intended for disposal by incineration without energy recovery	Tons	54
(c) ii - directed to landfill	Tons	855
(c) iii - intended for disposal through energy recovery	Tons	74
(c) iiii - directed for disposal by neutralization	Tons	-
(c) iiiii - intended for disposal by other disposal operations	Tons	300
(c) Non-hazardous waste for disposal	Tons	1,336
Waste temporarily stored at the plant	Tonnellate	2
Total amount of non-hazardous waste generated	Tons	2,252
Hazardous waste		
(b) i - diverted from disposal due to preparation for reuse	Tons	-
Of which on-site	Tons	-
(b) ii - diverted from disposal due to recycling	Tons	1,557.25
Of which on-site	Tons	-
(b) iii - diverted from disposal due to other recovery operations	Tons	29
Of which on-site	Tons	-
(b) Hazardous waste diverted from disposal	Tons	1,586
(c) i - intended for disposal by incineration	Tons	9
(c) ii - directed to landfill	Tons	25
(c) iii - intended for disposal through energy recovery	Tons	-
(c) iiii - directed for disposal by neutralization	Tons	2,160
(c) iiiii - intended for disposal by other disposal operations	Tons	162
(c) Hazardous waste for disposal	Tons	2,357
Waste temporarily stored at the plant	Tons	1
Total amount of hazardous waste generated	Tons	3,943
Total waste diverted from disposal	Tons	2,502
Total waste for disposal	Tons	3,693
(d) i - Amount of waste not recycled (value which includes reuse and other recovery operations)	Tons	3,978
(d) ii - Percentage of waste not recycled (value which includes reuse and other recovery operations)	%	0.64

De Nora Group companies rely on local or national environmental agencies to ensure proper disposal and treatment of waste at designated facilities. Third parties in charge of waste pickup issue the appropriate documents required by applicable regulations, which record the volume of material removed and the treatment methods. The waste data are accounted for in a database, and there is also a waste approval and sampling process. Electronic storage of waste approval data is used to monitor, verify and generate waste data results and processing. For the small leased offices in Singapore and the UAE, data were estimated based on national per capita waste generation values provided by government agencies. It should be noted that the metrics measure is not validated by an external entity other than the entity issuing the compliance statement on this Consolidated Sustainability Reporting.

SOCIAL INFORMATION

ESRS S1 Own workforce

S1-SBM2 Interests and views of stakeholders

De Nora recognizes the importance of communicating how the interests, opinions and rights of its workers guide the company's strategy and business model. The workforce represents a key group of stakeholders, whose engagement is essential to the company's success and sustainability.

The Group is committed to ensuring that human rights are respected in all its operations, promoting a fair and inclusive work environment. Through open and transparent communication channels, De Nora actively listens to its employees' needs and concerns, as well as their needs and reports, and incorporates their feedback into strategic decisions and company policies, thus paying attention to and mitigating potential harm to employees due to non-inclusive practices and failure to ensure equal opportunity. In fact, the results of surveys, the main tool for collecting employee opinions described in the section "S1-2 Processes for engaging with own workers and workers' representatives about impacts", are presented to the CEO and other Group Chief Officers.

This approach not only strengthens the bond between the company and its employees, but also helps create a corporate culture based on respect and valuing people. De Nora's commitment to ensuring respect for workers' rights and their health and safety in the workplace and promoting wellbeing is a key element of its sustainability strategy, which aims to build a more responsible and inclusive future for all.

S1-SBM3 Material impacts, risks, and opportunities and their interaction with strategy and business model

De Nora considers within its scope of disclosure all members of the workforce who may be materially affected by the company, including all employees hired directly by the Group.

The process of identifying and evaluating IROs related to own workforce was conducted by De Nora through a Double Materiality assessment. This process was carried out during 2024 and is described within the section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" in the chapter "ESRS 2 - General Disclosures".

The Double Materiality assessment led to the identification of impacts, risks and opportunities related to the following topics:

- Worker health and safety: Deficiencies in the supervision of safety principles may expose workers to significant risks along the entire value chain. Mechanical activities, use of equipment, risk of falls, and exposure to chemicals can cause occupational injuries or diseases, with consequences ranging from temporary to permanent damage. Occupational accidents resulting from inadequate preventive measures may also lead to productivity losses, costs associated with training new staff, compensation claims, and damage to corporate reputation.
- Inclusion and equal opportunity: Failure to implement inclusive policies and poor supervision may foster discrimination based on gender, ethnicity, religion, disability or sexual orientation. The absence of an appropriate inclusion strategy may negatively affect employee retention and turnover, with impacts on business continuity and company reputation. In addition, discrimination may

have economic consequences, including the loss of customers, decreased stock value, and legal costs. De Nora is committed to increase monitoring of the share of female employment, which grew by 20%, and monitoring the share of women in managerial positions, in addition to the further actions described below.

- Human and labor rights: The protection of freedom of association and collective bargaining is fundamental in modern economies. However, the presence of suppliers in geographical areas that are less sensitive to these issues may complicate compliance with new European regulations, such as the Corporate Sustainability Due Diligence Directive (CSDD). These regulations require careful mapping of the social and environmental value chain to identify and mitigate related risks. At the end of 2023, De Nora introduced a comprehensive Human Rights policy.

Dependence on human capital: The Group's activities rely heavily on the availability of highly qualified staff. Shortage or loss of staff may slow down operations and increase costs associated with selecting and training new employees. This risk is amplified by the demographic decline and the competition over skilled resources in its major target markets. De Nora is committed to monitoring and improving its reputation as an "employer of choice", continuously motivating and developing its people, strengthening succession planning, fostering "knowledge transfer" within the group, and improving the effectiveness of the recruiting process.

Below is the list of identified IROs:

ESRS Topic	IRO		Time horizon
S1 Own workforce	Negative impact	Potential damage to workers' health and safety due to the failures in overseeing safety principles	
	Negative impact	Potential damage to employees due to non-inclusive practices and failure to ensure equal opportunities	
	Negative impact	Potential negative impacts on employees' human and labour rights due to lack of protection of workers' collective bargaining and association rights	
	Risk	Operational and non-compliance risks associated with failure to protect the health and safety of its workers	
	Risk	Operational and reputational risks due to non-compliance with equal opportunity and diversity safeguards	

To address these challenges, De Nora has adopted a number of strategic measures aimed at offsetting the identified negative material impacts, including the introduction of a Human Rights Policy and a Diversity, Equity and Inclusion Policy, aimed at ensuring respect for human rights, equal opportunities and preventing discrimination. These interventions are an integral part of the company's ESG Plan, aimed at strengthening sustainability and operational resilience over the long term.

The Group's Double Materiality assessment considered the entire workforce and impacts related to both its own operations and the value chain. Employees are defined as those directly employed by the group, both permanent and temporary, while non-employees are defined as those not directly employed by the group, namely, temps, interns, and freelancers/contract workers. Vendors (e.g. canteen, cleaning, etc.) are not included in non-employee staff. De Nora has not identified any group among its employees and non-employees that is more subject to risk than others or exposed to specific vulnerabilities. Regarding the methodologies, assumptions, and tools used to identify and assess material impacts, risks, and opportunities along its value chain, please refer to section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" in chapter "ESRS 2 General Disclosures". No specific issues of operations at serious risk of forced labor and child labor in its own workforce level have been identified.

S1-1 Policies related to own workforce

The Group adopts a structured system of policies, processes and procedures aimed at managing the impacts, risks and opportunities related to its own workforce and drafted according to international best practices and guidelines (including OECD, ILO and UN guidelines). The implemented policies not only aim to prevent and mitigate potential negative impacts on employees and contractors, but also to identify and enhance opportunities for continuous improvement, promoting a healthy, positive and inclusive work environment. The main policies adopted address the entire workforce and include:

- Code of Ethics: it establishes guidelines for behavior within the organization, through both the group ethical principles, "Science as a life-catalyst"; "Transparency and coherence"; "Integrity and fairness"; "Mutual respect and value of diversity", and by defining the corporate values of "Sustainability", "Agility", "Collaboration", and "Making a difference" to which every De Nora employee is required to adhere.
- Whistleblowing Policy: it protects transparency and business ethics by ensuring that all reports of potential wrongdoing or irregularities are collected and handled confidentially.
- Human Rights Policy: it defines the Group's commitment to operate with respect for human rights by repudiating practices such as human trafficking (Delegated Regulation (EU) 2022/1288), forced labor, and child labor.
- Diversity, Equity and Inclusion Policy: it addresses and combats all forms of harassment and discrimination, including racial and ethnic origin, gender, sexual orientation, disability, age, religion, political opinion, nationality and social origin, etc., promoting equal opportunities. The implementation and enforcement of what is defined in this Policy are the responsibility of each employee and they are promoted by De Nora through training initiatives.
- Anti-Corruption Policy: it governs the handling of reports of alleged wrongdoing in this area, reinforcing the commitment to ensuring an ethical, transparent and corruption-free work environment, including through a digital application accessible to the entire corporate population, the "Gift Tracker".
- Policy QEH&S (Quality, Environment, Health and Safety): it testifies to the Group's focus on accident prevention and protection of health and safety and the prevention of accidents both of employees and outside workers, as well as maintaining high quality and environmental standards.

S1-2 Processes for engaging with own workers and workers' representatives about impacts

Managing impacts, both positive and negative, is at the heart of De Nora's priorities. The company is dedicated to identifying and addressing opportunities that can foster growth, while maintaining a constant focus on risk management. The Group protects union representatives by ensuring they have the necessary resources to carry out their role and strongly condemning all forms of discrimination. In addition, De Nora promotes teamwork and collaboration, and adopts various internal communication tools (e.g. Internal Portal) to keep employees informed of company policies and news.

Engagement and development tools

To monitor the business climate and identify areas for improvement, the Group uses different types of **surveys** to collect employee feedback. The main tool is the "We DN" survey, a fully digitalized Global Survey that is conducted annually and is managed by the People Organization Social Communication and Happiness function (POrSCH). In 2024, the survey had 1,673 respondents, 88.2% of those who received it. The survey consists of 84 questions on different areas (satisfaction with one's job, manager, colleagues, and company). The results show a high degree of satisfaction: the average satisfaction rating was 4.52/6, while pride in working at De Nora 4.92/6. The information gathered is then considered to guide the People Strategy initiatives aimed at managing both current and potential impacts on the workforce to ensure a fair and challenging work environment. In addition, an App (Yumi) is used for monitoring the emotional quality of employees' days and their well-being during one/two monitoring campaign(s) lasting one month each, during which employees rate the quality of their days. Lastly, for Italian employees, for the past two years, there has also been the Great Place To Work Survey, providing information on the company climate.

A fair and inclusive work environment

De Nora is actively committed to ensuring an inclusive work environment, respecting the diversity and needs of all employees. To this end:

- **It monitors the effectiveness of its policies** through KPIs, We DN Surveys, and performance and skills assessments;
- It strengthens **internal communication,** through global and local News published on the Company Portal, and the drafting of a quarterly Newsletter that chronicles major company news and initiatives;
- It commits to monitoring and possibly **reducing the gender pay gap**;
- It offers **psychological support** in different countries, **with contacts accessible to employees, and policies to support parenting;**
- It encourages schedule flexibility and the ability to work remotely for those positions for which this is feasible.

This approach reflects De Nora's commitment to a corporate culture based on trust, transparency, and employee wellbeing.

The flagship initiatives of the SuPERIOR People Strategy comprise InCLUDe (Inclusive and Cohesive Leaders Unlock De Nora), a comprehensive inclusive leadership training program with the crucial goal of fostering a culture of active listening, inclusion, continuous feedback and caring for ourselves, team members at all levels of the organization. The Italian edition of the program has just successfully concluded, with the involvement of the entirety (100%) of Italian directors and managers, totaling more than 80 participants. Over the next two years, InCLUDe will be extended to all of the approximately 300 directors and managers around the world, where customized content will be developed based on the specific needs and expectations of each country, with a focus on the needs of particularly vulnerable and/or marginalised workers.

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

Employees who experience discrimination or harassment are encouraged to seek support, and everyone has a duty to report any cases they become aware of. Reports may be sent directly to the POrSCH function, or through the global whistleblowing system, which ensures confidentiality and protection. Whistleblowing reports are analyzed on a case-by-case basis and, if confirmed, appropriate remedial actions are undertaken. Reports are periodically shared with the Control, Risk and ESG Committee, ensuring constant and transparent monitoring of the effectiveness of this instrument. For more details, please refer to the Whistleblowing Policy and paragraph "G1-3 Prevention and detection of corruption and bribery" in the following document.

The Group promotes a culture of open communication, encouraging employees to express their opinions and needs through meetings with supervisors, and participate in periodic Surveys (e.g., We DN Survey; Great Place To Work) to monitor the corporate climate.

In addition, De Nora invests in training and communication on company policies to ensure the accessibility of information for all employees, offering courses on key topics such as the Code of Ethics and Anti-Corruption that are mandatorily included in the onboarding process. Information is disseminated through various channels, including:

- Corporate portal;
- Newsletter;
- Documentation accessible to all employees;
- Training content on De Nora Academy, group learning platform.

This flexible and inclusive internal communication system reflects De Nora's commitment to transparency and accountability.

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

To monitor and mitigate key risks related to its own workforce, the Group focuses on the following areas:

Health and Safety

Employee protection is a **top priority** for De Nora. With the "**Safety starts with you**" motto, the Group promotes risk awareness and encourages responsible behavior through **specific training** and practices that not only meet, but exceed regulatory requirements, with the target of minimizing risks to everyone's health and safety.

Training and certification: to ensure a safe working environment, the Group implements training plans to improve risk awareness, and has developed health and safety management systems at its operating sites, aiming to achieve ISO 45001 certification by 2025. Specific training programs are also organized to improve health and safety awareness and skills.

Active employee engagement: risk analysis and assessment activities actively engage workers and supervisors, promoting a collaborative approach that reinforces a safety culture. In addition, De Nora encourages hazard reporting through various channels, such as daily meetings and periodic audits, by adopting Quality policies using the "**Hoshin Kanri**" method for strategic planning, with the ambitious target of achieving zero injuries. In addition, awareness events are periodically organized, such as Safety Days, days totally dedicated to promoting Health and Safety.

Wellbeing

The Group promotes a culture of wellbeing by ensuring and promoting:

1. Respect for **working hours, rest periods** and the **right to paid leave**, as well as promoting **remote working arrangements**. During 2024, the first "Flexibility in the Workplace" global policy was released, which defines group guidelines. In 2025, each local legal entity will be required to have a local policy integrating local rules.
2. Support employees in **parenting** by implementing the Parental Leave Policy, which provides **extended parental leave and work flexibility**.
3. **Wellbeing improvement** initiatives, such as **private health insurance, psychological support**, and **free flu vaccinations**.
4. **Regularly monitoring of stress levels, wellbeing and staff engagement** through the We DN Survey (globally), plus the Great Place To Work questionnaire and the Yumi App for Italy, using the results to define **improvement plans**.
5. Guarantee of **fair wages** that enable workers to maintain an adequate standard of living.

Equity and inclusion

De Nora is committed to creating a fair and inclusive work environment, ensuring respect and equal opportunity for all, regardless of age, gender, nationality, disability, ethnicity, sexual orientation, religion, political opinion or socio-economic background.

More specifically, the Group actively

promotes Inclusive leadership, having launched the "InCLUDE" leadership program, which together with respect for diversity and multiculturalism is a strategic resource for De Nora's business success. In line with this vision, De Nora continues to wholeheartedly promote Diversity, Equity and Inclusion (DEI), including through the "Each For Equal" committee, and during the year, published a specific global policy on the topic.

During 2024, Group companies in the Italian perimeter achieved Gender Equality Certification (UNI/PdR 125:2022) for the first time.

Finally, to further strengthen inclusion, De Nora has set concrete targets to increase the share of women among new hires and will take steps to implement upskilling, networking and mentorship programs aimed at fostering women's professional growth and development.

Training and development

The Group values the growth and motivation of its own workforce by offering tailored training and professional development opportunities. This through customized programs, available both in-person and online, supporting continuous skill improvement.

Job rotation, mentoring and coaching paths enable employees to build tailored careers, while the De Nora Academy (DNA) provides training on business processes, technical skills and soft skills. In addition, the People Development Framework identifies typical training needs based on role and career stage.

To foster internal growth, the Group offers development opportunities in both management and technical areas through technical career paths (**Technical Career Ladder**), promoting continuous learning supported by annual skills assessments. In addition, internal and international mobility is encouraged, strengthening each employee's sense of belonging and commitment to professional growth. Finally, acceleration is underway with respect to succession paths through extensive mapping of key roles and their potential successors. The talent pool also identified through the assessment of potential and readiness to fill target positions is involved in the establishment of development plans aimed at vertical and horizontal growth within our organization.

Through the practices described above for employee health and safety, well-being, equity and inclusion, and staff development, De Nora ensures that it does not contribute to potential negative impacts on its own workforce. The activities described are managed by the POrSCH and Global Operations function (specifically EHS with regard to health and safety).

In addition, De Nora adopts structured mechanisms to define the actions needed to respond to negative impacts and to track and evaluate the effectiveness of actions taken to improve the conditions of its own workforce. These instruments include:

- Data collection and analysis
- Analysis of performance, skills, and feedback opportunities
- Climate Survey.

These elements are essential to ensure continuous monitoring and constant improvement.

A key aspect of the monitoring system is the use of Key Performance Indicators (KPIs) to measure several crucial workforce-related aspects, including:

- Percentage of employees covered by collective bargaining;
- Number of accidents at work;
- Hours of training provided;
- Wage ratio between women and men;
- Lost Time Injury Rate (LTIR);
- Share of female staff in total and for managerial positions;
- People Strategy project progress;
- Hours devoted to volunteer activities.

These KPIs allow De Nora to gain a comprehensive view of company performance in relation to its strategic targets.

Through collected data and employee feedback analysis, specific improvement plans are developed to address identified critical areas.

De Nora thereby addresses the material risks and impacts related to the workforce, while also enhancing opportunities for continuous improvement, and contributing to create a safe, inclusive and wellbeing-oriented work environment by fostering the personal and professional growth of all employees.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

De Nora has defined several targets inherent to its own workforce in the Sustainability Plan that mainly pertain to two macro areas: Diversity, Equity and Inclusion and Health and Safety.

The targets are given below:

- Development of governance and culture related to Health and Safety through implementation of **quarterly reporting** by Chief Regional Officers and periodic **Gemba Walks** at all Group facilities.
- Organization of events in all facilities to raise awareness in terms of H&S, "**Safety Days**", by 2025.
- Achieve **ISO 45001** certification for all sites by 2025.
- Raise awareness of **mental health** by implementing **support channels** (such as a hotline) by 2026 and developing trainings (such as mental health first aid courses).
- Extend parental and relocation policy to same-sex partners and single parents and publish the **Diversity, Equity and Inclusion Policy** (targets achieved in 2024).
- Create **Affinity Network** for women and LGBTQ+ employees in all geographical areas.
- Strengthen **recruitment** processes for inclusion of **candidates with disabilities** by 2026.
- **Introduce % target of women in new hires** (set in 2024).
- Develop internal and external communication campaigns on **DE&I** with **success stories**.
- Carry out **upskilling, networking and mentoring** programs for women, including through networking with associations (Value D).

The targets shown were defined with the direct engagement of representatives of the functions involved: the Chief POrSCH and the COO (Chief Operations Officer).

As explained in the ESG governance section (chapter "ESRS 2 General Disclosures"), monitoring of the strategic sustainability plan targets is entrusted to the ESG Accelerator Lab and overseen by the ESG Steering Committee, which reports half-yearly to the Board of Directors. Any critical issues or opportunities for improvement may be identified by the Focal Points in each area or by the ESG function and, if deemed necessary, may be brought to the attention of the Steering Committee, which is required to take significant decisions to change course or invest in new opportunities.

S1-6 Characteristics of the undertaking's employees

The characteristics of De Nora's employees reflect the Group's diversity and expertise. Key aspects of the workforce, such as gender, age and role composition, as well as commitments made to promote professional growth and inclusiveness, are explored below.

As of December 31, 2024, the total number of De Nora Group employees is 2,082, of which 35% are in EMEIA, 37% in Asia, and the remaining 28% in America. Women make up 20% of the workforce, which includes more than 90% permanent workers. Conversely, it should be noted that the notes to the consolidated financial statements report the average number of employees, 2,047 people.

Number of employees (in number of persons) - broken down by gender	2024
Men	1,661
Women	421
Other	0
Not communicated	0
Total Headcount	2,082

Table 1 - Number of employees by gender.

Number of employees (in number of persons) - broken down by country	2024
America	584
USA	457
Brazil	127
EMEIA	723
Italy	316
Germany	319
Others (UK, UAE, India)	88
Asia	775
China	378
Japan	349
Singapore	47

Table 2 - Number of employees by country.

Occupational characteristics	2024
Number of people	
Employees	2,082
Permanent employees	1,886
Temporary employees	196
Employees with non-guaranteed hours	0

Table 3 - Occupational characteristics.

Number of employees (in number of persons) - broken down by contract type	Gender	Unit of Measurement	2024	2024 EMEIA	2024 AMERICAS	2024 ASIA
Number of permanent employees	Men	*Headcount*	1,497	467	464	566
	Women	*Headcount*	389	155	120	114
	Other	*Headcount*				
	Not reported	*Headcount*				
Number of temporary employees	Men	*Headcount*	164	88		76
	Women	*Headcount*	32	13		19
	Other	*Headcount*				
	Not reported	*Headcount*				
Number of non-guaranteed hours employees	Men	*Headcount*				
	Women	*Headcount*				
	Other	*Headcount*				
	Not reported	*Headcount*				
Total		*Headcount*	2,082	723	584	775
Number of full-time employees	Men	*Headcount*	1,654	552	461	641
	Women	*Headcount*	400	149	118	133
	Other	*Headcount*				
	Not reported	*Headcount*				
Number of part-time employees	Men	*Headcount*	7	3	3	1
	Women	*Headcount*	21	19	2	
	Other	*Headcount*				
	Not reported	*Headcount*				
Total		*Headcount*	2,082	723	584	775

Table 4 - Number of employees by contract type.

The **turnover rate**, calculated as the ratio of the total number of terminations during the year, equal to 349, to the total number of employees in the previous year, equals to 17%. This figure is impacted by an increase in layoffs/terminations, mainly due to the divestment of the Marine Business Unit.

In contrast, voluntary turnover, that is, the number of people who voluntarily leave the company, remained stable at 8%. This figure is in line with the market average for manufacturing companies in the countries where De Nora operates, with an average value of 7% for both the reference countries and De Nora.

De Nora's voluntary turnover is less than or equal to the market in more than half of the countries (6 out of 10), including Germany, the US and Japan. Only in one country, the United Kingdom, does the rate exceed 10%.

The differences between De Nora's turnover and the market can be explained by several factors:

- **Geographical region:** values are higher in the Americas and Asia, lower in EMEIA. Moreover, in countries such as Brazil, China, Italy and Japan, the country average voluntary turnover is lower than in the cities where De Nora operates (e.g., São Paulo, Milan, Tokyo, Shanghai), making the comparison less homogeneous.
- **Business sector:** turnover is higher in the **Water Technologies** division and lower in the **Electrode Technologies** and **Corporate** divisions, influencing the figures for Italy, China, and the US, where the water-related business is significant.
- **Employee type:** turnover is higher among **Blue Collar** workers and lower among **White Collar** workers, with a significant impact in Brazil, China and Japan, where blue collar workers presence is higher than in other countries.

Employee turnover	2024
Total number of employees who have left the undertaking	349
Of which volunteer	169
Turnover rate	17.4%
Voluntary turnover rate	8.4%
Number of employees	2,082

Table 5 - Employee turnover rate.

S1-7 Characteristics of non-employee workers in the undertaking's own workforce

The number of non-employees reported corresponds to the total number of people included in this category as of December 31, 2024. This figure represents a snapshot of the non-employee workforce, without regard to hours worked or length of contracts.

Notably, the full-time equivalent (FTE) methodology is not used to calculate these values, but the figure is expressed in numbers of people and no significant assumptions were required; each individual is considered as a single unit, regardless of hourly commitment or length of collaboration. These figures merely provide the total number of active individuals on the specified date, without calculating estimates or averages for earlier periods. These are internally calculated data, for which no validation by an external body is required.

The table below represents the total number of self-employed workers, workers provided by staffing firms, and the total number of non-employee workers.

	2024
Total number of self-employed workers	25
Total number of workers provided by undertakings primarily engaged in employment activities	263
Total number of non-employee workers	288

Table 6 – Total number of self-employed workers, workers provided by firms, and non-employee workers.

S1-8 Collective bargaining coverage and social dialogue

Collective bargaining and social dialogue are key elements in ensuring respect for workers' rights and promoting harmonious relations between social partners. In this context, the following data is highlighted in the table below:

	2024
Percentage of employees covered by collective bargaining agreements	66%
Percentage of employees covered by employee representatives	49%

Table 7a - Percentage of employees covered by collective bargaining agreements or by employee representatives.

	Coverage of collective bargaining agreements		Social dialogue
Coverage rate	Employees - EEA	Employees - Non-EEA	Workers' representatives - EEA
0-19%		United Arab Emirates, Singapore, United States, UK	
20-39%			
40-59%		India	
60-79%		China	
80-100%	Italy, Germany	Brazil, Japan	Italy, Germany

Table 7b - Percentage of employees covered by collective bargaining agreements or by employee representatives by country.

Within the European Economic Area (EEA), all employees of Italian companies and 90% of German employees are covered by collective bargaining agreements. The non-European countries where workers are 100% covered by collective bargaining agreements are Brazil and Japan. The coverage is partial in China and India, while it is absent at the other sites. The figure shown in the table is collected from the various Group companies that, depending on the local regulatory environment, apply collective bargaining agreements to employees, or parts thereof. These are internally calculated data, for which no validation by an external body is required.

De Nora's approach is to promote collective bargaining, where applicable, as an instrument for defining contractual working conditions. Where this is not applicable, De Nora protects workers' representatives by providing them with the facilities and means necessary to carry out union activities independently and effectively, and by condemning any form of discrimination, threats or intimidation against them. None of the Group's legal entities has representation from a European Works Council (EWC) or a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

S1-9 Diversity metrics

Gender and age diversity within the organization is a key issue for the De Nora Group, as it helps to create an inclusive environment and foster growth and innovation. Promoting diversity is an integral part of the company's strategy, with the target of improving performance and better reflecting the diversity of society and of the market in which we operate. Below are data on the composition of top management, defined as all those in the Group who hold at least the organizational role of Director, by gender and the distribution of employees by age group. This figure was determined as at December 31, 2024, and no significant assumptions were necessary. These are internally calculated data, for which no validation by an external body is required.

	Gender	2024
Top management breakdown	Men	73
	Women	11
	Other	0
Percentage	Men	87%
	Women	13%
	Other	0%
Total top management	All	84

Table 8 - Number of top management employees broken down by gender.

The gender percentages in the table refer to the total number of members of top management, in which the percentage of women remained stable at 13%, without any significant changes.

	Age	2024
Employees	< 30 years old	275
	Between 30 and 50 years old	1,249
	> 50 years old	558
Total number of employees	All	2,082

Table 9 - Number of employees broken down by age.

The majority of employees are in the 30 to 50 age group (60%), while a significant portion, 27%, are over 50. The presence of a solid younger employees (<30 years old) base suggests a good generational distribution, which could foster continuity and renewal within the company. This figure was determined as at December 31, 2024, and no significant assumptions were necessary. These are internally calculated data, for which no validation by an external body is required.

S1-10 Adequate wages

To promote good working conditions throughout the value chain, De Nora adapts its remuneration policies to local conditions, taking into account minimum wage laws, cultural expectations and the employees' needs in each market in which it operates.

De Nora's policy includes principles regarding appropriate working hours, adequate wages, safe employment, and ensuring that all workers are paid an adequate wage in accordance with applicable wage laws, including minimum wages, overtime, and mandatory benefits. De Nora ensures that all its employees are paid on time and in full, in line with applicable wage benchmarks, and that workers' rights are respected, as stipulated by applicable regulations.

Appropriate wages are also defined in accordance with collective bargaining agreements, where such agreements exist. In countries where collective bargaining agreements are not applicable, appropriate wages are defined as the prevailing median wage set by local regulations. The metrics have not been subjected to independent assurance by an external body.

S1-11 Social protection

De Nora is committed to ensuring the health and wellbeing of its staff, complying with legal requirements in all countries where it operates and offering working conditions and benefits that exceed legal minimums in many jurisdictions. All Group companies adopt a number of active social protection initiatives, including both protections provided by national regulations and additional employee benefits, thus meeting safety and health needs in various work settings. The only exceptions are related to unemployment (in India, the United Arab Emirates, and Singapore) and retirement (in Brazil and the United States). This metric is defined through analysis of local regulations and, where these do not provide adequate safeguards, additional protections offered by the company. The metrics have not been subjected to independent assurance by an external body.

Major initiatives include:

A. Sickness: in Germany, employees are covered by a payment of up to 90% of their salary, depending on their seniority (5 or 10 years), starting from the sixth week of sickness, with a maximum period of two months of payment. This measure ensures economic support during an extended period of illness, reducing the financial impact on workers.

B. Unemployment: in the United States, for example, employees who leave De Nora due to voluntary separation or layoff may apply for unemployment benefits through the state in which they reside. This benefit is available from the time they cease their employment with the company, in line with local regulations that allow support for workers during the period of finding new employment.

C. Work-related injuries and acquired disability: in Singapore, under the Work Injury Compensation Act (WICA), employees have the option to file claims for work-related injuries or diseases without the need for lawyers or complex legal proceedings. De Nora has implemented a program to purchase WICA insurance to provide protection for employees in the event of work-related events that could result in death, permanent total disability, medical expenses or loss of income.

D. Paternity leave: in Italy, in addition to the provisions of current regulations, De Nora offers an extra day of paid leave for each employee with children under the age of six. In addition, mothers are allowed to work remotely full-time for up to five months, both before and after their mandatory maternity leave. To facilitate the return to work, the company also offers a monthly contribution of 15 euros for electricity and internet connection costs. After finishing breastfeeding, new mothers may apply to work part-time, for six hours a day or 30 hours a week, until the child's third birthday. This benefit is contingent on compatibility with job duties.

E. Pension: in India, employees are covered by the Provident Fund Act, which envisages monthly deductions from wages to contribute to the Provident Fund and Pension Fund. These funds provide employees with financial security for their retirement. In addition, employees are entitled to receive a severance payment, the amount of which depends on the number of years of service with the company. In addition, De Nora has introduced a supplementary pension plan for employees, which offers additional financial benefits in the event of early retirement.

S1-12 Persons with disabilities

De Nora is committed to promoting an inclusive and accessible work environment for people with disabilities through several initiatives, including the implementation of a more inclusive selection process by 2026 in all Group territories. The table below represents the **number of employees with disabilities** in its own workforce, broken down by gender. Employees with disabilities represent about 1% of the workforce, 13 of whom are subject to legal restrictions on data collection.

	Gender	2024	
		Workforce	Percentage (out of Total Headcount)
Number and percentage of employees with disabilities in their own workforce, breakdown by gender	Male	13	0.6%
	Female	8	0.4%
	Other	0	-
	Not reported	0	-

Table 10 - Number of employees with disabilities.

A person with a disability is an individual whose health condition limits their ability to perform certain activities, such as movement, work or social inclusion. This includes individuals officially recognized as disabled according to their country's legal and regulatory standards. This definition adapts to regional legal frameworks and ensures a standardized approach to identifying and reporting employees with disabilities in different jurisdictions in accordance with CSRD requirements.

Based on definitions given in local regulations, this metric is defined through precise counts without the need to make assumptions and/or estimates. These data have not been subjected to independent assurance by an external body.

S1-13 Training and skills development metrics

De Nora considers the training and professional development of its employees to be a fundamental pillar for the Group's growth. The company is committed to providing the necessary tools for the acquisition of new skills, promoting continuous improvement and sustainability of human capital. The Group promotes initiatives for professional and personal growth through a structured system, always in accordance with ethical standards, including non-employees.

Training is delivered globally through the "De Nora Academy" (DNA) both for programs considered necessary for the whole Group and for local programs that meet the training needs (regulatory or business-related) of multiple people. De Nora people are encouraged to co-design training courses related to the technical topics in which they are experts, thus making their knowledge available to other colleagues. In fact, most of the content on the DNA was developed by the employees themselves. Current training courses focus on: business processes, technical skills and soft skills.

All new hires are required to attend mandatory training programs, which include topics such as Code of Ethics, anti-corruption and whistleblowing, health, safety and environment, management of confidential information, innovation systems, effective communication and proper use of IT devices.

De Nora Academy allows training hours delivered through the same platform to be counted, while course hours delivered in personal attendance are counted by local managers and added manually on De Nora Academy for reporting.

These data do not include estimates and have not been subjected to independent assurance by an external body.

Indicator	Number of hours	Average
Average training hours	-	22.5
Total training hours provided	46,858	-
Breakdown by Gender		
Men	36,003	21.7
Women	10,855	25.8
Breakdown by Category		
Executives	1,721	-
Managers	7,472	-
White-collar workers	18,012	-
Industrial technicians	19,653	-

Table 11 - Hours of Training.

During 2024, De Nora continued its collaboration with GoodHabitz, an e-learning platform that further contributes to the company's educational offerings. Through this partnership, employees have access to courses focused on topics such as leadership, personal growth and wellbeing, helping to create a stimulating learning environment for all employees.

In addition, employees of some group companies participate in mandatory programs on specific topics, including quality, administrative responsibility and GDPR.

De Nora invests in the development of its people by adopting an approach that values workers and places them at the center of the organization's success. The main initiatives are shown below:

Initiative	Description
Individual development plans	Based on the "People Development Framework," they indicate training and development needs according to the cluster they belong to.
Domestic and international mobility	Job rotation opportunities to enhance employees' skills.
Career paths	Opportunities for growth in managerial and technical positions (Technical Career Ladder).
Evaluation of potential	"CaTCh" process for assessing potential for managerial roles and "CaTCh-Dir" process for executive roles.
Succession plans	Improved succession plan management process to facilitate leadership transition.

Table 12 - Professional Development.

The skill assessment process is carried out as follows:

- **Managers** conduct assessments, coordinating where necessary with second-level managers, and involving the **professional family manager** when applicable.
- The **POrSCH** department oversees the entire process, ensuring **fairness** and uniformity.
- Results are shared with employees through direct discussion with their **manager**, ensuring **transparency** and support in skill development.

To better manage this process, De Nora uses the SuccessFactors (SSFF) digital tool, which allows not only to assess skills, but also to assign targets and conduct annual performance evaluations. In some companies, for blue collar workers (industrial technicians), an extra-system is carried out to simplify the conduct of processes when they impact production.

This system aims to identify the growth needs and career aspirations of each employee, allowing customized development paths to be planned.

Indicator	Value	Percentage
Percentage of employees evaluated	1,624	78%
Breakdown by Gender		
Men (out of 1,661 total men in the workforce)	1,311	79%
Women (out of 421 total women in the workforce)	313	74%
Breakdown by Category (out of total workforce)		
Executives	65	3%
Managers	210	10%
White-collar workers	580	28%
Industrial technicians	769	37%

Table 13 - Performance and career development reviews.

S1-14 Health and safety metrics

De Nora's commitment to improving occupational health and safety was also implemented during 2024 with the progress of ongoing projects regarding the collection and timely analysis of monthly events reported by the various Plants, the improvement path summarized in the Safety Culture project, and the periodic monitoring of Plant performance through the Hoshin Kanri method.

"On-site" support activities by the Global Operations team continued, and an initial round of legal audits was completed to certify, with the support of a third-party entity, the Plants' compliance with mandatory legal requirements in the various regions.

In terms of ISO certifications, the DNWT UK's site in Tamworth was added to the three sites already certified to ISO 45001, and all sites have planned to be ISO 45001 certified by 2025.

Plant use of Health and Safety improvement tools is steadily increasing: in 2024, more than 3,000 STOP (**Safety Training Observation Program**) audits were carried, while the number of Safety Observations stood at 1,336: in addition to confirming an increasing awareness by all people about the correct Health and Safety standards, these tools play a key role in guiding the Health and Safety improvement processes in all business areas.

Injuries, first aid, near misses and safety observations were regularly reported on local Safety Triangles and consolidated by Global Operations at group level on a monthly basis. The Safety Triangle is a visual tool that monitors the performance of individual Plants and of the Company against key Health and Safety KPIs, allows their trends over time to be analyzed and specific interventions to be activated in case of critical issues. Important lead indicators, such as hours of H&S training, the number of Single Point Lessons ("pills" of short-term specific training delivered to a small group of affected people), the number of H&S reviews (risk pre-assessments carried out prior to the implementation of a significant change to plant, machinery, substances used), and the number of work permits issued for the performance of Health and Safety critical activities are also reported on the Safety Triangle. These data do not include estimates and have not been subjected to independent assurance by an external body.

The entire De Nora workforce is covered by the company's health and safety management system in accordance with legal requirements and/or recognized standards or guidelines.

The table below provides detailed information on various aspects related to occupational health and safety, including the number of deaths caused by occupational injuries and diseases, the number and rate of recordable occupational accidents, recordable cases of occupational diseases, and days lost due to work-related injuries, diseases, and deaths.

	Employee category	Unit of Measurement	2024
Number of deaths due to **occupational accidents** and **occupational diseases**	Employees	*number*	0
	Non-employees	*number*	0
	Value chain workers working at the undertaking's sites	*number*	0
Number of recordable occupational injuries for its own workforce	Employees	*number*	18
	Non-employees	*number*	6
Recordable work injury rate for own workforce	Employees	*Total hours worked*	3,958,663
		-	4.55
	Non-employees	*Total hours worked*	465,753
		-	12.88
Number of cases of **recordable occupational disease**	Employees	*number*	0
	Non-employees	*number*	0
Number of days lost due to occupational injuries and fatalities due to occupational injuries, occupational diseases and fatalities due to occupational diseases	Employees	*number*	153
	Non-employees	*number*	35

Table 14 - Information on injuries.

At aggregate level, 24 accidents, 38 first aid, 72 near misses and 1,336 safety observations were recorded in 2024. The number of injuries is up after two years of decrease, first aids drop to 38, while since 2024 near misses have been accounted separately from safety observations. This is because near misses are defined as unwanted events that only due to fortuitous circumstances did not escalate into injuries or first aid, while safety observations are improvement suggestions provided by all employees, which are then used to implement improvement actions. Thus, their target is opposite to each other: near misses should tend to 0, safety observations always increase according to the principle of continuous improvement.

With regard to injuries, it should be noted that 75% of these (18 out of 24) were recorded in two plants, in relation to which containment actions are already underway as a result of the analyses conducted on individual injuries.

S1-15 Work-life balance metrics

As part of the policy related to family leave, the Group reports the extent to which employees have used this policy:

- Number of employees entitled to family leave: A total of 1,966 employees (equal to 94%) are authorized to apply for family-related leave.
- Number of eligible employees who actually took family leave, broken down by gender:
  - Males: 77 employees (5% of the total number of men in the workforce)
  - Females: 60 employees (14% of the total number of women in the workforce)
  - Total: 137 employees (7% of total headcount).

This figure was determined as of December 31, 2024, and no significant assumptions were necessary. These are internally calculated data, for which no validation by an external body is required.

S1-16 Compensation metrics (pay gap and total compensation)

The process of determining remuneration is based on the principles of maximum transparency, fairness and non-discrimination, ensuring fair and competitive treatment for all staff. During recruitment, the salary is determined using median local salary market benchmarks for the relevant role, provided by an external international provider, following best practices.

Each year, employees are subject to a salary review process, which considers the previous year's performance evaluation through the Performance Assessment process and the median salary level of equivalent roles in the reference market. Thus, the salary review process provides higher rewards for those with better performance appraisals and for those with a lower compensation package for the same role and performance.

The Group's Managers and directors benefit from an annual variable remuneration scheme based on a combination of Group, company and function economic/financial targets, as well as specific individual targets.

Group Managers/Directors are offered a medium-to-long-term cash incentive plan based on the Group's value creation targets or, for Key Executives, an equity incentive plan based on share price performance, financial targets and Group ESG targets. The salary review of top positions is supervised by the Appointment and Remuneration Committee and approved by the Board of Directors.

Each year, De Nora conducts an analysis to calculate the gender pay gap, comparing the average base salary of women with that of men for the same grade, role and location. This allows any disparities to be identified and addressed, promoting pay equity within the organization.

	Unit of Measurement	2024
Average gross pay by gender		
Men	€/h	25.06
Women	€/h	25.86
(a) Annual total remuneration for the person with the highest income	€	1,185,000
(a) Median of all annual total remuneration of employees (excluding the individual with the highest salary)	€	45,506
(b) Ratio of the annual total remuneration of the person with the highest pay to the median annual total remuneration for all employees (excluding the person with the highest pay)		41

Table 15 - Information related to remuneration metrics.

The data in the table do not include estimates and have not been subjected to independent validation by an external body.

Gender Pay Gap

As part of the Sustainability Plan, and as a specific target, De Nora identified a methodology for calculating and subsequent monitoring of the Gender Pay Gap, in line with the principles of the EU Directive 2023/970 on Pay Transparency. This directive, which came into effect in June 2023, and which must be implemented by member states by June 2026, requires Gender Pay Gap reporting in the CSRD starting already from 2025.

De Nora decided to adopt two methodologies for calculating and monitoring the Gender Pay Gap:

- Average Pay Gap: This methodology measures the percentage difference between women's average pay and men's average pay by comparing the two salaries against the men's average. The formula used is as follows: (average Men BS - average Women BS)/average Men BS.
- Pay Equity Gap: This methodology analyzes the pay differences between men and women in similar roles within the same organizational structure, considering the same position, rank and professional family. This calculation is carried out by dividing workers into uniform clusters:
  - Cluster 1 (average Men BS - average Women BS)/average Men BS
  - Cluster 2 (average Men BS - average Women BS)/average Men BS
  - Cluster 3 (average Men BS - average Women BS)/average Men BS
  - The average pay gap is then weighted by the number of individuals in each role.

Below are the figures for 2024 according to the two calculation methodologies described:

Indicator	2024
Average Pay Gap	-3%
Pay Equity Gap	-2%

Table 16 – Gender Pay Gap in 2024.

S1-17 Incidents, complaints and severe human rights impacts

De Nora pays special attention to the handling of incidents, complaints and human rights issues, integrating them into its governance system. The company is committed to managing these issues transparently and responsibly, aiming to prevent and address any negative impact on people. The Group closely monitors:

- Incidents
- Non-compliance situations
- Human rights violations, if any

with the target of ensuring a safe working environment that respects the rights of every individual. In this context, De Nora is committed to:

- Identifying and reducing risks
- Resolving issues that may arise in a timely manner by following a proactive and responsible approach.

In 2024 there were no discrimination incidents in the workplace based on gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination, including harassment, involving internal and/or external stakeholders in all operations during the reference period. In addition, no cases of human rights violations have been detected, so there are no fines/sanctions in this regard.

Indicator	Unit of Measurement	Value
(a) total number of discrimination incidents, including harassment, noted in the reference period	Number	0
(b) number of grievances filed through channels to enable members of the workforce of the company to raise concerns (including grievance mechanisms)	Number	3
(c) the total amount of fines, penalties and compensation as a result of the above incidents and grievances, and the reconciliation of these reported monetary amounts with the most relevant amount presented in the financial statements	€	0

Table 17 - Number of incidents, ongoing and implemented corrective action plans, incidents not subject to some action.

This is internal data obtained through reporting channels, such as for example Whistleblowing, and are then categorized according to the definitions in the relevant legislation. These data do not include estimates and have not been subjected to independent assurance by an external body.

ESRS S2 Workers in the value chain

S2-SBM2 Interests and views of stakeholders

The Group is aware that careful management of potential impacts and mitigation of human rights risks is essential and cannot be limited to the scope of its own operations.

To ensure that these rights are respected and to minimize any critical issues, particularly with regard to workers in the value chain where the risk is higher, the Group has adopted a number of concrete measures, which will be discussed in more detail in the following paragraphs, including:

- Supplier Code of Ethics: sets clear standards on environmental, social and ethical responsibility.
- Supplier ESG Assessment: launched in 2022, assesses and monitors environmental, social, and governance performance along the supply chain.
- Human Rights Policy: introduced in 2023, identifies and protects the rights of people most at risk, both within the company's operations and in the supply chain.
- Whistleblowing Channel: established in 2023 as a reporting mechanism for internal and external stakeholders.

These initiatives testify to De Nora's commitment to building strong and responsible relationships with its partners and mark the beginning of a path that De Nora intends to consolidate over time along the entire value chain. The target is to arrive at defining an effective action plan to ensure compliance with the basic principles of equity, safety and dignity of labor and actively engage high-risk suppliers, supporting them on their path to increasingly sustainable development.

S2-SBM3 Material impacts, risks and opportunities and their interaction with strategy and business model

De Nora operates in a complex and dynamic industrial environment characterized by a global network of workers, suppliers and partners. In this scenario, the Group recognizes the importance of identifying and managing the material impacts, risks and opportunities that arise along the value chain, ensuring that its business strategy remains firmly anchored in sustainability principles.

De Nora has identified several material risks within the value chain that, if not properly managed, could negatively affect productivity, corporate reputation, and full regulatory compliance. As a result of the Double Materiality assessment conducted, De Nora has not identified opportunities regarding workers in the value chain.

As reported in the section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" in the chapter "ESRS 2 General Disclosures," De Nora includes in its scope of disclosure all workers in the value chain who could be materially impacted by the company's activities and by its supplier network.

As a multinational company with a diverse value chain, De Nora recognizes its material impact on several categories of workers, including:

- **Workers in De Nora's plants, but not part of its own workforce:** these include contractors, temporary workers and agency workers, who are exposed to occupational health and safety risks, especially during material handling operations and the use of hazardous chemicals.
- **Workers in metal and mineral extraction:** the extraction and refining of these metals can have negative impacts on the environment and on local communities, including the workers involved, with risks of soil and water contamination, deforestation, and worker exploitation.
- **Workers in logistics and distribution providers:** operating in more than 100 countries, De Nora relies on a global network of logistics and distribution providers, whose workers may be exposed to road safety risks, long working hours and poor working conditions.
- **Workers in joint ventures or special purpose vehicles:** plant operators in joint ventures and companies associated with De Nora perform tasks essential to the safe and efficient operation of chlor-alkali and industrial electrochlorination production plants.
- **Particularly vulnerable workers:** certain groups of workers, such as migrants, home-based workers, women and young workers, may be particularly vulnerable to negative impacts (including exploitation, poor working conditions, discrimination and harassment) on the basis of the analysis of geographical areas and of the regulatory contexts affecting its own value chain carried out for the Double Materiality assessment.

The Group's supply chain includes regions that are less sensitive to workers' rights, especially with regard to indirect suppliers (over tier 1), such as those of critical raw materials, iridium and ruthenium, which are mainly located in Africa (South Africa and Zimbabwe), where there might be a risk of child labor, forced labor or bonded labor.

The process of identifying and evaluating IROs related to the workers in the value chain was conducted by De Nora through a double materiality assessment. This process was carried out during 2024 and is described within the section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" in the chapter "ESRS 2 - General Disclosures".

Below are the impacts and risks identified:

Upstream | Direct | Downstream

ESRS Topic	IRO	Time horizon
S2 Workers in the value chain	Potential damage to workers' health and safety due to the failures in overseeing safety principles	
	Potential damage to employees due to non-inclusive practices and failure to ensure equal opportunities	
	Potential negative impacts on employees' human and labour rights due to lack of protection of workers' collective bargaining and association rights	
	Economic and reputational risks arising from possible damage to the health and safety of both client's employees and final consumers due to non-compliance of products or services offered by De Nora to quality standards	
	Operational and reputational risks due to non-compliance with equal opportunity and diversity safeguards	
	Operational risks associated with suppliers' failure to protect the health and safety and human rights of their workers	
	Operational risks associated with suppliers' failure to protect workers' human and labour rights	

Material negative impacts on workers in the value chain may be widespread or systemic, as well as related to individual incidents or specific customer relationships:

Widespread or systemic impact:

- Climate change: the chemical sector, in which De Nora operates, is energy-intensive, with greenhouse gas emissions resulting mainly from production activities and the use of natural gas, electricity and fuels.
- Pollution of air: the release of air pollutants such as NOx, SOx, VOCs, and particulate matter occurs in both business operations and raw material extraction.
- Depletion of water resources: intensive water use in rare earth mining contributes to the depletion of water resource, especially in water-stressed areas.
- Worker health and safety: risks in the workplace expose workers to potential occupational injuries and diseases.
- Discrimination in the workplace: risks of discrimination based on gender, ethnicity, religious belief, disability, or sexual orientation at all stages of the value chain.
- Violation of human and labor rights: the presence of suppliers in geographical areas that are less sensitive to respect for labor rights may generate negative impacts in terms of compliance with European regulations.

Impact related to isolated incidents or specific business relationships:

- Water pollution: risk related to inadequate practices by actors in the value chain.
- Product quality and safety: risk of isolated incidents or noncompliance with quality standards.

In addition, De Nora carefully considers risks arising from impacts on value chain workers and corporate dependencies on those workers, without identifying specific groups within the same.

The main risks include:

- Failure to respect human and labor rights: failure of suppliers to respect these rights can lead to reputational damage, legal problems, and supply chain disruptions.
- Occupational accidents and noncompliance with safety regulations: failure to take adequate preventive measures can lead to occupational accidents, increased insurance costs and reputational damage.

S2-1 Policies related to value chain workers

In the context of a global marketplace increasingly focused on sustainability and ethics, De Nora recognizes the need to ensure that the rights of value chain workers, their safety and wellbeing are a relevant aspect of business operations. To this end, the Group has implemented a structured set of policies designed to responsibly manage worker-related impacts, risks and opportunities throughout its value chain. These policies reflect the Group's commitment to building a sustainable and ethical supply chain, working with suppliers and partners to ensure respect for workers' rights and promote their wellbeing.

De Nora's policies are structured to ensure respect for workers' fundamental rights and promote a safe, equal and inclusive work environment, in line with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

Listed below are the policies, publicly available and searchable from De Nora's website, managed by the relevant functions:

- Code of Ethics: declares the Company's commitment to operate with integrity, responsibility and transparency, promoting respect for human rights, the environment and rules of ethical conduct along the value chain.
- Supplier Code of Ethics: defines minimum standards on labor, business ethics, health and safety, environment and legal compliance. These requirements apply to De Nora's suppliers and their sub-suppliers globally and include reporting provisions and penalties for violations.

- Supply chain sustainability policy: promotes a responsible and sustainable supply chain, ensuring compliance with environmental, social and ethical standards with the aim of achieving active engagement in the continuous improvement of their ESG performance.
- Human Rights Policy: defines the commitment in identifying, preventing and mitigating human rights risks, within the Group and in relations with stakeholders, to promote fair and decent working conditions.
- Whistleblowing Policy: De Nora encourages value chain workers to report any violations of human rights or Supplier Code of Ethics through its confidential whistleblowing system. The system ensures the protection of whistleblowers from retaliation and allows anonymous reports.

As reported within the policies listed above, De Nora's approach to human rights is preventive and proactive, aimed at ensuring that both the Group and its suppliers operate in accordance with ethical and sustainability principles. In this regard, in the selection phase, De Nora requires its suppliers to accept the Supplier Code of Ethics and uses ESG assessment criteria, including attention to human rights and rejection of forced and child labor.

In addition, the Group is embarking on a path to strengthen its human rights due diligence in compliance with the Corporate Sustainability Due Diligence Directive (CSDDD).

De Nora's policies decisively address critical issues such as human trafficking, forced labor and child labor, both in its own internal perimeter and in the supply chain. The Group strongly rejects any form of coercion, including document seizure, physical violence and sexual abuse. In addition, De Nora prohibits child labor, stipulating that the minimum age for employment must conform to local laws and never be less than 15 years old. For workers under the age of 18, tasks involving exposure to hazardous substances, strenuous conditions, or night shifts are excluded.

De Nora's corporate policies are guided by the main international frameworks for the protection of human rights. These include the United Nations International Charter of Human Rights, the Universal Declaration of Human Rights, the International Covenants on Civil, Political, Economic, Social and Cultural Rights, the International Labor Organization (ILO) Conventions and the United Nations Guiding Principles on Business and Human Rights. In addition, the policies align with Principles I, II, III, IV, V, VI of the UN Global Compact and the OECD Guidelines, further reinforcing their universal value. To the best of its knowledge, De Nora did not identified violation incidents related to its value chain in the reporting year.

S2-2 Processes for engaging with value chain workers impacts

To date, De Nora has not adopted a structured process for interacting with workers in the value chain.

Stakeholder engagement activities, which involved, among others, a representative of a relevant supplier and a strategic partner, were carried out during the 2024 Double Materiality assessment to directly accommodate the perspective of significant players in the Group's value chain. This type of involvement is carried out at least every two years, and the possibility of extending the number of workers in the value chain surveyed in future fiscal years has not been excluded.

However, all third parties have the opportunity to use the Whistleblowing channel to report any negative impacts arising from De Nora's activities as specified in the next paragraph.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

De Nora offers a specific channel for reporting violations of the Code of Ethics, internal policies, laws and regulations, accessible to employees and third parties, including value chain workers. The reporting procedure, called "whistleblowing", is designed to ensure the highest level of accessibility and protection. Its main features include the presence of multiple reporting channels, the guarantee of confidentiality and anonymity for the reporter, along with protection from retaliation. The reporting procedure is accessible to employees and third parties through the Group's website, in the "Governance and Ethics" section under "Whistleblowing."

The operation of this tool and monitoring processes are detailed within section "G1-3 Prevention and detection of corruption and bribery."

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

De Nora is committed to preventing, mitigating and remedying negative impacts on workers in its value chain to ensure that workers' rights are respected. To this end, the Group adopts an approach that combines policies, including the Supplier Code of Ethics and the Human Rights Policy, and tools such as the whistleblowing system (to receive reports and remedy them and the ESG assessment of suppliers, within which respect for human rights is investigated, including the rejection of forced and child labor. At present, however, De Nora does not have a mechanism for monitoring the effectiveness of the previously named tools.

To date, the Group's efforts are focused on mitigating potential impacts and risks affecting the value chain, and the first Double Materiality assessment did not reveal any particular potential positive impacts on workers in the value chain. In fact, due to the types of businesses and characteristics of their products, the greatest positive impacts can be found in the environmental sphere.

To the best of its knowledge, using the tools described above, De Nora did not identify serious human rights problems or incidents related to its value chain in the reporting year.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

De Nora recognizes the importance of human rights protection at all levels of the value chain and is initiating internal training projects of representatives of the most affected functions in order to lay the groundwork for drafting an internal action plan to set up adequate due diligence. Since these are particularly complex processes in the start-up phase, De Nora has not set specific targets related to the human rights of workers in the value chain. Scheduled for 2026, however, the plan's initiative related to the inclusion of ESG requirements in procurement processes, which reward the most sustainable suppliers represents a target aligned with the desire to safeguard human rights in the supply chain.

ESRS S4 Consumers and end-users

S4-SBM2 IInterests and views of stakeholders

De Nora's products and technologies must have and maintain quality levels that meet the set requirements and standards, also with regard to customer demands. Therefore, the Group is committed to offering high quality products and services that comply with industry standards and current regulations. De Nora provides accurate and complete information about products and services, ensuring that customers can make informed choices and maintaining an open and transparent dialogue.

In addition, product compliance assessments throughout their life-cycle ensure that they meet the requirements of current Regulations and ensure adequate performance with respect to user health and safety issues.

In this way, De Nora presents itself as a responsible leader focused on creating value for its customers.

S4-SBM3 Material impacts, risks and opportunities and their interaction with strategy and business model

De Nora directs its actions to the mitigation of negative impacts, through the continuous search for the improvement of its offerings' quality standards, the attention paid to product compliance and the activation of additional channels of communication with its customers.

In addition, De Nora identifies and manages various operational and non-compliance risks arising from impacts and dependencies related to consumers and end users, risks that could result in legal penalties, reputational damage, and economic losses. From the materiality assessment conducted, opportunities relate to the positive impacts on its customers as described below.

De Nora includes in its disclosure scope all customers and end users who may be subject to material impacts from the Group's activities and supplier network. De Nora caters to industrial, municipal, and institutional customers by providing technologies for water treatment, technologies for electrochemical processes aimed at different types of applications (chlorine production, electronics industry, and non-ferrous metal refining), and for hydrogen generation from water electrolysis (green hydrogen); it does not sell directly to end consumers. Some of the solutions may have private individuals as end-users, especially in the swimming pool segment, but the main customers are Engineering Procurement Construction companies and Original Equipment Manufacturers. End-users include: chemical companies that produce or use chlorine and soda ash, Hard to Abate industries that want to reduce their impact with green hydrogen, electronic component and battery manufacturers, mining companies, drinking water disinfection and distribution companies, and industries in various sectors that need solutions for treating process water, cooling water, and wastewater.

The dematerialized handling of supply orders and the amount of data related to business partners, as well as the adoption of remote working arrangements, might have the potential to generate data breach risks, i.e., destruction, loss, modification, unauthorized disclosure or access to personal data transmitted, stored or otherwise processed by the Company.

The process of identifying and evaluating IROs related to the workers in the value chain was conducted by De Nora through a double materiality assessment. This process was carried out during 2024 and is described within the section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" in the chapter "ESRS 2 - General Disclosures". Below are the impacts, risks and opportunities identified:

ESRS Topic	IRO	Time horizon
S4 Consumers and end-users	Potential damage to health and safety of both client's employees and final consumers due to poor products' quality standards	
	Potential privacy harms for workers and business partners resulting from inadequate data protection practices	
	Economic and reputational risks arising from possible damage to the health and safety of both client's employees and final consumers due to non-compliance of products or services offered by De Nora to quality standards	
	Operational and reputational risks due to non-compliance with equal opportunity and diversity safeguards	

De Nora identifies and manages potential **material negative impacts** that may affect consumers and end users, distinguishing between **widespread or systemic impacts** and **impacts related to individual events or specific customer relationships**.

Widespread or systemic impacts in the downstream value chain include greenhouse gas emissions, waste disposal, non-inclusion and lack of equal opportunity, and consumer health and safety.

Negative impacts related to individual incidents or specific customer relationships, on the other hand, include product defects/nonconformities and failure to meet compliance requirements.

De Nora's positive impacts toward its customers are related to the "handprint", i.e. the ability to enable the increase of the energy efficiency of their production processes, the decarbonization of hard-to-abate processes, and the treatment, disinfection, and filtration of water ensuring its safe and circular use.

The identified risks are economic and reputational risks arising from possible damage to the health and safety of customers' employees and of end-users due to the nonconformity to quality standards of products or services offered by De Nora.

As a consequence of the positive impacts mentioned above, De Nora's businesses enable customers and end-users to seize, on the one hand, strategic opportunities for water reuse in a scenario of increasing water scarcity, and on the other hand, the opportunity to reduce their emissions by working with them in the energy transition or by increasing the energy efficiency of their production processes, in addition to developing virtuous circular processes for the use of materials.

S4-1 Policies related to consumers and end-users

Given De Nora's B2B business model, no special policies aimed at end consumers have been developed, but, within the Code of Ethics, there is a paragraph dedicated to customers stating that De Nora:

- pursues its business success by offering its customers quality products and services under competitive conditions in compliance with the rules protecting fair competition;
- respects and requires compliance with the conditions in its contracts, meeting the reasonable needs and expectations of customers;
- provides accurate and comprehensive information about products and services and is committed to truthful and transparent communication so that customers can make informed decisions.

Furthermore, in its relationship with all its stakeholders, including customers, De Nora conducts its business with integrity, transparency, fairness, loyalty and honesty and in compliance with all applicable laws, regulations, standards and international guidelines, promoting a "zero tolerance" culture against corruption and any type of fraud also through the adoption of a global anti-corruption policy.

De Nora has adopted a human rights policy (in accordance with the United Nations International Bill of Human Rights and International Labor Organization conventions), with a focus on human rights and the engagement of end-users and the reduction of its own impact on such topics, but currently its scope is limited to the supply chain, and a Whistleblowing policy that is addressed, instead, to all third parties. Since De Nora does not directly target end consumers, there are no policies in this regard.

S4-2 Processes for engaging with consumers and end-users about impacts

De Nora has always invested in the relationship with its customers, who, as highlighted above, are not consumers and end-users. The level of customer satisfaction is also evidenced by the low attrition rate, which indicates the percentage of customers who stop using a product or service in a given period of time. With a view to strengthening the relationship with customers and improving the quality of services offered, the company is adopting additional customer experience assessment tools such as the Net Promoter Score (NPS). The NPS is a widespread methodology for measuring customer satisfaction and loyalty through a short survey that the Group is developing and plans to adopt by 2025.

De Nora also interacts with its customers through representatives and agents on the ground who follow a due diligence process established by a global policy. The ultimate responsibility for customer relations management rests with the head of the relevant business unit, and the level of those involved varies according to the value of the contract.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

While operating in a B2B context, the company recognizes the importance of understanding the impacts its products and services may have on end users and consumers. To this end, it assesses the potential risks and benefits associated with the use of its products by direct customers and end-users, with a focus on the safety, quality and sustainability of the solutions offered.

The Group adopts a systematic process to identify and assess negative **social, environmental and economic impacts**, using materiality assessments that also consider human rights and potential effects on consumers.

In particular, De Nora is committed to providing **effective remedies** for human rights impacts by implementing a series of measures:

- **Reviewing policies and procedures** to ensure a fair and responsible approach.
- **Training staff** to ensure awareness and accountability.
- **Improving working conditions** by creating a safer and more equitable environment.

- **Whistleblowing policy:** the Group has activated a whistleblowing policy for employees, third parties, consumers and end users to collect feedback and resolve any issues.

With reference to any impacts on users' health and safety, De Nora mainly carries out prevention activities through product quality control and, in case of nonconformities, implements the locally established material remediation procedures. Instead, with regard to the protection of customer data, continuous analyses are conducted on the security status of the technology infrastructure; in particular, these are constantly monitored through a Security Operation Center (SOC), which is responsible for checking suspicious movements, verifying the effectiveness of IT security measures, and managing any incidents.

The Group also recognizes the value of **ongoing dialogue** with stakeholders, which is critical to addressing issues that arise and continuously improving its practices.

While De Nora has not activated specific reporting channels through third-party mechanisms, it directly manages reports through the channels described in Chapter S1, ensuring full **accessibility and confidentiality** for consumers and end users. In fact, customers and end-users have the opportunity to access the whistleblowing channel, but given the type of the Group's products and positioning in the value chain, this might not be the most frequently chosen tool for this purpose. This tool is described in chapter "G3-4 Prevention and detection of corruption and bribery".

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The Group is committed to guaranteeing safe and high-quality products through rigorous controls throughout the entire production cycle, from design to non-compliance management. To date, all production facilities are **UNI EN ISO 9001:2015** certified, and processes defined to deal with incidents and non-compliance include **corrective and preventive actions**. The effectiveness of preventive actions is also verified through acceptance tests at its customers.

In addition, in the event of nonconformities that may compromise the health and safety of users, De Nora is committed to taking appropriate **corrective measures**.

De Nora adopts a **structured approach** to address material adverse impacts on consumers and end users by conducting a **risk assessment** using the Double Materiality assessment to identify and manage potential adverse impacts, as described in "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" in chapter "ESRS 2 General Disclosures". In case of negative impacts, the company analyzes the causes, implements corrective actions and monitors the effectiveness of these actions, maintaining **clear** and timely **communication** with stakeholders.

Finally, to mitigate material risks and its own impacts, De Nora takes a proactive approach that includes:

- **Quality controls and regulatory compliance** through ISO 9001 certification and implementation of Life Cycle Assessment processes to estimate environmental impacts and improve performance.
- Commitment to the circular economy, aiming to reduce the use of noble metals and promoting their recycling, striving to provide products and services designed for second life and promoting their reuse, in whole or in part, at its customers.

The targets set by the plan are monitored as described in the section "GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies" of the chapter "ESRS 2 General Disclosures" through structured ESG governance since 2023.

To the best of its knowledge, using the reporting tools described above, De Nora did not identify any serious human rights-related problems or incidents related to customers and end-users in the reporting year.

In addition, De Nora invests in sustainable innovation and energy transition technologies, such as technologies dedicated to the production and use of green hydrogen, contributing, for example, to global projects such as the Neom project in Saudi Arabia, described in the next section. The Group also provides aftermarket services, including electrode maintenance and recoating, and is committed to expanding its presence in new markets with responsible and innovative solutions for a sustainable future.

Flagship projects

As part of the Electrodes Technologies Business Unit, in 2024 De Nora started production of Chlorine Soda electrolytic cells, which will be used in a project in US Texas for the end customer Oxychem, through the jv thyssekrupp nucera. The project involves the technological upgrade of the customer's chlorine soda plant located at Battleground, by converting the technology from diaphragm to membrane. This technology upgrade produces positive impacts on the energy efficiency of production facilities and also prevents the use of asbestos, used in the previous technology and harmful to human health.

In addition, during the reporting year, a contract was concluded for the second phase of the Al Jubail desalination plant upgrade, an initiative of the Saline Water Conversion Corporation (SWCC). The project relates to the realization of a sea water reverse osmosis (SWRO) desalination facility, the largest in the world, with a production capacity of up to 1 million cubic meters of sea water per day, using De Nora's key technologies.

As part of the energy transition, together with jv tk nucera, De Nora is implementing the largest green hydrogen production project using AWE (alkaline water electrolysis) technology. The project envisages the construction in Saudi Arabia of a plant with a production capacity of more than 2 GW of green hydrogen and will be powered by about 4GW of renewable energy plants. From 2026, 600 tons of green hydrogen will be produced per day. When fully operational, the plant will be able to avoid CO_2 production of more than 2,000,000 tCO_2e .

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The targets defined in this area are an integral part of the 2026-2030 Sustainability Plan, which commits the Group to:

- Reducing customers' environmental impact by decreasing the use of noble metals within its products by 4% by 2026 and increasing the quantity of recycled noble metals to 5% by 2030 (both targets have 2022 as their baseline year).
- Improving communication of the sustainability profile of its products through the creation of Sustainability Product Scorecards by 2027.
- Implementing a process for using the Net Promoter Score, uniform throughout the Group, as a tool for measuring customer satisfaction.

Customers and end-users were not directly involved in setting the following targets.

GOVERNANCE INFORMATION

ESRS G1 Business Conduct

GOV-1 The role of the administrative, management and supervisory bodies

Good corporate governance is fundamental to ensuring transparency, efficiency and accountability within a company. In this context, the Board of Directors, the Board of Statutory Auditors and the various Committees play a crucial role in monitoring and guiding the Group's activities, ensuring that they are conducted in accordance with the highest ethical standards.

Consistently with this vision, De Nora adopts a business approach in line with the principles of sustainable development, which takes into account the common interest of all its stakeholders, present and future. To achieve this target, the Company has put in place an articulated governance structure supported by a set of policies and procedures applicable at both local and Group level. This structure is designed to ensure management based on ethics, transparency and integrity, principles that guide every aspect of the organization.

The members and respective positions of De Nora's administrative, management and supervisory bodies, as well as committees, are listed in the "Corporate Bodies" section of the following document, while the Group governance and the focus on ESG governance are described within **"GOV-1 The role of the administrative, management and supervisory bodies"**.

Further details on the governance structure, the roles of the various bodies, and the Committees responsible for the process of appointing and selecting members of the Board of Directors and the Board of Statutory Auditors are available in the **Corporate Governance and Ownership Structure Report for the year 2024** (the "Corporate Governance Report"), which may be found on the group's website in the **"Governance - Shareholders' Meetings"** section.

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

Sustainable management is a key pillar of De Nora's strategic approach. To ensure effective identification and assessment of material topics, the Group adopts structured and integrated processes that allows to consider both the organization's impact on the environment and society and the risks and opportunities these issues pose to the Group.

The ESRS Standard states that a sustainability issue may be relevant from one or both perspectives: impact and financial. To address these needs, De Nora conducted an in-depth Double Materiality assessment. This approach makes it possible to evaluate simultaneously:

- The risks and opportunities that sustainability and governance issues pose to the organization.
- The organization's impact on these issues, providing a strategic and comprehensive view of the group's sustainability.

The Double Materiality assessment revealed the following risk.

ESRS Topic	IRO		Time horizon
G1 Business Conduct	Risk	Reputational and non-compliance risks associated with the occurrence of corruption or unfair business practices (Upstream / Direct / Downstream: Direct)	

The process for identifying impacts, risks and opportunities material to sustainability issues is described in the chapter "ESRS 2 - General Disclosures", within the section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities". This section details the criteria adopted to analyze material topics and determine their materiality.

Finally, in the section "SBM-1 Strategy, business model and value chain" further details are provided regarding the activities and sectors in which De Nora operates, allowing the impacts and opportunities to be contextualized within the characteristics of the group's operating model. This integrated approach reflects De Nora's commitment to pursuing a sustainable strategy geared toward creating value for all stakeholders.

G1-3 Prevention and detection of corruption and bribery

De Nora is strongly committed to the fight against corruption, adopting an approach based on a solid framework of policies, processes and control tools. The Group Anti-Corruption Policy, adopted by the Board of Directors in October 2023 and updated in December 2024, aims to: (i) promote a "zero tolerance" culture toward corruption within the Group; (ii) illustrate sensitive areas and prevent corruption through the identification of control mechanisms, according to the principles of segregation of duties, formal assignment of powers and responsibilities, adoption of periodically updated internal rules, due diligence activities on business associates, traceability of activities, and establishment of security measures able to protect company assets; (iii) define anti-corruption governance to help the comply with local laws and regulations and effectively implement the Group's Anti-Corruption Policy; (iv) establish a single standard to be complied with by all those who enter into relations with the Group. This approach ensures systematic risk management, enabling De Nora to address potential threats in a timely and effective manner.

The Policy represents a support tool for the 231 Models adopted by the Group's Italian companies to mitigate the risks of crime, and reinforces its commitment to the prevention of corruption indicated in De Nora's Code of Ethics (CoE), which defines the ethical principles guiding the behavior of employees and of all those who, in any capacity, contribute to the achievement of the Group's goals and targets. The Code of Ethics is the guide, consistent with the Group's vision and mission, for behaviors to be adopted within the company.

To ensure that the anti-corruption system is always effective, De Nora conducts, at least every three years, Risk Assessment activities to identify, analyze and rank corruption risks, evaluating the effectiveness of existing controls and making improvements where necessary. This constant monitoring enables early detection of vulnerabilities and corrective measures.

In addition, De Nora has developed a process for reporting any corruption incidents through the whistleblowing channels, as described in the Global Whistleblowing Policy. De Nora encourages and allows all employees and third parties to report suspected and actual attempts and/or violations of applicable regulations, and/or the company's procedure systems in various areas, ensuring that the whistleblower does not suffer retaliation or discrimination in any way for legitimately making a report in good faith. The process currently in place makes it possible to report, also anonymously, any irregularity and/or unlawful behavior, even suspicious, through channels that guarantee the confidentiality of the whistleblower's identity, as well as that of any persons named in the report.

The channels established are diverse and diversified, so as to provide wide and indiscriminate access to reporters. Specifically, reports may be made through: :

- An IT platform (managed by an independent third party) accessible by all whistleblowers
- the regular mail channel
- an e-mail address
- a meeting in person or through audio or video conference.

De Nora's Internal Audit and Compliance Manager (the "Recipients") are responsible for receiving reports.

Every report is shared with the Ethics Committee, whose main task is to promote and enforce the Group's ethical principles. The Ethics Committee also plays a key role in monitoring the effectiveness of the anti-corruption system and acting promptly in the event of misconduct reports.

De Nora's Ethics Committee, which is composed of the Chairperson of the BoD, the Chief Officer People, Organization Communication Happiness and the Chief Legal Officer, may decide, depending on the circumstances, to entrust the investigation directly to the head of the Internal Audit function and the Compliance Manager or to assign the analysis, due to the specificity of the event, to other individuals within De Nora or its Subsidiaries or to third parties (such as legal advisors, auditors, accountants, fraud investigators, IT experts, etc.). To ensure the impartiality of the process, the policy stipulates that in the event of a report concerning a member of the Ethics Committee or a Recipient, that Recipient will be excluded from the analysis process. This mechanism ensures that reports are objectively and fairly assessed, protecting both those making reports and those named in them. For the Group's Italian companies, all reports of a violation of 231 Model are in any case shared with the relevant Supervisory Body in order to coordinate the appropriate investigations.

Reports are periodically shared with the Control, Risk and ESG Committee, ensuring constant and transparent monitoring. Every six months, or in cases of urgency at the outcome of the investigation, a summary report is submitted, which, while respecting confidentiality, outlines the types of reports received, the countries involved, and the outcome of the investigations carried out. This transparent reporting process allows the Committee to monitor the progress of the whistleblowing system, assessing the effectiveness of the measures taken and taking prompt action when necessary.

The Group has implemented a communication system to ensure that all employees and third parties are constantly informed about the main Business Ethics policies. More specifically, the Code of Ethics, the Anti-Corruption Policy and the Whistleblowing Policy are available in six languages on the Group's website. In addition, in order to ensure widespread dissemination of policy contents among employees, specific notices were posted on the company portal and notices were posted in offices, canteens and industrial areas. In addition to summarizing the main policy features, these disclosures offer immediate access to the same via QR-codes. Third parties are also kept informed by regularly updating policies on the company's website, thus ensuring transparency and accessibility to all stakeholders.

In December 2023, the Group launched a training campaign through the provision of an in-person course on key Business Ethics policies for all Group employees. This course, now available online in the De Nora Academy, is mandatory for all new employees and provides clarification on the Code of Ethics, the Anti-Corruption Policy and the Whistleblowing Policy. Regarding the Anti-Corruption Policy, the topics covered are the definition of corruption and conflict of interest, the list of sensitive areas, the main control mechanisms common to all areas, and an in-depth analysis of specific controls for areas related to relations with the public administration and gifts. The course is valid for three years, after which a new global training campaign will be launched. In addition to the Business Ethics training, a course on Legislative Decree No. 231 aimed only at Italian companies was provided in 2024, following the updating of Organizational Models. In addition, in line with the sustainability plan targets, specific courses on anti-corruption regulations will be provided in 2025 and 2026 in all foreign affiliates.

The Business Ethics course is available for all business functions, including those exposed to higher risks. In Italy, the course on Legislative Decree No. 231 for senior management and attorneys was delivered live remotely, while the rest of the employees may be taking the course online.

The administrative, management and supervisory bodies also received training on these issues by participating in the aforementioned course on Legislative Decree No. 231 (as in the case of the SB, CEO, and Chairperson) or through special induction (performed for all board members).

The "Anti-corruption training" table shows the total number of employees who have received anti-corruption training, broken down by category, which in 2024 corresponds to 84% of employees.

Total number and percentage of employees who have received anti-corruption training, broken down by employee category	
no. of people	
Executives who have received training	69
Total Executives	84
% participation	**82%**
Managers who have received training	238
Total Managers	268
% participation	**88%**
Employees who have received training	702
Total Employees	786
% participation	**89%**
Industrial Technicians who have received training	732
Total Industrial Technicians	944
% participation	**77%**
Total Headcount who have received training	1,741
Total Headcount	2,082
% participation	84%

Table 1 - Anti-corruption training.

G1-4 Confirmed incidents of corruption or bribery

De Nora is committed to promoting an ethical and transparent work environment, and recognizes the fundamental importance of an effective whistleblowing system. This system not only facilitates the reporting of irregularities, but also supports the integrity of the Group by ensuring that existing or potential violations are identified and dealt with promptly. To this end, De Nora has set up monitoring tools and ongoing training to make all employees aware of compliance.

The table "Number of reports received through the whistleblowing portal" provides a summary analysis of the reports received in 2024, analyzing and categorizing them according to the type of violation.

In 2024, the company recorded no cases of convictions for violating anti-corruption and anti-money laundering laws, nor confirmed corruption incidents, an achievement that reflects the effectiveness of the preventive actions put in place and ongoing efforts at all levels.

Category	2024
Violations of the Code of Ethics	6
Group policy violations	3
EHS violations	3
Harassment or retaliation or discrimination	2
Financial, industrial and market manipulation violations	0
Infringement of intellectual property and misuse of Group assets	0
Privacy violations	1
Corruption, conflict of interest and unfair competition	0
Total Reports	15

Table 2 - Number of reports received through the Whistleblowing portal.

What is shown in the tables "Number of reports received through the whistleblowing portal" and "Anti-corruption training" confirms De Nora's commitment to creating a responsible work environment. On the one hand, the company promotes a whistleblowing system that provides safe and accessible channels for reporting irregularities and, on the other hand, it invests in comprehensive training programs, raising employees' awareness of the importance of complying with anti-corruption regulations.

APPENDICES

APPENDIX 1 - Material impacts, risks and opportunities and their interaction with strategy and business model

Impact	Description	Direct/Indirect	Time span
Negative impacts caused by climate change due to greenhouse gas emissions	*Direct*: Chemical production is typically energy-intensive: greenhouse gas emissions come mainly from production activities; other categories of energy consumption at De Nora mainly involve the use of natural gas for heat production, both for space heating and for powering heat treatment furnaces; other types of consumption include electrical consumption and the use of fuels for the company fleet and production equipment (e.g., forklifts). Fuels come from non-renewable sources. *Upstream*: A major source of emissions along the value chain is metal mining activities that take place upstream in the value chain. Other emission sources include the transportation of raw materials from the supplier to De Nora's production sites. *Downstream*: In the downstream phase, De Nora's products are used in emission-intensive activities, such as electro galvanizing.	Upstream, Direct, Downstream	Medium-long
Deterioration of air quality due to emissions of pollutants	The release of pollutants occurs both in business operations and upstream in the value chain during the raw material extraction stages; pollutants consist mainly of nitrogen oxides NOx, sulfur oxides SOx, volatile organic compounds VOC and atmospheric particulate matter PM. These emissions can generate a variety of negative impacts, including the deterioration of air quality and the health of humans and animals living in the areas surrounding the plants. The corporate fleet also contributes to the impact.	Direct, Downstream	Medium-long
Negative impacts from depletion of water availability, particularly in water-stressed areas, due to intensive water use in mining and product use phases	*Direct*: De Nora uses water for civil and industrial purposes; these include, for example, chemical surface treatment, plating, and generation of deionized water for chemical analysis. *Upstream*: Rare earth mining activities involve the use of large amounts of water with negative consequences on the availability of the resource. *Downstream*: De Nora's products are used for water sanitation and therefore have an impact on water consumption.	Upstream, Downstream	Medium-long
Positive impact on climate change from selling products and services that enable other industries to reduce their emissions footprint and promote the circular economy	The production and sale of products and services aimed at the energy transition (e.g., hydrogen production supports) represent the company's positive contribution to the reduction of its customers' greenhouse gas emissions through renewable and green sources from a decarbonization point of view.	Upstream, Direct, Downstream	Medium-long
Potential negative impacts from soil, water and air pollution due to improper waste disposal practices	The main waste-related impacts for the De Nora Group arise from electrode production activities, which mainly use metals such as titanium, nickel, and precious metals; etching, plating, coating, and electrode and fuel cell production processes generate hazardous and non-hazardous waste. De Nora is committed to finding solutions for the reuse of spent acids from these operations and to raising awareness of waste reduction and reuse with a view to circularity. The company's activities generate both industrial and municipal waste-like wastes. The former include mixed packaging materials and residues from metal surface processing. To a lesser extent, there is waste related to the testing activities of manufactured machines and office waste. If not managed properly, waste disposal can generate pollution and environmental damage in affected areas on land and marine flora and fauna.	Direct, Downstream	Medium-long

Impact	Description	Direct/Indirect	Time span
Positive impacts represented by increased access to drinking water through water sanitation products and services	Producing products and services designed to sanitize water, especially in areas at water risk such as the Hong Kong region, is the company's contribution to access to drinking water for more people, contributing to a more equitable interaction with water as a shared resource.	Upstream, Direct, Downstream	Medium-long
Potential harm to the privacy of workers and business partners from inadequate data protection practices	The dematerialized handling of supply orders and an increasing amount of data related to business partners, as well as the adoption of remote working arrangements, can generate data breach risks, i.e., destruction, loss, modification, unauthorized disclosure or access to personal data transmitted, stored or otherwise processed by the company. This risk may compromise the confidentiality, integrity or availability of the personal data of the company's collaborators, employees, customers and business partners. In this regard, De Nora provided IT security training to make its employees aware of the importance of proper data management and everyone's contribution to data protection. De Nora has established a Data Protection Officer (DPO) and implemented a Privacy Policy and Cookies Policy. Continuous analyses are conducted on the security status of the technology infrastructure; in particular, these are constantly monitored through a Security Operation Center (SOC), which is responsible for checking suspicious movements or incidents, verifying the effectiveness of IT security measures, and managing any incidents.	Direct	Short
Potential damage to workers' health and safety due to deficiencies in the supervision of safety principles	Hazards in the workplace, present throughout the value chain, can arise from a variety of situations, for example, hazards related to mechanical or electrical work, hazards related to the use of work equipment and handling equipment, or hazards due to falls and physical trauma, or related to the use of chemicals. Therefore, workers in both upstream and direct stages of the value chain may be exposed to occupational injuries and diseases with possible consequences in terms of temporary or permanent damage.	Direct	Short
Positive impact on water quality from selling products and services that enable other industries, as well as municipalities, to reduce their negative impacts on the environment	The production of products and services designed to sanitize water (e.g., industrial wastewater prior to re-entry into reservoirs) is one of De Nora's positive contribution in terms of enabling customer companies to reduce water pollution associated with their industrial operations.	Downstream	Medium-long
Potential negative impacts from pollution of water resources due to improper management and spillage of hazardous substances into the environment	*Upstream*: Mining activities can cause water contamination due to the release of minerals such as zinc, copper, lead and arsenic, causing adverse health effects on plants, animals and human beings through skin contact or ingestion through food and drink. *Downstream*: With reference to two of the Group's main industrial processes (electrolysis and electro chlorination), pollution of water resources can occur at various levels: (i) Electrolysis can result in the production of undesirable or toxic chemicals, depending on the reactions taking place through the electrodes; (ii) if uncontrolled, electrochlorination can lead to excess residual chlorine in the water. Improper water resources management and spillage of hazardous substances produced by chemical industry activities can cause seepage into the soil, leading to contamination of groundwater and surface water bodies.	Upstream, Downstream	Medium-long
Potential negative impacts on biodiversity and ecosystems from mining activities	Upstream, mining, particularly for noble metals, has significant impacts on biodiversity in terms of: habitat destruction, as mining operations often require the removal of large areas of land; and pollution: mining can cause water pollution from tailings and runoff that contain heavy metals and other toxic substances. Air pollution from dust and emissions from mining equipment may also occur. Erosion and soil degradation: removal of vegetation and topsoil for mining operations can lead to soil erosion, which can further degrade habitats. Water use and contamination: mining operations, especially for noble metals, often use significant amounts of water, which can deplete local water resources. Fragmentation of ecosystems: mining can create barriers and fragment ecosystems, isolating species populations, reducing genetic diversity and hindering the movement of wildlife.	Upstream, Direct, Downstream	Medium-long

Impact	Description	Direct/Indirect	Time span
Potential damage to the health and safety of customers’ employees and of end users due to poor product quality standards	The topic of health and safety of De Nora’s customers’ employees and end users is of significant important to De Nora: in fact, the Group conducts investigations on finished products to determine the absence of substances hazardous to the environment and people, as well as to ensure that all products comply with the highest quality and safety standards. The issue becomes particularly material when the service provided by De Nora concerns the sanitization of water to make it drinkable for the benefit of the community.	Direct, Downstream	Short
Potential harm to employees due to non-inclusive practices and failure to ensure equal opportunity	At all stages of the value chain, it is possible that equality of opportunity in labor relations may not always be guaranteed, introducing discrimination based on aspects such as gender, ethnicity, religious belief, disability, or sexual orientation. In De Nora, 80% of the workforce is male, but female employment is increasing year by year. The absence of appropriate policies and inadequate supervision within the company can expose employees to the risk of incidents of discrimination, with negative effects on employee retention and turnover. In addition, the implementation of supplier selection and evaluation processes makes it possible to minimize the repercussions of business activity regarding the occurrence of negative impacts.	Direct, Downstream	Short
Potential negative impacts on employees’ human and labor rights due to lack of protection of workers’ collective bargaining and association rights	Unionization, freedom of association and collective bargaining are pillars of modern economies, and respect for these vested rights is a key aspect of ensuring workers’ freedoms. However, the presence of suppliers in geographical areas that are less sensitive to this issue may give rise to a negative impact in terms of compliance with new regulatory measures at the European level (e.g., CSDD) that require, on the one hand, a mapping of their value chain from a social and environmental perspective and, on the other hand, careful management of potential risks that could be generated along the chain.	Direct	Short

Risk/Opportunity	Description	Time span	Value chain
Operational and compliance risks from evolving regulations regarding climate change	Current climate change regulations (and their evolutions) could result in additional costs in terms of adapting current infrastructure and operating procedures and in terms of access to capital and financing. Suppliers are also exposed to risk from regulations requiring them to reduce emissions with potential increases in selling prices of materials supplied to De Nora.	Medium-long	Upstream, Direct
Operational risks due to physical damage caused by extreme weather events that may affect Group-owned assets	An increase in the frequency of extreme weather events, such as floods, hurricanes, forest fires, and heat waves, could cause damage to the Group’s assets, leading to delays or suspension of internal production activities. Unavailability of assets and/or infrastructure could result in higher restoration and insurance costs, as well as a negative impact on revenues and service quality due to disruptions in production processes.	Medium-long	Direct
Strategic opportunities arising from green hydrogen production enabling downstream energy transition	The technology solutions portfolio developed by the Energy Transition business unit, which enables the development and use of hydrogen in various sectors, represents a significant source of revenue for the Group in the future. In addition, the production of technologies enabling hydrogen power generation is among the eligible activities for the EU Taxonomy, representing an additional beneficial aspect for the company’s reputation and ability to attract capital and government grants.	Medium-long	Direct, Downstream
Risks related to non-compliance with laws regulating air pollution and the Group’s need to comply with new regulations	Companies that violate pollutant emission regulations, especially in densely populated areas, may face significant fines from regulators. In the case of De Nora, the generation of direct emissions of pollutants in the surrounding area related to the production cycle (or indirect emissions in the inbound, outbound, or return logistics phases), mainly NOx, SOx, VOCs, could compromise compliance with pollutant emission regulations. If a company’s emissions also cause harm to human health, this could lead to the company being involved in lawsuits that would result in reputational damage and compensation for damages, including medical costs for people affected by the pollution, cleanup of polluted sites, and restoration of damaged natural habitats.	Medium-long	Upstream, Direct

Risk/Opportunity	Description	Time span	Value chain
Reputational and non-compliance risks due to soil contamination and biodiversity damage from improper waste management	Failure to manage waste efficiently, whether by suppliers or by the company, can lead to violations of environmental regulations at national and supranational levels, which can result in penalties with additional costs and damage to the company's reputation. In addition, current legislation could introduce stricter regulations that would require the company to reorganize to be compliant with these rules. Improper waste management can also lead to negative consequences in terms of impacts on biodiversity due to the release of pollutants into the air or soil, resulting in costs to restore ex ante conditions (e.g., cleanup costs).	Medium-long	Direct
Operational risks related to possible disruption of suppliers' operations due to possible changes in commodity prices caused by changes in regulation	Upstream mining activities are largely based on intensive land use, which can lead to soil erosion, degradation and loss of soil fertility. For this reason, mining may be exposed to possible changes in regulations aimed at additional controls and restrictions on operators that may possibly lead to increases in the price of raw materials, particularly noble metals.	Medium-long	Upstream
Operational risks due to possible disruption of supplier operations due to changes in water regulation or due to increased commodity prices caused by water shortages	Upstream in the value chain, large amounts of water are used in noble metal mining, particularly for ore washing, flotation and dust control. Excessive water consumption, particularly in water-stressed areas, can lead to reduced water availability, compromising suppliers' business operations and, in the worst case, disrupting operations. In addition, the introduction of regulations to reduce or manage water consumption and withdrawal could lead to increased operating costs for suppliers who may have to raise the price of noble metals, causing negative financial impacts for De Nora.	Medium-long	Upstream
Strategic opportunities arising from the evolution of stricter water quality regulations	Developments in water quality and treatment regulations may offer prospects for consolidation and further business development for Water Technologies, which also benefits from a strong position in the industry. In addition, changing regulations, including at the local level, impose increasingly higher standards and parameters to be met on water quality, representing a business opportunity for the Group.	Short	Direct
Strategic opportunities arising from increasing water scarcity in different geographical regions	Growing water scarcity in different parts of the world presents an opportunity for the company through the sale of products and services that make otherwise unusable water drinkable.	Short	Downstream
Operational and non-compliance risks associated with failure to protect the health and safety of its own workers	The occurrence of occupational accidents due to insufficient preventive measures, such as resulting in prolonged periods of absence from work, may result in productivity loss for De Nora for the period when functions remain uncovered; if, on the other hand, there is need to replace one or more workers, additional costs include the induction and training of new staff at the time of hiring. In addition, compromising employees' health and safety could lead to claims, compensation, and legal penalties for non-compliance with regulations, which could damage the company's image and undermine customer trust, reducing business opportunities and hindering its growth. An unsafe work environment could also lead to a decrease in worker motivation, which would negatively affect retention. The issue becomes particularly material when there are production sites in geographical areas where health and safety issues are less stringent than European standards.	Short	Direct
Economic and reputational risks arising from possible damage to the health and safety of customers' employees and of end users due to the non-conformity to quality standards of products or services offered by De Nora	Any cases of nonconformity of the products or services offered by the Group may result in damage or threats to the health and safety of customer companies' workers and, ultimately, of end consumers, with negative economic and reputational consequences: on the one hand, possible negative economic effects are represented by possible consumer claims; on the other hand, in the most serious cases, such cases may also result in the revocation of De Nora's ISO 9001 certification obtained, with negative reputational effects.	Short	Downstream
Operational and reputational risks due to non-compliance with equal opportunity and diversity safeguards	News of discrimination cases can severely damage a company's reputation, potentially resulting in loss of customers, decreased stock value, and costs of recruiting competent talent. Should grievances arise against De Nora, the company could incur substantial costs in terms of legal fees and possible compensation to workers victims of such incidents. The issue is more material in geographical areas where this issue is less regulated.	Short	Direct

Risk/Opportunity	Description	Time span	Value chain
Risk of loss of business partners' sensitive data and compromise of their privacy due to cyber attacks	The increase in the aggressiveness of cyber attacks against strategic infrastructure operators globally, also in light of geopolitical tensions that have increased over the past two years, keeps the risk of direct attacks on IT and technology systems material. Specifically, cyclical vulnerability assessment and system penetration testing activities are reported according to the latest technologies and methodologies; in such a context, establishing a cyber risk framework that presides over all corporate technical and behavioral applications contributes to risk reduction. De Nora manages personal data in accordance with the European Regulation 679/2016 (GDPR). To safeguard worker protection, the group has established a Data Protection Office (DPO) and has adopted a Privacy Policy.	Short	Upstream, Direct, Downstream
Operational risks associated with suppliers' failure to protect workers' health and safety and human rights	In case of failure to protect the health and safety of their workers, such as in the case of workplace accidents due to insufficient preventive measures, the Group's suppliers may experience increased claims and costs related to legal penalties for non-compliance with regulations. In addition, these events could jeopardize the operations of suppliers and of De Nora, which could be forced to terminate its relationship with the supplier and, thus, slow down its productions.	Short	Upstream
Operational risks due to unavailability of raw materials due to their overexploitation (especially noble metals)	The noble metal supply chain is characterized by the potential long-term shortage of raw materials. The use of these types of materials to conduct the Electrode Technologies business may entail the risk of interruptions, more or less prolonged, in the company's activities against the possible depletion of noble metal deposits; this may result in significant negative impacts in terms of the operation of production sites with consequent reduction in revenues.	Medium-long	Upstream
Operational risks associated with suppliers' failure to protect workers' human and labor rights	Operational risks associated with suppliers' failure to protect workers' human and labor rights can lead to an organization's reputational damage, legal problems and supply chain disruptions.	Medium-long	Upstream
Strategic risks due to reduced availability of water for the electrolysis processes of De Nora's customer companies	Strategic risks due to reduced availability of water also has negative consequences for De Nora's customer companies who use water for electrolysis. The potential limitation in water availability could lead to a decrease in demand for electrodes.	Medium-long	Downstream
Operational risk caused by price volatility of fossil fuel sources for energy	The gradual reduction in the availability of fossil fuels and the variability in their price can generate the risk of cost increases for the company and interruptions in the services provided.	Medium-long	Upstream
Operational risk related to the loss of highly qualified staff	The Group's activities rely, to a large extent, on the availability of highly skilled labor. The loss or lack of availability of skilled labor could generate a slowdown in operations and higher costs to train new employees; this risk is also associated with the low presence of skilled labor in the labor market.	Short	Direct
Reputational and non-compliance risks associated with the occurrence of corruption or unfair business practices	Despite the controls that the Group may implement, bribery or other unfair business practices could occur in the supply chain or within the company. This risk could cause harm to the company's reputation resulting in financial damage. The 231 Model is a document that Italian companies adopt to prevent crimes in the corporate environment, in accordance with Italian Legislative Decree 231/2001. The company implements it by establishing a Supervisory Body (SB) and adopting an internal procedures and controls system to prevent the risk of crimes being committed.	Short	Direct
Opportunities related to energy cost reduction	De Nora's greenhouse gas emission reduction target represents an opportunity in terms of cost savings related to reduced energy supply expenditures and energy-related taxation.	Medium-long	Direct, Downstream

APPENDIX 2

The following table also discloses the information included in this Disclosure arising from pieces of European Union legislation other than Delegated Regulation 2023/5303 on European Sustainability Reporting Standards, indicating the pages on which they are located:

Disclosure Requirement and corresponding information element	SFDR Reference[3]	Third pillar reference[4]	Reference to Reference index regulation[5]	Reference to EU climate law[6]	Not Material	Pg.
ESRS 2 GOV-1 Board's gender diversity, paragraph 21(d)	Annex I, Table 1, indicator no. 13		Commission Delegated Regulation (EU) 2020/1816[7], Annex II			
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21(e)			Commission Delegated Regulation (EU) 2020/1816, Annex II			
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Annex I, Table 3, indicator no. 10					
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40(d)(i)	Annex I, Table 1, indicator no. 4	449-bis of Regulation no. (EU) 575/2013; Commission implementing regulation (EU) 2022/2453[8] table 1 - Qualitative information on environmental risk and table 2 - Qualitative information on social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II			
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d)(ii)	Annex I, Table 2, indicator no. 9		Commission Delegated Regulation (EU) 2020/1816, Annex II			
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d)(iii)	Annex I, Table 1, indicator no. 14		Article 12(1) of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816			
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d)(iv)			Article 12(1) of Delegated Regulation (EU) 2020/1818[9] and Annex II of Delegated Regulation (EU) 2020/1816			
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Article 2(1) of regulation (EU) 2021/1119		
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16, (g)		Article 449-bis of Regulation (EU) No. 575/2013; implementing regulation (EU) 2022/2453 of the Commission, Model 1: Bank portfolio - Indicators of the potential transition risk related to climate change: Credit quality of exposures by sector, emissions and remaining duration	Article 12(1)(d) to (g), and (2) of delegated regulation (EU) 2020/1818			

Disclosure Requirement and corresponding information element	SFDR Reference[3]	Third pillar reference[4]	Reference to Reference index regulation[5]	Reference to EU climate law[6]	Not Material	Pg.
ESRS E1-4 GHG emission reduction targets, paragraph 34	Annex I, table 2, indicator no. 4	Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Bank portfolio - Indicators of the potential transition risk associated with climate change: alignment metrics	Article 6 of delegated regulation (EU) 2020/1818			
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Annex I, table 1, indicator no. 5 and Annex I, table 2, indicator no. 5					
ESRS E1-5 Energy consumption and mix, paragraph 37	Annex I, Table 1, indicator no. 5					
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Annex I, Table 1, indicator no. 6					
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Annex I, Table 1, indicators no. 1 and 2	Article 449 bis of the regulation (EU) no. 575/2013; Commission implementing regulation (EU) 2022/2453, Model 1: Bank portfolio - Indicators of the potential transition risk associated with climate change: Credit quality of exposures by sector, emission and remaining duration	Article 5(1), Article 6 and Article 8(1) of delegated Regulation (EU) 2020/1818			
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Annex I, Table 1, indicator no. 3	Article 449 bis of the regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Bank portfolio - Indicators of the potential transition risk associated with climate change: alignment metrics	Article 8(1) of delegated Regulation (EU) 2020/1818			
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Article 2(1) of regulation (EU) 2021/1119	✓	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Annex II of the delegated Regulation (EU) 2020/1818 and Annex II of delegated Regulation (EU) 2020/1816		✓	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66(c)		Article 449 bis of Regulation (EU) No. 575/2013; paragraphs 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; model 5: Banking portfolio - Indicators of potential physical risk related to climate change: exposures subject to physical risk			✓	

Disclosure Requirement and corresponding information element	SFDR Reference[3]	Third pillar reference[4]	Reference to Reference index regulation[5]	Reference to EU climate law[6]	Not Material	Pg.
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67(c)		Article 449 bis of Regulation (EU) No. 575/2013; Item 34 of Commission Implementing Regulation (EU) 2022/2453; Model 2: Banking portfolio - Indicators of potential climate change-related transition risk: loans secured by real estate - Energy efficiency of collateral			✓	
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities, paragraph 69			Annex II of the Commission Delegated Regulation (EU) 2020/1818		✓	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	table 1, indicator no. 8; annex I, table 2, indicator no. 2; annex 1, table 2, indicator no. 1; Annex I, Table 2, indicator no. 3					
ESRS E3-1 Water and marine resources, paragraph 9	Annex I, Table 2, indicator no. 7					
ESRS E3-1 Dedicated policy, paragraph 13	Annex I, Table 2, indicator no. 8					
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Annex I, Table 2, indicator no. 12					
ESRS E3-4 Total water recycled and reused, paragraph 28(c)	Annex I, Table 2, indicator no. 6.2					
ESRS E3-4 Total water consumption in m^3 compared per net revenue on own operations, paragraph 29	Annex I, Table 2, indicator no. 6.1					
ESRS 2 IRO-1 - E4 paragraph 16(a)(i)	Annex I, Table 1, indicator no. 7					
ESRS 2 IRO-1 - E4 paragraph 16(b)	Annex I, Table 2, indicator no. 10					
ESRS 2 IRO-1 - E4 paragraph 16(c)	Annex I, Table 2, indicator no. 14					
ESRS E4-2 Sustainable land / agriculture practices or policies, paragraph 24(b)	Annex I, Table 2, indicator no. 11					
ESRS E4-2 Sustainable oceans / seas practices or policies, paragraph 24(c)	Annex I, Table 2, indicator no. 12					
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	Annex I, Table 2, indicator no. 15					
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Annex I, Table 2, indicator no. 13					
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Annex I, Table 1, indicator no. 9					
ESRS 2 - SBM3 - S1 Risk of incidents of forced labor, paragraph 14(f)	Annex I, Table 3, indicator no. 13					

Disclosure Requirement and corresponding information element	SFDR Reference[3]	Third pillar reference[4]	Reference to Reference index regulation[5]	Reference to EU climate law[6]	Not Material	Pg.
ESRS 2 - SBM3 - S1 Risk of incidents of child labor, paragraph 14(g)	Annex I, Table 3, indicator no. 12					
ESRS S1-1 Human rights policy commitments, paragraph 20	Annex I, Table 3, indicator No. 9 and Annex I, table 1, indicator no. 11					
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II			
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Annex I, Table 3, indicator no. 11					
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Annex I, Table 3, indicator no. 1					
ESRS S1-3 Grievance/ complaints handling mechanisms, paragraph 32(c)	Annex I, Table 3, indicator no. 5					
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88, (b) and (c)	Annex I, Table 3, indicator no. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II			
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88(e)	Annex I, Table 3, indicator no. 3					
ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)	Annex I, Table 1, indicator no. 12		Commission Delegated Regulation (EU) 2020/1816, Annex II			
ESRS S1-16 Excessive CEO pay ratio, paragraph 97(b)	Annex I, Table 3, indicator no. 8					
ESRS S1-17 Incidents of discrimination, paragraph 103, letter a)	Annex I, Table 3, indicator no. 7					
ESR S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 a)	Annex I, table 1, indicator No. 10 and Annex I, table 3, indicator no. 14		Annex II of Delegated Regulation (EU) 20201816 and Article 12(1) of Delegated Regulation (EU) 2020/1818			
ESRS 2 SBM-3 - S2 Significant risk of child labor or forced labor in the value chain, paragraph 11(b)	Annex I, Table 3, indicators no. 12 and 13					
ESRS S2-1 Human rights policy commitments, paragraph 17	Annex I, Table 3, indicator No. 9 and Annex I, table 1, indicator no. 11					
ESRS S2-1 Policies related to value chain workers, paragraph 18	Annex I, Table 3, indicators no. 11 and 4					
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Annex I, Table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818			

Disclosure Requirement and corresponding information element	SFDR Reference[3]	Third pillar reference[4]	Reference to Reference index regulation[5]	Reference to EU climate law[6]	Not Material	Pg.
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II			
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Annex I, Table 3, indicator no. 14					
ESRS S3-1 Human rights policy commitments, paragraph 16	Annex I, Table 3, indicator No. 9 and Annex I, table 1, indicator no. 11					
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17	Annex I, Table 1, indicator no. 10					
ESRS S3-4 Human rights issues and incidents, paragraph 36	Annex I, Table 3, indicator no. 14					
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Annex I, Table 3, indicator No. 9 and Annex I, table 1, indicator no. 11					
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	Annex I, Table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818			
ESRS S4-4 Human rights issues and incidents, paragraph 35	Annex I, Table 3, indicator no. 14					
ESRS G1-1 United Nations Convention against Corruption, paragraph 10, b)	Annex I, Table 3, indicator no. 15					
ESRS G1-1 Protection of whistle-blowers, paragraph 10(d)	Annex I, Table 3, indicator no. 6					
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24(a)	Annex I, Table 3, indicator no. 17		Annex II of the delegated regulation (EU) 2020/1816			
ESRS G1-4 Standards of anti-corruption and anti- bribery, paragraph 24, b)	Annex I, Table 3, indicator no. 16					

[3] *Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on Sustainability-related disclosures in the financial services sector (SFDR) (OJ L 317, December 9, 2019, pg. 1).*

[4] *Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (capital requirements regulation) (OJ L 176, June 27, 2013, pg. 1).*

[5] *Regulation (EU) 2016/1011 of the European Parliament and of the Council of June 8, 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (OJ L 171, June 29, 2016, pg. 1).*

[6] *Regulation (EU) 2021/1119 of the European Parliament and of the Council of June 30, 2021, establishing the framework for achieving climate neutrality and amending Regulation (EC) No. 401/2009 and Regulation (EU) 2018/1999 ("European Climate Regulation") (OJ L 243, July 9, 2021, pg. 1).*

[7] *Commission Delegated Regulation (EU) 2020/1816 of July 17, 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to the explanation in the benchmark index statement of how environmental, social and governance factors are reflected in each benchmark index provided and published (OJ L 406, December 3, 2020, pg. 1).*

[8] *Commission Implementing Regulation (EU) 2022/2453 of November 30, 2022, amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 with regard to the disclosure of environmental, social and governance risks (OJ L 324, December 19, 2022, pg. 1).*

[9] *Commission Delegated Regulation (EU) 2020/1818 of July 17, 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to minimum standards for EU climate transition benchmarks and EU benchmarks aligned with the Paris Agreement (OJ L 406, December 3, 2020, pg. 17).*

APPENDIX 3 – European Taxonomy

	Turnover		Capex		Opex	
	2024	2023	2024	2023	2024	2023
Manufacturing of equipment for the production and use of hydrogen	90,995,394	80,819,762	19,298,948	24,215,164	6,288,559	6,614,685
Repair, refurbishment, and remanufacturing	72,822,792	-	325,637	-	1,411,052	-
Renovation of existing buildings	-	-	6,395,633	-	-	-
Installation, maintenance, and repair of renewable energy technologies	-	-	1,312,359	-	-	-
Aligned activities total	163,818,186	80,819,762	27,332,578	24,215,164	7,699,611	6,614,685
Consolidated financial statements	862,613,415	856,410,991	67,333,046	109,439,992	26,712,851	27,431,961
Taxonomy KPI	19.0%	9.4%	40.6%	22.1%	28.8%	24.1%

Table 1: Summary Framework of KPI Taxonomy 2024 compared to 2023.

Activities related to nuclear energy		
1.	The enterprise conducts, finances, or has exposures toward research, development, demonstration, and implementation of innovative power generation facilities that produce power from nuclear processes with a minimum amount of fuel cycle waste.	NO
2.	The company carries out, finances or has exposures to the construction and safe operation of new nuclear power plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as hydrogen production, and improvements in their safety, using the best available technologies.	NO
3.	The company carries out, finances or has exposures to the safe operation of existing nuclear power plants that generate electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, and improvements in their safety.	NO
Fossil gas-related activities		
4.	The company carries out, finances, or has exposures to the construction or operation of power generation facilities using gaseous fossil fuels.	NO
5.	The company carries out, finances, or has exposures to the construction, reskilling and operation of combined heating/cooling and power generation facilities using gaseous fossil fuels.	NO
6.	The company carries out, finances, or has exposures to the construction, reskilling, and operation of heat generation facilities that produce heating/cooling using gaseous fossil fuels.	NO

Turnover

Financial year	2024			Substantial Contribution criteria			
Economic activities (1)	Code (2)	Turnover (3)	Share of turnover, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)
Text		*Eur*	*%*	*Yes; No; N/AM*	*Yes; No; N/AM*	*Yes; No; N/AM*	*Yes; No; N/AM*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY							
A.1. Environmentally sustainable activities (aligned with taxonomy)							
Manufacture of equipment for the production and use of hydrogen	**CCM 3.2**	90,995,394	10.5%	Yes	N/AM	N/AM	N/AM
Repair, refurbishment and remanufacturing	**CE 5.1**	72,822,792	8.4%	N/AM	N/AM	N/AM	N/AM
Turnover of environmentally sustainable activities (aligned with taxonomy) (A.1)		163,818,186	19.0%	10.5%	0.0%	0.0%	0.0%
Of which enabling		163,818,186	19.0%	10.5%	0.0%	0.0%	0.0%
Of which transitional		0	0.0%	0.0%			
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)							
				AM; N/AM	*AM; N/AM*	*AM; N/AM*	*AM; N/AM*
Manufacture of equipment for the production and use of hydrogen	**CCM 3.2**	13,356,782	1.5%	AM	N/AM	N/AM	N/AM
Manufacture of other low-carbon technologies	**CCM 3.6**	7,673,235	0.9%	AM	N/AM	N/AM	N/AM
Repair, refurbishment and remanufacturing	**CE 5.1**	55,994,649	6.5%	N/AM	N/AM	N/AM	N/AM
Product-as-a-service and other circular-use and outcome-oriented service models	**CE 5.5**	27,615,674	3.2%	N/AM	N/AM	N/AM	N/AM
Turnover of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		104,640,340	12.1%	2.4%	0.0%	0.0%	0.0%
A. Turnover of activities eligible for the taxonomy (A.1+A.2)		268,458,526	31.1%	13.0%	0.0%	0.0%	0.0%
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY							
Turnover of activities not eligible for the taxonomy		594,154,889	68.9%				
TOTAL		862,613,415	100.0%				

DNSH ("Do No Significant Harm") criteria											
Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguard guarantees (17)	Share of turnover aligned (A.1.) or eligible (A.2.) for the taxonomy, year 2023 (18)	Enabling activity category (19)	Transition activity category (20)
Yes; No; N/AM	*Yes; No; N/AM*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*A*	*T*
N/AM	N/AM	No	Yes	Yes	Yes	Yes	Yes	Yes	9.4%	A	
Yes	N/AM	Yes	Yes	Yes	Yes	No	No	Yes	0.0%	A	
8.4%	**0.0%**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**9.4%**		
8.4%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	**9.4%**	**A**	
		No	Yes	Yes	Yes	Yes	Yes	Yes	0.0%		T
AM; N/AM	*AM; N/AM*										
N/AM	N/AM								2.3%		
N/AM	N/AM								0.0%		
AM	N/AM								13.1%		
AM	N/AM								3.3%		
9.7%	**0.0%**								**18.7%**		
18.1%	**0.0%**								**28.1%**		

	Share of turnover/Total turnover	
	Aligned with taxonomy by target	*Eligible for taxonomy by target*
CCM	10.5%	13.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	8.4%	18.1%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

CapEx

Financial year	2024			Substantial Contribution criteria			
Economic activities (1)	Code (2)	Turnover (3)	Share of turnover, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)
Text		*Eur*	*%*	*Yes; No; N/AM*	*Yes; No; N/AM*	*Yes; No; N/AM*	*Yes; No; N/AM*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY							
A.1. Environmentally sustainable activities (aligned with taxonomy)							
Manufacture of equipment for the production and use of hydrogen	**CCM 3.2**	19,298,948	28.7%	Yes	N/AM	N/AM	N/AM
Repair, refurbishment and remanufacturing	**CE 5.1**	325,637	0.5%	N/AM	N/AM	N/AM	N/AM
Renovation of existing buildings	**CCM 7.2** / CE 3.2	6,395,633	9.5%	Yes	N/AM	N/AM	N/AM
Installation, maintenance and repair of technologies for renewable energies	**CCM 7.6**	1,312,359	1.9%	Yes	N/AM	N/AM	N/AM
CapEx of environmentally sustainable activities (aligned with the taxonomy) (A.1)		27,332,578	40.6%	40.1%	0.0%	0.0%	0.0%
Of which enabling		27,332,578	40.6%	40.1%	0.0%	0.0%	0.0%
Of which transitional		0	0.0%	0.0%			
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)							
				AM; N/AM	*AM; N/AM*	*AM; N/AM*	*AM; N/AM*
Manufacture of equipment for the production and use of hydrogen	**CCM 3.2**	8,790,599	13.1%	AM	N/AM	N/AM	N/AM
Repair, refurbishment and remanufacturing	**CE 5.1**	471,818	0.7%	N/AM	N/AM	N/AM	AM
Product-as-a-service and other circular-use and outcome-oriented service models	**CE 5.5**	4,349,128	6.5%	N/AM	N/AM	N/AM	AM
Transportation by motorcycles, passenger cars and light commercial vehicles	**CCM 6.5**	197,171	0.3%	AM	N/AM	N/AM	N/AM
Construction of new buildings	**CCM 7.1** / CE 3.1	2,470,441	3.7%	AM	N/AM	N/AM	N/AM
Renovation of existing buildings	**CCM 7.2** / CE 3.2	1,903,426	2.8%	AM	N/AM	N/AM	N/AM
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3**	752,702	1.1%	AM	N/AM	N/AM	N/AM
Installation, maintenance and repair of technologies for renewable energies	**CCM 7.6**	842,785	1.3%	AM	N/AM	N/AM	N/AM
CapEx of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		19,778,070	29.4%	22.2%	0.0%	0.0%	0.0%
A. CapEx of activities eligible for the taxonomy (A.1+A.2)		47,110,648	70.0%	62.3%	0.0%	0.0%	0.0%
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY							
CapEx of activities not eligible for the taxonomy		20,222,398	30.0%				
TOTAL		67,333,046	100.0%				

DNSH ("Do No Significant Harm") criteria											
Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguard guarantees (17)	Share of turnover aligned (A.1.) or eligible (A.2.) for the taxonomy, year 2023 (18)	Enabling activity category (19)	Transition activity category (20)
Yes; No; N/AM	*Yes; No; N/AM*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*A*	*T*
N/AM	N/AM	No	Yes	Yes	Yes	Yes	Yes	Yes	22.1%	A	
Yes	N/AM	Yes	Yes	Yes	Yes	No	No	Yes	0.0%	A	
No	N/AM	N	Yes	Yes	Yes	Yes	No	Yes	0.0 %	A	
N/AM	N/AM	N	Yes	No	No	No	No	Yes	0.0%	A	
0.5%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	22.1%		
0.5%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	22.1%	A	
		No	Yes	Yes	Yes	Yes	Yes	Yes	0.0%		T
AM; N/AM	*AM; N/AM*										
N/AM	N/AM								6.3%		
N/AM	N/AM								3.9%		
N/AM	N/AM								7.6%		
N/AM	N/AM								0.0%		
AM	N/AM								0.0%		
AM	N/AM								0.0%		
N/AM	N/AM								0.0%		
N/AM	N/AM								2.6%		
7.2%	0,0%								20.3%		
7.7%	0,0%								42.4%		

	Share of CapEx/Total CapEx	
	Aligned with taxonomy by target	*Eligible for taxonomy by target*
CCM	40.1%	62.3%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.5%	14.1%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

OpEx

Financial year	2024			Substantial Contribution criteria			
Economic activities (1)	Code (2)	Turnover (3)	Share of turnover, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)
Text		*Eur*	*%*	*Yes; No; N/AM*	*Yes; No; N/AM*	*Yes; No; N/AM*	*Yes; No; N/AM*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY							
A.1. Environmentally sustainable activities (aligned with taxonomy)							
Manufacture of equipment for the production and use of hydrogen	**CCM 3.2**	6,288,559	23.5%	Yes	N/AM	N/AM	N/AM
Repair, refurbishment and remanufacturing	**CE 5.1**	1,411,052	5.3%	N/AM	N/AM	N/AM	N/AM
Operating expenses of environmentally sustainable activities (aligned with the taxonomy) (A.1)		7,699,611	28.8%	23.5%	0.0%	0.0%	0.0%
Of which enabling		7,699,611	28.8%	23.5%	0.0%	0.0%	0.0%
Of which transitional		0	0.0%	0.0%			
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)							
				AM; N/AM	*AM; N/AM*	*AM; N/AM*	*AM; N/AM*
Manufacture of equipment for the production and use of hydrogen	**CCM 3.2**	3,256,969	12.2%	AM	N/AM	N/AM	N/AM
Repair, refurbishment and remanufacturing	**CE 5.1**	1,165,323	4.4%	N/AM	N/AM	N/AM	N/AM
Product-as-a-service and other circular-use and outcome-oriented service models	**CE 5.5**	464,808	1.7%	N/AM	N/AM	N/AM	N/AM
Manufacture of other low-carbon technologies	**CCM 3.6**	258,615	1.0%	AM	N/AM	N/AM	N/AM
Operating expenses of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		5,145,715	19.3%	13.2%	0.0%	0.0%	0.0%
A. OpEx of activities eligible for the taxonomy (A.1+A.2)		12,845,326	48.1%	36.7%	0.0%	0.0%	0.0%
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY							
Operating expenses of activities not eligible for the taxonomy		13,867,525	51.9%				
TOTAL		26,712,851	100.0%				

		DNSH ("Do No Significant Harm") criteria									
Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguard guarantees (17)	Share of turnover aligned (A.1.) or eligible (A.2.) for the taxonomy, year 2023 (18)	Enabling activity category (19)	Transition activity category (20)
Yes; No; N/AM	*Yes; No; N/AM*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*A*	*T*
N/AM	N/AM	No	Yes	Yes	Yes	Yes	Yes	Yes	24.1%	A	
Yes	N/AM	Yes	Yes	Yes	Yes	No	No	Yes	0.0%	A	
5.3%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	24.1%		
5.3%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	24.1%	A	
		No	Yes	Yes	Yes	Yes	Yes	Yes	0.0%		T
AM; N/AM	*AM; N/AM*										
N/AM	N/AM								4.3%		
AM	N/AM								7.9%		
AM	N/AM								2.0%		
N/AM	N/AM								0.0%		
6.1%	0.0%								14.2%		
11.4%	0.0%								38.4%		

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	*Taxonomy-aligned per objective*
CCM	23.5%	36.7%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	5.3%	11.4%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

On behalf of the Board of Directors
The Chief Executive Officer
Paolo Enrico Dellachà

MANAGEMENT'S CERTIFICATION ON THE CONSOLIDATED SUSTAINABILITY REPORTING

Certification of the sustainability reporting pursuant to Article 81-ter, paragraph 1, of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments and additions

Paolo Dellachà, Chief Executive Officer, and Luca Oglialoro, manager in charge of preparing the company's accounting documents pursuant to Article 154-bis, paragraph 5-ter, last sentence, of the Consolidated Law of Industrie De Nora, certify, pursuant to Article 154-bis, paragraph 5-ter, of Legislative Decree no. 58 of February 24, 1998, that the sustainability reporting included in the management report has been prepared:

a) in compliance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and the Council, of June 26, 2013, and Legislative Decree no. 125 of September 6, 2024;

b) with the specifications adopted pursuant to Article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and the Council, of June 18, 2020.

Data: March 17, 2025

Paolo Enrico Dellachà
Chief Executive Officer

Luca Oglialoro
Manager responsible for preparing the Company's financial reports

Independent auditor's limited assurance report on the consolidated sustainability report

in accordance with article 14-bis of Legislative Decree 39 of 27 January 2010

To the shareholders of Industrie De Nora SpA

Conclusion

In accordance with articles 8 and 18, paragraph 1, of Legislative Decree 125 of 6 September 2024 (hereinafter also the "Decree"), we have undertaken a limited assurance engagement on the Consolidated Sustainability Reporting of the De Nora Group (hereinafter also the "Group") for the year ended 31 December 2024 prepared in accordance with article 4 of the Decree, presented in the specific section of the Director's Report.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the Consolidated Sustainability Reporting of the De Nora Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/UE (*European Sustainability Reporting Standards*, hereinafter also "ESRS");
- the information set out in paragraph "2024 Taxonomy" and in Appendix 3 "European Taxonomy" of the Consolidated Sustainability Reporting is not prepared, in all material respects, in accordance with article 8 of Regulation (UE) No. 852 of 18 June 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under this Standard are further described in the *Auditor's Responsibilities for the Limited Assurance Conclusion on the Consolidated Sustainability Report* section of this report.

We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on consolidated sustainability report under Italian law.

Our firm applies International Standard on Quality Management 1 (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies or

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procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The Consolidated Sustainability Reporting for the year ended 31 December 2024 contains, in the specific section "2024 Taxonomy" and in Appendix 3 "European Taxonomy", the comparative information referred to in article 8 of the Taxonomy Regulation in relation to the year ended 31 December 2023, which was not subjected to any assurance procedures.

Responsibilities of the directors and the board of statutory auditors of Industrie De Nora SpA for the Consolidated Sustainability Reporting

The directors are responsible for developing and implementing the procedures adopted to identify the information included in the Consolidated Sustainability Reporting in accordance with the provisions of the ESRS (hereinafter the "materiality assessment process") and for describing those procedures in the paragraph "IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities" of the Consolidated Sustainability Reporting.

The directors are also responsible for preparing the Consolidated Sustainability Reporting, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph "2024 Taxonomy" and in Appendix 3 "European Taxonomy".

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability report in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Inherent limitations in the preparation of the consolidated sustainability report

For the purpose of reporting forward-looking information in accordance with ESRS, the directors are required to prepare such information on the basis of assumptions, described in the Consolidated Sustainability Reporting, about future events and possible future actions by the Group. Because of the uncertainty connected with any future event, in terms both of occurrence and of the extent and timing of occurrence, deviations between actual results and forward-looking information may be significant.

The disclosure about Scope 3 emissions is subject to greater inherent limitations compared with Scope 1 and 2 emissions, because of the limited availability and accuracy of the information, both qualitative and quantitative, related to the value chain.

Auditor's responsibilities for the limited assurance conclusion on the consolidated sustainability report

Our objectives are to plan and perform procedures to obtain limited assurance about whether the Consolidated Sustainability Reporting is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the Consolidated Sustainability Reporting.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- Performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise;
- Designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Directing, supervising and performing a limited assurance engagement on the consolidated sustainability report and assuming full responsibility for the conclusion on the consolidated sustainability report.

Summary of the work performed

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.
The procedures performed were based on our professional judgement and included inquiries, primarily of personnel of Industrie De Nora SpA responsible for the preparation of the information presented in the Consolidated Sustainability Reporting, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

We performed the following main procedures:

- We understood the Group's business model and strategies, and the environment in which it operates with reference to sustainability issues;
- We understood the processes underlying the generation, collection and management of the qualitative and quantitative information included in the consolidated sustainability report;
- We understood the process implemented by the Group to identify and assess the material impacts, risks and opportunities, in accordance with the double materiality principle, related

to sustainability issues and, based on the information thus obtained, we considered whether any contradictory items emerged that could point to the existence of sustainability issues not considered by the Company in the materiality assessment process;

- We identified the disclosures where a material misstatement is likely to arise;
- We defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified;
- We understood the process implemented by the Group to identify the eligible economic activities and to determine whether they are aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the Consolidated Sustainability Reporting;
- We reconciled the information reported in the Consolidated Sustainability Reporting with the information reported in the consolidated financial statements in accordance with the applicable financial reporting framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounts;
- We verified the structure and presentation of disclosures included in the Consolidated Sustainability Reporting in accordance with the ESRS;
- We obtained management's representation letter.

Milan, 3 April 2025

PricewaterhouseCoopers SpA

Signed by

Francesco Ronco
(Partner)

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

03

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

		As of December 31			
Assets	**Notes**	**2024**	**Of which Related parties**	**2023**	**Of which Related parties**
		(in € thousands)			
Goodwill and other intangible assets	18	115,959		115,787	
Property, plant and equipment	19	291,784		254,273	
Equity-accounted investees	20	236,751		231,511	
Financial assets, including derivatives	21	4,592		3,180	
Deferred tax assets	22	15,473		16,216	
Other receivables	27	6,803	52	7,360	52
Employee benefits	30	-		3,465	
Total non-current assets		671,362		631,792	
Inventory	23	255,452		257,146	
Financial assets, including derivatives	21	10,510		14,185	
Current tax assets	24	9,719		10,310	
Construction contracts	25	44,961	2,350	39,767	-
Trade receivables	26	173,522	43,857	141,927	26,724
Other receivables	27	42,079	7	38,391	18
Cash and cash equivalents	28	215,857		198,491	
Total current assets		752,100		700,217	
Total assets		1,423,462		1,332,009	
Liabilities					
Equity attributable to the parent		946,527		904,488	
Equity attributable to non-controlling interests		7,256		5,700	
Total Equity	29	953,783		910,188	
Employee benefits	30	25,935		25,222	
Provisions for risks and charges	31	2,746		1,896	
Deferred tax liabilities	22	6,022		8,873	
Financial liabilities, net of current portion	32	140,638		133,716	
Trade payables	33	2		86	
Income tax payable	34	-		549	
Other payables	35	2,870	47	2,231	47
Total non-current liabilities		178,213		172,573	
Provisions for risks and charges	31	17,131		16,150	
Financial liabilities, current portion	32	18,948		10,199	
Construction contracts	25	8,547		8,030	
Trade payables	33	116,799	589	106,752	1,012
Income tax payables	34	24,234		19,196	
Other payables	35	105,807	56,392	88,921	40,881
Total current liabilities		291,466		249,248	
Total equity and liabilities		1,423,462		1,332,009	

Consolidated Income Statement

	Notes	For the year ended December 31 2024	Of which Related parties	2023	Of which Related parties
		(in € thousands)			
Revenues	4	862,613	220,997	856,411	211,637
Change in inventory of finished goods and work in progress	5	(5,520)		(4,096)	
Other income	6	18,216	772	14,683	1,174
Costs for raw materials, consumables, supplies and goods	7	(364,860)	(2,172)	(357,991)	(202)
Personnel expenses	8	(154,523)	(7,991)	(143,982)	(5,969)
Costs for services	9	(183,969)	(3,825)	(178,330)	(3,711)
Other operating expenses	10	(11,861)	(25)	(11,103)	(10)
Amortization and depreciation	16-17	(34,300)		(30,617)	
(Impairment)/write-backs of non-current assets and net accrual of provisions for risks and charges	11	(9,240)		(8,057)	
Operating profit		116,556		136,918	
Share of profit of equity-accounted investees	12	4,579		5,435	
Finance income	13	21,096		145,018	
Finance expenses	14	(24,468)		(22,090)	
Profit before tax		117,763		265,281	
Income taxes	15-16	(34,451)		(34,231)	
Profit for the period		83,312		231,050	
Attributable to:					
Owners of the parent		*83,376*		*230,050*	
Non-controlling interests		*(64)*		*1,000*	
Basic earnings per share (in Euro)	17	0.42		1.14	
Diluted earnings per share (in Euro)	17	0.42		1.14	

Consolidated Statement of Comprehensive Income

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Profit for the period	83,312	231,050
Items that will not be reclassified to profit or loss:		
Actuarial reserve	(3,554)	(540)
Tax effect	1,202	156
Total items that will not be reclassified to profit or loss, net of the tax effect (A)	(2,352)	(384)
Items that may be reclassified subsequently to profit or loss:		
Effective portion of the change in fair value of financial instruments hedging cash flows	(103)	(247)
Change in fair value of financial assets	(338)	170
Translation reserve	9,937	(24,742)
Tax effect	115	34
Total items that may be reclassified subsequently to profit or loss, net of the tax effect (B)	9,611	(24,785)
Total other comprehensive income net of the tax effects (A) + (B)	7,259	(25,169)
Total comprehensive income	90,571	205,881
Attributable to:		
Owners of the parent	*90,661*	*205,012*
Non-controlling interests	*(90)*	*869*

Consolidated Cash Flow Statement

		For the year ended December 31			
	Notes	2024	Of which Related parties	2023	Of which Related parties
		(in € thousands)			
Cash flows from operating activities					
Profit for the period	29	83,312		231,050	
Adjustments for:					
Amortization and depreciation	18-19	34,300		30,617	
Impairment/(write-back) of property, plant and equipment and intangible assets	11- 18-19	940		8,918	
Finance expenses	14	24,468		22,090	
Finance income	13	(21,096)		(145,017)	
Share of profit of equity-accounted investees	12	(4,579)	(4,579)	(5,435)	(5,435)
(Gains) losses on the sale of property, plant and equipment and intangible assets	18-19	(5,254)		644	
Income tax expenses	15	34,452		34,231	
Share based payments	8 - 30	1,036	705	262	256
Change in inventory	23	5,279		28,771	
Change in trade receivables and construction contracts	25-26	(33,149)	(19,483)	(38,561)	(19,782)
Change in trade payables	33	9,155	(423)	29,636	157
Change in other receivables/payables	27-35	15,805	15,522	(18,605)	6,422
Change in provisions and employee benefits	30	2,641		(3,368)	
Cash flows generated by operating activities		147,310		175,233	
Interest and other finance expenses paid	14	(19,852)		(17,860)	
Interest and other finance income collected	13	15,426		11,681	
Income tax paid	15	(32,163)		(28,804)	
Net cash flows generated by (used in) operating activities		110,721		140,250	
Cash flows from investing activities					
Sales of property, plant and equipment and intangible assets	18-19	6,590		1,126	
Investments in property, plant and equipment	18-19	(59,188)		(81,000)	
Investments in intangible assets	18-19	(4,679)		(7,496)	
(Investments in)/Disposal of associated companies	20	-		26,439	
(Investment in)/Disposal of financial activities	21	2,653		144,580	
Acquisitions, net of cash acquired		-		(2,046)	
Net cash flows generated by (used in) investing activities		(54,624)		81,603	
Cash flows from financing activities					
Share capital increase	29	1,700	1,700	1,300	1,300
Treasury shares buy-back	29	(26,016)		(17,042)	
New loans	32	19,757		-	
Loans repayments	32	(6,110)		(150,582)	
Lease payments	32	(4,188)		(2,898)	
Increase (decrease) in other financial liabilities	32	(7)		(7)	
Dividends paid	29	(24,492)		(24,257)	
Net cash flows generated by (used in) financing activities		(39,356)		(193,486)	
Net increase (decrease) in cash and cash equivalents		16,741		28,367	
Opening cash and cash equivalents		198,491		174,129	
Exchange rate gains/(losses)		625		(4,005)	
Closing cash and cash equivalents	28	215,857		198,491	

Statement of Changes in Consolidated Equity

(in € thousands)	Share capital	Legal reserve	Share premium reserve	Retained earnings	Tran-slation reserve	Other reserves	Profit for the period	Equity attributable to the parent	Equity attributable to non-controlling interests	Total Equity
Balance as of December 31, 2022	18,268	3,357	223,433	387,242	5,059	14,295	89,564	741,218	3,586	744,804
Transactions with shareholders:										
Share capital increase	-	-	-	-	-	-	-	-	1,300	1,300
Allocation of 2022 profit	-	297	-	89,267	-	-	(89,564)	-	-	-
Dividend distribution	-	-	-	(24,202)	-	-	-	(24,202)	(55)	(24,257)
(Increase) / Decrease of Treasury Shares	-	-	-	-	-	(17,042)	-	(17,042)	-	(17,042)
Other movements – Share based payments	-	-	-	-	-	447	-	447	-	447
Other movements related to Equity - accounted investees	-	-	-	-	-	(904)	-	(904)	-	(904)
Comprehensive income statement:										
Profit for the period	-	-	-	-	-	-	230,050	230,050	1,000	231,050
Actuarial reserve	-	-	-	-	-	(380)	-	(380)	(4)	(384)
Effective portion of the change in fair value of financial instruments hedging cash flows	-	-	-	-	-	(170)	-	(170)	-	(170)
Change in fair value of financial assets	-	-	-	-	-	68	-	68	59	127
Translation reserve	-	-	-	-	(24,597)	-	-	(24,597)	(186)	(24,783)
Balance as of December 31, 2023	18,268	3,654	223,433	452,307	(19,538)	(3,686)	230,050	904,488	5,700	910,188
Transactions with shareholders:										
Share capital increase	-	-	-	-	-	-	-	-	1,700	1,700
Allocation of 2023 profit	-	-	-	230,050	-	-	(230,050)	-	-	-
Dividend distribution	-	-	-	(24,438)	-	-	-	(24,438)	(54)	(24,492)
(Increase) / Decrease of Treasury Shares	-	-	(28)	-	-	(25,895)	-	(25,923)	-	(25,923)
Other movements – Share based payments	-	-	-	-	-	1,036	-	1,036	-	1,036
Other movements	-	-	-	-	-	703	-	703	-	703
Comprehensive income statement:										
Profit for the period	-	-	-	-	-	-	83,376	83,376	(64)	83,312
Actuarial reserve	-	-	-	-	-	(2,351)	-	(2,351)	(1)	(2,352)
Effective portion of the change in fair value of financial instruments hedging cash flows	-	-	-	-	-	(72)	-	(72)	-	(72)
Change in fair value of financial assets	-	-	-	-	-	(134)	-	(134)	(120)	(254)
Translation reserve	-	-	-	-	9,842	-	-	9,842	95	9,937
Balance as of December 31, 2024	18,268	3,654	223,405	657,919	(9,696)	(30,399)	83,376	946,527	7,256	953,783

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. GENERAL INFORMATION

Company 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 (*società per azioni*) incorporated in Italy and registered within the Milan Companies Register. The registered office is located at Via Bistolfi 35, Milan (Italy). The Company has been listed on Euronext Milan since June 30, 2022.

Founded by the engineer Oronzio De Nora, the Group prides itself on having been active in the electrochemical industry for more than 100 years and is recognized today as a world leader in the supply of electrodes for the electrochemical industry. The Group is also active in the design and supply of technologies for water treatment and disinfection and is committed to developing solutions for the energy transition, particularly holding a prominent position in supplying technologies for hydrogen production through water electrolysis.

As at December 31, 2024, the Company is controlled by Federico De Nora S.p.A., with registered office at Via Bistolfi 35 – Milan.

1. Statement of compliance with international accounting standards

The consolidated financial statements of the De Nora Group for the financial year ended December 31, 2024 (hereinafter the "consolidated financial statements") have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European (referred to below as "IFRS"). For comparative purposes, the data relating to the financial year ended December 31, 2023 have been presented. IFRS have been applied consistently throughout the financial years presented.

The consolidated 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.

The assessments made confirm that the Group is able to operate in compliance with the going concern assumption and in compliance with financial covenants.

These consolidated financial statements were approved by the Board of Directors of the Company on March 18, 2025 and are subject to an audit by the independent auditor PricewaterhouseCoopers S.p.A.

The main accounting criteria and standards applied in the preparation of the consolidated financial statements are shown below.

Changes in accounting standards

1. Accounting standards, amendments and interpretations that came into effect and applied as at January 1, 2024

The following new amendments were issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and are effective as at January 1, 2024:

Accounting standard/amendment	Approved by the EU	Effective date
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on May 25, 2023)	Yes	January 1, 2024
Amendments to IAS 1 Presentation of Financial Statements: • Classification of Liabilities as Current or Non-current (issued on January 23, 2020); • Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued July 15, 2020); and • Non-current Liabilities with Covenants (issued October 31, 2022)	Yes	January 1, 2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued September 22, 2022)	Yes	January 1, 2024

These amendments did not have any impact on the consolidated financial statements.

2. Accounting standards, amendments and interpretations applicable after the reporting date of these Consolidated Financial Statements

Below is a summary of accounting standards and amendments applicable subsequent to the reference date of this consolidated financial statement, both approved and not approved:

Accounting standard/amendment	Approved by the EU	Effective date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued August 15, 2023)	Yes	January 1, 2025
IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued May 9, 2024)	No	January 1, 2027
IFRS 18 Presentation and Disclosure in Financial Statements (issued April 9, 2024)	No	January 1, 2027
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7 (issued December 18, 2024)	No	January 1, 2026
Annual Improvements Volume 11 (issued July 18, 2024)	No	January 1, 2026
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued May 30, 2024)	No	January 1, 2026

With regard to IFRS 18, the Company is starting to evaluate its impacts; while no significant impacts are expected from the application of the remaining principles and amendments.

Structure and content of the Consolidated Financial Statements

The consolidated financial statements include the economic and financial situation of the Company and of the subsidiaries approved by the respective administrative bodies, prepared on the basis of the related accounting records and, where applicable, appropriately adjusted to make them compliant with IFRS.

The following table summarizes, with reference to the subsidiaries of the Company and its associates, the information relating to the company name, registered office, functional currency, share capital and the % of capital held by De Nora Group.

Company	Registered office	Functional currency	Share Capital as of 12.31.2024		Interest % De Nora Group		Consolidation method
			in currency	in Euro	As of 12.31.2024	As of 12.31.2023	
Oronzio De Nora International BV – NETHERLANDS:	Basisweg, 10 - Amsterdam - NETHERLANDS	Euro	4,500,000.00 €	4,500,000.00 €	100%	100%	line-by-line
*De Nora Deutschland GmbH - GERMANY	Industriestrasse 17 63517 Rodenbach - GERMANY	Euro	100,000.00 €	100,000.00 €	100%	100%	line-by-line
*Shotec GmbH - GERMANY	An der Bruchengrube 5, 63452 Hanau - GERMANY	Euro	40,000.00 €	40,000.00 €	100%	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	596,921.74 €	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	551,944.07 €	100%	100%	line-by-line
*De Nora Hong Kong Limited - HONG KONG	Unit D-F 25/F YHC Tower 1 Sheung YUET Road Kowllon Bay KL - HONG KONG	HKD	$ 100,000.00	12,393.72 €	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 BRL	1,503,783.01 €	100%	100%	line-by-line
De Nora Elettrodi (Suzhou) Co., Ltd - CHINA:	No. 113 Longtan Road,Suzhou Industrial Park 215126, CHINA	CNY	$ 25,259,666.00	24,313,856.96 €	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	1,978,030.67 €	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	131,868.71 €	80%	80%	line-by-line

Company	Registered office	Functional currency	Share Capital as of 12.31.2024		Interest % De Nora Group		Consolidation method
			in currency	in Euro	As of 12.31.2024	As of 12.31.2023	
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 AED	65,523.93 €	100%	100%	line-by-line
De Nora Italy Hydrogen Technologies S.r.l. - ITALY	Via L. Bistolfi, 35 - 20134 Milan - ITALY	Euro	3,110,000.00 €	3,110,000.00 €	90%	90%	line-by-line
De Nora Holding UK Ltd. – UNITED KINGDOM:	c/o Pirola Pennuto Zei & Associati Limited, 5th Floor, Aldermary House, 10-15 Queen Street, London EC4N 1TX - UNITED KINGDOM	Euro	19.00 €	19.00 €	100%	100%	line-by-line
*De Nora Water Technologies UK Services Ltd. – UNITED KINGDOM	Daytona House Amber Close, Amington, Tamworth B77 4RP - UNITED KINGDOM	GBP	£ 7,597,918.00	9,163,170.84 €	100%	100%	line-by-line
*De Nora Holding US Inc. – USA:	7590 Discovery Lane, Concord, OH 4407 - USA	USD	$10.00	9.63 €	100%	100%	line-by-line
*De Nora Tech LLC – USA	7590 Discovery Lane, Concord, OH 4407 - USA	USD	-	-	100%	100%	line-by-line
*De Nora Water Technologies LLC – USA:	3000 Advance Lane 18915 - Colmar - PA - USA	USD	$ 968,500.19	932,236.20 €	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	2,212,882.91 €	100%	100%	line-by-line
*De Nora Water Technologies Ltd. – UNITED KINGDOM:	c/o Pirola Pennuto Zei & Associati Limited, 5th Floor, Aldermary House, 10-15 Queen Street, London EC4N 1TX - UNITED KINGDOM	GBP	£1.00	1.21 €	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	1,023,009.35 €	100%	100%	line-by-line
*De Nora Neptune LLC – USA	305 South Main Street, Fort Stockton, Texas 76735 - USA	USD	-	-	80%	80%	line-by-line
Capannoni S.r.l. - ITALIA:	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	3,347,531.04 €	100%	100%	line-by-line
thyssenkrupp nucera AG & Co, KGaA	GERMANY	Euro	126,315,000.00 €	126,315,000.00 €	25.85%	25.85%	equity
*Thyssenkrupp Nucera Italy S.r.l.	ITALY	Euro	1,080,000.00 €	1,080,000.00 €	25.85%	25.85%	equity
*ThyssenKrupp Nucera Australia Pty.	AUSTRALIA	AUD	$ 500,000.00	298,115.91 €	25.85%	25.85%	equity
*thyssenkrupp nucera Arabia for Contracting LLC	SAUDI ARABIA	SAR	2,000,000.00 SAR	524,191.43 €	25.85%	25.85%	equity

Company	Registered office	Functional currency	Share Capital as of 12.31.2024		Interest % De Nora Group		Consolidation method
			in currency	in Euro	As of 12.31.2024	As of 12.31.2023	
*Thyssenkrupp Nucera Japan Ltd.	JAPAN	JPY	¥ 150,000,000.00	919,906.78 €	25.85%	25.85%	equity
*Thyssenkrupp nucera (Shanghai) Co., Ltd	CHINA	CNY	¥ 20,691,437.50	2,728,553.20 €	25.85%	25.85%	equity
*Thyssenkrupp Nucera USA Inc.	USA	USD	$ 700,000.00	673,789.59 €	25.85%	25.85%	equity
*thyssenkrupp nucera Participations GmbH	GERMANY	Euro	25,000.00 €	25,000.00 €	25.85%	25.85%	equity
*thyssenkrupp nucera India Private Limited	INDIA	INR	₹ 71,940.00	808.92 €	25.85%	25.85%	equity
*thyssenkrupp nucera HTE GmbH	GERMANY	Euro	25,000.00 €	25,000.00 €	25.85%	-	equity
TK Nucera Management AG	GERMANY	Euro	50,000.00 €	50,000.00 €	34%	34%	equity

(*): indirect stake of Industrie De Nora S.p.A.

The reporting date of the consolidated financial statements coincides with that of the Company (December 31), which is the same as all of the consolidated companies, with the exception of:

- De Nora India Ltd (whose financial year ends on March 31) for which specific annual data as of December 31 of each financial year have been prepared;
- thyssenkrupp companies (the financial year of the parent company Thyssenkrupp Nucera AG & Co. KGaA closes as at September 30) for which annual data as at December 31 of each financial year have been prepared.

The only change in the scope of consolidation during the financial year was the liquidation of De Nora Marine Technologies LLC at the end of the year.

Basis of consolidation

The financial statements of the companies in which the Company directly or indirectly has control have been consolidated by using the "line-by-line consolidation method", through the full assumption of the assets and liabilities and the costs and revenues of the subsidiaries. Companies in which the Group exercises significant influence (associates) are consolidated by using the "equity method", which foresees the initial recognition of the equity investment at cost and the subsequent adjustment of its carrying amount to reflect the investor's share of profit or loss of the associated company's after the acquisition date.

Consolidation policies

The criteria adopted by the Group for the definition of the consolidation area and the related consolidation policies are shown below.

Subsidiaries

An investor controls an entity when: (i) has power over the entity being invested in, (ii) is exposed to, or has the right to participate in, the variability of its economic returns, and (iii) is able to exercise decision-making power over the entity's relevant operations in a manner that influences those returns. The exercise of control is verified whenever facts and/or circumstances indicate a change in one of the aforementioned elements qualifying for control. Subsidiaries are consolidated on a line-by-line basis starting from the date on which control was acquired and ceased to be consolidated from the date on which the loss of control occurs. The criteria adopted for line-by-line consolidation are as follows:

- the assets and liabilities, costs and

revenues of the subsidiaries are assumed on a line-by-line basis, attributing to minority shareholders, where applicable, the share of equity and of the net result for the period due to them; these portions are shown separately in the statement of changes in consolidated equity, the consolidated income statement and the consolidated statement of comprehensive income;

- the profits and losses, including the related tax effects, deriving from transactions carried out between fully consolidated companies and not yet realized with third parties, are eliminated, except for losses which are not eliminated if the transaction provides evidence of an impairment of the transferred asset. Furthermore, the intercompany payables and receivables, costs and revenues, as well as finance income and expenses are eliminated;
- dividends distributed by the consolidated companies have been eliminated from the income statement and reinstated in equity.

Associates

Companies in which the Group exercises significant influence are evaluated by using the "equity method", which foresees the initial recognition of the equity investment at cost and the subsequent adjustment of its carrying amount to reflect the investor's share of profit or loss of the associated company's after the acquisition date.

Business combinations

Business combinations, by virtue of which control of a business is acquired, are recognized in accordance with IFRS 3, applying the so-called acquisition method. In particular, the identifiable assets acquired, and liabilities and contingent liabilities assumed are recognized at their fair value at the acquisition date, i.e. the date when control is acquired, except for deferred tax assets and liabilities, assets and liabilities relating to employee benefits and assets held for sale, which are recognized in accordance with the relevant accounting standards. The difference between the fair value of the consideration transferred and the current value of the assets and liabilities, if positive, is recognized in intangible assets as goodwill.

The shares of non-controlling interests, at the acquisition date, can be valued at fair value or at the pro-quota value of the net assets recognized for the acquired company. The choice of the valuation method is made on a transaction-by-transaction basis.

When the determination of the values of the assets and liabilities of the business acquired is made provisionally, it must be finalized within a maximum period of twelve months from the acquisition date, taking into account only the information relating to facts and circumstances existing at the acquisition date. In the financial year in which the aforementioned determination is finalized, the provisionally recognized values are adjusted with a retrospective effect. Transaction costs are recognized in the income statement at the time they are incurred.

The acquisition cost is the fair value at the acquisition date of the assets transferred, the liabilities assumed, and the equity instruments issued for the purpose of the acquisition, and also includes, if applicable, contingent consideration, i.e. that portion of consideration whose amount and timing depend on future events.

In the case of acquisition of control in subsequent phases, the purchase cost is determined by adding the fair value of the equity investment previously held in the acquired company and the amount paid for the additional share. Any difference between the fair value of the previously held equity investment and its carrying amount is recognized in the income statement. On assumption of control, any amounts previously recognized in other items of the comprehensive income are recognized in the income statement, or in equity if there is no reclassification to the income statement.

Translation of financial statements of foreign companies

The financial statements of subsidiaries are drawn up using the currency of the country in which they have their registered office. The rules for translating the financial statements of companies expressed in currencies other than the Euro are as follows:

- assets and liabilities are translated using the exchange rates in effect at the reporting date;
- costs and revenues are translated at the average exchange rate for the financial year, calculated using the monthly averages of official exchange rates;
- the "translation reserve", whose changes are included in the items of the statement of comprehensive income, includes both exchange differences generated by the translation of income statement amounts at an exchange rate different from the closing rate and those generated by the translation of opening equity at the historical exchange rate;
- goodwill, if any, and fair value adjustments related to the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the year-end exchange rate.

The following table summarizes the exchange rates used to convert the financial statements of companies that have a functional currency other than the Euro for the periods indicated:

	Average exchange rate for the		Exchange rate at	
Currency	2024	2023	December 31, 2024	December 31, 2023
US Dollar	1.0824	1.0813	1.0389	1.1050
Japanese Yen	163.8519	151.9903	163.0600	156.3300
Indian Rupee	90.5563	89.3001	88.9335	91.9045
Chinese Yuan Renminbi	7.7875	7.6600	7.5833	7.8509
Brazilian Real	5.8283	5.4010	6.4253	5.3618
GB Pound	0.8466	0.8698	0.8292	0.8691

Translation of foreign currency items

Transactions in currencies other than the functional currency are recognized at the exchange rate in effect as at the transaction date. Monetary assets and liabilities denominated in currencies other than the Euro are subsequently adjusted at the exchange rate in effect as at the reporting date. Any exchange differences that may arise are reflected in the income statement under finance income or expenses.

2. Summary of accounting standards and measurement criteria

A description of the financial statements formats and the most significant accounting standards and related valuation criteria applied in the preparation of the consolidated financial statements is provided below.

Financial statements formats

The consolidated financial statements consist of the mandatory financial schedules required by IAS 1 (consolidated income statement, consolidated statement of financial position, consolidated cash flow statement, statement of changes in consolidated equity and consolidated statement of comprehensive income) and are accompanied by the notes. The formats used are those that best represent the Group's economic and financial position.

The consolidated income statement is presented by the nature of the expenses, highlighting the intermediate results relating to the operating result and the result before tax.

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

- it is assumed that this activity is carried out, or is held for sale or consumption, in the normal course of the operating cycle;
- it is mainly owned for trading purposes;
- it is assumed that it will be realized within twelve months from the closing date of the financial year;
- 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 financial year;
- there is no unconditional right to defer its settlement for at least twelve months after the end of the financial year. The clauses of a liability that could, at the option of the counterparty, give rise to its settlement through the issue of equity instruments, do not affect its classification.

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

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

The cash flow statement is prepared by using the indirect method.

The statement of changes in the consolidated equity shows the changes in 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 IAS/IFRS, are taken directly to equity (actuarial gains and losses arising from defined benefit plans and hedging reserves);
- changes in the fair value reserves relating to cash flow hedges, net of taxes;
- the effect of changes in the consolidation scope;
- the effect of the differences deriving from the translation of the financial statements of foreign companies;
- the effect of changes in accounting standards.

The consolidated statement of comprehensive income presents, on a separate basis, the result for the period and any income and expense not taken to income statement, but instead recognized directly in equity, in accordance with specific international accounting standards.

The consolidated financial statements have been drawn up in Euro, the Company's functional currency. The financial position and income statements, the notes to financial statements and the tables are expressed in thousands of Euros, unless otherwise indicated.

Accounting standards and measurement criteria

The criteria adopted with reference to the classification, recognition, valuation and derecognition of the various asset and liability items, as well as the criteria for recognizing the income components, are described below.

Intangible assets

An intangible asset is an asset which, at the same time, meets the following conditions:

- is identifiable;
- it is non-monetary;
- it has no physical substance;
- it is under the control of the company preparing the financial statements;
- it is expected to produce future economic benefits for the company.

If an asset does not meet the above requirements to be defined as an intangible asset, the expense incurred to purchase the asset or to generate it internally is recognized as an expense when it is incurred.

Intangible assets are initially recognized at cost. The cost of intangible assets acquired from outside includes the purchase price and any directly attributable costs.

Internally generated goodwill is not recognized as an asset in the same way as intangible assets arising from research (or from the research phase of an internal project).

An intangible asset deriving from the development or development phase of an internal project is recognized if compliance with the following conditions is met:

- the technical feasibility of completing the intangible asset so that it is available for use or for sale;
- the intention to complete the intangible asset in order to use or sell it;
- the ability to use or sell the intangible asset;
- the way in which the intangible asset is capable of generating future economic benefits and in particular the existence of a market for the output of the intangible asset or for the intangible asset itself or, if it is to be used for internal purposes, its usefulness;
- the availability of adequate technical, financial and other resources to complete the development and for the use or sale of the asset;
- the ability to reliably assess the cost attributable to the intangible asset during its development.

Intangible assets are measured using the cost method in accordance with IAS 38. The cost method provides that after initial recognition an intangible asset must be recognized at cost net of accumulated amortization and any accumulated impairment loss.

The following main intangible assets can be identified within the Group:

(a) Goodwill

Goodwill is classified as an intangible asset with an indefinite useful life and is initially accounted for at cost, as previously described, and subsequently subjected to valuation, at least annually, aimed at identifying any impairment losses (see in this regard what is reported in the following paragraph “Impairment of goodwill and of property, plant and equipment and of intangible assets and right-of-use assets”). The reinstatement of the value is not allowed in the event of a previous write-down due to impairment.

(b) Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at cost, as previously described, net of accumulated amortization and any impairment losses.

Amortization begins when the asset is available for use and is allocated systematically in relation to the residual possibility of its use, i.e. on the basis of its estimated useful life; for the value to be depreciated and the recoverability of the book value, the criteria indicated respectively in the paragraphs “Property, plant and equipment” and “Impairment of goodwill and of property, plant and equipment and of intangible assets and right-of-use assets” apply.

The useful life estimated by the Group for the various categories of intangible assets is shown below:

Intangible asset category	Useful life
Industrial patents and intellectual property rights	from 3 to 5 years
Concessions, licenses and trademarks	from 3 to 10 years
Know-how and Technologies	from 13 to 25 years
Customer Relationships	from 10 to 25 years
Development costs	from 5 to 15 years
Other intangible assets	from 3 to 11 years

Assets and liabilities for rights-of-use and leases

In accordance with IFRS 16, a contract is, or contains, a lease if, in exchange for consideration, it grants the right to control the use of a specified asset for a period of time; this right exists if the contract gives the lessee the right to direct the use of the asset and substantially obtain all the economic benefits from its use. The contract is re-valued to verify whether it is, or contains, a lease only in the event of a change in the terms and conditions of the contract.

For a contract that is, or contains, a lease, each lease component is separate from the non-lease component, unless the Group applies the practical expedient referred to in paragraph 15 of IFRS 16. This practical expedient allows the lessee to choose, for each underlying asset class, not to separate the non-lease components from the lease components and to account for each lease component and the associated non-lease components as a single lease component.

The duration of the lease is determined as the non-cancellable period of the lease, to which both the following periods must be added:

- periods covered by a lease extension option, if the lessee has reasonable certainty that it is exercising the option;
- periods covered by the lease termination option, if the lessee has reasonable assurance that it will not exercise the option.

In assessing whether the lessee has reasonable certainty to exercise the option to extend the lease or not to exercise the option to terminate the lease, all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease or not to exercise the option to terminate the lease are considered. The lessee must re-determine the duration of the lease in the event of a change in the non-cancellable period of the lease.

At the effective date of the contract, the Group recognizes the right-of-use asset and the related lease liability.

At the effective date of the contract, the right-of-use asset is valued at cost. The cost of the right-of-use asset includes:

a) the amount of the initial measurement of the lease liability;

b) the lease payments made on or before the effective date, net of the lease incentives received;

c) the initial direct costs incurred by the lessee;

d) the estimate of the costs that the lessee will have to incur for the dismantling and removal of the underlying asset and for the restoration of the site in which it is located or for the restoration of the underlying asset under the conditions set out in the terms and conditions of the lease, unless these costs are incurred for the production of inventories. The obligation related to the aforementioned costs arises on the lessee on the effective date or as a result of the use of the underlying asset during a given period.

At the effective date of the contract, the lessee must assess the lease liability at the current value of the payments due for the lease not yet paid at that date. Payments due for the lease include the following amounts:

a) fixed lease amounts, net of any lease incentives to be received;

b) variable lease amounts that depend on an index or rate, initially measured using an index or rate as at the effective date;

c) the amounts that the lessee is expected to pay as guarantees of the residual value;

d) the price to exercise the call option, if the lessee is reasonably certain that it is exercising the option;

e) the lease termination penalty payments, if the lease term takes into account the lessee's exercise of the lease termination option.

Payments due for the lease should be discounted using the implied lease interest rate if this can be easily determined. If this is not possible, the lessee must use its marginal borrowing rate, which is the incremental interest rate that the company would have to pay to obtain a loan of the same duration and amount as the lease.

After initial recognition, the right-of-use asset is valued at cost:

a) net of accumulated depreciation and accumulated impairment;

b) adjusted to take into account any restatements of the lease liability

After initial recognition, the lease liability is assessed:

a) increasing the carrying amount to take into account the interest on the lease liability;

b) decreasing the carrying amount to take into account the payments made;

c) restating the carrying amount to reflect any revaluation or modification of the lease or revision of payments due on leases that are fixed in substance.

In the event of changes to the lease that do not qualify as a separate lease, the right-of-use asset is restated (up or down), in line with the variation in the lease liability at the date of the change. The lease liability is restated on the basis of the new conditions set out in the lease contract, using the discount rate at the date of the change.

It should be noted that the Group avails itself of the exemption provided for by IFRS 16, with reference to the leases of low value assets (i.e. when the value of the underlying asset, if new, is indicatively lower than USD 5,000). In such cases, the right-of-use asset and the related lease liability are not recognized, and the payments due for the lease are recognized in the income statement.

The Group has decided to avail itself of the exemption provided for by IFRS 16 in relation to short-term leases (i.e. lease contracts that have a duration equal to or less than twelve months from the effective date).

The lessor must classify each of its leases as operating or financial. A lease is classified as a financial lease if it essentially transfers all the risks and benefits associated with the ownership of an underlying asset. A lease is classified as operating if, in substance, it does not transfer all the risks and benefits associated with the ownership of an underlying asset. In the case of a financial lease, on the effective date the lessor must recognize the assets held under financial leases in the statement of financial position and present them as a receivable at a value equal to the net investment in the lease. In the case of operating leases, the lessor must recognize the payments due as income on a straight-line basis or on another systematic basis. The lessor must also recognize the costs, including amortization, incurred to realize the proceeds of the lease.

Property, plant and equipment

The recognition of property, plant and equipment takes place only when the following conditions are met at the same time:

- it is likely that the future economic benefits referable to the asset will be enjoyed by the company;
- the cost can be reliably determined.

Property, plant and equipment are initially valued at purchase or replacement cost, defined as the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset, or at production cost. After initial recognition, property, plant and equipment are valued using the cost method, net of any depreciation and any accumulated impairment.

The cost includes charges directly incurred to make possible their use, as well as any dismantling and removal charges that will be incurred as a result of contractual obligations requiring the asset to be restored to its original condition.

The cost of an internally produced asset includes the cost of materials used and direct personnel expenses, as well as any costs directly attributable to bringing the asset to the location and in the condition necessary for it to be capable of operating in the manner intended by management, and the costs of dismantling and removing the asset and restoring the site on which it is located.

The charges incurred for maintenance and repairs of an ordinary and/or cyclical nature are directly charged to the income statement when incurred. The capitalization of costs relating to the extension, modernization or improvement of structural elements owned or used by third parties is made to the extent that they meet the requirements to be separately classified as an asset or part of an asset.

The depreciation criterion used for property, plant and equipment is the straight-line method, over their useful life.

The useful life estimated by the Group for the various categories of property, plant and equipment is shown below:

Property, Plant and Equipment category	Useful life
Buildings	from 25 to 35 years
Plants and machinery	from 8 to 25 years
Equipment	from 5 to 10 years
Leased assets	from 3 to 25 years
Other tangible assets	from 4 to 10 years

Owned land is not depreciated.

At the end of each financial year, the Group verifies whether significant changes have occurred in the expected characteristics of the economic benefits deriving from capitalized assets and, if so, it modifies the depreciation criteria, which is considered as a change in estimate in accordance with IAS 8.

The value of property, plant and equipment is derecognized in full upon disposal or when the company expects that no economic benefit will derive from its disposal.

Gains or losses generated on the sale of property, plant and equipment are calculated as the difference between the net sale consideration and the asset's carrying amount and are recognized in the income statement under "other income" or "other operating expenses". When a revalued item of property, plant and equipment is sold, the amount included in the revaluation reserve is reclassified to retained earnings.

Capital grants are recognized when there is reasonable certainty that they will be received and that all the conditions relating to them are satisfied. Contributions are then suspended under liabilities and credited pro rata to the income statement over the useful life of the related assets.

Impairment of goodwill, of property, plant and equipment and intangible assets and right-of-use assets

(a) Goodwill

As previously indicated, goodwill is subject to an annual impairment test or more frequently, in the presence of indicators that could lead to believe that it may be subject to an impairment, in accordance with the provisions of IAS 36 (Impairment of assets). The test is normally carried out at the end of each financial year and, therefore, the reference date for this test is the closing date of the financial statements.

The impairment test is carried out with reference to the cash generating units ("CGU"), corresponding to the business segments, to which the goodwill has been allocated. The CGU of an asset is the smallest group of assets that includes the asset itself and that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Any impairment of goodwill is recognized in the event that its recoverable value is lower than its book value in the financial statements. The recoverable value is understood to be the greater of the fair value of the groups of CGU on which the impairment test is carried out, net of disposal costs, and the related value in use, meaning the present value of the future cash flows estimated for this asset. In determining value in use, expected future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the cost of money, relative to the period of the investment and the risks specific to the asset. In the event that the impairment deriving from the impairment test is greater than the value of the goodwill allocated to the group of CGU on which the impairment test has been carried out, the residual excess is allocated to the assets included in the group of CGU in proportion to their carrying amount.

The original value of goodwill is not reinstated if the reasons for the impairment no longer apply.

(b) Assets (tangible, intangible and right-of-use assets) with a finite useful life

At each reporting date, an assessment is carried out to ascertain whether there are indicators that the property, plant and equipment, intangible assets and right-of-use assets may be subject to an impairment. To this end, both internal and external sources of information are considered. With regard to the former (internal sources), the following are considered: obsolescence or physical deterioration of the asset, any significant changes in the use of the asset and the economic performance of the asset with respect to what foreseen. With regard to external sources, the following are considered: the trend in the market prices of the assets, any technological, market or regulatory discontinuities, the trend in market interest rates or the cost of capital used to evaluate investments.

If the presence of such indicators is identified, an estimate is made of the recoverable value of the aforementioned assets, recognizing an impairment, with respect to the relative book value, in the income statement. The recoverable value of an asset is represented by the greater of the fair value, net of ancillary costs of sale, and the related value in use, determined by discounting the estimated future cash flows for that asset, including, if significant and reasonably determinable, those deriving from the sale at the end of its useful life, net of any disposal costs. In determining value in use, expected future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the cost of money, relative to the period of the investment and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable value is determined in relation to the CGU to which the asset belongs.

An impairment is recognized in the income statement if the book value of the asset, or of the group of CGU to which it is allocated, is higher than the related recoverable value. Reductions in the value of a group of CGU are firstly charged to reduce the carrying amount of any goodwill attributed to it and then, to reduce other assets, in proportion to their carrying amount and within the limits of the related recoverable value. If the conditions for a previously carried out write-down no longer exist, the carrying amount of the asset is restored with recognition in the income statement, within the limits of the net book value that the asset in question would have had if the write-down had not been carried out and the related depreciation had been made.

Financial assets

At the time of their initial recognition, financial assets must be classified in one of the three categories indicated below on the basis of the following elements:

- the entity's business model for managing financial assets;
- the characteristics relating to the contractual cash flows of the financial asset.

Financial assets are subsequently derecognized only if the sale has resulted in the transfer of substantially all the risks and benefits associated with the assets. On the other hand, if a significant portion of the risks and benefits related to the financial assets sold has been maintained, they continue to be recognized in the financial statements, even if legal ownership of the assets has actually been transferred.

a) Financial assets measured at amortized cost

Financial assets that meet both of the following conditions are included in this category:

- the financial asset is held according to a business model whose objective is achieved by collecting the cash flows provided for in the contract ("Hold to Collect" business model);
- the contractual terms of the financial asset provide, on certain dates, financial flows represented solely by payments of principal and interest on the amount of capital to be repaid ("SPPI test" is passed).

Upon initial recognition, these assets are accounted for at fair value, including any transaction costs or income directly attributable to the instrument itself. After initial recognition, such financial assets are valued at amortized cost, using the effective interest rate method. The amortized cost method is not used for assets – valued at historical cost – whose short duration makes the effect of applying the discounting logic negligible, and for assets without a defined maturity as well as for revocable loans.

b) Financial assets measured at fair value through other comprehensive income

Financial assets that meet both of the following conditions are included in this category:

- the financial asset is held in accordance with a business model whose objective is achieved both by collecting the contractual cash flows and by selling the financial asset ("Hold to Collect and Sell" business model);

- the contractual terms of the financial asset provide, on certain dates, financial flows represented solely by payments of principal and interest on the amount of capital to be repaid ("SPPI test" is passed).

This category includes equity interests that are not held in subsidiaries, associates and joint ventures, and that are not held for trading purposes, for which the option to designate them at fair value with an impact on comprehensive income has been exercised.

Upon initial recognition, the assets are accounted for at fair value, including transaction costs or income directly attributable to the instrument itself. Subsequent to initial recognition, non-controlling, associated and jointly controlled equity interests are measured at fair value, and the amounts recognized as a balancing entry in equity (statement of comprehensive income) are not subsequently required to be transferred to income statement, even if they are sold. The only component referable to the equity securities in question that is recognized in the income statement is represented by the related dividends.

For equity securities included in this category that are not listed in an active market, cost is used as an estimate of fair value only on a residual basis and in a limited number of circumstances, i.e. when the most recent information available to measure fair value is insufficient, or if there is a wide range of possible fair value measurements and cost is the best estimate of fair value in that range.

c) Financial assets measured at fair value through the income statement

Financial assets other than those classified under "Financial assets measured at amortized cost" and "Financial assets measured at fair value through other comprehensive income" are classified in this category.

This category includes financial assets held for trading and derivative contracts that cannot be classified as hedges (which are represented as assets if the fair value is positive and as liabilities if the fair value is negative).

Upon initial recognition, financial assets measured at fair value through the income statement are recognized at fair value, without considering transaction costs or income directly attributable to the instrument. At subsequent reporting dates, they are measured at fair value and the valuation effects are recognized in the income statement.

Derivative financial instruments and hedging transactions

Derivative financial instruments are accounted for in accordance with the provisions of IFRS 9.

At the date of stipulation of the contract, derivative financial instruments are initially recognized at fair value, as financial assets measured at fair value through the income statement when the fair value is positive, or as financial liabilities measured at fair value through the income statement when the fair value is negative.

If the financial instruments are not accounted for as hedging instruments, the changes in fair value recognized after the first entry are treated as components of the result for the year. If, on the other hand, the derivative instruments meet the requirements to be classified as hedging instruments, the subsequent changes in fair value are accounted for according to specific criteria, described below.

A derivative financial instrument is classified as a hedging instrument if the relationship between the hedging instrument and the hedged item is formally documented, including the risk management objectives, the strategy for hedging and the methods that will be used to verify its prospective and retrospective effectiveness. The effectiveness of each hedge is verified both when each derivative instrument is entered into and during its life, and in particular at each financial statements or interim reporting date. Generally, a hedge is considered highly "effective" if, either at inception or during its life, changes in the fair value, in the case of a fair value hedge, or in the expected future cash flows, in the case of a cash flow hedge, of the hedged item are substantially offset by changes in the fair value of the hedging instrument.

The IFRS 9 accounting standard provides for the possibility of designating the following three hedging relationships:

a) fair value hedge: when the hedge is related to changes in the fair value of assets and liabilities recognized in the financial statements, both changes in the fair value of the hedging instrument and changes in the object of the hedge are recognized in the income statement;

b) cash flow hedge: in the case of cash flow hedges aimed at neutralizing the risk of changes in cash flows arising from the future performance of contractual obligations at the reporting date, changes in the fair value of the derivative instrument recorded subsequent to initial recognition, are reported, to the extent of the effective portion only, in the statement of comprehensive income and therefore in an equity reserve. When the economic effects of the hedged item occur, the portion recognized in the statement of comprehensive income is reversed through the income statement. If the hedge is not fully effective, the change in fair value of the hedging instrument relating to the ineffective portion of the hedge is immediately recognized in the income statement;

c) hedge of a net investment in a foreign transaction (net investment hedge).

If the tests do not confirm the effectiveness of the hedge, hedge accounting is discontinued, and the hedging derivative contract is reclassified either to financial assets measured at fair value through the income statement or to the financial liabilities measured at fair value through the income statement. Furthermore, the hedging relationship also ceases when:

- the derivative expires, is sold, terminated or exercised;
- the hedged item is sold, expires or is refunded;
- it is no longer highly probable that the future hedged transaction will take place.

Trade receivables

Trade receivables arising from the transfer of goods and the provision of services are recognized in accordance with the terms of the contract executed with the customer in compliance with the provisions of IFRS 15 and classified according to the nature of the debtor and/or the due date of the receivable (this definition includes invoices to be issued for services already rendered).

Furthermore, since trade receivables are generally short-term and do not provide for the payment of interest, the amortized cost is not calculated, and they are accounted for on the basis of the nominal value reported in the invoices issued or in the contracts stipulated with customers: this provision is also adopted for trade receivables with a contractual maturity of more than twelve months, unless the effect is particularly significant. The choice derives from the fact that the amount of short-term receivables is very similar when applying either the historical cost method or the amortized cost method and the impact of the discounting logic would therefore be completely negligible.

Trade receivables are subject to impairment testing on the basis of the provisions of IFRS 9. For the purposes of the valuation process, trade receivables are divided into overdue time bands. For performing receivables, a collective assessment is carried out by grouping individual exposures on the basis of similar credit risk. The valuation is made on the basis of expected losses over the life of the receivable, determined from losses recorded for assets with similar credit risk characteristics based on historical experience, and adjusted to reflect expected future economic conditions.

Inventory

Inventories are assets:

- held for sale in the normal course of business;
- employed in production processes for sale;
- in the form of materials or supplies of goods to be used in the production process or in the provision of services.

Inventories are recognized at cost and subsequently valued at the lower of cost and net realizable value. Net realizable value reflects the estimated sale price less estimated costs to completion and estimated selling costs.

The cost of inventories includes all purchase costs, transformation costs as well as other costs incurred to bring the inventories to their current location and condition, while it does not include exchange differences in the case of inventories invoiced in foreign currencies. In compliance with the provisions of IAS 2, the weighted average cost method is used to determine the cost of inventories.

When the net realizable value is lower than the cost, the excess is immediately written down in the income statement.

Construction contracts

Construction contracts are recognized based on the progress (or percentage of completion) according to the following assumptions: a) the product does not have an alternative use (or the costs of modification to obtain an alternative use are significant in relation to the value of the asset) and b) the Group has the contractual right to be paid for the work carried out up to any termination. According to this criterion, the costs, revenues and margins are identified based on the activities carried out. The percentage of completion is determined applying the "cost-to-cost" method.

The assessment reflects the best estimate of work performed at the reporting date. The assumptions at the basis of the assessments are periodically updated. Any effects of these updates on the income statement are recognized in the financial year when they arise. Contract revenues include: contractually agreed considerations, variations in contract work, price revisions and incentive payments, to the extent that they can be reliably determined.

Contract costs include: all costs that relate directly to the contract, costs that are attributable to contract activity in general and can be allocated to the contract and any other costs that are specifically chargeable to the customer under the terms of the contract.

Contract costs also include: pre-operating costs, i.e., costs incurred in the initial start-up phase of the contract before the commissioned work begins, post-operating costs incurred after the contract is closed and, finally, costs for any services to be provided subsequent to contract completion.

In the event that the completion of a contract is expected to generate a loss, the loss will be recognized in full in the financial year when it becomes reasonably foreseeable.

Construction contracts are stated net of any allowances for write-downs and/or expected losses to completion, as well as progress payments and advances. In this respect, the amounts invoiced on a progress basis (progress payments) are taken as a reduction in the gross value of the contract, to the extent that they are covered, and any excess is recognized in liabilities. Conversely, the invoicing of advances is of a financial nature and is not recognized as revenue. Accordingly, advances have a mere financial nature and are always recognized in liabilities, as they are received in exchange for work to be performed.

Cash and cash equivalents

Cash and other cash equivalents are recognized, depending on their nature, at nominal value or amortized cost. The other cash equivalents represent short-term and highly liquid financial investments that are readily convertible into known cash values and subject to an insignificant risk of changes in their value, whose original maturity or at the time of purchase is not greater than 3 months.

Payables

Trade payables and other payables are initially recognized at fair value and subsequently valued according to the amortized cost method.

Bank loans and borrowings and loans and

borrowings from other financial backers are initially designated at fair value, net of directly imputable accessory costs and are subsequently valued at amortized cost, by applying the effective interest rate criterion.

Payables are removed from the financial statements when they are extinguished and when the Group has transferred all the risks and charges relating to the instrument itself.

Employee benefits

Employee benefits include benefits provided to employees or their dependents and may be settled by payments (or the provision of goods and services) made directly to employees, their spouses, children or other dependents or to third parties such as insurance companies and are divided into short-term benefits, termination benefits and post-employment benefits.

Short-term benefits, which also include incentive schemes such as annual bonuses, MBOs and one-off renewals of national collective agreements, are accounted for as a liability (accrual of costs) after deducting any amounts already paid, and as an expense, unless some other IFRS requires or permits the inclusion of the benefits in the cost of an asset (e.g. the cost of personnel employed in the development of internally generated intangible assets).

The category of employment termination benefits includes redundancy incentive plans, which arise in the event of voluntary resignation whereby the employee or a group of employees enters into the union agreements for the activation of so-called solidarity funds, and redundancy plans, which arise in the event of termination of employment following a unilateral choice by the company. The company recognizes the cost of those benefits as a liability in the financial statements on the earliest date between the time when the company cannot withdraw the offer of those benefits and the time when it recognizes the costs of a restructuring that falls within the scope of IAS 37. Provisions for redundancies are reviewed at least every six months.

Post-employment benefit plans are broken down into two categories: defined contribution plans and defined benefit plans.

Defined contribution plans mainly include:

- supplementary pension funds which involve a defined amount of contribution by the company;
- the post-employment benefits (*Trattamento di Fine Rapporto*, TFR), limited to the portions accruing from January 1, 2007 for Italian companies with over 50 employees, whatever the allocation option chosen by the employee;
- the portions of post-employment benefits accrued from January 1, 2007 and intended for supplementary pensions, in the case of Italian companies with fewer than 50 employees;
- the supplementary health care funds.

Defined benefit plans, on the other hand, include:

- post-employment benefits limited to the portion accrued up to December 31, 2006 for all Italian companies, as well as the portions accrued from January 1, 2007 and not intended for supplementary pension schemes for Italian companies with fewer than 50 employees;
- supplementary pension funds whose conditions provide for the payment to members of a defined benefit;
- seniority bonuses, which provide for an extraordinary payment to the employee upon reaching a certain level of seniority.

In the defined contribution plans, the obligation of the company preparing the financial statements is determined on the basis of the contributions due for that financial year and therefore the valuation of the obligation does not require actuarial assumptions and there is no possibility of actuarial gains or losses.

The accounting of defined benefit plans is characterized by the use of actuarial assumptions to determine the value of the obligation. This valuation, normally entrusted to an external actuary, is carried out annually for each individual plan by estimating the amount of future benefits that employees have vested in exchange for their service in the current and previous financial years. For discounting purposes, the Group uses the projected unit credit method which provides for the projection of future disbursements based on historical statistical analyses, the demographic curve and the financial discounting of these flows on the basis of a market interest rate. Actuarial gains and losses are recognized as other comprehensive income as required by accounting standard IAS 19. Any unrecognized costs relating to past service and the fair value of any plan assets are deducted from liabilities.

Other long-term employee benefits

The Group's net obligation for long-term employee benefits other than pension plans relates to the amount of the future benefits that employees have vested in exchange for their service in the current and previous financial years. This benefit is discounted, while the fair value of any assets is deducted from liabilities. The discount rate is the return at the reporting date on primary obligations whose maturity approximates the terms of the Group's obligations. The obligation is calculated using the projected unit credit method. Any actuarial gains and losses are taken to the income statement when they arise.

Share-based payments

Share-based payment plans for employees are recognized on the basis of the fair value of the financial instruments attributed at the grant date, dividing the expense over the vesting period of the plan. The fair value of the shares underlying the incentive plan is determined on the grant date, taking into account, where applicable, the forecasts regarding the achievement of the performance parameters associated with market conditions and is not subject to adjustment in subsequent financial years. Any reduction in the number of financial instruments assigned is accounted for as a cancellation of a part thereof.

Provisions for risks and charges and contingent assets and liabilities

Contingent assets and liabilities can be broken down into several categories according to their nature and their accounting effects. In particular:

- provisions are actual obligations of uncertain amount and occurence/expiration that arise from past events and for which an outflow of economic resources is probable and for which a reliable estimate of the amount can be made;
- contingent liabilities are possible obligations for which the probability of an outlay of economic resources is not remote;
- remote liabilities are those for which disbursement of economic resources is unlikely;
- contingent assets are assets for which the requirement of certainty is lacking and cannot be accounted for in the financial statements;
- the onerous contract is a contract in which the non-discretionary costs necessary to fulfill the obligations assumed are greater than the economic benefits that are supposed to be obtainable from the contract;
- the restructuring is a program scheduled and controlled by the company management that significantly changes the perimeter of an activity undertaken by the company or the way in which the activity is managed.

For the purpose of recognizing the expense, provisions are accounted for when there is uncertainty about the maturity or amount of the flow of resources required to settle the obligation.

Given their different nature, provisions are shown separately from trade payables and provisions for estimated payables.

The recognition of a liability or the accrual to a provision occurs when:

- there is a current legal or constructive obligation as a result of past events;
- it is likely that an outflow of resources

embodying economic benefits will be required to settle the obligation;

- a reliable estimate of the amount of the obligation can be made.

Provisions require the use of estimates. In extremely rare circumstances in which a reliable estimate cannot be made, a liability that cannot be reliably determined arises and is therefore described as a contingent liability.

The provision for risks and charges is made for an amount that represents the best possible estimate of the expenditure necessary to liquidate the related obligation existing at the reporting date and takes into account the risks and uncertainties that inevitably surround many facts and circumstances. The amount of the provision reflects any future events that may affect the amount required to settle an obligation if there is sufficient objective evidence that said events will occur.

Once the best possible estimate of the expenditure required to settle the related obligation existing at the reporting date has been determined, the present value of the provision is determined, if the effect of the present value of money is a material consideration.

Revenue from contracts with customers

Revenues from contracts with customers are recognized when the following conditions are met:

- the customer contract has been identified;
- the performance obligations set forth in the contract have been identified;
- the price has been determined;
- the price has been allocated to the individual performance obligations set out in the contract;
- the contractual obligation set out in the contract has been fulfilled.

The Group recognizes revenue from contracts with customers when (or as) it fulfills its obligations by transferring the promised goods or services (i.e. the asset) to the customer. The asset is transferred when (or as) the customer gains control of it.

The Group transfers control of the goods or services over time, and therefore fulfills the contractual obligation and recognizes revenues over time, if one of the following criteria is met:

- the customer simultaneously receives and uses the benefits deriving from the entity's performance as the latter performs it;
- the Group's performance creates or improves the asset (e.g. work in progress) which the customer controls as the asset is being created or improved;
- the Group's performance does not create an asset with an alternative use for the Group and the Group has an enforceable right to payment for the completed performance up to the set out date.

If the contractual obligation is not fulfilled over time, the contractual obligation is fulfilled at a point in time. In this case, the Group recognizes the revenue when the customer acquires control of the promised asset.

The contractual consideration included in the contract with the customer may include fixed amounts, variable amounts or both. If the contractual consideration includes a variable amount (e.g. discounts, price concessions, incentives, penalties or other similar elements), the Group estimates the amount of consideration to which it will be entitled in return for the transfer of the promised goods or services to the customer. The Group includes in the price of the transaction the amount of the variable consideration estimated only to the extent that it is highly probable that when the uncertainty associated with the variable consideration is subsequently resolved, there will not be a significant downward adjustment in the amount of accumulated revenues recognized.

In the event that the Group has the right to receive a consideration in exchange for goods or services transferred to the customer, the Group recognizes an asset deriving from contracts with customers.

In the event of an obligation to transfer to the customer goods and services for which consideration has been received from such customer, the Group recognizes a liability arising from contracts with customers.

The incremental costs for executing contracts with customers are accounted for as assets and are amortized over the duration of the underlying contract, if the Group expects to recover them. The incremental costs for executing the contract are the costs that the Group incurs to obtain the contract with the customer and that it would not have incurred if it had not executed the contract. The costs for executing the contract that would have been incurred even if the contract had not been executed, must be recognized as costs at the time they are incurred, unless they are explicitly chargeable to the customer even if the contract is not executed.

Costs incurred for the fulfillment of contracts with customers are capitalized as assets and amortized over the life of the underlying contract only if these costs are not within the scope of application of another accounting standard (e.g. IAS 2 - Inventories, IAS 16 - Property, plant and equipment and IAS 38 - Intangible assets) and meet all the following conditions:

- the costs are directly related to the contract or an expected contract, which the entity can specifically identify;
- the costs allow the entity to have new or increased resources to use to fulfill (or continue to fulfill) its obligations in the future;
- it is expected that these costs will be recovered.

Operating lease income

Operating lease income is recognized as revenue on a straight-line basis over the term of the lease. Lease incentives are recognized as an integral part of total lease income over the term of the lease.

Government research grants

Government grants are recognized in the income statement as income when the government grant becomes collectable.

Cost recognition

Costs are recognized in the income statement according to the accrual principle.

Finance income and expenses

Finance income and expenses are taken to the income statement on an accruals basis and include the gain from disposal of equity-accounted investees.

In particular, interest income and expenses are recognized on an accruals basis considering the financed amount and the applicable effective interest rate, which is the rate that discounts estimated future collections/payments over the expected life of the financial asset/liability to align them to the asset's book value.

Income tax expense

The tax charge for the year includes the current and deferred tax charges. Income taxes are recognized in the income statement, except for those relating to transactions taken directly to equity, which are recognized in equity as well.

Current taxes reflect the estimated amount of income tax expense due, calculated on taxable income of the year, determined at the tax rates currently or substantially enacted at the reporting date, and any adjustments to the prior financial year balance.

Deferred taxes are recognized by calculating the temporary differences between the carrying amounts of recognized assets and liabilities and their corresponding tax bases. Deferred taxes are not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction other than a business combination that does not affect profit (or loss) or taxable income (or the tax loss), or differences relating to investments in subsidiaries or joint ventures in which it is not probable that the temporary difference will reverse in the foreseeable future. Furthermore, the Group does not recognize deferred tax liabilities arising from the initial recognition of goodwill. Deferred taxes are measured at the tax rates expected to apply in the financial year in which the related asset will be realized or the liability settled, on the basis of the tax rates established by measures enacted or substantially enacted at the reporting date. Deferred taxes are offset when the Group has a legally enforceable right to offset current tax assets against current tax liabilities and if the deferred tax assets and liabilities relate to income taxes levied by the same tax authorities on the same taxpayer or different taxpayers that intend to settle current tax assets and liabilities on a net basis or realize assets and settle liabilities at the same time.

Deferred tax assets are recognized insofar as it is probable that the company will generate future taxable profit against which such assets can be used. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Additional income taxes resulting from the distribution of dividends are recognized when the liability for the payment of the dividend is recognized.

In the presence of uncertainties in the application of the tax regulations: (i) in cases where it is considered probable that the tax authority will accept the uncertain tax treatment, income taxes (current and/or deferred) are determined according to the tax treatment applied or expected to be applied in the tax return; (ii) in cases where it is considered unlikely that the tax authority will accept the uncertain tax treatment, this uncertainty is reflected in the determination of income taxes (current and/or deferred) to be recognized in the financial statements.

Dividends received/distributed

Dividends received are recognized in the income statement according to the accrual principle, i.e. in the financial year in which the related credit right arises, following the shareholders' resolution for the distribution of dividends by the investee company.

Dividends distributed are shown as a change in equity in the financial year in which they are approved by the shareholders' meeting.

Earnings per share

Basic earnings per share is calculated by dividing the Group's net result by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares.

Diluted earnings per share is calculated by dividing the Group's result by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares. For the purpose of calculating the diluted earnings per share, the weighted average number of outstanding shares is modified by assuming the exercise by all the assignees of rights that potentially have a dilutive effect, if any, while the result pertaining to the Group is adjusted to take into account any effects, net of taxes, of the exercise of said rights.

Treasury shares

The Company holds treasury shares. Treasury shares are accounted for in accordance with the criteria defined by IAS 32, which establishes that they have to be deducted from equity and that no gains or losses must be recognized for the purchase, sale, issue or cancellation of such shares. The consideration paid or received is recognized directly in equity. The reserve for treasury shares is included in the equity, item "other reserves".

Operating segments

An operating segment is a component of an entity:

- that undertakes entrepreneurial activities generating revenues and costs (including revenues and costs related to transactions with other components of the same entity);
- whose operating results are periodically reviewed by the highest operational decision-making level of the entity for the purpose of making decisions regarding the resources to be allocated to the segment and of evaluating the results;
- for which separate financial information is available.

Please refer to Note 37 for segment reporting.

Estimates and assumptions

The preparation of the financial statements requires the directors to apply accounting standards and methods which, in some circumstances, are based on difficult and subjective valuations and estimates, based on historical experience and on assumptions that are considered reasonable and realistic from time to time according to the relevant circumstances.

The application of these estimates and assumptions affects the amounts reported in the financial statements, such as the statement of financial position, the income statement, the statement of comprehensive income, the cash flow statement, as well as the notes. The final results of the items in the financial statements for which the aforementioned estimates and assumptions were used, could differ, even significantly, from those reported in the financial statements that detect the effects of the occurrence of the event being estimated, due to the uncertainty that characterizes the assumptions and conditions on which the estimates are based.

The areas that require, more than others, greater subjectivity on the part of the directors in preparing the estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial results of the Group are the following:

a) Impairment of property, plant and equipment and intangible assets with a finite useful life: property, plant and equipment and intangible assets with a finite useful life are subject to assessment in order to ascertain whether an impairment has occurred when there are indicators that it will be difficult to recover its net book value through use. Assessment of the existence of the afore-mentioned indicators requires directors to make subjective assessments based on information available from both internal and external sources, as well as on historical experience. Furthermore, if it is determined that a potential impairment may have been arised, this is determined using valuation techniques deemed suitable. The correct identification of the indicators of potential impairment, as well as the estimates for its determination, depend on subjective assessments as well as on factors that may vary over time, affecting the assessments and estimates made by management.

b) Impairment of intangible assets with an indefinite useful life (goodwill): the value of goodwill is checked annually in order to ascertain the existence of any impairment to be recognized in the income statement. In particular, this check involves the allocation of goodwill to the cash-generating units and the subsequent determination of the related recoverable value, identified as the greater of the fair value and the value in use. If the recoverable value is lower than the carrying amount of the cash-generating units, the goodwill allocated to them is impaired.

c) Bad debt provision: the determination of this provision reflects the management's estimates linked to the historical and expected solvency of customers.

d) Provisions for risks and charges and contingent liabilities: the Group is involved in legal and tax disputes that could create complex and difficult issues and which present varying degrees of uncertainty, including the events and circumstances relating to each dispute, the jurisdiction and the different applicable laws. Given the uncertainties of these issues, it is difficult to predict with any certainty the amount of expenditure that could arise as a result of the disputes. Accordingly, on the basis of its legal advisors' and legal and tax experts' opinion, the Management recognizes a liability in relation to these disputes when it believes that a financial outlay is probable and when the amount of the related losses can be reasonably estimated. When the directors believe that the occurrence of a liability is only possible, the risks are indicated in the specific information note on commitments and risks, without giving rise to any provision.

e) Useful life of property, plant and equipment and of intangible assets: the useful life is determined at the time of recording the asset in the financial statements and reviewed at least at the end of each financial year. Valuations on the duration of the useful life are based on historical experience, on market conditions and on the expectations of future events that could affect the useful life itself, including technological changes. As a result, it is possible that the actual useful life may differ from the estimated useful life.

f) Deferred tax assets and liabilities: the Group recognizes current taxes and deferred tax assets and liabilities in accordance with the current legislation enacted in the countries where it operates. The recognition of taxes requires the use of estimates and assumptions relating to how to interpret the applicable regulations concerning transactions performed in the financial year and their tax effect on the individual companies. Furthermore, the recognition of deferred tax assets requires the use of estimates relating to the forecast taxable income of the individual Group companies and their developments, as well as the tax rates that are effectively applicable. These activities are carried out on the basis of analyses of transactions and their tax profiles, with the support, where necessary, of external advisors in relation to the various issues addressed and using simulated prospective income and sensitivity analyses.

g) Inventory: the final inventory of products with obsolescence or slow moving characteristics is periodically subject to valuation and written down if their recoverable value is lower than the carrying amount. The write-downs carried out are based on the assumptions and estimates of the directors according to their experience and the historical results achieved.

h) Recognition of revenues and costs related to construction contracts: the Group uses the percentage of completion method to account for long-term contracts. The margins recognized in the income statement are a function of both the progress of the order and the margins that it is believed will be recognized on the entire work upon its completion; therefore, the correct recording of the work in progress and of the margins relating to works not yet completed assumes the correct estimate by the directors of the revenues and the final costs, including any contractual changes and any extra costs and penalties that could reduce the expected margin. The use of the percentage of completion method requires the Group to estimate the costs of completion, which involves the assumption of estimates that depend on factors that are potentially changeable over time and which could therefore have significant effects on the recognition of revenues and margins in progress.

i) Determination of the fair value of share-based payments: the Group evaluates these plans on the basis of uncertain events and valuation assumptions that include volatility, dividend yield and risk-free rates. The Group makes use of valuations carried out by external specialists to determine the fair value of share-based employee payments, requesting its determination at the grant date, using estimates and assumptions linked to the Group's future plans and to the use of suitable valuation techniques.

3. Other Information

Seasonality

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

Russia-Ukraine conflict

The persistent geopolitical and regulatory uncertainty, determined by the Russian-Ukrainian conflict, has significantly influenced global macroeconomic conditions, generating an alteration of the normal market dynamics. The Group constantly monitors the evolution of the Russian-Ukrainian conflict in order to assess the potential impacts and ensure full compliance with the regulatory provisions. The current evolution of European sanctions has led to a progressive reduction in trade relations with, and supplies to, Russian counterparts.

As at December 31, 2024, the Group's main suppliers of strategic materials are located outside Russia and Ukraine.

The Group has a single project with a Russian customer operating in the mining and metallurgical sector who, as of today, is not among the sanctioned entities, and for which the revenues recorded during the financial year amount to Euro 19.4 million, 2.2% of Group revenues for financial year 2024. As at December 31, 2024, the residual exposure to such customers amounted to Euro 0.7 million.

B. NOTES TO THE MAIN FINANCIAL STATEMENTS ITEMS - INCOME STATEMENT

4. Revenues

The table below shows the detail of revenues from contracts with customers for the financial years ended December 31, 2024 and 2023.

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Sales of electrodes	441,585	447,789
Sales of systems	37,027	33,458
After-market and other sales	296,433	283,650
Change in construction contracts	87,568	91,514
Total	862,613	856,411

Revenues for the financial year ended December 31, 2024 amounted to Euro 862,613 thousand (Euro 856,411 thousand for the financial year ended December 31, 2023). Revenues 2024 are Euro 453,265 thousand related to the Electrode Technologies segment, Euro 304,173 thousand to the Water Technologies segment, and Euro 105,175 thousand to the Energy Transition segment, an overall increase of 0.7% over 2023. However, at constant exchange rates, the Group's revenues for 2024 would be approximately Euro 878.5 million, therefore marking an increase of 2.6% compared to the previous year.

Operating lease income is included in the item "After-market and other sales" and amounted to Euro 27,608 thousand for the financial year ended December 31, 2024 (Euro 28,066 thousand for the financial year ended December 31, 2023) and relate to electrodes and their components leased to customers under long-term contracts.

The following table shows the operating lease income to be recognized in subsequent years in relation to the non-cancelable portion of the contract for the financial years ended December 31, 2024 and December 31, 2023, for each of the first five years and the total amounts for the remaining years.

	Within one year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
	(in € thousands)					
Non-cancellable lease portion as of December 31, 2024	22,468	22,384	19,458	17,094	15,298	72,564
Non-cancellable lease portion as of December 31, 2023	20,355	18,631	14,679	12,560	10,235	42,742

Revenue is analyzed by geographic area below:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Europe, Middle East, India and Africa (EMEIA)	304,289	308,396
(of which Italy)	*29,012*	*29,994*
North and Latin Americas (AMS)	257,589	257,834
Asia and South Pacific (APAC)	300,735	290,181
Total	862,613	856,411

Almost all the contracts with customers signed by the Group do not provide for variable fees.

Almost all contracts do not contain a significant financial component, i.e. for which the period between the transfer of the agreed asset to the customer and the payment made by the customer exceeds twelve months. Therefore, the Group did not make any adjustment to the transaction consideration so as to take into account the effects of the time value of money.

For the financial year ended December 31, 2024, almost all of the obligations to be fulfilled by the Group refer to contracts with a duration of less than 12 months.

For revenues from construction contracts with contractual obligations fulfilled over time, the Group recognizes revenues from contracts with customers on the basis of methods based on the inputs used to fulfill the contractual obligation, consisting of the costs incurred. For contractual obligations fulfilled at a point in time, revenues from contracts with customers are recognized at the time of the transfer of control of the assets, based on the contract.

For further information on the trend in revenues, please refer to what is reported in the directors' report on business performance.

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

For the financial year ended December 31, 2024, the Group shows a negative change in inventories of semi-finished and finished products equal to Euro 5,520 thousand, compared to a negative change of Euro 4,096 thousand for the financial year ended December 31, 2023, and includes the amount of Euro 1,925 thousand of net accrual to the income statement of the inventory write-down reserve for finished and work-in-progress products (while net releases to the income statement of the inventory write-down reserve for finished and work-in-progress products amounted to Euro 139 thousand for the financial year ended December 31, 2023).

6. Other income

The table below shows the details of other income for the financial years ended December 31, 2024 and 2023.

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Sundry income	8,120	11,937
R&D grants	3,662	1,208
R&D tax credit	346	363
R&D income	142	134
Gain on sale of non-current assets	5,830	12
Insurance refund	116	1,029
Total	18,216	14,683

Sundry income mainly refers to income from ancillary operations, including rental income.

Gain on sale of non-current assets are essentially related to the sale of intangible assets, carried out by the parent company and the subsidiary De Nora Marine Technologies LLC, for the latter as part of the process of divesture from the Marine Technologies business.

7. Raw materials, consumables, supplies and goods

The table below shows the cost for raw materials, consumables, supplies and goods for the financial years ended December 31, 2024 and 2023.

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Purchase of raw materials	260,421	219,816
Change in inventory	(4,844)	20,865
Purchase of semi-finished and finished goods	88,562	93,821
Purchase of consumables and supplies	18,275	20,785
Purchase of packaging material	2,347	2,600
Other purchases and related charges	99	104
Total	364,860	357,991

Consumption of raw materials, consumables, supplies and goods for the year ended December 31, 2024 amounted to Euro 364,860 thousand, with an overall increase of Euro 6,869 thousand compared to Euro 357,991 thousand for the financial year ended December 31, 2023.

Cost for raw materials, consumables, supplies and goods are shown net of capitalized costs, amounting to Euro 3,081 thousand for the financial year ended December 31, 2024 (Euro 7,183 thousand in the comparative financial statements); they refer to costs incurred by the Group companies for the internal development of projects and products which met the capitalization requirements.

8. Personnel expenses

The table below shows the detail of personnel expenses for the financial years ended December 31, 2024 and 2023.

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Wages and salaries	121,269	113,262
Social security contributions	27,020	24,843
Post-employment benefits and other pension plans	2,508	2,464
Other personnel net (income)/expenses	3,726	3,413
Total	154,523	143,982

Personnel expenses amounted to Euro 154,523 thousand for the year ended December 31, 2024, an increase over the previous period of Euro 10,541 thousand (Euro 143,982 thousand was the figure for 2023), mainly due to the increase in the Group's workforce.

The table below shows the average number of Group employees for the financial years ended December 31, 2024 and 2023.

	For the year ended December 31	
	2024	2023
Average number of employees	2,047	1,979

The item "Wages and salaries" includes also the cost for the Performance Share Plan (PSP), a regulation accounted for on the basis of IFRS 2 (approved by the Company's corporate bodies) that provides for the assignment to a certain number of beneficiaries, identified in the regulation itself, of rights of subscription of ordinary shares of the Company based on the achievement of performance objectives.

The launch of the PSP formally took place on October 14, 2022 with a multi-year vesting period and pay-out expected between 2025 and 2027. The fair value measurement of the PSP for the 2022-2024 cycle, totaling Euro 1,854 thousand, was carried out according to a Monte Carlo method on the basis of the following parameters and assumptions:

- the risk-free rate used was obtained from the zero-coupon government bond yield of the European Central Bank ("ECB") as at the performance period end date and is equal to 1.85%;
- the volatility of De Nora shares was estimated at 35.1%, based on the three-year time series of the comparable companies included in the STOXX Europe 600;
- the dividend yield was estimated at 0.74%;
- the lack of marketability was estimated at 15%;
- participants are not expected to leave the Group;
- correlation: on the basis of the time series of daily returns with a depth of 3 years, the correlation matrix between the companies included in the STOXX Europe 600 and De Nora.

The total number of attributable rights related to the 2022-2024 cycle is 107,193, which could increase to 203,790.

On October 31, 2023, a further PSP Incentive Plan was announced with a multi-year vesting period and pay-out expected between 2026 and 2028. The fair value measurement of the PSP for the 2023-2025 cycle, totaling Euro 1,110 thousand, was carried out according to a Monte Carlo method on the basis of the following parameters and assumptions:

- the risk-free rates used were obtained from the zero-coupon government bond yields of the European Central Bank ("ECB") for a duration of 2.17, 3.17 and 4.17 years, respectively, and are equal to 2.97% for the tranche with vesting on January 1, 2026, 2.77% for the tranche with vesting on January 1, 2027, and 2.66% for the tranche with vesting on January 1, 2028, respectively;
- the volatility of De Nora shares was estimated at 34.2%, based on the three-year time series (until October 31, 2023) of the comparable companies included in the STOXX Europe 600;
- the dividend yield was estimated at 0.94%;
- the lack of marketability was estimated using the Finnerty model and applied to the tranches with vesting on January 1, 2027 and vesting on January 1, 2028 and is respectively 7.7% and 10.7%;

- participants are not expected to leave the group;
- correlation: on the basis of the time series of daily returns with a depth of 3 years, the correlation matrix between the companies included in the STOXX Europe 600 and De Nora. The average correlation is 16.3%.

The total number of attributable rights related to the 2023-2025 cycle is 94,454, which could increase to 181,486.

On October 2, 2024, a new PSP Incentive Plan was announced with a multi-year vesting period and pay-out expected between 2027 and 2029. The number of attributable rights is 153,666, which could increase to 295,154. The fair value measurement of the PSP for the 2024-2026 cycle, totaling Euro 954 thousand, was carried out according to a Monte Carlo method on the basis of the following parameters and assumptions:

- the risk-free rates used were obtained from the zero-coupon government bond yields of the European Central Bank ("ECB") for a duration of 2.25, 3.25 and 4.25 years, respectively, and are equal to 1.96% for the tranche with vesting on January 1, 2027, 1.85% for the tranche with vesting on January 1, 2028, and 1.88% for the tranche with vesting on January 1, 2029, respectively;
- the volatility of De Nora shares was estimated at 35.92%, based on the three-year time series (until October 2, 2024) of the comparable companies included in the STOXX Europe 600;
- the dividend yield was estimated at 1.08%;
- the lack of marketability was estimated using the Finnerty model and applied to the tranches with vesting on January 1, 2028 and vesting on January 1, 2029 and is respectively 8.1% and 11.2%;
- participants are not expected to leave the group;
- correlation: on the basis of the time series of daily returns with a depth of 3 years, the correlation matrix between the companies included in the STOXX Europe 600 and De Nora. The average correlation is 24.92%.

The charge posted in the income statement in the year ended as at December 31, 2024 under personnel expenses for the three plans described above amounts to Euro 1,036 thousand, recognized with a corresponding balancing entry in Other reserves in Equity.

"Other personnel net (income)/expenses" amounting to Euro 3,726 thousand in 2024 (Euro 3,413 thousand for the year ended December 31, 2023), are mainly related to costs and incentives for personnel termination, medical and insurance coverage expenses, and expatriate benefits.

Personnel expenses are shown net of capitalized costs, amounting to Euro 2,736 thousand for the financial year ended December 31, 2024 (Euro 4,080 thousand in the comparative financial statements); they 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 financial years ended December 31, 2024 and 2023.

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Outsourcing expenses	66,880	66,478
Consultancies:		
- Production and technical assistance	21,216	16,485
- Selling	154	242
- Legal, tax, administrative and ICT	16,024	16,005
- M&A and Business development	-	182
Utilities/Phone expenses	10,844	11,324
Maintenance	20,603	20,649
Travel expenses	10,139	9,682
R&D	1,936	1,703
Statutory auditors' fees	125	125
Insurance	4,368	4,342
Rents and other lease expenses	2,656	3,050
Commissions and royalties	5,451	5,179
Freight	11,769	11,214
Waste disposal, office cleaning and security	4,065	3,764
Promotional, advertising and marketing expenses	1,168	1,191
Patents and trademarks	1,145	1,211
Canteen, training and other personnel expenses	4,145	4,240
Board of Directors' fees	1,281	1,264
Total	183,969	178,330

Costs for services amounted to Euro 183,969 thousand in 2024 (Euro 178,330 thousand in 2023) with an increase compared to the previous period of Euro 5,639 thousand.

10. Other operating expenses

The table below shows the detail of other operating expenses for the financial years ended December 31, 2024 and 2023:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Indirect taxes and duties	7,619	8,335
Losses on sale of non-current assets	575	657
Losses on receivables (not covered by utilization of bad debt provision)	125	19
Other miscellaneous expenses	3,542	2,092
Total	11,861	11,103

Other operating expenses amounted to Euro 11,861 thousand in 2024 (Euro 11,103 thousand in 2023).

11. (Impairment)/ revaluations of non-current assets and provisions

The following table shows the detail of the item (impairment)/revaluation of non-current assets and provisions for the financial years ended December 31, 2024 and 2023:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Net accrual of provisions for risks and charges	8,509	1,606
Net accrual/(release) of bad debt provision	(209)	(2,467)
Impairment/(Write-back) of Intangible Assets - Property, Plant and Equipment	940	8,918
Total	9,240	8,057

Net accrual of provisions for risks and charges for the year ended December 31, 2024 include, among others, Euro 5,800 thousand relating to Provision for contractual warranties and Euro 3,113 thousand allocated for tax risks.

The impairment of Intangible assets - Property, Plant and Machinery amounting to a total of Euro 940 thousand in the year ended December 31, 2024 is mainly attributable to the impairment by De Nora Italy S.r.l. of leased anodes due to the expiration of the lease contract with the customer.

While the impairment of Intangible assets - Property, Plant and Equipment during the year of comparison included:

- Euro 6,013 thousand for the impairment of Intangible assets of De Nora Marine Technologies, LLC;
- Euro 2,074 thousand relating to the zeroing of the residual value of the intangible asset (Development costs) recognized in the company De Nora Water Technologies Italy S.r.l. for the development of a water treatment system onboard the cruise ships (Advanced Wastewater Treatment Plant, hereinafter “AWTP”);
- Euro 831 thousand for the impairment of Property, plant and equipment of De Nora Marine Technologies, LLC.

12. Share of profit of equity-accounted investees

For the year ended December 31, 2024, the item amounted to an income of Euro 4,579 thousand, slightly lower than Euro 5,435 thousand for the year ended December 31, 2023. This value represents De Nora's share (25.85%) of the consolidated net income for the period of the associated company tk nucera.

13. Finance income

The table below shows the detail of finance income for the financial years ended December 31, 2024 and 2023.

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Gain from Disposal of investments in associated companies	-	17,377
Dilution gain on tk nucera equity investment	-	115,846
Exchange rate gains	14,907	7,229
Fair value (positive) on financial instruments	7	34
Income from non-current financial assets	808	682
Interest from banks/financial receivables	4,306	3,551
Interest on trade receivables	18	5
Other finance income	1,050	294
Total	21,096	145,018

For the year ended December 31, 2023, the following was recognized:

- the gain from the disposal of investments in associates of Euro 17,377 thousand relates to the exercise of the "greenshoe option" on the basis of which Industrie De Nora sold 1,342,065 shares as part of the IPO of tk nucera;
- the "dilution gain" in the equity investment in tk nucera amounting to Euro 115,846 thousand resulting from the listing of this company during 2023 through the issue of new shares placed exclusively on the market.

14. Finance expenses

The table below shows the detail of finance expenses for the financial years ended December 31, 2024 and 2023.

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Bank interest and interest on loans and borrowings	6,401	8,733
Exchange rate losses	14,414	9,765
Fair value (negative) on financial instruments	846	136
Finance expenses on personnel costs	441	718
Bank fees	971	949
Other finance expenses	1,395	1,789
Total	24,468	22,090

15. Income tax expense

The table below shows the detail of income tax expense for the financial years ended December 31, 2024 and 2023.

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Current taxes	34,475	36,318
Deferred taxes	(813)	(2,993)
Prior years taxes	789	906
Total	34,451	34,231

The Italian Legislative Decree No. 209 of December 27, 2023, implementing the tax reform on international taxation, has adopted Directive No. 2022/UE/2523, regarding "Global Minimum Tax" (commonly referred to as "Pillar 2 regulation"), with the explicit aim of ensuring, starting from January 1, 2024, a minimum level of taxation for multinational or national groups.

The De Nora Group has been assessing the impacts of Pillar 2 regulation in settlement jurisdictions in order to ensure proper compliance with current regulatory obligations. The exposure of the De Nora Group to Pillar 2 regulation is a direct consequence of the effective taxation level in each individual jurisdiction. The rules on Pillar 2 provide, in the initial periods of effectiveness, for the option to apply exemplifications to the calculation of effective taxation, known as "Transitional Country by Country Reporting (CbCR) Safe Harbour". Specifically, if at least one of the three tests specified by the Transitional CbCR Safe Harbour is met, it results in the automatic elimination of any additional taxation that may be due, along with a simultaneous reduction in compliance burdens for the Group.

The assessments made allow us to state that the De Nora Group's exposure to income taxes from Pillar 2 is not significant because:

- for the majority of entities within the group located in jurisdictions that meet at least one of the three tests specified by the Transitional CbCR Safe Harbour, conditions for the elimination of Pillar 2 taxes are met; and
- for the remaining entities within the group located in jurisdictions that do not meet any of the three tests specified by the Transitional CbCR Safe Harbour, simulating the application of the GloBE Rules indicates the effective taxation level of such jurisdictions is insignificant or nil.

Therefore, no impacts deriving from the Pillar 2 rules have been recognized in this consolidated financial statements for the year ended December 31, 2024.

16. Reconciliation of the effective tax rate

The following is a reconciliation of the effective tax provision with the theoretical tax provision that would have been obtained by applying the current tax rate to the profit before tax for the years ended December 31, 2024 and 2023.

	For the year ended December 31			
	2024		2023	
	(in € thousands, except percentages)			
Profit for the period		83,312		231,050
Income tax expense		34,451		34,231
Profit before tax		117,763		265,281
Income tax expense at Italian nominal tax rate	24.0%	28,263	24.0%	63,667
Effect of foreign tax rates - higher rate	3.2%	3,719	1.9%	5,087
Effect of foreign tax rates - lower rate	(0.5%)	(566)	(0.4%)	(1,104)
Italian Regional Tax (IRAP) and other taxes	1.7%	2,014	0.7%	1,858
Tax effect of non-deductible expense	2.9%	3,377	1.4%	3,714
Tax effect of non-taxable revenue and income	(0.6%)	(764)	(12.9%)	(34,308)
Tax benefits	(0.5%)	(574)	(0.6%)	(1,672)
Utilization of tax losses carried forward	0.0%	2	(1.3%)	(3,460)
Change in tax rates	(0.1%)	(98)	(0.1%)	(241)
Change in previously unrecognized temporary differences	(0.5%)	(627)	(0.2%)	(513)
Other	(0.3%)	(295)	0.5%	1,203
Total	29.3%	34,451	12.9%	34,231

The tax effect related to non-taxable revenues and income for the fiscal year ended December 31, 2023, primarily pertains to finance income ("Dilution Gain" and the gain from disposal of equity investment) related to the equity investment in tk nucera. The taxation on these gains was accounted for using the 1.2% tax rate, considering the application of the so-called "participation exemption".

17. Earnings per share

The following tables show basic and diluted earnings per share for the financial years ended December 31, 2024 and 2023:

	For the year ended December 31	
	2024	2023
Profit for the period attributable to the owners of the parent distributable to shareholders (in Euro thousand)	83,376	230,050
Weighted average number of shares for basic earnings per share	198,920,241	201,593,719
Basic earnings per share (in Euro)	0.42	1.14
Weighted average number of shares for diluted earnings per share	199,034,600	201,642,382
Diluted earnings per share (in Euro)	0.42	1.14

C. NOTES TO THE MAIN FINANCIAL STATEMENTS ITEMS - STATEMENT OF FINANCIAL POSITION - ASSETS

18. Goodwill and intangible assets

The table below shows the breakdown and changes in intangible assets for the financial years ended December 31, 2024 and 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)									
Historical cost at December 31, 2022	66,981	14,878	37,697	47,441	52,430	22,754	9,136	8,969	260,286
Change in scope of consolidation	-	-	-	848	474	-	134	-	1,456
Increase	-	431	722	-	-	-	88	6,255	7,496
Decrease	-	-	-	-	-	-	-	(533)	(533)
Impairment	-	-	(33)	-	-	(7,790)	(264)	-	(8,087)
Reclassifications/ other changes	-	273	2,479	-	-	2,663	457	(6,395)	(523)
Translation differences	(2,239)	(180)	(1,480)	(3,084)	(2,142)	(732)	(265)	(306)	(10,428)
Historical cost at December 31, 2023	64,742	15,402	39,385	45,205	50,762	16,895	9,286	7,990	249,667
Increase	-	487	577	-	-	-	-	3,615	4,679
Decrease	-	(67)	(799)	(6)	-	(5,096)	(217)	(135)	(6,320)
Impairment	-	-	-	-	-	-	-	-	-
Reclassifications/ other changes	-	327	2,158	-	-	7,160	65	(8,261)	1,449
Translation differences	3,957	(72)	861	551	2,464	1,131	331	69	9,292
Historical cost at December 31, 2024	68,699	16,077	42,182	45,750	53,226	20,090	9,465	3,278	258,767

	Goodwill	Industrial patents and intellectual property rights	Concessions licenses and trade-marks	Know-how and Technologies	Customer relationships	Development costs	Other	Assets under construction and advance payments	Total intangible assets
	(in € thousands)								
Accumulated amortization as at December 31, 2022	**-**	**13,400**	**28,720**	**32,985**	**38,931**	**9,476**	**5,221**	**-**	**128,733**
Increase	-	998	3,244	1,510	1,162	3,195	553	-	10,662
Decrease	-	-	-	-	-	-	-	-	-
Reclassifications/ other changes	-	-	74	-	-	107	(181)	-	-
Translation differences	-	(122)	(1,229)	(1,995)	(1,539)	(465)	(165)	-	(5,515)
Accumulated amortization as at December 31, 2023	**-**	**14,276**	**30,809**	**32,500**	**38,554**	**12,313**	**5,428**	**-**	**133,880**
Increase	-	860	3,824	1,461	1,169	2,278	550	-	10,142
Decrease	-	(19)	(799)	(6)	-	(5,096)	(217)	-	(6,137)
Reclassifications/ other changes	-	-	15	-	-	584	12	-	611
Translation differences	-	(52)	620	726	2,117	677	224	-	4,312
Accumulated amortization as at December 31, 2024	**-**	**15,065**	**34,469**	**34,681**	**41,840**	**10,756**	**5,997**	**-**	**142,808**
Net carrying value as at December 31, 2023	**64,742**	**1,126**	**8,576**	**12,705**	**12,208**	**4,582**	**3,858**	**7,990**	**115,787**
Net carrying value as at December 31, 2024	**68,699**	**1,012**	**7,713**	**11,069**	**11,386**	**9,334**	**3,468**	**3,278**	**115,959**

Investments in intangible assets for the financial year 2024 amounted to Euro 4,679 thousand and mainly refer to:

(i) industrial patent rights and intellectual property rights for Euro 487 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 577 thousand, mainly relating to the implementation of SAP management system and other ICT systems;

(iii) intangible assets in progress for Euro 3,615 thousand relating to: Euro 566 thousand for industrial patent rights and intellectual property rights attributable to the registration and acquisition of industrial patents, by the parent company De Nora S.p.A. and the Japanese subsidiary De Nora Permelec Ltd.; Euro 1,080 thousand for concessions, licenses and trademarks mainly related to the implementation of the SAP management system and other ICT systems; and Euro 1,969 thousand related to other intangible assets mainly regarding product development costs of the Water Technologies business segment.

The cumulative impairments at 31 December 2024 affecting intangible assets amount to a total of Euro 6,398 thousand.

Intangible assets with a finite useful life

Industrial patents and intellectual property rights

This item mainly relates to costs incurred to acquire or file new industrial patents or for the geographical extensions of existing rights.

Concessions, licenses and trademarks

The item mainly consists of costs relating to the implementation of the SAP management system and other ICT systems. These rights are amortized on a straight-line basis over the estimated period of use.

Know-how and technologies

It represents the value recognition of specific technologies in the production and sale of products and systems; these are typically assets identified in the purchase price allocation process following business combinations that involved the Group companies. These rights are amortized on a straight-line basis over the estimated period of use.

Customer relationships

It represents the valuation of customer relationships; these assets were identified in the purchase price allocation process following business combinations that involved Group companies.

Development costs

This is the capitalization of the development costs incurred by some Group companies, relating to activities or projects where the technical and commercial feasibility for development and subsequent sale has been determined.

Other intangible fixed assets

The item mainly includes, for Euro 3,468 thousand as at December 31, 2024 (Euro 3,858 thousand as at December 31, 2023), the valuation of trademarks identified in the purchase price allocation process, following business combinations that involved the Group companies.

Assets under construction and advance payments

This item relates to costs incurred to implement and develop software projects and development of new products which have not yet gone into use.

As at December 31, 2024, a check was carried out on the recoverability of the book value of Euro 562 thousand recognized in the company De Nora Water Technologies LLC (USA) relating to product development costs (R&D) in the Water Technologies area, that have been capitalized.

The recoverability of said intangible assets was verified at Water Technologies Systems sub-segment level, which essentially groups together all the assets pertaining to the Water Technologies segment, with the exclusion of the Pools business line. This is because the Product Technology Management assets subject to capitalization developed by the company De Nora Water Technologies LLC are in the interest and to the benefit of all the companies operating in the aforementioned sub-segment.

Below are the main parameters used to estimate the present value of the cash flows relating to this asset:

ASSET ANALYZED	WACC	G-rate
Water Technologies Systems	10.7%	2.78%

The Water Technologies Systems sub-segment saw a profitable 2024, and the business plan assumptions into years 2025-2027 of the industrial plan, on the basis of the impairment tests carried out, foresee the further progression of the performance, both in terms of turnover and profitability.

The checks carried out confirmed the recoverability of the values of the intangible assets subject to analysis, highlighting excesses of the value in use with respect to the corresponding book values, of about 50%.

In relation to the sensitivity analysis, an increase in WACC of up to 14.8%, or a zero g-rate or a reduction in EBIT over the plan period of 31%, with a similar impact on terminal flow, would not lead to impairment.

Intangible assets with an indefinite useful life

As at December 31, 2024 and 2023, the value of goodwill refers to:

- the acquisition of the company De Nora Tech LLC (USA) (Electrode Technologies segment) in 2005;
- the acquisition in 2015 of De Nora Ozone S.r.l., subsequently merged into De Nora Water Technologies Italy S.r.l. (Italy) (Water Technologies segment).

In line with the requirements of IAS 36, as at December 31, 2024, an impairment test was carried out to evaluate the existence of any impairment of goodwill. To this end, it should be noted that, for the purposes of verifying the recoverability of the goodwill recorded under intangible assets, the following groups of Cash Generating Units have been identified:

	December 31	
	2024	2023
	(in € thousands)	
Electrode Technologies segment	67,199	63,242
Water Technologies segment	1,500	1,500
Total	68,699	64,742

In order to identify the groups of CGUs, the criteria identified in the reference standards were considered, including the way in which management monitors the Group's operations and makes strategic decisions, with particular reference to product offerings and investment decisions. In particular, the goodwill relating to the acquisition of the company De Nora Tech LLC (USA) is analyzed at the Electrode Technologies business segment level, while the goodwill relating to the acquisition of De Nora Ozone S.r.l. (now incorporated into De Nora Water Technologies Italy S.r.l.) is analyzed at the Water Technologies business segment level.

As at December 31, 2024, the goodwill was subjected to an impairment test in accordance with the provisions of accounting standard IAS 36, by comparing the book value of the CGU group which includes goodwill with its recoverable value. Specifically, the recoverable value is the value in use, determined by discounting the forecast data of the CGU group ("DCF Method") relating to the three-year period following the reporting date. The key assumptions used to determine the forecast data are the estimate of the growth levels in revenue, EBITDA, operating cash flows, the growth rate of the terminal value and the weighted average cost of capital (discount rate), taking into consideration past economic and financial performance and future expectations. For the data as at December 31, 2024, these future expectations were derived from the 2025-2027 business plan approved on March 18, 2025 by the Board of Directors.

The terminal value was determined on the basis of the perpetuity criterion of the normalized cash flow of the CGUs, with reference to the last period of the forecast data considered, applying an annual inertial growth (rate "g" or "g-rate").

For the purposes of estimating the value in use of the CGU group to which the goodwill is allocated, the following sources of information were used:

- internal sources: IAS 36 requires that the estimate of value in use be based on the most up-to-date cash flow projections made by senior management. For the purposes of the impairment test of goodwill at the reference dates, the business plans indicated above were used;
- external sources: for the purposes of the impairment test of goodwill, external sources of information were used to calculate the weighted average cost of capital (WACC), determined using the capital asset pricing model ("CAPM"). In particular, as required by IAS 36, the

cost of capital was calculated considering the target financial structure deriving from the analysis of the financial structure of comparable listed companies.

The parameters used to estimate the present value of cash flows are shown in the following table:

	December 31	
	2024	2023
WACC		
Electrode Technologies segment	10.6%	10.5%
Water Technologies segment	10.5%	10.3%
G-rate		
Electrode Technologies segment	2.16%	2.1%
Water Technologies segment	2.48%	2.3%

The business plan assumptions for the Electrode Technologies segment, underlying the impairment tests carried out, envisage the maintenance and further consolidation of De Nora's positioning in the reference markets; the 2025-2027 industrial plan confirms high volumes of turnover, and consequent profitability based on the expected evolution of the production mix.

The business plan assumptions for the Water Technologies segment, which are the basis for the impairment tests performed, also predict a progression of performance, both in terms of sales and profitability.

The impairment test as at December 31, 2024 showed that, for both business segments tested, the value in use, determined by discounting the plan reference data using the "DCF Method", is higher than the corresponding value of the net invested capital (including goodwill).

For the Electrode Technologies segment, the determined value in use is approximately 22% higher than the net invested capital associated with the segment. For the Water Technologies segment, the determined value in use is just over the double of the net invested capital associated with the segment.

A sensitivity analysis was also carried out to assess the book values of goodwill in the presence of worsening changes in the main assumptions.

In particular, in relation to the financial year ended December 31, 2024:

- for the Electrode Technologies segment, an increase in WACC of up to 12.5%, or a zero g-rate or a reduction in EBIT over the plan period of 16%, with a similar impact on terminal flow, would not lead to impairment;
- for the Water Technologies segment, an increase in WACC of up to 20.6%, or a zero g-rate or a reduction in EBIT over the plan period of 51%, with a similar impact on terminal flow, would not lead to impairment.

19. Property, plant and equipment

The following table shows the breakdown and changes in property, plant and equipment for the financial years ended December 31, 2024 and 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
(in € thousands)										
Historical cost as of December 31, 2022	28,805	93,750	107,071	20,577	122,591	10,855	8,692	2,163	20,101	403,750
Change in scope of consolidation	-	474	714	14	-	926	877	49	-	2,128
Increase	15,275	1,587	4,696	428	7,980	17,360	17,057	303	51,034	98,360
Decrease	-	(821)	(2,054)	(1,544)	(3,786)	(1,660)	(689)	(971)	-	(9,865)
Impairment	-	(23)	(614)	-	-	-	-	-	(195)	(832)
Reclassifications/ other changes	-	9,366	11,912	1,419	289	-	-	-	(22,691)	295
Translation differences	(2,265)	(3,872)	(3,808)	(873)	(8,627)	(431)	(413)	(18)	(668)	(20,544)
Historical cost as of December 31, 2023	41,815	100,461	117,917	20,021	118,447	27,050	25,524	1,526	47,581	473,292
Increase	-	281	2,112	104	4,349	3,464	2,227	1,237	52,342	62,652
Decrease	-	(861)	(6,310)	(889)	(1,045)	(2,931)	(2,076)	(855)	(613)	(12,649)
Impairment	-	-	(21)	-	(919)	-	-	-	-	(940)
Reclassifications/ other changes	1,690	13,508	40,638	3,128	-	-	-	-	(59,800)	(836)
Translation differences	(561)	1,518	2,035	290	(1,607)	421	398	23	424	2,520
Historical cost as of December 31, 2024	42,944	114,907	156,371	22,654	119,225	28,004	26,073	1,931	39,934	524,039

	Land	Buildings	Plant and Machinery	Other assets	Leased assets	Right of use of PPE:	- of which Buildings	- of which Other assets	Assets under construction and advance payments	Total property, plant and equipment
					(in € thousands)					
Accumulated depreciation as at December 31, 2022	10	38,224	63,442	15,969	97,240	4,688	3,028	1,660	-	219,573
Increase	-	3,198	6,354	1,274	5,912	3,218	2,867	351	-	19,956
Decrease	-	(540)	(1,483)	(1,460)	(3,633)	(1,660)	(689)	(971)	-	(8,776)
Reclassifications/ other changes	-	(136)	179	(23)	-	-	-	-	-	20
Translation differences	-	(1,600)	(2,448)	(675)	(6,871)	(160)	(144)	(16)	-	(11,754)
Accumulated depreciation as at December 31, 2023	10	39,146	66,044	15,085	92,648	6,086	5,062	1,024	-	219,019
Increase	-	3,692	8,738	1,498	5,723	4,506	4,060	446	-	24,157
Decrease	-	(857)	(5,885)	(852)	(971)	(2,931)	(2,076)	(855)	-	(11,496)
Reclassifications/ other changes	-	3	(3)	-	-	-	-	-	-	-
Translation differences	-	321	1,222	246	(1,441)	227	215	12	-	575
Accumulated depreciation as at December 31, 2024	10	42,305	70,116	15,977	95,959	7,888	7,261	627	-	232,255
Net carrying value as at December 31, 2023	41,805	61,315	51,873	4,936	25,799	20,964	20,462	502	47,581	254,273
Net carrying value as at December 31, 2024	42,934	72,602	86,255	6,677	23,266	20,116	18,812	1,304	39,934	291,784

Investments in property, plant and equipment, excluding increases in the rights of use of property, plant and equipment, amounted to a total of Euro 59,188 thousand and mainly refer to:

(i) assets for Euro 4,349 thousand related to anodes to be leased within the Electrode Technologies business segment;

(ii) plant and machinery for Euro 2,112 thousand relating mainly to the plants in China, Germany and Italy, of which 1,317 thousand related to Gigafactory;

(iii) buildings for Euro 281 thousand;

(iv) other tangible assets for Euro 104 thousand;

(v) assets under construction and advance payments amounting to Euro 52,342 thousand, of which Euro 21,394 thousand for plant and machinery following technological modernization and the planned production capacity expansion mainly in Italy, Germany, China, United States, Brazil and Japan; Euro 26,778 thousand for buildings mainly in Italy (including Gigafactory for over Euro 14 million), Germany, United States and Japan; Euro 2,582 thousand for other tangible assets under construction mainly in Italy, Germany and Japan; and Euro 1,588 thousand to advance payments. The latter mainly refer to advances disbursed for projects to expand the production site in Germany and for the Gigafactory.

Total write-downs of Euro 940 thousand in the year ended December 31, 2024 are mainly attributable to the write-down by De Nora Italy S.r.l. of leased anodes due to the expiration of the lease contract with the customer.

The cumulative write-downs as at December 31, 2024 concerning property, plant and equipment amounted to a total of Euro 4,226 thousand.

The following table provides the main information relating to lease agreements in which the Group acts as a lessee:

	As of December 31	
	2024	2023
	(in € thousands)	
Historical cost of Right of use of PPE (buildings)	26,073	25,524
Historical cost of Right of use of PPE (other assets)	1,931	1,526
Total historical cost of Right of use of PPE	28,004	27,050
Accumulated depreciation of Right of use of PPE (buildings)	7,261	5,062
Accumulated depreciation of Right of use of PPE (other assets)	627	1,024
Total accumulated depreciation of Right of use of PPE	7,888	6,086
Net book value of Right of use of PPE (buildings)	18,812	20,462
Net book value of Right of use of PPE (other assets)	1,304	502
Total net book value of Right of use of PPE	20,116	20,964
Current lease liabilities	3,692	3,698
Non-current lease liabilities	17,310	17,829
Total lease liabilities	21,002	21,527
Depreciation of Right of use of PPE (buildings)	4,060	2,867
Depreciation of Right of use of PPE (other assets)	446	351
Total depreciation for right of use	4,506	3,218
Lease instalments paid	4,969	3,523
of which interest expense for leases paid	*781*	*625*
Short-term and low-value leases	2,656	3,050

Lease liabilities paid in the financial year ended December 31, 2024, amounted to Euro 4,969 thousand, of which Euro 4,188 thousand as a reduction of the financial liability and Euro 781 thousand as interest, recorded under finance expenses. The total cost recognized in the income statement for rents and leases excluded from the scope of application of IFRS 16 amounted to Euro 2,656 thousand.

20. Equity-accounted investees

This item refers essentially to the investment in the associate thyssenkrupp nucera AG & Co. KGaA (Germany) (“tk nucera”). The following table provides details and changes in equity-accounted investees for the years ended December 31, 2024 and 2023:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Opening balance	231,511	122,664
Share of profit	4,579	5,435
Other increases (decreases)	661	103,412
Closing balance	236,751	231,511
Investment %	25.85%	25.85%

As at December 31, 2024, the value of equity-accounted investees amounted to Euro 236,751 thousand, an increase of approximately Euro 5 million over the figure as of December 31, 2023 mainly due to the effect of De Nora's share of profits.

The main consolidated economic and financial data of tk nucera as at and for the years ended December 31, 2024 and 2023 are provided below.

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Intangible assets	64,769	55,145
Property, plant and equipment	35,617	13,054
Deferred tax assets	29,418	19,402
Other non-current assets	3,717	2,746
Inventory	151,081	122,321
Trade receivables	63,802	37,712
Financial assets and other current receivables	252,066	153,905
Cash and cash equivalent	709,207	770,285
Total assets	**1,309,677**	**1,174,570**
Share Capital	126,315	126,315
Reserves	637,697	617,424
Deferred tax liabilities	13,366	10,615
Financial liabilities	23,737	4,612
Other non-current payables	9,881	9,094
Trade payables	181,403	133,622
Construction contracts and other current payables	317,278	272,888
Total liabilities and equity	**1,309,677**	**1,174,570**

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Revenues	916,142	706,333
Operating costs(*)	(921,629)	(694,403)
Finance income/(expense)	25,829	15,864
Income taxes	(2,589)	(10,987)
Profit for the period	**17,753**	**16,807**
Other components of the comprehensive income statement	(158)	(5,788)
Profit of the comprehensive income statement for the year	**17,595**	**11,019**

(*) For the financial year ended December 31, 2024, it includes amortization, depreciation and write-downs for roughly Euro 7.7 million. For the financial year ended December 31, 2023, it includes amortization, depreciation and write-downs for roughly Euro 5.3 million.

The economic data of tk nucera shown in the table are the result of a pro forma exercise, determined starting from the financial statements of the fiscal year of the associate from October 1, 2023, to September 30, 2024 excluding the data for the quarter from October 1 to December 31, 2023, and adding the data for the quarter from October 1 to December 31, 2024.

21. Financial assets, including derivatives

The table below shows the breakdown of non-current financial assets as at December 31, 2024 and 2023.

	As of December 31	
	2024	2023
	(in € thousands)	
Non-current		
Investments in financial assets	4,592	3,180
Total	4,592	3,180

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 at December 31, 2024 and 2023.

	As of December 31	
	2024	2023
	(in € thousands)	
Current		
Financial receivables	193	111
Investments in financial assets	10,317	13,531
Fair value of derivatives	-	543
Total	10,510	14,185

Investments in financial assets, amounting to Euro 10,317 thousand as at December 31, 2024 (Euro 13,531 thousand as at December 31, 2023) relate primarily to investments in monetary funds subject to short-term time restrictions, that can be liquidated at any time.

22. Deferred tax assets and liabilities

Deferred tax assets of the Group as at December 31, 2024 amounted to Euro 15,473 thousand (Euro 16,216 thousand as at December 31, 2023); while the deferred tax liabilities of the Group as at December 31, 2024 amounted to Euro 6,022 thousand (Euro 8,873 thousand as at December 31, 2023).

Deferred tax assets and liabilities are offset when the Group has the legal right to offset current tax assets and liabilities and when the deferred taxes relate to the same tax jurisdiction. Deferred tax assets on tax losses carried forward are recognized to the extent that the Group expects to realize the related tax benefits as it is probable that it will generate future taxable income.

During the financial year, deferred taxes were recognized on the temporary differences between the carrying amounts of assets and liabilities and their tax bases.

These differences mainly refer to the variance between the profit before taxes and the taxable income in one financial year that will reverse in one or more subsequent financial years.

The following tables show the changes, in 2024 and 2023, in the net difference between deferred tax assets and deferred tax liabilities.

	At December 31, 2023	Change in scope of consolidation	(Expenses) Income recognized in income statement	(Charges) Credits recognized in equity	Exchange rate difference	As of December 31, 2024
			(in € thousands)			
Property, plant and equipment	(12,591)	-	663	-	(446)	(12,374)
Intangible assets	(4,880)	-	748	-	5	(4,127)
Equity-accounted investees	(1,530)	-	(57)	-	-	(1,587)
Trade receivables and inventory	5,674	-	213	-	65	5,952
Financial assets/liabilities	4,257	-	223	115	16	4,611
Other assets	1,792	-	254	-	67	2,113
Employee benefits	697	-	(434)	1,202	44	1,509
Provisions for risks and charges	8,323	-	(1,322)	-	162	7,163
Trade payables	3,017	-	(449)	-	86	2,654
Other liabilities	1,033	-	1,312	-	(8)	2,337
Other sundry	1,551	-	(338)	-	(13)	1,200
Total	7,343	-	813	1,317	(22)	9,451

	At December 31, 2022	Change in scope of consolidation	(Expenses) Income recognized in income statement	(Charges) Credits recognized in equity	Exchange rate difference	As of December 31, 2023
			(in € thousands)			
Property, plant and equipment	(10,259)	(77)	(2,849)	-	594	(12,591)
Intangible assets	(2,951)	(449)	(1,992)	-	512	(4,880)
Equity-accounted investees	(217)	-	(1,316)	3	-	(1,530)
Trade receivables and inventory	4,658	-	1,338	-	(322)	5,674
Financial assets/liabilities	280	-	3,948	31	(2)	4,257
Other assets	1,151	-	684	-	(43)	1,792
Employee benefits	(621)	-	1,052	156	110	697
Provisions for risks and charges	7,184	-	1,440	-	(301)	8,323
Trade payables	3,675	-	(564)	-	(94)	3,017
Other liabilities	1,700	-	(494)	-	(173)	1,033
Other sundry	(168)	-	1,746	-	(27)	1,551
Total	4,432	(526)	2,993	190	254	7,343

There are no deferred tax assets not recognized in the financial statements as at December 31, 2024 against previous year losses not yet used.

23. Inventory

The table below shows the breakdown of inventory as at December 31, 2024 and 2023:

	As of December 31					
	2024			2023		
	Gross value	Inventory write-down reserve	Net value	Gross value	Inventory write-down reserve	Net value
	(in € thousands)					
Raw materials and consumables	112,539	(4,596)	107,943	107,777	(2,238)	105,539
Work in progress and semi-finished products	91,746	(9,794)	81,952	95,026	(8,035)	86,991
Finished products and goods	69,337	(9,099)	60,238	68,454	(8,877)	59,577
Goods in transit	5,319	-	5,319	5,039	-	5,039
Total	278,941	(23,489)	255,452	276,296	(19,150)	257,146

Inventories, amounting to Euro 255,452 thousand as of December 31, 2024, decreased by a total of Euro 1,694 thousand, with a decrease in inventories of work-in-progress and semi-finished products, only partially offset by an increase in raw materials, consumables, supplies and finished products and goods.

Inventory is shown net of the write-down reserve equal to Euro 23,489 thousand as at December 31, 2024 (Euro 19,150 thousand as at December 31, 2023). The change in the inventory write-down reserve is as follows:

	Raw materials and consumables	Work in progress and semi-finished products	Finished products and goods	Total
	(in € thousands)			
Balance as of December 31, 2022	1,597	13,564	8,080	23,241
Accruals of the year 2023	1,317	67	3,073	4,457
Releases of the year 2023	(635)	(4,970)	(2,031)	(7,636)
Exchange rate difference	(41)	(626)	(245)	(912)
Balance as of December 31, 2023	2,238	8,035	8,877	19,150
Accruals of the year 2024	2,988	5,191	5,528	13,707
Releases of the year 2024	(599)	(3,493)	(5,536)	(9,628)
Exchange rate difference	(31)	61	230	260
Balance as of December 31, 2024	4,596	9,794	9,099	23,489

24. Current tax assets

Current tax assets amounted to Euro 9,719 thousand as at December 31, 2024 (Euro 10,310 thousand as at December 31, 2023) and refer mainly to income tax advances paid by some companies of the Group, net of the related liability.

25. Construction contracts

Details of construction contracts classified as current assets and current liabilities as at December 31, 2024 and 2023 are shown in the tables below:

	As of December 31	
	2024	2023
	(in € thousands)	
Current assets		
Construction contracts	172,149	139,170
(Progress payments)	(127,000)	(99,227)
Provision for losses on construction contracts	(188)	(176)
Total	44,961	39,767

	As of December 31	
	2024	2023
	(in € thousands)	
Current liabilities		
Construction contracts	53,898	47,017
(Progress payments and Advances)	(62,240)	(54,645)
Provision for losses on construction contracts	(205)	(402)
Total	(8,547)	(8,030)
Total Construction contracts (net of advances)	36,414	31,737

Construction contracts (net of contractual advances) amounted to Euro 36,414 thousand as at December 31, 2024 (an increase compared to Euro 31,737 thousand as at December 31, 2023) and mainly refer to contracts relating to the Water Technologies business segment.

26. Trade receivables

The table below shows the detail of trade receivables as at December 31, 2024 and 2023.

	As of December 31	
	2024	2023
	(in € thousands)	
Current		
Third parties	134,960	121,616
Related parties	43,857	26,724
Bad debt reserve	(5,295)	(6,413)
Total	173,522	141,927

Trade receivables, recognized entirely under current assets, derive from sales transactions and the provision of services and amounted, as at December 31, 2024, to Euro 173,522 thousand, an increase compared to Euro 141,927 thousand as at December 31, 2023 mainly due to the acceleration of sales and receivables invoicing during the last two months of the financial year.

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

Following are the changes in the bad debt reserve:

	As of December 31	
	2024	2023
	(in € thousands)	
Current		
Balance as of December 31, 2023	6,413	7,854
Accruals of the period	525	3,458
Utilizations and releases of the period	(1,774)	(4,826)
Reclassifications/other changes	-	47
Exchange rate difference	131	(120)
Balance as of December 31, 2024	5,295	6,413

27. Other receivables

The following table shows the detail of the other receivables as at December 31, 2024 and 2023, with the distinction between the current and non-current amounts:

	As of December 31	
	2024	2023
	(in € thousands)	
Non-current		
Tax receivables	3,758	4,471
Other - Third parties	2,993	2,837
Related parties	52	52
Total	6,083	7,360

	As of December 31	
	2024	2023
	(in € thousands)	
Current		
Tax receivables	13,788	14,878
Advances to suppliers	8,128	8,464
Other - Third parties	20,156	15,031
Related parties	7	18
Total	42,079	38,391

As at December 31, 2024, other receivables, between the current and non-current portions, amounted to Euro 48,882 thousand (Euro 45,751 thousand as at December 31, 2023).

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

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

Current tax receivables mainly refer to VAT receivables and the current portion of the withholding taxes mainly incurred by the parent company against collections of receivables from foreign subsidiaries.

28. Cash and cash equivalents

The table below provides a breakdown of cash and cash equivalents as at December 31, 2024 and 2023.

	As of December 31	
	2024	2023
	(in € thousands)	
Bank accounts	174,331	192,602
Cash on hand	29	26
Time deposits	41,497	5,863
Cash and cash equivalents	215,857	198,491

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 215,857 thousand as at December 31, 2024, increased by Euro 17,366 thousand compared to December 31, 2023; for details on cash and cash equivalents generated during the financial year, please refer to the consolidated cash flow statement.

D. NOTES TO THE MAIN FINANCIAL STATEMENTS ITEMS – STATEMENT OF FINANCIAL POSITION – LIABILITIES

29. Equity

Equity as at December 31, 2024 amounts to Euro 953,783 thousand, up from Euro 910,188 thousand as at December 31, 2023.

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

Changes in equity for the financial years ended December 31, 2024 and 2023 are shown in the "Statement of changes in consolidated 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.

During the financial year ended December 31, 2024, dividends in the amount of Euro 24,492 thousand (Euro 24,257 thousand in the financial year ended December 31, 2023) were distributed.

Equity attributable to the shareholders of the parent company

Share capital

Below is the amount of share capital of Industrie De Nora S.p.A. and its composition, which remains unchanged compared to December 31, 2023:

	Share Capital as of December 31, 2024	
	Euro	Number of shares
Total, of which:	18,268,203.90	201,685,174
Ordinary Shares (regular entitlements)	4,637,944.92	51,203,979
Multiple voting shares (*)	13,630,258.98	150,481,195

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

Based on the program communicated to the market by Industrie De Nora S.p.A. on November 8, 2023 and launched on November 9, 2023, the Company acquired a total of 3,000,000 treasury shares, of which 1,841,495 were acquired during the first half of 2024. The remaining treasury shares in the portfolio as of December 31, 2024 are 2,986,240, or 1.481 percent of the share capital, after 13,760 shares were used against existing personnel incentive plans.

Legal reserve

The legal reserve as at December 31, 2024 amounted to Euro 3,654 thousand, which was unchanged compared to the previous financial year.

Share premium

The share premium as at December 31, 2024 amounted to Euro 223,405 thousand, a decrease of Euro 28 thousand compared to December 31, 2023.

Retained earnings, translation reserve and other reserves

Retained earnings, translation reserve and other reserves pertaining to the Group as at December 31, 2024, amounted to Euro 617,824 thousand (Euro 429,083 thousand as at December 31, 2023), a net increase of Euro 188,741 thousand compared to December 31, 2023, of which:

- Euro 230,050 thousand increase due to the allocation of the previous year's results pertaining to the parent company's shareholders;
- Euro 25,895 thousand decrease due to the purchase/sell by the parent company of treasury shares, the consideration for which is recognized as a reduction of equity;
- Euro 24,438 thousand for distribution of dividends by the parent company;
- Euro 1,036 thousand increase in "Other Reserves", related to the PSP Incentive Plan, whose charge was recorded in the income statement under personnel expenses;
- Euro 703 thousand increase due to the inclusion of the De Nora portion of a restatement carried out by the associated company tk nucera in its consolidated financial statements;
- Euro 7,285 thousand increase due to the effect of the other components of the statement of comprehensive income for the period, of which Euro 9,842 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 equity attributable to non-controlling interests as at December 31, 2024 and 2023:

	As of December 31	
	2024	2023
	(in € thousands)	
Share capital and reserves	7,346	4,831
Profit (Loss) for the period	(64)	1,000
Other comprehensive income	(26)	(131)
Total	7,256	5,700

The increase in share capital and reserves during the year ended December 31 is essentially attributable to De Nora Italy Hydrogen Technologies S.r.l. following the payments made by the minority shareholder Snam S.p.A. (totaling Euro 1,700 thousand).

30. Employee benefits

The table below shows the detail of the employee benefits as at December 31, 2024 and 2023:

	As of December 31	
	2024	2023
	(in € thousands)	
Present value of Post-employment benefits	19,217	18,903
Present value of Pension Plans for employees	16,472	17,287
Fair value of plan assets	(9,754)	(14,433)
Total	25,935	21,757

The Group companies offer post-employment benefits to their employees both directly and by contributing to funds outside the Group. The methods by which these benefits are granted varies on the basis of the relevant legal, tax and economic conditions in each country in which the Group operates. The benefits are normally based on employee remuneration and years of service. The obligations relate to both active and no longer active employees. The Group companies grant post-employment benefits on the basis of "defined contribution" and/or "defined benefit" plans. With "defined contribution" plans, the Group companies pay contributions to public or private insurance companies, in accordance with legal or contractual obligations or on a voluntary basis. With payment of these contributions, the companies meet all their obligations. On the other hand, "defined benefit" plans may be "unfunded" or entirely or partially "funded" by contributions paid by the company and, at times, by the employees, to a company or fund that is legally separate from the company providing the employee benefits.

Post-employment benefits

The following table shows the composition of and changes in employee benefits in the financial years ended December 31, 2024 and 2023:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Opening liability	18,903	17,590
Current service cost	931	826
Interest cost	594	630
Actuarial (gain) loss	32	1,081
Benefits paid	(1,243)	(1,224)
Total	19,217	18,903

The post-employment benefits as at December 31, 2024 stood at Euro 19,217 thousand (Euro 18,903 thousand as at December 31, 2023). The item also includes employee benefits pertaining to the German subsidiary that are similar to post-employment benefits.

The obligation to employees is calculated by an independent actuary as follows:

- projection of the post-employment benefits already vested at the measurement date and of the future amounts that will be vested until termination of employment or of the partial payment of vested amounts in the form of advances of post-employment benefits;
- discounting at the measurement date of the expected cash flows that will be paid to employees in the future;
- re-proportioning of discounted service costs on the basis of the seniority reached at the measurement date compared to the expected seniority at the time of settlement with the employee.

The actuarial method has a technical basis consisting of the demographic and financial assumptions related to the parameters used for the calculation.

In short, the main actuarial assumptions applied for the Group companies' calculation are the following:

	As of December 31			
	2024		2023	
	Italy	Germany	Italy	Germany
Annual discount rate (*)	3.38%	3.16%	3.17%	3.19%
Annual inflation rate	2.00%	N/A	2.00%	N/A
Annual increase in obligation	3.00%	2.00%	3.00%	2.00%
Annual rate of salary increase	2.30%	2.00%	2.30%	2.00%

(*) The discount rate used to determine the present value of the Italian post-employment obligation was inferred, consistently with par. 83 of IAS 19, by the Iboxx Corporate AA index with duration 10+ recorded at the valuation date. For this purpose, the yield with a duration comparable to the that of the collective of workers subject to valuation was chosen.

The mortality assumptions are based on published statistics concerning mortality rates.

The following table summarizes the sensitivity analysis for each actuarial, financial and demographic assumption relating only to the Italian companies of the Group, showing the effects (in absolute value) that would have occurred following changes in the reasonably possible actuarial assumptions as at December 31, 2024 and 2023:

	Annual discount rate		Annual inflation rate		Annual rate of turnover	
	0.25%	-0.25%	0.25%	-0.25%	1.00%	-1.00%
	(in € thousands)					
Employees Benefits as of December 31, 2024 (*)	(86)	88	67	(67)	15	(18)
Employees Benefits as of December 31, 2023 (*)	(81)	83	64	(61)	14	(15)

(*) The sensitivity analysis on the actuarial assumptions refers to the post-employment benefits for companies under Italian law.

Pension plans

The item "pension plans" includes obligations of De Nora Group companies operating mainly in the United States, Japan and India.

The existing pension plans generally provide for the payment of contributions to a separate fund (trust) which independently administers the plan assets. The funds provide for fixed contributions from employees and variable contributions from employers to at least meet the minimum funding requirements provided for by legislation and regulations in each country. If the plans are overfunded, i.e., they show a surplus beyond the legal requirements, the concerned Group companies may be authorized to suspend contributions as long as they remain overfunded.

The strategy for managing plan assets depends on the characteristics of the plan and the maturity of the obligations; typically, pension plans with long-term maturities are funded through investments in equity securities; those with medium to short-term maturities are funded through investments in fixed income securities.

In short, the main actuarial assumptions applied for the Group companies' calculation are the following:

	As of December 31					
	2024			2023		
	USA	India	Japan	USA	India	Japan
Annual discount rate	5.50%	6.94%	1.50%	5.40%	7.33%	1.20%
Annual rate of salary increase	-	8.00%	0.00%	-	8.00%	1.00%

The changes in the pension funds are summarized in the following table:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Opening balance	17,287	18,533
Current service cost	1,494	867
Interest cost	161	32
Benefits paid	(1,652)	(1,197)
Actuarial (gain) loss	(619)	437
Exchange rate differences	(199)	(1,385)
Closing balance	16,472	17,287

The pension plan fund, as at December 31, 2024, amounted to Euro 16,472 thousand (Euro 17,287 thousand as at December 31, 2023).

Changes in plan assets are analyzed below:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Opening fair value of plan assets	14,433	15,495
Contributions paid	146	43
Benefits paid	(243)	(396)
Expected return on plan assets	18	23
Adjustment of plan assets	(3,985)	835
Exchange rate differences	(615)	(1,567)
Closing fair value of plan assets	9,754	14,433

The main risks to which the Group is exposed in relation to pension funds are detailed below:

- volatility of the assets serving the plans: in order to balance liabilities, the investment strategy cannot limit its horizon exclusively to risk-free assets. This implies that some investments, such as listed shares, are characterized by high volatility in the short term and that this exposes the plans to risks of reduction in the value of assets in the short term and consequently to an increase in imbalances. However, this risk is mitigated by the diversification of investments in numerous investment classes, through different investment managers, different investment styles and with exposures to multiple factors that are not perfectly correlated with each other. Furthermore, investments are continually reviewed in light of market conditions, with adjustments to keep the overall risk at adequate levels;
- changes in bond yields and expected inflation: expectations of falling bond yields and/or rising inflation lead to an increase in liabilities. The plans reduce this risk by investing in "liability hedging" assets;
- life expectancy: the increase in life expectancy leads to an increase in the plan's liabilities.

31. Provisions for risks and charges

The following table shows the composition of the provisions for risks and charges for the years ended December 31, 2024 and 2023.

	As of December 31	
	2024	2023
	(in € thousands)	
Non-current		
Provision for contractual warranties	796	315
Provision for other risks	1,950	1,581
Total	2,746	1,896
Current		
Provision for contractual warranties	13,036	11,612
Provision for other risks	4,095	4,538
Total	17,131	16,150
Total provisions for risks and charges	19,877	18,046

Provisions for risks and charges mainly include: (i) the provision for risks for contractual warranties, which represents an estimate of the costs for the guarantees contractually provided for in relation to the supply of the plants; and (ii) the provision for other risks, which includes provisions for environmental risks and tax risks.

The provision for risks for contractual warranties is equal to 13,832 thousand for the year 2024 (Euro 11,927 thousand at 31 December 2023). Whilst, the provision for other risks, as at December 31, 2024, amounted to Euro 6,045 thousand (Euro 6,119 thousand as at December 31, 2023). The changes for the financial year ended December 31, 2024 were as follows:

	Provision for contractual warranties	Provision for other risks
	(in € thousands)	
Balance as of December 31, 2023	11,927	6,119
Accruals of the period	8,151	4,044
Utilizations and releases of the period	(6,362)	(4,135)
Exchange rate differences	116	17
False 2024	13,832	6,045

32. Financial liabilities

The following table shows the detail of financial liabilities as at December 31, 2024 and 2023.

	As of December 31	
	2024	2023
	(in € thousands)	
Non-current		
Bank loans and borrowings	123,328	115,887
Lease payables	17,310	17,829
Total	140,638	133,716
Current		
Bank overdrafts	178	105
Bank loans and borrowings	14,775	6,397
Lease payables	3,692	3,697
Fair value of derivatives	303	-
Total	18,948	10,199
Total financial liabilities	159,586	143,915

Bank loans and borrowings

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

	As of December 31, 2024			As of December 31, 2023		
	Non Current	Current	Total	Non Current	Current	Total
	(in € thousands)					
Pool Financing (IDN)	79,843	-	79,843	79,776	-	79,776
Pool Financing (De Nora Holdings US Inc)	38,434	-	38,434	36,111	-	36,111
Sumitomo Mitsui Banking Co. - Hibiya Branch (De Nora Permelec Ltd)	5,051	14,775	19,826	-	-	-
Mizuho bank - Fujisawa Branch (De Nora Permelec Ltd)	-	-	-	-	6,397	6,397
Overdrafts and accrued finance expenses	-	178	178	-	105	105
Total	123,328	14,953	138,281	115,887	6,502	122,389

As at December 31, 2024 and 2023, the fair value of bank loans and borrowings approximates their book value to the amortized cost.

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

As at December 31, 2024 pool financing loans are outstanding for Euro 80,000 thousand and USD 40,000 thousand respectively and they are shown under financial liabilities net of upfront fees and other charges directly related to the financing agreements which, paid on the stipulation date of the loan agreement, are presented in the financial statements as a reduction of the total debt according to the amortized cost criterion.

The pool loan considers interest rates based on Euribor for the Euro portion and on the SOFR for the USD portion, in addition to a margin that may change semi-annually, based on the evolution of the Group's leverage level. The "leverage ratio", given by the ratio of consolidated net debt to consolidated EBITDA, is the only financial covenant under the loan agreement, the value of which cannot exceed 3.5, throughout the term of the agreement. As at December 31, 2024, this parameter was largely met. Non-compliance with the financial covenant is considered an event of default or non-performance. Specifically, an event of default or non-performance would result in the banks' discretion to require immediate repayment of funds unless the situation is remedied, pursuant to and in accordance with the terms and conditions set forth in the loan agreement, within 20 business days of the submission of the certification of such financial covenant.

Loan Sumitomo Mitsui Banking Co. - De Nora Permelec Ltd

The subsidiary De Nora Permelec Ltd. has some credit lines available granted by different banks. As at December 31, 2024, lines granted by Sumitomo Mitsui Banking Co. have been used totaling approximately 3.2 billion (Euro 19,826 thousand).

Lease payables

These represent the financial liabilities recognized in accordance with IFRS 16 "Leases"; in particular, the payable is the obligation to make the payments over the duration of the contract. For additional information on the contractual maturities of lease payables, please refer to Note 36 - "Information on risks".

Fair value of derivatives

The fair value of derivative instruments as at December 31, 2024 is negative for Euro 303 thousand and refers to derivative contracts on forward currencies, signed by the parent company and by the subsidiary De Nora Water Technologies Italy S.r.l.

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 following table includes figures as at December 31, 2024 and as at December 31, 2023:

		As of December 31	
		2024	2023
		(in € thousands)	
A	Cash	174,360	192,628
B	Cash equivalents	41,497	5,863
C	Other current financial assets	10,510	13,642
D	Liquidity (A + B + C)	226,367	212,133
E	Current financial debt	14,953	6,502
F	Current portion of non-current financial debt	3,692	3,697
G	Current financial indebtedness (E + F)	18,645	10,199
	- Of which secured	-	-
	- Of which unsecured	*18,645*	*10,199*
H	Net current financial indebtedness/(Net current Liquidity) (G - D)	(207,722)	(201,934)
I	Non-current financial debt	140,638	133,716
J	Debt instruments	-	-
K	Non-current trade and other payables	-	-
L	Non-current financial indebtedness (I + J + K)	140,638	133,716
	- Of which secured	-	-
	- Of which unsecured	*140,638*	*133,716*
M	Net financial indebtedness/(Net Liquidity) - ESMA (H + L)	(67,084)	(68,218)

The reconciliation between the net financial indebtedness/(Net Liquidity) - ESMA and the net financial indebtedness of the Group as monitored by the Group (hereinafter the "net financial indebtedness/(Net Liquidity) – De Nora") as at December 31, 2024 and 2023, is shown below:

	As of December 31	
	2024	2023
	(in € thousands)	
Net financial indebtedness/(Net Liquidity) - ESMA	(67,084)	(68,218)
Fair value of derivatives covering currency risks	303	(543)
Net financial indebtedness/(Net Liquidity) – De Nora	(66,781)	(68,761)

In 2024, Net Liquidity - ESMA decreased by Euro 1,134 thousand, from Euro 68,218 thousand as at December 31, 2023 to Euro 67,084 thousand as at December 31, 2024. In 2024 it recognized the combined effect of the following main factors:

(i) cash generated from operating activities amounting to Euro 110,721 thousand in 2024;

(ii) total investments in property, plant and equipment and in intangible assets equal to Euro 63,867 thousand excluding those in rights of use, in part counterbalanced by proceeds from disposals of intangible assets for Euro 6,590 thousand;

(iii) dividends distributed by the parent company amounting to Euro 24,438 thousand;

(iv) the purchase (net of sales) of treasury shares for a total of Euro 26,016 thousand.

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

33. Trade payables

The table below shows the detail of trade payables as at December 31, 2024 and 2023:

	As of December 31	
	2024	2023
	(in € thousands)	
Non-current		
Third parties	2	86
Total non-current payables	2	86
Current		
Third parties	116,210	105,740
Related parties	589	1,012
Total current payables	116,799	106,752
Total payables	116,801	106,838

Trade payables as at December 31, 2024 amounted to a total of Euro 116,801 thousand, including the current and non-current portions, an increase compared to Euro 106,838 thousand as at December 31, 2023.

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

34. Income tax payables

Current income tax payables as at December 31, 2024 amounted to Euro 24,234 thousand (Euro 19,196 thousand as at December 31, 2023).

35. Other payables

The table below shows the detail of the other payables as at December 31, 2024 and 2023.

	As of December 31	
	2024	2023
	(in € thousands)	
Non-current		
Payables to employees	2,009	1,696
Advances from customers	-	4
Other - Third parties	814	484
Related parties	47	47
Total	2,870	2,231
Current		
Advances from customers	18,548	17,659
Advances from related parties	52,184	38,603
Payables to employees	17,813	16,852
Social security payables	2,821	2,687
Withholding tax payables	1,476	1,190
VAT payables	1,419	777
Other tax payables	2,363	1,826
Other - Third parties	8,720	9,299
Related parties	463	28
Total	105,807	88,921
Total Other payables	108,677	91,152

Other payables as at December 31, 2024 amounted to Euro 108,677 thousand between the current and non-current portions, up compared to Euro 91,152 thousand as at December 31, 2023, mainly due to increased advances from customers and related companies.

The increase in advances from related parties (Euro 13,581 thousand) is mainly attributable to the collection in Germany of advances from tk nucera for an important new project in the Energy Transition business.

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

E. INFORMATION ON FINANCIAL RISKS

36. Information on financial risks

In the context of business risks, the main financial 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;
- climate risks.

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 Group's financial risk management policies aim 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 following note provides qualitative and quantitative reference information on the incidence of these risks on the Group.

Credit risk

Credit risk is the risk that a customer or one of the counterparties to a financial instrument causes a financial loss by not meeting an obligation. It mainly arises from the Group's trade receivables and financial investments.

The Group manages its exposure to the credit risk inherent in the possibility of default and/or deterioration of the creditworthiness of its customers by evaluating each individual counterparty through a dedicated organizational structure, equipped with the appropriate tools to constantly monitor, on a daily basis, the behavior and creditworthiness of its customers.

Trade and other receivables

Credit risk is mainly due to the possibility that customers will not honor their payables to the companies of the Group at the agreed due date.

The Group has had long-term business relationships with most of its customers and losses on receivables have, in general, had a very limited impact on revenue. The Group monitors customer credit risk through reporting, which entails an analysis of exposure on the basis of the characteristics of the receivable, also considering geographical location, the business channel, the age of the receivable and past payment history.

The Group accrues a bad debt reserve that reflects estimated potential losses on trade and other receivables, the main components of which are specific individual losses on significant past due receivables and collective losses on classes of receivables grouped by due date, based on historical experience.

Investments in financial assets

This item includes investments in the equity securities of listed companies, high quality corporate bonds and equity and bond funds. Given their nature and credit rating, credit risk relating to potential non-fulfillment by the issuers of financial instruments recognized as assets is negligible.

The carrying amount of the financial assets reflects the Group's maximum exposure to credit risk.

The following table provides the credit exposure details for the financial years ended December 31, 2024 and 2023:

	As of December 31	
	2024	2023
	(in € thousands)	
Trade receivables	173,522	141,927
Investments in financial assets	14,909	16,711
Other receivables	58,794	56,172
Cash and cash equivalents	215,857	198,491
Total	463,082	413,301

Given the nature, characteristics and diversification of bonds, bond and monetary funds and shares to which the investments in financial assets refer, changes in fair value during the year and cumulative changes in fair value are not believed to be dependent on changes in the credit risk of the related issuers.

The ageing trade receivables for the years ended December 31, 2024 and 2023 is as follows:

	As of December 31		% Overdue as of December 31	
	2024	2023	2024	2023
	(in € thousands. except percentages)			
Not yet due	128,531	101,849	74.1%	71.8%
Overdue 1-30 days	15,884	23,759	9.2%	16.7%
Overdue 31-120 days	16,861	9,752	9.7%	6.9%
Overdue more than 120 days	12,246	6,567	7.1%	4.6%
Trade receivables	173,522	141,927	100.0%	100.0%

The Group believes there are no reasons to assume the uncollectability of the past due trade receivables, where specific provisions have not been made on the basis of specific recoverability assessments.

Liquidity risk

Liquidity risk is represented by the possibility that the Group is unable to find the financial resources necessary to guarantee current operations and the fulfillment of expiring obligations, or that they are available at high costs.

The Group's approach to manage liquidity risk entails ensuring, insofar as possible, that it always has sufficient funds to meet its obligations at the due date, under both normal conditions and at times of financial tension, without having to incur exorbitant expense or to risk damaging its reputation.

Generally, the Group ensures that there is sufficient cash on hand to cover the needs generated by the operating and investment cycle, including the management of the financial cycle.

The management of financial requirements and related risks is carried out by the individual companies of the De Nora Group on the basis of guidelines defined by the corporate function of the Company.

The parent company's Finance department centrally manages the short- and long-term loan strategies, relationships with the main financing banks and the provision of the necessary guarantees. It also centrally defines any hedging policies to be implemented for financial risks. Centralized management by the parent company's Finance department is aimed at achieving a balanced financial structure and maintaining the Group's financial soundness.

The main aim of these guidelines is to ensure that liabilities are always balanced by assets such to maintain a very sound financial position.

The contractual due dates of financial liabilities, including derivatives, are indicated below for the financial years ended December 31, 2024 and December 31, 2023:

	As of December 31, 2024						
			Due date				
	Carrying amount	Contractual cash flows*	0-12 months	1-2 years	2-3 years	3-5 years	Over 5 years
	(in € thousands)						
Financial liabilities							
Bank loans and overdrafts	138,281	150,670	20,094	4,894	125,682	-	-
Lease payables	21,002	23,599	4,314	3,946	3,329	3,003	9,007
Derivatives	303	303	303	-	-	-	-
Trade payables	116,801	116,801	116,799	2	-	-	-
Other	108,677	108,677	105,807	2,870	-	-	-
Total financial liabilities	385,064	400,050	247,317	11,712	129,011	3,003	9,007

** The difference between the book value of total bank loans and borrowings and bank overdrafts and the related contractual cash flows is due to the upfront fees which, paid on the date of stipulation of the loan agreement, are recognized in the financial statements as a decrease of the total amount payable according to the amortized cost criterion. Furthermore, the amounts maturing for bank loans and borrowings and bank overdrafts include both principal and interest. Specifically, the interest has been estimated on the Pool Financing of Industrie De Nora S.p.A. and the Pool Financing of De Nora Holdings US Inc. based on the conditions existing at the closing date of the fiscal year in addition to the interest foreseen on the existing credit lines of De Nora Permelec Ltd – Japan.*

** The difference between the book value of lease payables and the related contractual cash flows is the expected future interest due on existing leases outstanding at the end of the fiscal year.*

	As of December 31, 2023						
			Due date				
	Carrying amount	Contractual cash flows*	0-12 months	1-2 years	2-3 years	3-5 years	Over 5 years
	(in € thousands)						
Financial liabilities							
Bank loans and overdrafts	122,389	143,964	12,933	6,339	6,339	118,353	-
Lease payables	21,526	24,876	4,405	3,698	3,041	4,651	9,081
Trade payables	106,838	106,838	106,752	86	-	-	-
Other	91,152	91,152	88,921	2,231	-	-	-
Total financial liabilities	341,905	366,830	213,011	12,354	9,380	123,004	9,081

** The difference between the book value of total bank loans and borrowings and bank overdrafts and the related contractual cash flows is due to the upfront fees which, paid on the date of stipulation of the loan agreement, are recognized in the financial statements as a decrease of the total amount payable according to the amortized cost criterion. Furthermore, the amounts maturing for bank loans and borrowings and bank overdrafts include both principal and interest. Specifically, the interest has been estimated on the Pool Financing of Industrie De Nora S.p.A. and of De Nora Holdings US Inc. based on the conditions existing at the closing date of the fiscal year.*

** The difference between the book value of lease payables and the related contractual cash flows is the expected future interest due on existing leases outstanding at the end of the fiscal year.*

Management believes that currently available funds and credit facilities, in addition to the cash flows that will be generated by operating and financing activities, will enable the Group to meet its cash requirements as a result of investing activities, the management of working capital and the repayment of payables when they fall due.

Capital management

The management of the Group's funding is aimed at guaranteeing a solid credit rating and adequate levels of indicators to support the investment plans, in compliance with the contractual commitments undertaken with the lenders.

The Group provides itself with the necessary capital to finance its business development and operational requirements. The sources of financing are a balanced mix of risk capital and debt capital, to ensure a balanced financial structure and minimize the overall cost of capital, to the benefit of all stakeholders.

The return on risk capital is monitored on the basis of market trends and business performance, once all other obligations, including debt service, have been met. Therefore, in order to ensure an adequate return on capital, safeguard business continuity and business development, the Group constantly monitors the evolution of the level of debt in relation to equity, business performance and expected cash flows in the short and medium-long term.

Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices, exchange rates and interest rates or other price risks. The aim of market risk management is to manage and control the Group's exposure to such risk within acceptable levels, while optimizing the return on investments.

The Group trades in derivatives in the course of its normal operations and takes on financial liabilities to manage market risk. These transactions are performed to manage volatility in results and, accordingly, they have no speculative purpose.

Currency risk

The Group operates internationally both as buyer of goods and services and as seller of goods and services. Accordingly, it is exposed to currency risk arising from fluctuations in the currencies in which it carries out commercial transactions, particularly the US dollar. The Group's policy is to maintain a consistent balance between assets and receivables and liabilities and payables in the same foreign currency.

As at December 31, 2024, the Group had currency derivative contracts in place against USD denominated loans. See note 32 for further details.

Sensitivity analysis

With reference to these loans, the effect of a hypothetical, instantaneous and unfavorable change of five percentage points in the USD/Euro exchange rate would result in an impact on the income statement of Euro 3.3 million in the financial year ended December 31, 2024.

Interest rate risk

For investments in financial assets, interest rate risk particularly relates to the effects that changes in interest rates have on their price; impairment losses and revaluation of these assets are debited/credited to the income statement or, alternatively, directly to equity. Conversely, with respect to financial liabilities, the risk of changes in interest rates impacts the income statement by generating lower or higher finance expenses.

Sensitivity analysis

Most of the Group's financial instruments bear interest at variable rates.

The position of the Group for the financial years ended December 31, 2024 and 2023 has been summarized in the following table.

	As of December 31	
	2024	2023
	(in € thousands)	
Financial liabilities	(138,281)	(122,389)
Hedged financial liabilities	-	-
Fixed rate financial liabilities	-	-
Financial liabilities exposed to interest rate risk	(138,281)	(122,389)
Financial assets exposed to interest rate risk	224,480	204,215
Total	86,199	81,826

The effect of a hypothetical, instantaneous and unfavorable variation of one percentage point in the level of interest rates would result in a negative impact on the income statement of Euro 1.4 million in the financial year ended December 31, 2024, compared to Euro 1.2 million in the financial year ended December 31, 2023.

Other price risks

The Group is exposed to price risk in respect of purchases and sales of strategic materials and components, the purchase price of which is subject to market volatility. In particular, during the last years , several industries, including those from which the Group sources its supplies, have experienced an increase in the price of strategic materials, other basic raw materials and advanced strategic components, which has led to a rapid increase in prices, a consequent increase in purchasing costs as well as issues in the supply chain. In order to cope with these difficulties, the Group proceed time scaling with attention the purchases of strategic materials.

Moreover, the exposure is mitigated thanks to the fact that part of the contracts signed with customers provide for an adjustment of sales prices based on changes in the cost of strategic materials.

Other price risks also relate to the possibility that the fair value of a financial instrument may change for reasons other than interest or exchange rates fluctuations. The Group is exposed to price risk as it holds equity instruments (shares) recognized under investments in financial assets. Given the negligible absolute values of the Group's financial instruments, a sensitivity analysis is deemed not necessary.

Climate risks

The effects of initiatives to limit climate change and the potential impact of the energy transition influence the accounting estimates and significant judgments made by management for the preparation of the consolidated financial statements as of December 31, 2024.

For a more detailed analysis of climate risks, refer to the paragraph "IRO-1 Description of processes for identifying and assessing impacts, risks, and opportunities related to climate" in the sustainability report.

In particular, climate risks are taken into account in significant estimates and judgments related to the recoverability assessments of assets and the recognition of certain and potential liabilities. The business plan used for impairment purposes considers existing climate regulations and planned initiatives for emission reduction, as well as strategic opportunities identified in relation to the portfolio of technologies related to green hydrogen and regulations on water quality and its potential scarcity.

Based on the analyses carried out, no significant impacts were found on the valuation of the assets and liabilities recorded in the financial statements.

Classification and fair value

The table below indicates the carrying amount of each financial asset and liability recognized in the statement of financial position.

In addition, the following table classifies the financial assets and liabilities, designated at fair value, on the basis of the specific measurement method 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 is not based on observable market data.

The financial instruments in these consolidated financial statements belong to all three levels.

For items for which the fair value has not been indicated, the carrying value approximates the related fair value.

The following tables provide a breakdown of financial assets and liabilities by category, in accordance with IFRS 9, as at December 31, 2024 and 2023.

Classification and fair value as of December 31, 2024		Carrying amount					Fair value		
	Notes	Loans and receiv-ables	Invest-ments in financial assets - Fair value	Deriv-atives at fair value	Other financial liabilities	Total	Level 1	Level 2	Level 3
					(in € thousands)				
Financial assets									
Cash and cash equivalents	25	215,857	-	-	-	215,857	-	-	-
Trade and other receivables	23/24	232,123	-	-	-	232,123	-	-	-
Financial assets including derivatives	19	193	14,909	-	-	15,102	7,730	-	7,179
		448,173	14,909	-	-	463,082	7,730	-	7,179
Financial liabilities									
Bank loans and borrowings, and bank overdrafts	29	-	-	-	138,281	138,281	-	-	-
Loans and borrowing - Other fin, Institution	29	-	-	-	21,002	21,002	-	-	-
Lease payables	29	-	-	303	-	303	-	303	-
Trade and other payables	30/31/32	-	-	-	249,712	249,712	-	-	-
		-	-	303	408,995	409,298	-	303	-

Classification and fair value as of December 31, 2023		Carrying amount					Fair value		
	Notes	Loans and receiv-ables	Invest-ments in financial assets - Fair value	Deriv-atives at fair value	Other financial liabilities	Total	Level 1	Level 2	Level 3
					(in € thousands)				
Financial assets									
Cash and cash equivalents	25	198,491	-	-	-	198,491	-	-	-
Trade and other receivables	23/24	197,988	-	-	-	197,988	-	-	-
Financial assets including derivatives	19	32	16,790	543	-	17,365	5,209	543	11,581
		396,511	16,790	543	-	413,844	5,209	543	11,581
Financial liabilities									
Bank loans and borrowings, and bank overdrafts	29	-	-	-	122,389	122,389	-	-	-
Loans and borrowing - Other fin. Institution	32	-	-	-	-	-	-	-	-
Lease payables	29	-	-	-	21,526	21,526	-	-	-
Trade and other payables	30/31/32	-	-	-	217,735	217,735	-	-	-
		-	-	-	361,650	361,650	-	-	-

F. SEGMENT REPORTING

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

In support of these business segments there are the so-called Corporate activities, whose costs are entirely allocated to the segments.

The following tables show the economic information by business segment for the financial years 2024 and 2023. Data have been appropriately reclassified to incorporate the new definition of EBITDA adopted starting from 2024 (see the paragraph "Alternative Performance Indicators" in the Management Report).

	For the year ended December 31, 2024			
	Group	Segment Electrode Technologies	Segment Water Technologies	Segment Energy Transition
	(in € thousands)			
Revenue	862,613	453,265	304,173	105,175
Royalties and commissions	(9,281)	(5,396)	(3,663)	(222)
Cost of goods sold	(574,929)	(298,792)	(196,495)	(79,642)
Selling expenses	(31,841)	(9,951)	(19,617)	(2,273)
G&A expenses	(50,605)	(21,012)	(24,016)	(5,577)
R&D expenses	(14,810)	(3,119)	(1,068)	(10,623)
Other operating income (expenses)	6,381	(318)	3,555	3,144
Corporate costs allocation to business segments	(35,732)	(17,863)	(13,388)	(4,481)
EBITDA	151,796	96,814	49,481	5,501
Depreciation and amortization	(34,300)			
Impairment	(940)			
Operating profit - EBIT	116,556			
Share of profit of equity-accounted investees	4,579			
Finance income	21,096			
Finance expenses	(24,468)			
Profit before tax	117,763			
Income tax expense	(34,451)			
Profit for the period	83,312			

	For the year ended December 31, 2023			
	Group	Segment Electrode Technologies	Segment Water Technologies	Segment Energy Transition
	(in € thousands)			
Revenue	856,411	464,214	289,962	102,235
Royalties and commissions	(9,544)	(6,279)	(3,182)	(83)
Cost of goods sold	(555,711)	(291,884)	(194,514)	(69,313)
Selling expenses	(30,115)	(8,920)	(18,894)	(2,301)
G&A expenses	(51,887)	(23,342)	(23,536)	(5,009)
R&D expenses	(15,966)	(2,834)	(2,671)	(10,461)
Other operating income (expenses)	15,017	5,130	9,356	531
Corporate costs allocation to business segments	(31,751)	(16,713)	(11,249)	(3,789)
EBITDA	176,454	119,372	45,272	11,810
Depreciation and amortization	(30,617)			
Impairment	(8,919)			
Operating profit - EBIT	136,918			
Share of profit of equity-accounted investees	5,435			
Finance income	145,018			
Finance expenses	(22,090)			
Profit before tax	265,281			
Income tax expense	(34,231)			
Profit for the period	231,050			

The following table shows the investments by business segment for the financial years ended December 31, 2024 and 2023:

	Group	Segment Electrode Technologies	Segment Water Technologies	Segment Energy Transition	Not Allocated
	(in € thousands)				
2024					
Property, plant and equipment (*)	59,188	28,125	2,198	27,786	1,079
Intangible assets	4,679	1,872	2,459	327	21
Total Investments 2024	63,867	29,997	4,657	28,113	1,100
2023					
Property, plant and equipment (*)	81,000	47,158	2,418	25,885	5,539
Intangible assets	7,496	2,812	3,785	899	-
Total Investments 2023	88,496	49,970	6,203	26,784	5,539

(*) It does not include increases related to the 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 financial years ended December 31, 2024 and 2023, there was only one customer (tk nucera) related to the Electrode Technologies and Energy Transition business segments that generated revenues exceeding 10% of the total, amounting to Euro 215,815 thousand and Euro 209,829 thousand, respectively. For more details, see Note 38.

The table below shows the non-current assets, other than financial assets and deferred tax assets, by geographical area as at December 31, 2024 and 2023, allocated on the basis of the country in which the assets are located.

	As of December 31, 2024				
	Italy	EMEIA, excluding Italy	APAC	AMS	Total
			(in € thousands)		
Intangible assets	4,978	5,740	13,238	92,003	115,959
Property, plant and equipment	68,954	61,646	85,182	76,002	291,784
Other receivables	5,649	70	1,001	83	6,803
Total	79,581	67,456	99,421	168,088	414,546

	As of December 31, 2023				
	Italy	EMEIA, excluding Italy	APAC	AMS	Total
			(in € thousands)		
Intangible assets	5,289	6,020	14,865	89,613	115,787
Property, plant and equipment	50,017	54,269	85,627	64,360	254,273
Other receivables	6,240	36	1,031	53	7,360
Total	61,546	60,325	101,523	154,026	377,420

G. RELATED PARTY TRANSACTIONS

38. 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");
- key executives ("Top Management").

The table below details the statement of financial position values referring to the related party transactions as at December 31, 2024 and 2023:

	Parent company	Associates	Other related parties	Total	Total statement of financial position item	As percentage of Total statement of financial position item
			(in € thousands)			
Other non-current receivables						
As of December 31, 2024	-	-	52	52	6,803	0.8%
As of December 31, 2023	-	-	52	52	7,360	0.7%
Construction contracts						
As of December 31, 2024	-	-	2,350	2,350	44,961	5.2%
As of December 31, 2023	-	-	-	-	39,767	0.0%
Current trade receivables						
As of December 31, 2024	24	43,636	197	43,857	173,522	25.3%
As of December 31, 2023	14	26,474	236	26,724	141,927	18.8%
Other current receivables						
As of December 31, 2024	-	-	7	7	42,079	0.0%
As of December 31, 2023	-	-	18	18	38,391	0.0%
Other non-current payables						
As of December 31, 2024	-	47	-	47	2,870	1.6%
As of December 31, 2023	-	47	-	47	2,231	2.1%
Current trade payables						
As of December 31, 2024	43	210	336	589	116,799	0.5%
As of December 31, 2023	65	732	215	1,012	106,752	0.9%
Other current payables						
As of December 31, 2024	-	52,632	15	52,647	105,807	49.8%
As of December 31, 2023	-	38,603	28	38,631	88,921	43.4%

Transactions with related parties reported in the statement of financial position are related to Associates: they consist of current trade receivables in the amount of Euro 43,636 thousand as at December 31, 2024, compared to Euro 26,474 thousand as at December 31, 2023; these receivables refer mainly to the sale of electrodes under the "Toll Manufacturing and Services Agreement" initially stipulated on April 1, 2015 with tk nucera and subsequently amended. Similarly, other current payables to Associates amounted to Euro 52,632 thousand as at December 31, 2024, compared to Euro 38,603 thousand as at December 31, 2023, almost entirely referred to advances obtained with reference to the aforementioned supply contract, while trade payables amounting to Euro 210 thousand as at December 31, 2023 compared to Euro 732 thousand as of December 31, 2022 are related to the supply of goods and services by tk nucera.

The table below shows the detail of the economic values relating to transactions with related parties for the financial years ended December 31, 2024 and 2023:

	Parent company	Associates	Other related parties	Total	Total income statement item	As percentage of Total income statement item
			(in € thousands)			
Revenue						
For the year ended December 31, 2024	-	215,815	5,181	220,996	862,613	25.6%
For the year ended December 31, 2023	-	209,829	1,808	211,637	856,411	24.7%
Other income						
For the year ended December 31, 2024	76	682	14	772	18,216	4.2%
For the year ended December 31, 2023	58	1,116	-	1,174	14,683	8.0%
Costs for raw materials, consumables, supplies and goods						
For the year ended December 31, 2024	-	2,137	35	2,172	364,860	0.6%
For the year ended December 31, 2023	-	19	183	202	357,991	0.1%
Costs for services						
For the year ended December 31, 2024	71	2,157	191	2,419	183,969	1.3%
For the year ended December 31, 2023	89	1,590	642	2,321	178,330	1.3%
Personnel expenses						
For the year ended December 31, 2024	-	-	3	3	154,523	0.0%
For the year ended December 31, 2023	-	-	3	3	143,982	0.0%
Other operating expenses						
For the year ended December 31, 2024	-	-	25	25	11,861	0.2%
For the year ended December 31, 2023	-	-	10	10	11,104	0.1%

The economic relations with the Associates mainly relate to revenues, amounting to Euro 215,815 thousand in 2024, compared to Euro 209,829 thousand in 2023, mainly arising from the sale of electrodes under the "Toll Manufacturing and Services Agreement" 2023 mentioned above.

Transactions with Top Management, Directors' and Statutory Auditors' fees

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 7,988 thousand in 2024, compared to Euro 5,966 thousand in 2023, of which Euro 3,597 thousand not yet paid as at December 31, 2024.

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

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Short-term employee benefits	6,924	5,416
Post-employment benefits	355	294
Other long-term benefits	4	-
Share-based payment	705	256
Total	7,988	5,966

The incidence of Top Management's remuneration on total personnel expenses was 5.2% in the year ended December 31, 2024 and 4.1% in the year ended December 31, 2023.

With regard to the Board of Directors' and the Statutory Auditors' fees, reference is made to the subsequent paragraph 40.

H. NON-RECURRING EVENTS

39. Non-recurring events

There aren't, in the period under analysis, non-recurring events and operations for which information are required according to CONSOB Communication n. DEM/6064293 of July 28, 2006.

I. DIRECTORS', STATUTORY AUDITORS' AND INDEPENDENT AUDITORS' FEES

40. Directors', Statutory Auditors' and Independent Auditors' fees

Pursuant to article 38 of Italian Legislative Decree 127/91, the fees paid to the directors and Statutory Auditors of the Company for the performance of their duties, and Independent Auditors' fees for the audit of the consolidated financial statements are detailed below:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Fees to Board of Directors	1,281	1,264
Fees to Board of Statutory Auditors	125	125
Fees for the audit of the annual and consolidated financial statements (including the activities carried out on the financial statements prepared for the purposes of consolidation by foreign subsidiaries)	1,624	1,658
Fees for other audit services	236	157
Fees for non-audit services	125	616

J. COMMITMENTS, GUARANTEES, CONTINGENT LIABILITIES, PUBLIC SUBSIDIES

41. Commitments, guarantees, contingent liabilities, public subsidies

Commitments

The Group has not undertaken any off-balance sheet commitments, except for orders for capital expenditures amounting to Euro 30.5 million as at December 31, 2024.

Guarantees

As at December 31, 2024, the following guarantees were in place within the Group:

- the parent company issued bank guarantees on behalf of subsidiaries against credit facilities from Industrie De Nora S.p.A: Euro 24,752 thousand. This item mainly refers to bank guarantees (bid bonds, advance payment bonds, performance bonds) in favor of the Group companies operating in the water treatment segment, according to multi-year contracts;
- the parent company issued guarantees in favor of customers and third-party suppliers (parent company guarantee) to guarantee commitments undertaken by its subsidiaries: Euro 45,683 thousand;
- the parent company has also issued guarantees in favor of banking institutions for the granting of credit facilities in favor of subsidiaries, amounting to Euro 110,294 thousand as at December 31, 2024. The aforementioned credit facilities are used by the subsidiaries for Euro 39,276 thousand in the form of direct guarantees to beneficiaries or counter-guarantees to the credit institutions that have issued the type of bank guarantees already mentioned in the previous paragraph (mainly bid bonds, advance payment bonds and performance bonds);
- furthermore, the company is jointly and severally guarantor with De Nora Tech LLC and De Nora Permelec Ltd. of the share financed in USD of the "Senior Facilities Agreement", granted to the subsidiary De Nora Holdings US on May 5, 2022. The Euro equivalent value of the loan outstanding as at December 31, 2024 amounts to € 38,502 thousand.

Contingent liabilities

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

Public subsidies

The Italian Law no. 124 of August 4, 2017, "Annual law for the market and competition", which entered into force on August 29, 2017, aims to ensure greater transparency in the system of financial relations between public entities and other subjects.

During the financial year, the contributions recognized to the Italian companies of the Group, as per Italian Law No. 124/2017, article 1, paragraph 25, amounted to a total of Euro 198 thousand.

K. RECONCILIATION OF THE RESULT FOR THE YEAR AND EQUITY OF INDUSTRIE DE NORA S.P.A. AND THE GROUP

42. Reconciliation of the result for the year and equity of Industrie De Nora S.p.A. and the Group

The result for the year and equity of the Company are reconciled with those of the Group taken from the consolidated financial statements in the table below:

	For the year ended December 31, 2024	
	Profit of the period	Equity
	(in € thousands)	
As for the financial statements of the parent company	53,521	526,520
Dividends collected by the parent company	(35,550)	-
Equity-accounted investments in jv/associates	4,522	136,804
Adjusted profit of subsidiaries and difference between adjusted equity of the consolidated companies and relevant carrying amount	60,812	290,251
Consolidated entries of the parent company	7	208
As of the consolidated financial statements of the De Nora Group	83,312	953,783

L. EVENTS AFTER THE REPORTING DATE

43. Events after the reporting date

- De Nora has signed two collaboration and research contracts with Saudi companies ACWA Power and Saudi Water Authority on the occasion of bilateral meetings between Italy and the Kingdom of Saudi Arabia. The strategic agreements involving De Nora aim to boost the circular economy, innovation, and energy transition, contributing to Saudi Arabia's Vision and achieving the 2030 goals.

  The first agreement, a Memorandum of Understanding with ACWA Power, a Saudi giant in the desalination and energy sector that includes green hydrogen, involves studying, developing, and applying innovative technologies to improve the efficiency of water treatment systems. Specifically, ACWA Power, a publicly traded company, will focus on solutions to optimize the desalination process and reduce environmental impact.

  The second agreement is with the Saudi Water Authority, the government agency that regulates and oversees the water sector in Saudi Arabia. This collaborative project involves the provision of three pilot plants: the first dedicated to increasing the efficiency of chlorine dioxide for water disinfection, the second to study the treatment of PFAS (per- and polyfluoroalkyl substances), and the third pilot to investigate innovative solutions for the recovery of hydrogen emitted from electro chlorination systems, thus contributing to energy efficiency and sustainability.

- De Nora has signed a contract with a major Japanese player to supply a plant for recovering lithium from used batteries. With its technologies, De Nora will contribute to the circular economy of critical raw materials and the energy transition.

  De Nora actively participates in the lithium battery production chain, providing electrodes and maintenance services for catalytic coatings, for the manufacturing of copper foils used as current conductors in lithium batteries. The growth in demand for lithium batteries faces the limited availability of lithium and the heavy impact of its extraction in terms of carbon footprint; these factors have led to the development of several processes for the recovery of lithium from used batteries, helping to address the issue of the availability of this metal and the carbon footprint of these batteries.

  In detail, De Nora's Japanese subsidiary will provide a cutting-edge plant to recover lithium hydroxide from used batteries in full compliance with the best international practices. De Nora's "end-to-end" solution, fully integrated into the process of recovering almost all of the raw materials used in these batteries, will offer significant advantages over traditional chemical processes, allowing a 30% reduction in water consumption, almost eliminating the use of chemicals, and minimizing waste production. Once operational, the plant will provide lithium in a form directly usable to produce new batteries, thus ensuring a fully circular and sustainable process and consolidating De Nora's commitment to the energy transition.

The project also confirms the centrality of Japan and Asia in the Group's international consolidation and expansion plan: in 2023 with the expansion of plants in China in Suzhou and in 2024 in Japan in Okayama, where a new production line was inaugurated in June."

- De Nora announces that the Science Base Target initiative (SBTi) has validated the company's greenhouse gas (GHG) reduction and use of renewable energy targets for 2030 as science-based and aligned with the United Nations' Paris Agreement to limit the global temperature rise to 1.5 degree Celsius this century.

  Specifically, De Nora, as part of its Sustainability Plan to 2030, launched in December 2023, has set targets of reducing its Scope 1 and Scope 2 GHG emissions by 50% compared to the 2022 baseline and its Scope 3 GHG emissions by 52,00% per Gross profit by 2030 compared to the 2022 baseline. Furthermore, De Nora commits to increasing the active annual sourcing of renewable electricity to 100% by 2030.

Significant events subsequent to the end of the financial year did not have relevant effects on the financial statements.

On behalf of the Board of Directors

The Chief Executive Officer

Paolo Enrico Dellachà

MANAGEMENT'S CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Pursuant provision of article 154-bis, paragraph 5 of the Legislative Decree No. 58/1998 - Testo Unico della Finanza)

The undersigned Paolo Enrico Dellachà and Luca Oglialoro, in their respective capacities as Chief Executive Officer and Manager responsible for preparing the Company's financial reports of Industrie De Nora S.p.A., hereby certify, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:

- the adequacy in relation to the characteristics of the company and
- the effective application of the administrative and accounting procedures for the preparation of the consolidated financial statements as at 31 December 2024.

It is also certified that:

The consolidated financial statements as at 31 December 2024:

- have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the information contained in the accounting ledgers and records;
- provide a true and fair representation of the equity, economic and financial situation of the Issuer and the whole of the companies included in the scope of consolidation.

The Directors' Report includes a fair review of the development and performance of operations and of the position of the issuer and of the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties to which it is exposed.

Milan, 18 March 2025

Paolo Enrico Dellachà
Chief Executive Officer

Luca Oglialoro
Manager responsible for preparing the Company's financial reports

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Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Industrie De Nora SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of De Nora Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2024, the consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity, consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Industrie De Nora SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters	***Auditing procedures performed in response to key audit matters***
Revenues and construction contracts	
Notes to the Consolidated Financial Statements *Part A – General information – Note 2 – "Summary of accounting standards and measurement criteria – "Construction contracts", "Revenue from contracts with customers" and "Estimates and assumptions"* *Part B – Notes to the main financial statements items – Income statement – Note 4 "Revenues"* *Part C – Notes to the main financial statements items – Statement of financial position – Assets – Note 25 "Construction contracts"*	Our audit approach involved, preliminarily, understanding and evaluating the methods and procedures defined by the De Nora Group for the recognition and measurement of revenues in accordance with the requirements of IFRS 15.
Revenue from contracts with customers of the De Nora Group comprises mainly sales of electrodes and systems, post-sales services and revenue from construction contracts mainly referred to water treatment systems. Revenue generated in 2024 amounts to euro 862.6 million and comprises revenue from sales of goods and services for euro 775 million and revenue from construction contracts for euro 87.6 million.	Moreover, we understood and evaluated the internal control system over this area and we planned our tests paying special attention to the existence and cut-off of transactions for the sale of goods and services and to the accuracy of estimation of the percentage of completion for construction contracts.
Revenue is recognised in accordance with IFRS 15 – "Revenue from contracts with customers", when control of the goods or services is transferred to the customer. The contractual obligation of revenue from sales of electrodes, systems and post-sales services is generally satisfied at a point in time when the customer obtains control of the promised assets, whereas the contractual obligation of revenue from construction contracts is satisfied over time. Revenue from construction contracts is recognised along the duration of each project based on its percentage of completion. The percentage of completion of each project is determined on the basis of the costs incurred	As part of the activities performed: - for the main revenue streams, identified on the basis of IFRS 15, we understood and evaluated the relevant controls implemented by the De Nora Group and validated some of them; - we verified the correct recognition of revenue through analyses, on a sample basis, of the documentation supporting sales transactions and of the clauses governing the various contractual obligations; - we verified, for a sample of sales transactions, the correct recognition of revenue cut-off, through analyses of the supporting documentation; - we performed, on a sample basis, external confirmation procedures of trade receivables; - we analysed, on a sample basis, the

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
compared to the total costs incurred and to be incurred to complete the project. The correct recognition of construction contracts from projects that are not yet complete assumes, among other things, the correct estimation of the costs to complete, of the effects of any contract modifications and of any extra costs and penalties that could modify the estimated margin. Revenue from contracts with customers is a key audit matter for the consolidated financial statements both in consideration of the materiality of the financial statements line item and the number of underlying transactions, and due to the complexity that may affect the process of estimation of the percentage of completion.	correct recognition of returns and credit notes issued and the related year-end accruals; - we analysed the determination of the percentage of completion through recalculation and analyses, on a sample basis, of documentation supporting the contract values of construction contracts, the costs incurred up to the reporting date, and the estimated costs to complete the project. For the purposes of this analysis we also took into account information on events subsequent to the reporting date and held critical discussions with the managers of individual projects to obtain additional supporting evidence; - we verified, on a sample basis of construction contracts, the deviation between the estimated costs to complete the project and the actual costs incurred (ie retrospective review), evaluating the effectiveness of management's estimation process; - we verified, on a sample basis, the correct recognition of construction contracts open at year end and their correct presentation in the statement of financial position of construction contracts assets and liabilities; - we verified the accuracy and completeness of disclosures in the notes to the consolidated financial statements.
Assessment of the recoverability of non-current assets *Notes to the Consolidated Financial Statements* *Part A General Information - Note 2 – "Summary of accounting standards and measurement criteria" –"Impairment of goodwill, property, plant and equipment and intangible assets and right-of-use assets" and "Estimates and assumptions"*	

Key Audit Matters	***Auditing procedures performed in response to key audit matters***
Part C – Notes to the main financial statements items – Statement of financial position – Assets – Note 18 “Goodwill and intangible assets” and Note 19 “Property, plant and equipment” De Nora Group non-current assets comprise intangible assets including goodwill for euro 116 million and property, plant and equipment for euro 291.8 million. Those items are measured at cost. Based on IAS 36 “Impairment of assets”, property, plant and equipment and intangible assets with finite useful lives are tested for impairment when indicators exist that there may be difficulties in recovering the related net book values through use. Goodwill and indefinite-lived intangible assets recoverability, instead, is assessed through impairment tests performed at least annually. The recoverable amount of an asset is the higher of fair value less costs of disposal and value in use, which is determined by discounting to present value the estimated future cash flows expected to be derived from the asset, including, if significant and reasonably determinable, those from the sale of the asset at the end of its useful life, less any costs of disposal. In determining value in use, the estimated future cash flows are discounted to present value using a discount rate that reflects current market assessments of the time value of money, referred to the period of the investment, and the risks specific to the asset. Specifically, the configuration of recoverable amount adopted by the Company is value in use, determined by discounting to present value the forecast cash flows of the cash generating units (CGUs) or groups of CGUs, for the period of three years after the reporting date, based on the business plan 2025-2027 approved by the Board of Directors on 18 March 2025, and adding a terminal value. The	We performed analyses to understand and evaluate internal controls over management’s evaluations in this area. We verified the analyses performed by management for the identification of impairment indicators. This was performed also through an analysis of the current year performance versus business plans, of the revised financial projections and through critical discussion with management involved in the valuation process. Where impairment indicators were identified, for the asset with defined useful life, and for the impairment testing of goodwill and indefinite lived assets, we obtained an understanding of the valuation criteria adopted by the directors and verified their application in the process of determining the recoverable amount. We verified the adequacy of the impairment testing model used in accordance with IAS 36 requirements and evaluation practices. We assessed the estimation of the recoverable amount performed by management, also through the involvement of experts from the PwC network, verifying the reasonableness of the most relevant financial projections used to determine the future cash flows of the CGUs/groups of CGUs, of the discount rates applied, of the terminal value. We also verified the mathematical accuracy of the impairment testing model and of CGU/groups of CGUs book value. We verified the deviation between financial projections made in previous years and actual results (ie retrospective review), evaluating the effectiveness of management’s estimation process. Moreover, we performed sensitivity analyses for the most significant

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
key assumptions used to determine the forecast cash flows of the cash generating units (CGUs) or groups of CGUs are the estimated growth levels of turnover, EBITDA, operating cash flows, perpetual growth rate and weighted average cost of capital (discount rate), taking into consideration past earnings and financial performance and future expectations. In the year, euro 0.9 million impairment losses were recognised on tangible assets. As a result of the test, no further impairment losses were noted. The assessment of recoverability of the carrying amounts of non-current assets was a key audit matter for the consolidated financial statements because of the relevance of the amounts involved and the complexity of the process of estimating the recoverable amounts of the CGUs or groups of CGUs as those amounts are based on valuation assumptions that are affected by economic and market conditions subject to uncertainties.	assumptions. Finally, we verified the accuracy and completeness of disclosures in the notes to the consolidated financial statements.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Industrie De Nora SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

Among the matters communicated to those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) 537/2014

In the shareholders general meeting of Industrie De Nora SpA held on 18 February 2022 we were engaged to perform the audit of the Company's consolidated and separate financial statements for the years ending 31 December 2022 to 31 December 2030.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) 537/2014 and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

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Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Delegated Regulation (EU) 2019/815

The directors of Industrie De Nora SpA are responsible for the application of the provisions of Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Delegated Regulation") to the consolidated financial statements as of 31 December 2024, to be included in the annual report.
We have performed the procedures specified in auditing standard (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.
In our opinion, the consolidated financial statements as of 31 December 2024 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Delegated Regulation.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree 39/10 and with article 123-bis, paragraph 4, of Legislative Decree 58/98

The directors of Industrie De Nora SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of De Nora group as of 31 December 2024, including their consistency with the relevant consolidated financial statements and their compliance with the law.
We have performed the procedures required under auditing standard (SA Italia) 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/98, with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section on the consolidated sustainability reporting, and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/98 are consistent with the consolidated financial statements of De Nora group as of 31 December 2024.
Moreover, in our opinion, the report on operations, excluding the section on the consolidated sustainability reporting, and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Our opinion on compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability reporting. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 2020/852 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree 39/10.

Milan, 3 April 2025

PricewaterhouseCoopers SpA

Signed by

Francesco Ronco
(Partner)

As disclosed by the directors, the accompanying consolidated financial statements of Industrie De Nora SpA constitute a non-official version which is not compliant with the provisions of the Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

04

SEPARATE FINANCIAL STATEMENTS

Statement of Financial Position

Assets	Notes	12/31/2024	Of which related parties	12/31/2023	Of which related parties
Non-current assets					
Intangible Asset	16	1,660,736		1,665,659	
Tangible Asset	17	5,352,083		5,694,384	
Investments in subsidiary and associated companies	18	353,203,352		337,563,611	
Financial assets, including derivatives	19	8,422,370	8,422,370	12,669,683	12,669,683
Other receivables	20	3,880,387		5,153,907	
Deferred tax assets	21	1,200,472		1,291,895	
Total non-current assets		373,719,400		364,039,139	
Current assets					
Financial assets, including derivatives	19	96,748,254	96,613,695	112,893,836	112,444,224
Trade receivables	22	74,572,648	74,566,485	56,877,551	56,817,141
Other receivables	20	19,677,918	2,180,296	23,285,372	2,545,469
Cash and cash equivalents	23	94,846,008		86,067,346	
Total current assets		285,844,828		279,124,105	
Total assets		659,564,228		643,163,244	

Liabilities	Notes	12/31/2024	Of which related parties	12/31/2023	Of which related parties
Equity					
Share capital		18,268,204		18,268,204	
Legal reserve		3,653,641		3,653,641	
Share premium		223,405,028		223,432,730	
Other reserves		227,672,603		196,622,851	
Profit /(Loss) for the period		53,520,504		80,386,406	
Total Equity	24	526,519,980		522,363,832	
Non-current liabilities					
Employee benefits	25	3,847,430		3,647,068	
Financial liabilities, net of current portion	26	81,764,389		82,006,275	
Other payables	29	232,748		168,284	
Total non-current liabilities		85,844,567		85,821,627	
Current liabilities					
Provisions for risks and charges	27	3,305,730		0	
Financial liabilities, current portion	26	10,994,853	10,218,200	3,578,947	3,156,057
Trade payables	28	14,131,507	7,601,166	14,947,453	8,440,500
Income tax payable	29	9,926,914	867,227	10,405,731	1,808,891
Other payables	30	8,840,677		6,045,655	
Total current liabilities		47,199,681		34,977,786	
Total equity and liabilities		659,564,228		643,163,245	

Income Statement

	Notes	2024	Of which related parties	2023	Of which related parties
			(in €)		
Other income	4	82,507,844	77,020,290	79,702,865	78,897,265
Costs for raw materials, consumables, supplies and goods	5	(1,019,456)	(166,267)	(1,320,112)	(367,187)
Personnel expenses	6	(19,752,580)	(696,409)	(16,885,995)	(262,164)
Costs for services	7	(32,717,435)	(9.061.606)	(31,504,621)	(10,518,116)
Other operating expenses	8	(614,938)		(1,182,444)	
Amortization and depreciation	9	(1,741,259)		(1,721,207)	
Impairment (losses)/revaluations and provisions for risks and charges	10	(3,305,730)		-	
Operating profit		23,356,446		27,088,486	
Income from Equity investments	11	35,550,000	35,550,000	59,094,777	36,300,000
Finance income	12	16,364,284	6,845,469	10,691,240	6,116,822
Finance expenses	13	(11,225,264)	(411,320)	(10,085,036)	(404,101)
Profit before tax		64,045,466		86,789,467	
Income tax expense	14/15	(10,524,962)		(6,403,061)	
Profit/(Loss) for the period		53,520,504		80,386,406	
Profit (losses) from discontinuing operations		-		-	
Profit/(Loss) for the period		53,520,504		80,386,406	

Statement of Comprehensive Income

	2024	2023
	(in €)	
Profit/(Loss) for the period	53,520,504	80,386,406
Items that will not be reclassified to profit or loss:		
Actuarial reserve	(51,724)	(69,736)
Tax effect	12,414	16,737
Total items that will not be reclassified to profit or loss, net of the tax effect (A)	(39,310)	(52,999)
Profit/(Loss) of comprehensive income for the period	53,481,194	80,333,407

Cash Flow Statement

	Notes	2024	of which related parties	2023	of which related parties
			(in €)		
Cash flows from operating activities					
Profit for the period		53,520,504		80,386,406	
Adjustments for:					
Amortization and depreciation	9	1,741,259		1,721,207	
Share based payments	6	696,409	696,409	262,164	262,164
Finance expenses	13	11,225,264	411,320	10,085,036	404,101
Finance income	12	(16,364,284)	(6,845,469)	(10,691,240)	(6,116,822)
Dividends	11	(35,550,000)	(35,550,000)	(59,094,777)	(59,094,777)
(Gains) losses on the sale of property, plant and equipment and intangible assets	8	(2,964,182)		(850)	
Income tax expense	14/15	10,524,962		6,403,061	
Other non-monetary components		5,781		-	
Change in trade receivables and other receivables	20/22	(8,465,078)	(17,384,171)	(18,266,768)	(15,229,624)
Change in trade payables and other payables	28/30	(8,841,209)	1,780,998	837,459	(3,840,906)
Change in provisions and employee benefits	25	3,454,368		(49,763)	
Cash flows generated by operating activities		8,983,794		11,591,935	
Interest and net other finance expenses paid	13	(10,397,900)	(411,320)	(6,546,305)	(404,101)
Interest and net other finance income collected	12	12,194,140	6,845,469	7,449,373	2,917,461
Income tax paid		(867,248)		938,079	
Net cash flows generated (used in) by operating activities		9,912,786		13,433,082	
Cash flows from investing activities					
Investments in tangible assets	17	(632,232)		(1,098,745)	
Divestments in tangible assets	17	5,000		-	
Investments in intangible assets	16	(650,591)		(125,192)	
Divestments in intangible assets	16	3,000,000		-	
Investments in subsidiaries	18	(15,300,000)	(15,300,000)	(15,700,000)	(15,700,000)
Investments in equity accounted investees	18	-		26,841,300	26,841,300
Investments in financial activities	19	20,392,895	20,077,842	86,188,739	(50,834,980)
Dividends collected	11	35,550,000	35,550,000	36,300,000	36,300,000
Net cash flows used in investing activities		42,365,072		132,406,102	
Cash flows from financing activities					
Dividends paid		(24,438,276)		(24,202,221)	
Share buyback		(26,016,178)		(17,041,717)	
Repayments of loans	26	-		(100,005,715)	
Increase (decrease) in other financial liabilities	26	7,389,985	7,062,143		
Lease instalments paid	26	(434,728)	(337,248)	(453,159)	(344,590)
Net cash flows generated by (used in) financing activities		(43,499,197)		(141,702,812)	
Net increase (decrease) in cash and cash equivalents		8,778,661		4,136,372	
Opening cash and cash equivalents	23	86,067,346		81,930,974	
Closing cash and cash equivalents	23	94,846,007		86,067,346	

Statement of Changes in Equity

(In €)	Share capital	Legal reserve	Share premium	Revaluation reserve ex art. 55 DPR 497	Fair value reserve - Cash flow hedges	Retained earnings	Actuarial gain/ losses reserve	IFRS Reserve	Other reserves	Reserve for treasury shares	Profit for the period	Total Equity
Distributable reserves	B	B	ABC	B	AB	ABC	B		ABC		ABC	
Balance as of December 31, 2022	18,268,204	3,357,345	223,432,730	264,760	-	202,696,499	(217,512)	7,166,735	16,044,651	-	11,814,300	482,827,712
Transactions with shareholders:												
Allocation of profit for 2022	-	296,296	-	-	-	11,518,004	-	-	-	-	(11,814,300)	-
Share capital increase	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	(24,202,221)	-	-	-	-	-	(24,202,221)
Shares buyback	-	-	-	-	-	-	-	-	-	(17,041,717)	-	(17,041,717)
Other movements	-	-	-	-	-	-	-	-	446,650	-	-	(16,595,067)
Comprehensive income statement:												
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	-	-	80,386,406	80,386,406
Revaluation of net (liabilities)/ assets on the defined benefit obligation	-	-	-	-	-	-	(52,999)	-	-	-	-	(52,999)
Effective portion of the change in fair value of financial instruments hedging cash flows	-	-	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2023	18,268,204	3,653,641	223,432,730	264,760	-	190,012,282	(270,511)	7,166,735	16,491,301	(17,041,717)	80,386,406	522,363,831

A=Share Capital increase
B=Loss coverage
C=Distribution to Shareholder

(In €)	Share capital	Legal reserve	Share premium	Revaluation reserve ex art. 55 DPR 497	Fair value reserve – Cash flow hedges	Retained earnings	Actuarial gain/ losses reserve	IFRS Reserve	Other reserves	Reserve for treasury shares	Profit for the period	Total Equity
Distributable reserves	B	B	ABC	B	AB	ABC	B		ABC		ABC	
Balance as of December 31, 2023	18,268,204	3,653,641	223,432,730	264,760	-	190,012,282	(270,511)	7,166,735	16,491,301	(17,041,717)	80,386,406	522,363,831
Transactions with shareholders:												
Allocation of profit for 2023	-	-	-	-	-	80,386,406	-	-	-	-	(80,386,406)	-
Share capital increase	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	(24,438,276)	-	-	-	-	-	(24,438,276)
Shares buyback	-	-	-	-	-	-	-	-	-	(25,895,217)	-	(25,895,217)
Other movements	-	-	(27,702)	-	-	-	-	-	1,036,150	-	-	1,008,448
Comprehensive income statement:												
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	-	-	53,520,504	53,520,504
Revaluation of net (liabilities)/ assets on the defined benefit obligation	-	-	-	-	-	-	(39,310)	-	-	-	-	(39,310)
Effective portion of the change in fair value of financial instruments hedging cash flows	-	-	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2024	18,268,204	3,653,641	223,405,028	264,760	-	245,960,412	(309,821)	7,166,735	17,527,451	(42,936,934)	53,520,504	526,519,980

A=Share Capital increase
B=Loss coverage
C=Distribution to Shareholder

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

A. GENERAL INFORMATION

1. The Company

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

IDN S.p.A. is not subject to management and coordination by companies or entities and defines its general and operational strategic guidelines in full autonomy. Pursuant to article 2497 bis of the Italian Civil Code, the Italian subsidiaries have identified IDN S.p.A. as the entity that exercises management and coordination; this activity consists in indicating the group's general and operational strategic guidelines and takes the form of defining and adapting the internal control system and the governance model and corporate structures.

IDN S.p.A. is the holding company of the De Nora Group (hereinafter also the "Group") where the corporate structures and services are centralized. The De Nora Group was founded by the engineer Oronzio De Nora and with more than 100 years of experience working in the electrochemical sector, it is today considered to be a world leader in the supply of electrodes for the electrochemical industry. The Group is also active in the design and supply of technologies for water treatment and disinfection, and is committed to developing solutions for the energy transition, particularly holding a prominent position in supplying technologies for hydrogen production through water electrolysis. The Company controls and coordinates intellectual property and makes decisions regarding the approach to the markets and which product portfolio and production strategies are to be adopted. The other corporate functions, providing services to the various Group companies, are centralized at IDN S.p.A.: Administration, Finance and Control, Legal, Information and Communications Technology, Marketing, Business Development and Product Management, Global Operations, Production Technologies, Global Procurement and Human Resources.

2. Statement of compliance with international accounting standards

These separate Financial Statements (hereinafter also the "Financial Statements") have been prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB) and adopted by the European Union, hereinafter referred to as IFRS.

These financial statements have also been prepared in compliance with the implementation regulations issued in Article 9, paragraph 3, of Italian Legislative Decree no. 38 of February 28, 2005.

The data in these financial statements are compared with the data in the financial statements of the previous year, which have been drawn up and if necessary restated with the same criteria.

The financial statements comprise the mandatory financial schedules (statement of financial position, income statement, statement of comprehensive income, cash flow statement, and statement of changes in equity) and are accompanied by these notes.

Industrie De Nora S.p.A., in its capacity as the parent company, has also prepared the consolidated financial statements of the Group as at December 31, 2024.

The 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 Company's ability to meet its obligations in the foreseeable future and in particular in the next 12 months.

The assessments made confirm that the Company is able to operate in compliance with the going concern assumption and in compliance with financial covenants.

These Financial Statements are subject to statutory audit by PricewaterhouseCoopers S.p.A. on the basis of the mandate conferred by the Shareholders' Meeting of February 18, 2022.

These financial statements are expressed in Euro, the Company's functional currency.

Changes in accounting standards

With regard to the illustration of the accounting standards, amendments and interpretations that entered into force and applied starting from January 1, 2024, as well as of the accounting standards, amendments and interpretations not yet applicable, please refer to the corresponding paragraph in the Notes to the consolidated financial statements of IDN S.p.A.

The adoption of the standards, amendments and interpretations that entered into force and applied starting from January 1, 2024, had no impact on the separate financial statements of IDN S.p.A. closed as at December 31, 2024.

With regard to the new standards, amendments and interpretations that are not yet applicable, preliminary analyses have shown that the impact on the separate financial statements of IDN S.p.A. is not significant. The company is assessing the impacts arising from the application of the new IFRS 18.

3. Summary of accounting standards and measurement criteria

The accounting standards and measurement criteria adopted are the same as those used in the preparation of the Consolidated Financial Statements, to which reference should be made, with the exception of the principles set out below.

Equity investments

Equity investments in subsidiaries, jointly controlled companies and associated companies, other than those held for sale, are valued at purchase cost.

In the presence of events that lead to the presumption of a reduction in value, the recoverability of the book value of the investments is verified by comparing the carrying value with the relative recoverable value represented by the greater of fair value, net of disposal costs, and value of use.

If the aforementioned verification reveals a book value higher than the recoverable value, the relative investment is written down to the recoverable value.

If the reasons for write-downs cease to apply, investments valued at cost are revalued within the limits of the write-downs carried out, with the effect charged to the income statement under "Income/charges from equity investments".

The risk deriving from any losses exceeding the Equity is recognized in a specific provision to the extent that the investor is committed to fulfilling legal or implicit obligations towards the investee company or in any case to cover its losses.

Income from dividends is recognized in the Income Statement when the right to collection arises, which normally corresponds to the Shareholders' resolution for their distribution, regardless of whether such dividends derive from profits before or after the acquisition of the investee companies. The distribution of dividends to Shareholders is recorded as a liability in the Company's financial statements at the time the distribution of such dividends is approved.

Use of estimates

The preparation of the financial statements and related notes in accordance with IFRS requires that management make estimates and assumptions with an effect on the carrying amounts of recognized assets and liabilities and on disclosures relating to contingent assets and liabilities at the reporting date. The estimates and assumptions used are based on past experience and other relevant factors. Actual results could differ from such estimates. The estimates and assumptions are periodically revised and the effects of any changes made are taken to income statement when the estimate is revised, if the revision has effects on that period alone, or in subsequent periods if it has effects on both the current and future periods.

A summary is provided below of the critical measurement processes and key assumptions used by Management in the application of accounting standards relating to the future and which could significantly impact carrying amounts or which could entail significant adjustments to the carrying amount of assets and liabilities in the year after the reporting date.

Determination of the fair value of share-based payments

The company assesses these plans on the basis of uncertain events and valuation assumptions that include volatility, dividend yield and risk-free rates. The Company makes use of valuations carried out by external specialists to determine the fair value of share based employee payments, requesting its determination at the grant date, using estimates and assumptions linked to the Group's future plans and to the use of suitable valuation techniques.

Recoverable amount of non-current assets

Non-current assets include plant and machinery, investment property, intangible assets, equity investments and other financial assets. These assets are subject to assessment in order to ascertain whether an impairment has occurred when there are indicators that suggest difficulties in recovering the related net book value through use. Assessment of the existence of the aforementioned indicators requires directors to make subjective assessments based on information available from both internal and external sources, as well as on historical experience. Furthermore, if it is determined that a potential impairment may have been generated, this is determined by using valuation techniques deemed suitable. The correct identification of the indicators of potential impairment, as well as the estimates for its determination, depend on subjective assessments as well as on factors that may vary over time, affecting the assessments and estimates made by management.

Deferred tax assets and liabilities

The Company recognizes current and deferred tax assets and liabilities in accordance with the applicable legislation. The recognition of taxes requires the use of estimates and assumptions relating to how to interpret the applicable regulations concerning transactions performed in the year and their effect on taxes. Furthermore, the recognition of deferred tax assets requires the use of estimates relating to the forecast taxable income and their developments, as well as the tax rates that are effectively applicable. These activities are carried out on the basis of analyses of transactions and their tax profiles, with the support, where necessary, of external advisors in relation to the various issues addressed and using simulated prospective income and sensitivity analyses.

Provisions for risks and charges and potential liabilities

The Company is subject to legal and tax disputes that could create complex and difficult issues, and which present varying degrees of uncertainty, including the events and circumstances relating to each dispute, the jurisdiction and the different applicable laws.

Given the uncertainties of these issues, it is difficult to predict with any certainty the amount of expenditure that could arise as a result of the disputes.

Accordingly, on the basis of its legal advisors and legal and tax experts, Management recognizes a liability in relation to these disputes when it believes that a financial outlay is probable and when the amount of the related losses can be reasonably estimated. When the directors believe that the occurrence of a liability is only possible, the risks are indicated in the specific information note on commitments and risks, without giving rise to any provision.

Useful life of property, plant and equipment and of intangible assets

The useful life is determined at the time of recording the asset in the financial statements and reviewed at least at the end of each financial year. Valuations on the duration of the useful life are based on historical experience, on market conditions and on the expectations of future events that could affect the useful life itself, including technological changes. As a result, it is possible that the actual useful life may differ from the estimated useful life.

B. NOTES TO THE MAIN FINANCIAL STATEMENTS ITEMS - INCOME STATEMENT

All values are expressed in thousands, unless otherwise indicated.

4. Other income

It amounts to € 82,508 thousand, an increase of € 2,805 compared to 2023, and is made up as follows:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Research expenses recharges	165	172
R&D grants	1,128	796
Intercompany recharges	69,752	71,233
Other income	11,463	7,502
Total	82,508	79,703

The item "Research expenses recharges" includes charge-backs of research costs to thyssenkrupp nucera Italy S.r.l. for € 15 thousand, to the subsidiaries De Nora Deutschland GmbH for € 78 thousand and De Nora Water Technologies Italy S.r.l. for € 39 thousand; in addition to patent assistance activities for the companies De Nora Water Technologies LLC, De Nora Water Technologies UK Services Limited and De Nora Holdings US Inc for a total of € 33 thousand.

The item "R&D grants" includes operating grants for European Community research projects for € 782 thousand and the operating grant for the tax credit pursuant to Italian Law Decree no. 145 of December 23, 2013 for € 346 thousand.

The item "Intercompany recharges" includes revenues from subsidiaries for services provided by the corporate functions for € 23,379 thousand and for licenses for the use of patents, trademarks and know-how for € 46,373 thousand.

"Other income" mainly includes recharges to subsidiaries for activities other than those related to multi-year contracts mentioned in the previous line and gains on sale of patents amounting to € 2,959 thousand.

5. Raw materials, supplies, consumables and goods

They amount to € 1,019 thousand, with a decrease of € 301 thousand, and are made up as follows:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Consumables and supplies	1,019	1,317
Packaging material	0	3
Total	1,019	1,320

Consumables mainly refer to purchases relating to Research and Development activities.

6. Personnel expenses

They amount to € 19,753 thousand, with an increase of € 2,867 thousand compared to 2023, and are made up as follows:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Wages and salaries	14,689	12,474
Management Incentive Plan MIP	-	0
Performance Share Plan PSP	696	262
Social security contributions	3,334	3,211
Post-employment benefits	955	889
Other personnel expenses	79	50
Total	19,753	16,886

The PSP Incentive Plan item relates to the Performance Share Plan (PSP), accounted for on the basis of IFRS 2 (approved by the Company's corporate bodies) that provides for the assignment to a certain number of beneficiaries, identified in the regulation itself, of rights of subscription of ordinary shares of the Company based on the achievement of performance objectives. The launch of the PSP formally took place on October 14, 2022 with a multi-year vesting period and pay-out expected between 2025 and 2027. The fair value measurement of the PSP for the 2022-2024 cycle, totaling € 1,854 thousand, was carried out according to a Monte Carlo method on the basis of the following parameters and assumptions:

- the risk-free rate used was obtained from the zero-coupon government bond yield of the European Central Bank ("ECB") as at the performance period end date and is equal to 1.85%;
- the volatility of De Nora shares was estimated at 35.1%, based on the three-year time series of the comparable companies included in the STOXX Europe 600;
- the dividend yield was estimated at 0.74%;
- the lack of marketability was estimated at 15%;
- participants are not expected to leave the group;
- correlation: on the basis of the time series of daily returns with a depth of 3 years, the correlation matrix between the companies included in the STOXX Europe 600 and De Nora.

The rights outstanding as of December 31, 2024, in relation to the PSP for the 2022-2024 cycle amount to 107,193, which can be increased up to 203,790.

On October 31, 2023, a new PSP Incentive Plan was announced with a multi-year vesting period and pay-out expected between 2026 and 2028. The total number of attributable rights is 103,218, which could increase to 197,632. The fair value measurement of the PSP for the 2023-2025 cycle, totaling € 1,110 thousand, was carried out according to a Monte Carlo method on the basis of the following parameters and assumptions:

- the risk-free rates used were obtained from the zero-coupon government bond yields of the European Central Bank ("ECB") for a duration of 2.17, 3.17 and 4.17 years, respectively, and are equal to 2.97% for the tranche with vesting on January 1, 2026, 2.77% for the tranche with vesting on January 1, 2027, and

2.66% for the tranche with vesting on January 1, 2028, respectively;

- the volatility of De Nora shares was estimated at 34.2%, based on the three-year time series (until October 31, 2023) of the comparable companies included in the STOXX Europe 600;
- the dividend yield was estimated at 0.94%;
- the lack of marketability was estimated using the Finnerty model and applied to the tranches with vesting on January 1, 2027 and vesting on January 1, 2028 and is respectively 7.7% and 10.7%;
- participants are not expected to leave the group;
- correlation: on the basis of the time series of daily returns with a depth of 3 years, the correlation matrix between the companies included in the STOXX Europe 600 and De Nora. The average correlation is 16.3%.

The rights outstanding as of December 31, 2024, in relation to the PSP for the 2023-2025 cycle amount to 94,454, which can be increased up to 181,846.

On October 2, 2024, a new PSP Incentive Plan was announced with a multi-year vesting period and pay-out expected between 2027 and 2029. The number of attributable rights is 153,666, which could increase to 295,154. The fair value measurement of the PSP for the 2024-2026 cycle, totaling € 954 thousand, was carried out according to a Monte Carlo method on the basis of the following parameters and assumptions:

- the risk-free rates used were obtained from the zero-coupon government bond yields of the European Central Bank ("ECB") for a duration of 2.25, 3.25 and 4.25 years, respectively, and are equal to 1.96% for the tranche with vesting on January 1, 2027, 1.85% for the tranche with vesting on January 1, 2028, and 1.88% for the tranche with vesting on January 1, 2029, respectively;
- the volatility of De Nora shares was estimated at 35.92%, based on the three-year time series (until October 2, 2024) of the comparable companies included in the STOXX Europe 600;
- the dividend yield was estimated at 1.08%;
- the lack of marketability was estimated using the Finnerty model and applied to the tranches with vesting on January 1, 2028 and vesting on January 1, 2029 and is respectively 8.1% and 11.2%;
- participants are not expected to leave the group;
- correlation: on the basis of the time series of daily returns with a depth of 3 years, the correlation matrix between the companies included in the STOXX Europe 600 and De Nora. The average correlation is 24.92%.

The charge posted in the income statement under personnel expenses for the three plans described above, amounting to € 696 thousand, was recognized with a corresponding balancing entry in Other reserves in Equity; likewise, the residual amount of € 340 thousand, relating to personnel of other Group companies, was recognized as an increase in the carrying value of the corresponding investments, with a corresponding balancing entry in Other reserves in Equity.

The following table compares the number of employees in the financial years 2024 and 2023.

	Employees at		Average per year	
	12/31/2024	12/31/2023	2024	2023
Executives	19	20	19	20
Managers	34	34	33	32
White-collar workers	99	88	93	87
Blue-collar workers	1	1	1	1
Total	153	143	146	140

7. Costs for services

They amount to € 32,717 thousand, with an increase of € 1,212 thousand, and are made up as follows:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Consultancies:		
- Production and technical assistance	2,347	2,192
- Commercial	80	337
- Legal and tax	1,170	835
Utilities	223	235
Maintenance	352	357
Travel expenses	1,111	1,207
R&D	1,451	1,321
Statutory Auditors' fees	98	98
Directors' compensation	1,271	1,264
Insurance	610	670
Rents and other lease expenses	703	594
Commissions and royalties	189	83
Freight	79	140
Waste disposal, office cleaning and security	107	69
Patents and trademarks	674	687
Canteen, training and other personnel expenses	813	968
Intercompany Services	5,900	5,819
HW, SW Maintenance and ICT consultancies	9,906	8,652
Telephone and communication expenses	545	537
Other	5,088	5,440
Total	32,717	31,505

8. Other operating expenses

They amount to € 615 thousand, with an decrease of € 568 thousand compared to 2023, and are made up as follows:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Indirect taxes and duties	190	779
Loss on sale of non-current assets	-	0
Other expenses	425	404
Total	615	1,183

Indirect taxes mainly include CONSOB Supervisory Contributions for € 80 thousand and non-deductible VAT 2023 pro rata for € 65.

Other expenses mainly include previous years expenses.

9. Amortization and depreciation

It amounts to € 1,741 thousand, with an increase of € 20 thousand compared to 2023, and is made up as follows:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Depreciation of buildings, plant and machinery and other assets (A)	682	518
Leasehold Improvements	1	2
Plants and machinery	598	436
Other assets	83	80
Amortization of rights of use of property, plant and equipment (B)	444	475
Industrial buildings	349	368
Other assets	95	107
Amortization of intangible assets with a finite life (C)	615	728
Industrial patents and intellectual property rights	615	728
Total (A)+(B)+(C)	1,741	1,721

10. Impairment (losses)/ revaluations of non-current assets and Provisions

In 2024, there are provisions and releases of funds for € 3,305 thousands; not present in 2023.

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Provisions (Releases) to the bad debt provision	(1)	-
Provisions (Releases) for legal disputes and complaints	193	-
Provisions (Releases) for tax related risks	3,113	-
Total	3,305	-

During the fiscal year, following evaluations on complex tax issues, it was decided to set aside a fund of 3 million euros to cover the related risk.

11. Income and expenses from equity investments

They amount to € 35,550 thousand and refer to dividends received during the year from subsidiaries, particularly € 29,200 thousand from Oronzio De Nora International BV and € 6,350 thousand from De Nora Italy S.r.l. There is a decrease of € 23,545 thousand compared to 2023, due to the capital gain from the sale of investments in associated companies realized in the previous year, amounting to € 22,795 thousand from the 'greenshoe option' under which Industrie De Nora sold 1,342,065 shares as part of the IPO of thyssenkrupp nucera AG & Co. KGaA.

12. Finance income

It amounts to € 16,364 thousand, an increase of € 5,673 thousand compared to 2023, and is broken down as follows:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Interest income on loans and cash pooling	6,845	6,117
Interests income on bank accounts	2,239	2,720
Exchange rate gains	7,280	1,819
Other Finance income	0	1
Positive fair value of derivatives	0	34
Total	16,364	10,691

Interest income on loans and cash pooling is exclusively from subsidiaries De Nora Holdings US, Inc. for € 2,821 thousand, De Nora Tech. Inc. for € 1,585 thousand, De Nora Water Technologies FZE for € 40 thousand, De Nora Do Brasil Ltda for € 557 thousand, De Nora Deutschland GmbH for € 511 thousand, De Nora Water Technologies UK Services Limited for € 29 thousand, Capannoni S.r.l. for € 987 thousand and De Nora Water Technologies Italy S.r.l. for € 316 thousand.

13. Finance expenses

They amount to € 11,225 thousand, with an increase of € 1,140 thousand compared to 2023, and are made up as follows:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Bank interest and interest on loans and borrowings	4,127	5,523
Exchange rate losses	6,042	3,616
Finance expenses on personnel costs	77	85
Other Finance expenses	229	861
Negative fair value of derivatives	750	0
Total	11,225	10,085

The decrease in bank and loan interest expenses is related to the decrease in average bank debt compared to the previous year.

There are also higher costs for the adjustment of derivative instruments not present in the previous year.

14. Income tax expense

Income tax expense for the years ended December 31, 2024 and 2023 is detailed below:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Current taxes	9,585	7,017
Deferred taxes	104	(852)
Prior years taxes	836	238
Total	10,525	6,403

15. Reconciliation of the effective tax rate

	For the year ended December 31			
	2024		2023	
	(in € thousands, except percentages)			
Profit for the period		53,521		80,386
Income tax expense		10,525		6,403
Profit before tax		64,046		86,789
Income tax expense at Italian nominal tax rate	24.00%	15,371	24.00%	20,829
IRAP effect	2.55%	1,635	1.75%	1,523
Tax effect of non-deductible expense	4.51%	2,887	1.78%	1,545
Tax effect of non-taxable revenue (excluding dividends)	(3.11%)	(1,994)	(7.64%)	(6,630)
Tax effect on dividends	(13.20%)	(8,456)	(9.92%)	(8,612)
Tax benefits	(0.13%)	(83)	(0.52%)	(450)
Other	1.82%	1,165	0.64%	552
Losses carried forward	0.00%	-	(2.71%)	(2,354)
Total	16.43%	10,525	7.38%	6,403

The item "Tax effect of non-taxable revenue" of 2023 also includes the tax effect of the capital gain from the disposal of the shareholding described in paragraph 11.

C. NOTES TO THE MAIN FINANCIAL STATEMENTS ITEMS - STATEMENT OF FINANCIAL POSITION - ASSETS

16. Intangible assets

Intangible assets as at December 31, 2024 amounted to € 1,661 thousand, with a decrease in net value of € 4 thousand compared to the previous year due to net investments of approximately € 595 thousand and net amortization of € 599 thousand.

The composition of intangible assets and related accumulated amortization as at December 31, 2024 is as follows:

	Industrial patents and intellectual property rights	Other intangible assets	Assets under construction	Total
	(in € thousands)			
Historical cost as of December 31, 2023	17,078	331	793	18,202
Increases	478	-	187	665
Decreases	(58)	-	-	(58)
Reclassifications	-	-	(13)	(13)
Historical cost as of December 31, 2024	17,498	331	967	18,796
Accumulated amortization as of December 31, 2023	16,205	331	-	16,536
Amortization of the year	615	-	-	615
Decreases	(16)	-	-	(16)
Accumulated amortization as of December 31, 2024	16,804	331	-	17,135
Net book value as of December 31, 2023	873	-	793	1,666
Net book value as of December 31, 2024	694	-	967	1,661

Industrial patents and intellectual property rights

This item mainly relates to costs incurred to acquire or file new industrial patents or for the geographical extensions of existing rights. Also included are costs for software licenses, which are measured at historical cost and amortized over their useful life.

Assets under construction

The item mainly refers to IT projects not yet completed for approximately € 652 thousand and ERP licenses not yet in use for € 293 thousand.

17. Tangible assets

Tangible assets as at December 31, 2024 amounted to € 5,352 thousand, with a decrease in net value of € 342 thousand compared to the previous year. This is due to increases of € 858 thousand, depreciations of € 1,126 thousand, and disposals of € 815 thousand.

The breakdown of tangible assets and related accumulated depreciation as at December 31, 2024 is as follows:

	Leasehold Improvements	Plant and machinery	Others	Rights of use of Property, Plant and Equipment	Tangible assets in progress	Total
			(in € thousands)			
Historical cost as of December 31, 2023	2,424	7,532	3,098	4,761	189	18,004
Increases	-	434	11	226	174	845
Decreases	-	(5)	-	(810)	-	(815)
Reclassifications	-	203	-	-	(189)	14
Historical cost as of December 31, 2024	2,424	8,164	3,109	4,177	174	18,048
Accumulated depreciation as of December 31, 2023	2,401	4,882	2,653	2,374	-	12,310
Depreciation	1	598	83	444	-	1,126
Decreases	-	(4)	-	(736)	-	(740)
Accumulated depreciation as of December 31, 2024	2,402	5,476	2,736	2,082	-	12,696
Net book value as of December 31, 2023	23	2,650	445	2,387	189	5,694
Net book value as of December 31, 2024	22	2,688	373	2,095	174	5,352

Below are details, per category of asset, of the Rights of use for Property, Plant and Equipment:

	Buildings	Others	Total
		(in € thousands)	
Historical cost as of December 31, 2023	3,808	953	4,761
Increases	-	226	226
Decreases	-	(736)	(810)
Historical cost as of December 31, 2024	3,734	443	4,177
Accumulated depreciation as of December 31, 2023	1,597	777	2,374
Depreciation	349	95	444
Decreases	-	(736)	-736
Accumulated depreciation as of December 31, 2024	1,946	136	2,082
Net book value as of December 31, 2023	2,211	176	2,387
Net book value as of December 31, 2024	1,788	307	2,095

The rights of use of Buildings refer to the properties owned by the subsidiary Capannoni S.r.l. leased to Industrie De Nora S.p.A. (administrative headquarters and R&D laboratories).

The rights of use of other assets essentially include motor vehicles and office equipment.

During 2024, a total of € 531 thousand in lease instalments was paid, of which € 429 thousand as a reduction of the financial liability and € 102 thousand as interest, recorded under finance expenses.

The total cost recognized in the income statement for rents and leases excluded from the scope of application of IFRS 16 amounts to € 703 thousand.

18. Investments in subsidiary and associated companies

The equity investments held in subsidiaries and associates are shown in the following table (in thousands):

Company name	Registered office	% Shareholding	Currency	Share capital in local currency	Result for the period in local currency	Equity in local currency	Equity in Euro	Note
Capannoni S.r.l.	Milan-Italy	100%	Euro	8,500	(943)	17,342	17,342	1)
Oronzio De Nora International BV	Amsterdam-The Netherlands	100%	Euro	4,500	28,041	42,389	42,389	2)
De Nora Elettrodi Suzhou Co	Suzhou-China	100%	CNY	183,404	19,612	408,208	51,996	2)
De Nora do Brasil Ltda*	Sorocaba-Brazil	89%	BRL	9,662	23,098	106,534	16,580	3)
De Nora Water Technologies Italy S.r.l.	Milan-Italy	100%	Euro	78	3,140	3,762	3,762	1)
thyssenkrupp nucera AG & Co. KGaA	Dortmund-Germany	25.85%	Euro	126,315	17,595	764,012	764,012	4)
thyssenkrupp nucera Management AG	Dortmund-Germany	34%	Euro	50	15	65	65	5)
De Nora Holding (UK) Limited	London-UK	100%	Euro	-	(17)	108,026	108,026	2)
De Nora Italy S.r.l.	Milan-Italy	100%	Euro	5,000	4,869	27,943	27,943	1)
De Nora Italy Hydrogen Technologies S.r.l.	Milan-Italy	90%	Euro	3,110	(1,825)	28,048	28,048	1)

* The remaining 11% is held indirectly through the subsidiary company Oronzio De Nora International BV.

1) Data relating to the draft Financial Statements closed as at 12/31/2024 and approved by the related corporate bodies.

2) Data relating to the Financial Statements closed as at 12/31/2023 approved by the related corporate bodies.

3) Data relating to the reporting package as at 12/31/2024 prepared for the purposes of the De Nora Consolidated Financial Statements; there are no local obligations regarding the approval of the Financial Statements by the related corporate bodies.

4) Financial data resulting from a pro forma exercise, determined by considering the fiscal year of the associated company from October 1, 2023, to September 30, 2024, excluding the data for the quarter October 1-December 31, 2023, and adding the data for the quarter October 1-December 31, 2024.

5) Data relating to the Financial Statements closed as at 09/30/2024 company.

The changes in the book value of equity investments are shown below:

Company name	12/31/2023	Increase	Decrease	Reclassification	12/31/2024
			(in € thousands)		
Capannoni S.r.l.	8,835	-	-	-	8,835
Oronzio De Nora International BV	58,526	56	-	-	58,582
De Nora Elettrodi Suzhou Co	22,503	1	-	-	22,504
De Nora do Brasil Ltda*	444	1	-	-	445
thyssenkrupp nucera AG & Co, KGaA	98,468	-	-	-	98,468
thyssenkrupp nucera Management AG	17	-	-	-	17
De Nora Holding (UK) Limited	112,758	163	-	-	112,921
De Nora Water Technologies Italy S.r.l.	4,010	17	-	-	4,027
De Nora Italy S.r.l.	19,169	101	-	-	19,270
De Nora Italy Hydrogen Technolgies S.r.l.	12,834	15,300	-	-	28,134
Total	337,564	15,639	-	-	353,203

During the year, shareholder payments were made in favor of the subsidiary De Nora Italy Hydrogen Technologies S.r.l. for € 15,300 thousand.

The remaining increases (totaling € 339 thousand) in the investments in Oronzio De Nora International BV, De Nora Holding (UK) Limited, De Nora Water Technologies Italy S.r.l. and De Nora Italy S.r.l. relate to the recognition of the PSP incentive plans, for which reference should be made to Note 6. Personnel expenses.

The value of the equity investments was maintained at cost even in the presence of a book value of the equity investment higher than the related share of shareholders' equity in consideration of the income prospects of these investee companies as well as the presence of unexpressed capital gains in the relative assets.

In detail, regarding the sub-holdings Oronzio De Nora International BV, De Nora Holding UK Ltd and thyssenkrupp nucera AG & Co. KGaA, it should be noted that the value of the shareholdings held by them is such that the difference between cost and equity share is largely offset.

19. Financial assets, including derivatives

	As of December 31	
	2024	2023
	(in € thousands)	
Non-current		
Financial assets	8,422	12,670
Total	8,422	12,670
Current		
Fair value of derivatives	-	450
Financial assets	96,748	112,444
Total	96,748	112,894
Total Receivables and other Financial Assets	105,170	125,564

The amount of non-current financial assets from subsidiaries refers to receivables for loans remunerated at a market rate from the subsidiary De Nora Do Brasil Ltda.

The amount of current financial assets refers mainly to:

- receivables for cash pooling, remunerated at market rates from: Capannoni S.r.l. for € 24,991 thousand and De Nora Water Technologies Italy S.r.l. for € 7,048 thousand.
- receivables for short-term loans bearing interest at market rates from De Nora Holding US Inc. for € 38,502 thousand; De Nora Tech LLC for € 19,251 thousand; De Nora Do Brasil Ltda for € 3,369 thousand; and De Nora Water Technologies UK Service Limited for € 1,400 thousand.

20. Other receivables

Other receivables as at December 31, 2024 totaled € 23,558 thousand, with a decrease of € 4,880 thousand compared to December 31, 2023. The composition, divided between non-current and current part, is as follows:

	As of December 31	
	2024	2023
	(in € thousands)	
Non-current		
Tax receivables	2,566	3,882
Other - third parties	1,314	1,271
Total	3,880	5,153
Current		
Advances to suppliers	79	180
Tax receivables	13,873	18,586
Other - third parties	136	9
Prepayments and accrued income	5,590	4,510
Total	19,678	23,285
Total Other receivables	23,558	28,438

Non-current tax receivables are represented by receivables for withholding taxes on foreign receivables.

Other receivables from third parties include receivables from insurance companies for post-employment benefits policies for € 1,270 thousand.

Current tax receivables include a VAT credit of approximately € 3,283 thousand for the year, a tax credit of € 797 thousand on Research and Development activities envisaged by Italian Law Decree no. 145/2013; € 4,227 thousand in receivables for withholding taxes on foreign receivables which are expected to be utilized in the short-term, receivables for tax consolidation from subsidiaries for € 2,136 thousand and a receivable from the German tax authorities for withholding taxes on royalties paid by De Nora Deutschland GmbH in the years 2016-2021, withdrawn in excess of the limit established in the Italian/German Double Taxation Agreement for € 2,828 thousand.

Prepayments and accrued income are mainly attributable to contracts relating to license fees and long-term maintenance of IT operating systems.

21. Deferred tax assets and liabilities

Deferred tax assets refer to the following items:

	As of December 31, 2023	(Debits) credits to the income statement	(Debits) credits to equity	As of December 31, 2024
		(in € thousands)		
Intangible assets	11	(8)	-	3
Payables for variable components of personnel costs	453	518	-	971
Receivables and inventory write-downs	88	(1)	-	87
Property, Plant and Equipment	113	(4)	-	109
Unrealized exchange rate differences	594	(594)	-	-
Other provisions	41	(16)	12	37
Total	1,300	(105)	12	1,207

Deferred tax liabilities refer to the following items:

	As of December 31, 2023	(Debits) credits to the income statement	(Debits) credits to equity	As of December 31, 2024
		(in € thousands)		
Property, Plant and Equipment	6	-	-	6
Unrealized exchange rate differences	2	(2)	-	-
Total	8	(2)	-	6

Deferred tax assets and liabilities are shown in the statement of financial position for their net value (€ 1,201 thousand net assets as at December 31, 2024, compared to € 1,292 thousand in net liabilities as at December 31, 2023).

22. Trade receivables

As at December 31, 2024 they totaled € 74,573 thousand net of the related write-down provisions, with an increase of € 17,695 thousand compared to December 31, 2023, and are made up as follows:

	As of December 31	
	2024	2023
	(in € thousands)	
Current		
Receivables from third parties	358	413
Receivables from subsidiaries	74,569	56,784
Receivables from associates	10	46
Bad debt provision	(364)	(365)
Total Trade receivables	74,573	56,878

Receivables are mainly from subsidiaries and refer to services provided by Corporate functions and licenses for the use of patents, trademarks and know-how.

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

Following are the changes in the bad debt provision:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Opening balance	365	624
Utilization and releases of the year	(1)	(259)
Closing balance	364	365

23. Cash and cash equivalents

Cash and cash equivalents amounted to € 94,846 thousand as at December 31, 2024, up by € 8,779 thousand compared to December 31, 2023, and are detailed as follows:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Bank and postal accounts	59,846	86,067
Time deposit	35,000	-
Cash and cash equivalents	94,846	86,067

This item is composed of the cash and bank deposits available on demand.

The deposit accounts, amounting to € 35,000, refer to two contracts that the Company has entered into with BNL Bank for the subscription of time deposits. The two contracts, signed in November and December 2024 respectively, have maturity dates in February and March 2025. These contracts have been included in cash equivalents as they are short-term, readily liquidable contracts, entered into for the purpose of cash management.

As regards the amounts on deposits and current accounts, the related interests have been recognized on an accrual basis, taking into account the tax credit claimed for withholding taxes incurred.

The detailed financial changes are shown in the cash flow statement presented in the financial statements.

D. NOTES TO THE MAIN FINANCIAL STATEMENTS ITEMS - STATEMENT OF FINANCIAL POSITION - LIABILITIES

24. Equity

The changes in the categories that make up the shareholders' equity for the years 2023 and 2024 are shown in the specific "Statement of changes in equity".

In the course of the 2024 financial year, dividends of € 24,438 thousand were distributed.

Share capital

The share capital amounted to € 18,268 thousand as at December 31, 2024 (unchanged as at December 31, 2023).

The current composition of the share capital of Industrie De Nora S.p.A. is shown below:

Share Capital as of December 31, 2024	Number of shares	Number of voting rights
Share capital (Euro)	18,268,203.90	18,268,203.90
Total shares	201,685,174	502,647,564
Ordinary shares	51,203,979	51,203,979
Multiple voting shares (*)	150,481,195	451,443,585

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

Legal reserve

This amounts to € 3,654 thousand, unchanged from December 31, 2023.

Share premium

It amounted to € 223,405 thousand, with a decrease of € 28 thousand compared with December 31, 2023.

Reserve pursuant to Article 55 of Italian Presidential Decree 597

This amounted to € 265 thousand, unchanged from December 31, 2023.

Retained earnings

As at December 31, 2024 they amounted to € 245,960 thousand. The reserve decreased by € 55,948 thousand due to the allocation of the result for the previous year (€ 80,386 thousand) and to the distribution of dividends for € 24,438 thousand.

Reserve from actuarial gain (loss)

The "reserve from actuarial gain (loss)" includes the actuarial components relating to the valuation of defined benefit plans, charged directly to shareholders' equity. As at December 31, 2024, it amounted to € -310 thousand, compared to € -270 thousand at the end of 2023.

IAS transition reserve

The IAS reserve (€ 7,167 thousand, unchanged during the year) includes the effect on equity of all the adjustments made at the date of transition to the IAS / IFRS standards (01/01/2007) on the various items in the financial statements, net of related tax effects.

Other reserves

As at December 31, 2024, they amounted to € 17,527 thousand, an increase of € 1,036 thousand and relate to the MIP and PSP incentive plans.

Reserve for portfolio treasury shares

On November 9, 2023, De Nora S.p.A. launched the buyback program, already authorized by the Shareholders' Meeting of April 28, 2023, aimed at implementing the remuneration policies adopted by the Company and, specifically, to fulfill the obligations deriving from compensation plans based on financial instruments pursuant to Article 114-bis of the TUF (Italian Consolidated Law on Finance) already adopted by the Company (Performance Share Plan), and from any other plans that should be approved in the future. Moreover the buyback plan is coherent with the objective to pursue future business and financial projects consistent with the Company's strategic guidelines (such as M&A transactions). The program ended on April 12, 2024. During 2024, the Company purchased a total of 1,841,495 treasury shares, equal to 0.91% of the Share Capital, in addition to 1,158,505 shares acquired in 2023. The remaining treasury shares in portfolio as at December 31, 2024 are 2,986,240, equal to 1.481% of the share capital, after 13,760 shares were used under the existing incentive plans. This reserve has a negative sign in Equity and as at December 31, 2024 amounted to € 42,937 thousand.

25. Employee benefits

Post-employment benefits

Post-employment benefits accrued by the Company reflect the indemnity vested by employees in Italy over the course of their employment, which is paid when the employee leaves the company. In specific circumstances, the benefit may be partially advanced to the employee during employment.

Under IAS 19, employee benefits that fall under the Italian regulations (so called *Trattamento di fine rapporto - TFR*) are considered "post-employment benefits" and "unfunded defined benefit plans". Accordingly, they are measured using the Projected Unit Credit Method.

The obligation to employees is calculated by an independent actuary as follows:

- projection of the post-employment benefits (TFR) already vested at the measurement date and of the future amounts that will be vested until termination of employment or of the partial payment of vested amounts in the form of advances;
- discounting at the measurement date of the expected cash flows that the Company will pay to employees in the future;
- re-proportioning of discounted service costs on the basis of the seniority reached at the measurement date compared to the seniority expected at the time of settlement by the Company.

The actuarial method has a technical basis consisting of the demographic and financial assumptions related to the parameters used for the calculation.

In summary, the main actuarial assumptions used in the calculation were as follows:

(Economic - Financial technical basis)	As of December 31	
	2024	2023
Annual discount rate*	3.38%	3.17%
Annual inflation rate	2.00%	2.00%
Annual rate of increase in post-employment benefits	3.00%	3.00%
Annual rate of wage increase	2.30%	2.30%

(*) The discount rate used to determine the present value of the Italian post-employment obligation was inferred, consistently with par. 83 of IAS 19, by the Iboxx Corporate AA index with duration 10+ recorded at the valuation date. For this purpose, the yield with a duration comparable to the that of the collective of workers subject to valuation was chosen.

The mortality assumptions are based on published statistics concerning mortality rates.

The following table summarizes the sensitivity analysis for each actuarial, financial and demographic assumption, showing the effects (in absolute value) that would have occurred following changes in the reasonably possible actuarial assumptions as at December 31, 2024.

Sensitivity analysis of the main valuation parameters	Euro Thousands
Turnover rate +1.00%	2,587
Turnover rate -1.00%	2,567
Inflation rate +0.25%	2,614
Inflation rate -0.25%	2,542
Discount rate +0.25%	2,532
Discount rate -0.25%	2,625

Changes in post-employment benefits are summarized in the table below:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Opening balance	2,420	2,352
Current service cost	353	306
Interest cost	77	85
Actuarial gain/(loss)	52	70
Benefits paid	(326)	(393)
Closing balance	**2,576**	**2,420**

Pension plans

The existing pension plans provide for the payment of contributions to a separate fund which independently administers the plan assets. The funds provide for a fixed contribution from the employer.

The changes in the pension funds are summarized in the following table:

	For the year ended December 31	
	2024	2023
	(in € thousands)	
Opening provision	1,227	1,275
Accruals of the year	167	161
Utilization and releases of the year	(124)	(209)
Closing balance	**1,270**	**1,227**

26. Financial liabilities

Financial payables as at December 31, 2024 totaled € 92,759 thousand with an increase of € 7,174 thousand compared to December 31, 2023. The breakdown between non-current and current liabilities is provided below:

	As of December 31	
	2024	2023
	(in € thousands)	
Non-current		
Bank loans and borrowings	79,843	79,776
Lease payables	1,921	2,230
Total	81,764	82,006
Current		
Bank loans and borrowings	27	-
Financial payables to subsidiaries	10,218	3,156
Lease payables	449	423
Fair value of derivatives	301	-
Total	10,995	3,579
Total financial liabilities	92,759	85,585

Bank loans and borrowings

As at December 31, 2024, the fair value of banks loans and borrowings approximates the book value.

As at December 31, 2024, there was a syndicate credit line used for € 80,000 thousand, shown under financial liabilities net of upfront fees and other charges directly related to the taking out of loans which, paid at the date of stipulation of the loan agreement, are presented in the financial statements as a decrease of the total payable according to the amortized cost method.

The pool loan considers interest rates based on Euribor for the euro portion and on the SOFR for the USD portion, in addition to a margin that may change semi-annually, based on the evolution of the Group's leverage level. The "leverage ratio," given by the ratio of consolidated net debt to consolidated EBITDA, is the only financial covenant under the loan agreement, the value of which shall not exceed 3.5, throughout the term of the agreement. As at December 31, 2024, this parameter was largely met. Non-compliance with the financial covenant is considered an event of default or non-performance. Specifically, an event of default or non-performance would result in the banks' discretion to require immediate repayment of funds unless the situation is remedied, pursuant to and in accordance with the terms and conditions set forth in the loan agreement, within 20 business days of the submission of the certification of such financial covenant.

Financial payables to subsidiaries

They refer to financial payables remunerated at market rates for cash pooling mainly to the subsidiaries De Nora Italy S.r.l. for € 8,627 thousand and to De Nora Deutschland GmbH for € 1,427 thousand.

Lease payables

They represent financial liabilities recognized in accordance with the provisions of IFRS 16 "Leases". The debt is in particular the obligation to make the payments foreseen over the duration of the contract and refers almost entirely to the properties owned by the subsidiary Capannoni S.r.l. leased to Industrie De Nora S.p.A. (administrative headquarters and R&D laboratories).

With regard to the contractual maturities of lease payables, please refer to note 33 - Information on risks.

The detail of the net financial position is as follows:

	As of December 31	
	2024	2023
	(in € thousands)	
Cash	59,846	86,067
Time deposit	35,000	-
Cash and cash equivalents	94,846	86,067
Current financial assets	96,748	112,894
Current financial debt	(27)	-
Short term Loans and borrowings from other financial backers	(10,218)	(3,156)
Lease payables	(449)	(423)
Derivatives	(301)	-
Current financial indebtedness	(10,995)	(3,579)
Net current financial position	180,599	195,382
Non-current financial debt	(79,843)	(79,776)
Lease payables	(1,921)	(2,230)
Net non-current financial position	(81,764)	(82,006)
Net financial position	98,835	113,376

In 2024, the company moved from cash and cash equivalents of € 113,376 thousand as at December 31, 2023, to Net cash and cash equivalents of € 98,835 thousand as at December 31, 2024. The worsening of a total of € 14,541 thousand is mainly attributable to the combined effect of the following factors:

- the cash generated by the Company's operating activities net of related costs partially offset by cash absorbed by finance expenses and taxes paid for € 9,913 thousand;
- the liquidity generated by investment activities in the year ended December 31, 2024 due to the combined effect of (i) dividends collected from the Subsidiaries for € 35,550 thousand, (ii) absorption for purchase of treasury shares as per the Buy-back plan presented to the stock market for € 26,016 thousand;
- the cash absorption of € 15,300 thousand relating to the share capital increases of the company De Nora Italy Hydrogen Technologies S.r.l.;
- the liquidity absorbed by the dividends paid in the year ended December 31, 2023 amounting to € 24,438 thousand.

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

Derivatives for hedging the fluctuation of the exchange rate

The fair value of derivative instruments as at December 31, 2024 (€ -301 thousand) refers to currency derivative contracts entered into by the Company against USD-denominated financial receivables from its US subsidiaries De Nora Tech LLC and De Nora Holdings US, Inc. The fair value is determined by using the forward exchange rate at the reporting date. The details of the derivative contracts hedging the exchange rate fluctuation put in place by the Company as at December 31, 2024 are shown below:

Derivative	Description	Notional (USD thousands)	Notional (EUR thousands)	Inception date	Expiry date
SWP	pay amount EUR/ receive amount USD	24,000	22,932	December 2024	March 2025
SWP	pay amount EUR/ receive amount USD	6,000	5,727	December 2024	March 2025
SWP	pay amount EUR/ receive amount USD	30,000	28,662	December 2024	March 2025
Total		60,000	57,321		

27. Provisions for risks and charges

As at December 31, 2024, they amounted to € 3,306 thousand, not present as at December 31, 2023, and are broken down as follows:

	As of December 31	
	2024	2023
	(in € thousands)	
Current		
Provisions for tax related risks	3,113	-
Provisions for legal disputes and complaints	193	-
Total	3,306	-

28. Trade payables

As at December 31, 2024, they amounted to € 14,131 thousand, a decrease of € 816 thousand over December 31, 2023, and are broken down as follows:

	As of December 31	
	2024	2023
	(in € thousands)	
Current		
Third parties	7,244	7,157
Payables to Subsidiaries	6,747	7,009
Associated companies	140	781
Total payables	14,131	14,947

This item primarily includes amounts related to payables for the purchase of goods and services, all of them with due date within 12 months. It is deemed that the carrying amount of trade payables is close to their fair value.

29. Income tax payables

The item as at December 31, 2024 amounts to a total of € 9,927 thousand, with a decrease of € 479 thousand compared to December 31, 2023. This payable refers to IRES and IRAP and tax payables to subsidiaries that have entered into the national tax consolidation agreement.

30. Other payables

The item as at December 31, 2024 amounted to € 9,074 thousand, an increase of

€ 2,860 thousand compared to December 31, 2023. Their breakdown is as follows:

	As of December 31	
	2024	2023
	(in € thousands)	
Non-current		
Payables to employees	233	168
Total	233	168
Current		
Payables to employees	4,663	3,344
Withholding tax payables	702	587
Social security charges payables	778	726
Advances from customers	14	14
Accrued expenses and deferred income	26	20
Other - third parties	2,658	1,355
Total	8,841	6,046
Total Other payables	9,074	6,214

Payables to employees refer to accrued and unpaid portions such as: holidays, additional months, bonuses and related contributions divided between non-current and current.

Social security charges payables refer to the amounts owed by the Company and its employees for wages and salaries for the month of December 2024.

Other payables to third parties include financial advances of € 1,920 received from public agencies for the implementation of funded research projects.

31. Commitments and guarantees

The Company, as the parent company, has a number of commitments and guarantees in place as at December 31, 2024 in favor of its subsidiaries, divided as follows:

Commitments

The Company has not undertaken any off-balance sheet commitments, except for some orders for the purchase of capital assets amounting to € 1 thousand as at December 31, 2024.

Guarantees

- Bank guarantees issued on behalf of subsidiaries on credit facilities of IDN S.p.A.: € 24,752 thousand. This item mainly refers to bank guarantees (Bid bonds, Advance payment bonds, Performance bonds) in favor of the Group companies operating in the water treatment segment, according to multi-year contracts;
- corporate guarantees issued by IDN S.p.A. in favor of customers and third-party suppliers (Parent company guarantee) to guarantee commitments undertaken by its subsidiaries: € 45,683 thousand;
- corporate guarantees issued by IDN S.p.A. in favor of banks for the granting of credit facilities in favor of subsidiaries: at the closing date, the corporate guarantees issued by IDN S.p.A. amounted to a total of € 110,294 thousand. The aforementioned credit facilities are used by the subsidiaries for € 39,276 thousand in the form of direct guarantees to beneficiaries or counter-guarantees to the credit institutions that have issued the type of bank guarantees already mentioned in the previous paragraph (mainly Bid Bonds, Advance Payment Bonds and Performance Bonds);
- furthermore, the Company is jointly and severally guarantor with De Nora Tech LLC and De Nora Permelec Ltd. of the USD share relating to the syndicate loan “Senior Facilities Agreement”, granted to the subsidiary De Nora Holdings US on May 5, 2022. The euro equivalent value of the loan outstanding as at December 31, 2024 amounts to € 38,502 thousand.

E. INFORMATION ON RISKS

32. Information on risks

In addition to general business risks, related to its activities and financial instruments, the Company is exposed to the following risks:

- credit risk;
- liquidity risk;
- market risk;
- other risks.

The Company considers risk monitoring and control systems a top priority to guarantee an efficient risk management. In line with this objective, the Company 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 Company's risk management policies is to:

- identify and analyze the risks to which the Company 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 following note provides qualitative and quantitative reference information on the incidence of these risks on the Company.

Credit risk

Credit risk is the risk that a customer or one of the counterparties to a financial instrument causes a financial loss by not meeting an obligation. It mainly arises from the Group's trade receivables and financial investments.

Trade and other receivables

Credit risk is mainly due to the possibility that customers will not honor their payables to the Company at the agreed due date.

Customers are mainly subsidiaries, and the credit risk is therefore very limited.

The Company accrues, where appropriate, a bad debt reserve that reflects estimated possible losses on trade and other receivables, the main components of which are individual specific write-downs of past due exposures.

The carrying amount of the financial assets reflects the Company's maximum exposure to credit risk. This exposure at the reporting date is illustrated below:

	As of December 31	
	2024	2023
	(in € thousands)	
Trade receivables	74,573	56,878
Other financial receivables and sundry receivables	128,728	154,002
Cash and cash equivalents	94,846	86,067
Total Financial asset	**298,147**	**296,947**

An ageing analysis of trade receivables at the reporting date is provided below:

	As of December 31		% Overdue as of December	
	2024	2023	2024	2023
	(in € thousands, except percentages)			
Not yet due	39,788	22,478	53%	40%
Overdue 0-30 days	23	173	0%	0%
Overdue 31-60 days	0	8,772	0%	15%
Overdue more than 60 days	34,762	25,455	47%	45%
Total trade receivables	74,573	56,878	100%	100%

It is to believe that there are reasons to assume full collectability of the overdue trade receivables where specific provisions have not been made on the basis of specific recoverability assessments.

Liquidity risk

Liquidity risk is represented by the possibility that the Company is unable to find the financial resources necessary to guarantee current operations and the fulfillment of obligations due to expire, or that they are available at high costs.

The Company's approach to manage liquidity risk entails ensuring, as far as possible, that it always has sufficient funds to meet its obligations at the due date, under both normal conditions and at times of financial tension, without having to incur excessive costs or to risk damaging its reputation.

In general, the Company ensures that it has sufficient cash and cash equivalents available on demand to meet the cash requirements of its operating cycle and investments, including the cost of financial liabilities.

The Company's Treasury department centrally manages the short and medium-long term loan strategies, relationships with the main financing banks and the provision of the necessary guarantees. Furthermore, the Company's Finance department also centrally defines any hedging policies to be implemented for financial risks. Centralized management by the Company's Treasury function is aimed at achieving a balanced financial structure and maintaining the Group's financial soundness.

The main aim of these guidelines is to ensure that liabilities are always balanced by assets such to maintain a very sound financial position.

The contractual due dates of liabilities, including derivatives, are shown below for the current and previous years.

	As of December 31, 2024						
	31/12/2024	Due date					
		0-12 months	2 years	3 years	4 years	5 years	Over 5 years
		(in € thousands)					
Bank loans and borrowings*	79,870	2,720	2,720	80,937	-	-	-
Financial payables to subsidiaries	10,218	10,218	-	-	-	-	-
Lease payables	2,370	449	461	466	451	433	110
Derivatives	301	301	-	-	-	-	-
Trade payables to third parties	7,244	7,244	-	-	-	-	-
Other payables	15,961	15,961	-	-	-	-	-
Total	115,964	36,893	3,181	81,403	451	433	110

* The difference between the book value of financial debts to banks and overdrafts and the related contractual cash flows is due to the up-front fees which, paid at the date of signing the financing contract, are presented in the financial statements as a reduction of the total debt according to the amortized cost method. Furthermore, the amounts due for financial debts to banks and overdrafts include both principal and interest; in particular, the interest has been estimated on the Pool Financing of Industrie De Nora S.p.A. based on the conditions existing at the closing date of the financial year.

	As of December 31, 2023						
	31/12/2023	Due date					
		0-12 months	2 years	3 years	4 years	5 years	Over 5 years
		(in € thousands)					
Bank loans and borrowings*	79,776	3,884	3,873	3,873	81,316	-	-
Financial payables to subsidiaries	3,156	3,156	-	-	-	-	-
Lease payables	2,653	423	414	425	441	442	507
Trade payables to third parties	7,157	7,157	-	-	-	-	-
Other payables	14,004	14,004	-	-	-	-	-
Total	106,746	28,624	4,287	4,298	81,757	442	507

* The difference between the book value of financial debts to banks and overdrafts and the related contractual cash flows is due to the up-front fees which, paid at the date of signing the financing contract, are presented in the financial statements as a reduction of the total debt according to the amortized cost method. Furthermore, the amounts due for financial debts to banks and overdrafts include both principal and interest; in particular, the interest has been estimated on the Pool Financing of Industrie De Nora S.p.A. based on the conditions existing at the closing date of the financial year.

Management believes that currently available funds and credit facilities, in addition to the cash flows that will be generated by operating and financing activities, will enable the Company to meet its cash requirements as a result of investing activities, the management of working capital and the repayment of liabilities when they fall due.

Capital management

The management of the Company's capital is aimed at guaranteeing a solid credit rating and adequate levels of capital indicators to support the investment plans, in compliance with the contractual commitments undertaken with the lenders.

The Group provides itself with the necessary capital to finance its business development and operational requirements. The sources of financing are a balanced mix of risk capital and debt capital, to ensure a balanced financial structure and minimize the overall cost of capital, to the benefit of all stakeholders.

The return on risk capital is monitored on the basis of market trends and business performance, once all other obligations, including debt service, have been met. Therefore, in order to ensure an adequate return on capital, safeguard business continuity and business development, the Company constantly monitors the evolution of the level of debt in relation to equity, business performance and expected cash flows in the short and medium-long term.

Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices, exchange rates and interest rates or other price risks. The aim of market risk management is to manage and control the Company's exposure to such risk within acceptable levels, while optimizing the return on investments.

Currency risk

The following table shows the Company's exposure to the currency risk on the US dollar as at December 31, 2023 based on the notional value:

Receivables / payables in thousands of US dollars	
Receivables	72,268
Payables	(282)
Net exposure	**71,986**

The exchange rate applied during the year is as follows:

	Average exchange rate	End of financial year exchange rate
US dollar	1.0824	1.0389

Sensitivity analysis

Exposure is almost exclusively with Group companies.

An appreciation of the Euro by 5 cents against the US dollar would have led to a decrease in the operating result of approximately € 3.2 million as at December 31, 2024, assuming that all other variables are constant.

If, by contrast, as at December 31, 2024, the Euro had depreciated by 5 cents against the US dollar, the impact on the result for the year would have been positive for approximately € 3.5 million, all other variables being equal.

Interest rate risk

This specifically relates to the effects of changes in interest rates on the price of held-for-trading financial assets. Impairment losses and revaluation of held-for-trading financial assets are debited/credited to the income statement or directly to equity. Conversely, with respect to financial liabilities, the risk of changes in interest rates impacts the income statement by generating lower or higher finance expenses.

The Company's position is summarized in the table below:

	As of December 31	
	2024	2023
	(in € thousands)	
Financial liabilities	(92,732)	(85,585)
Financial liabilities exposed to interest rate risk	**(92,732)**	**(85,585)**
Cash and cash equivalents	94,846	86,067
Receivables and other Financial Assets	105,170	125,114
Financial assets exposed to interest rate risk	**200,016**	**211,181**

Sensitivity analysis

A hypothetical, instantaneous and unfavorable change of one percentage point in the level of interest rates would generate, on financial liabilities, on an annual basis, a higher pre-tax charge of approximately € 0.93 million.

Other price risks

These relate to the risk that the fair value of a financial instrument could vary for reasons other than fluctuations in interest or exchange rates.

The Company is not exposed to price risk as it does not hold equity securities (shares) among its financial assets.

Classification and fair value

The table below indicates the carrying amount of each financial asset and liability recognized in the statement of financial position and its fair value.

Classification and fair value as of December 31, 2024	Carrying amount					
	Notes	Loans and receivables	Derivatives at fair value	Other financial liabilities	Total	Fair value
				(in € thousands)		
Cash and cash equivalents	23	94,846	-	-	94,846	94,846
Trade and other receivables	20/22	98,131	-	-	98,131	98,131
Receivables and other financial assets	19	105,170	-	-	105,170	105,170
Financial assets		**298,147**	**-**	**-**	**298,147**	**298,147**
Bank loans and borrowings	26	-	-	(79,843)	(79,843)	(79,843)
Financial payables to subsidiaries	26	-	-	(10,218)	(10,218)	(10,218)
Lease payables	26	-	-	(2,370)	(2,370)	(2,370)
Derivatives at FV	26	-	(301)	-	(301)	(301)
Trade payables	27	-	-	(14,131)	(14,131)	(14,131)
Other payables	28/29	-	-	(19,001)	(19,001)	(19,001)
Financial liabilities		**-**	**(301)**	**(125,563)**	**(125,864)**	**(125,864)**

Classification and fair value as of December 31, 2023	Carrying amount					
	Notes	Loans and receivables	Derivatives at fair value	Other financial liabilities	Total	Fair value
				(in € thousands)		
Cash and cash equivalents	23	86,067	-	-	86,067	86,067
Trade and other receivables	20/22	85,316	-	-	85,316	85,316
Receivables and other financial assets	19	125,114	-	-	125,114	125,114
Derivatives at FV	19	-	450	-	450	450
Financial assets		296,497	450	-	296,947	296,947
Bank loans and borrowings	26	-	-	(79,776)	(79,776)	(79,776)
Financial payables to subsidiaries	26	-	-	(3,156)	(3,156)	(3,156)
Lease payables	26	-	-	(2,653)	(2,653)	(2,653)
Trade payables	27	-	-	(14,947)	(14,947)	(14,947)
Other payables	28/29	-	-	(16,620)	(16,620)	(16,620)
Financial liabilities		-	-	(117,152)	(117,152)	(117,152)

Hierarchical scale of fair value

The following table shows 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).

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

	December 31, 2024		
	Level 1	Level 2	Level 3
		(in € thousands)	
Fair value of derivatives	-	(301)	-
Total	-	(301)	-

	December 31, 2023		
	Level 1	Level 2	Level 3
		(in € thousands)	
Fair value of derivatives	-	450	-
Total	-	450	-

Other risks

Pursuant to the General Data Protection Regulation (EU 2016/679), the directors acknowledge that the Company has updated personal data protection measures within the deadline and as required by such legislation.

Pursuant to Italian Legislative decree no. 231 of June 8, 2001, entitled "Standards governing the administrative liability of legal entities, companies and associations, including those without legal status, pursuant to article 11 of Law no. 300 of September 29, 2000", the Company has adopted an "Organizational, management and control model" to prevent offences set out in the decree. The aforesaid decree has introduced company liability for a number of offences committed in their interest or to their advantage by persons who act on their behalf or in their name, such as directors, executives, employees or consultants acting under the control or management of persons employed by these companies.

In compliance with the decree, a Supervisory Body was appointed to supervise and monitor the functioning, effectiveness, adequacy of and compliance with the "Organizational, management and control model", adopted by the Company with a Board of Directors' resolution of December 20, 2012 and subsequent updates, in order to prevent the offences which may entail the Company's administrative liability.

As at February 18, 2022, the Board of Directors confirmed as members of the Company's Supervisory Body for the three-year period between the date of the above resolution and the date of approval of the Company's draft financial statements as at December 31, 2024, Ms. Antonini, Mr. Necchi and Mr. Sardo, lawyer (Chairman). By subsequent resolution of August 3, 2022, Mr. Vitacca was appointed member of the Supervisory Body to replace Ms. Antonini.

F. RELATED PARTY TRANSACTIONS

33. Related party transactions

The table below shows the detailed statement of the balance sheet items relating to the relationships maintained by the Company with related parties as at December 31, 2024 and 2023.

	Parent company	Subsidiaries	Associates	Other related parties	Total
			(in € thousands)		
Trade receivables					
December 31, 2024	2	74,553	10	-	74,565
December 31, 2023	4	56,769	46	-	56,819
Financial assets					
December 31, 2024	-	105,036	-	-	105,036
December 31, 2023	-	125,114	-	-	125,114
Other receivables					
December 31, 2024	-	2,136	-	45	2,181
December 31, 2023	-	2,499	-	47	2,546
Trade payables					
December 31, 2024	29	7,432	-	140	7,601
December 31, 2023	50	7,672	569	148	8,439
Income tax payables					
December 31, 2024	-	868	-	-	868
December 31, 2023	-	1,809	-	-	1,809
Financial liabilities					
December 31, 2024	-	10,218	-	-	10,218
December 31, 2023	-	3,156	-	-	3,156

The table below shows the detailed statement of the economic values relating to the relationships maintained by the Company with related parties for the years ended December 31, 2024 and 2023:

	Parent company	Subsidiaries	Associates	Other related parties	Total
			(in € thousands)		
Other income					
For the year ended December 31, 2024	4	76,998	17	-	77,019
For the year ended December 31, 2023	4	78,848	46	-	78,898
Finance income					
For the year ended December 31, 2024	-	6,846	-	-	6,846
For the year ended December 31, 2023	-	6,116	-	-	6,116
Income from equity investments					
For the year ended December 31, 2024	-	35,550	-	-	35,550
For the year ended December 31, 2023	-	36,300	-	-	36,300
Personnel expenses					
For the year ended December 31, 2024	-	-	-	696	696
For the year ended December 31, 2023	-	-	-	262	262
Operating expenses					
For the year ended December 31, 2024	-	166	-	-	166
For the year ended December 31, 2023	-	685	-	-	685
Costs for services					
For the year ended December 31, 2024	47	7,797	920	298	9,062
For the year ended December 31, 2023	65	7,563	511	263	8,402
Finance expenses					
For the year ended December 31, 2024	-	411	-	-	411
For the year ended December 31, 2023	-	345	-	-	345

Transactions with the parent company

Balance sheet transactions with the parent company mainly relate to trade payables for services rendered, amounting to € 29 thousand.

Income statement amounts with the parent company are mainly related to other expenses amounting to € 47 thousand and to the charge-back by the parent company of the costs of some services related to corporate obligations, under the contract in force between the parties.

Transactions with Subsidiaries

The table below shows details of the balance sheet items relating to the Company's transactions with its subsidiaries as at December 31, 2024 and 2023:

Subsidiaries	As of December 31, 2024				
	Trade receivables	Financial assets	Trade payables	Financial liabilities	Other receivables (payables)
			(in € thousands)		
Capannoni S.r.l.	6	25,528	120	-	(280)
De Nora Italy S.r.l.	3,448	-	345	8,791	2,136
De Nora Italy S.r.l. Singapore Branch	195	-	-	-	-
De Nora Elettrodi (Suzhou) Ltd.	4,331	-	145	-	-
De Nora Deutschland GmbH	47,514	151	4,873	1,427	-
De Nora Do Brasil Ltda	902	11,985	-	-	-
De Nora India Ltd	356	-	-	-	-
De Nora Tech.Inc.	6,246	19,600	707	-	-
De Nora Permelec Ltd	6,316	-	958	-	-
De Nora Water Technologies Italy, S.r.l.	1,106	7,207	60	-	-
De Nora Water Technologies, Inc. - Abu Dhabi Branch	37	-	-	-	-
De Nora Water Technologies FZE	240	-	-	-	-
De Nora Water Technologies UK Services Limited	338	1,419	-	-	-
De Nora China-Jinan Co., Ltd.	123	-	-	-	-
De Nora Holdings US, Inc.	6	39,146	-	-	-
De Nora Water Technologies (Shanghai), Ltd.	17	-	-	-	-
De Nora Water Technologies, LLC	1,682	-	115	-	-
De Nora Water Technologies, LLC - Singapore Branch	1,589	-	-	-	-
De Nora Hong Kong LTD.	3	-	-	-	-
De Nora Italy Hydrogen Technologies S.r.l.	98	-	109	-	(588)
Total Subsidiaries	74,553	105,036	7,432	10,218	1,268

Subsidiaries	As of December 31, 2023				
	Trade receivables	Financial assets	Trade payables	Financial liabilities	Other receivables (payables)
			(in € thousands)		
Capannoni S.r.l.	179	17,125	172	-	(160)
De Nora Italy S.r.l.	2,276	-	278	3,156	1,116
De Nora Italy S.r.l. Singapore Branch	120	-	-	-	-
De Nora Elettrodi (Suzhou) Ltd.	2,847	-	14	-	-
De Nora Deutschland GmbH	34,761	13,248	5,094	-	-
De Nora Do Brasil Ltda	647	12,877	-	-	-
De Nora India Ltd	278	-	-	-	-
De Nora Tech.Inc.	5,847	23,538	889	-	-
De Nora Permelec Ltd	4,952	-	848	-	-
De Nora Water Technologies Italy, S.r.l.	647	13,352	14	-	(1)
De Nora Water Technologies, Inc. - Abu Dhabi Branch	22	-	-	-	-
De Nora Water Technologies FZE	168	2,334	-	-	-
De Nora Water Technologies UK Services Limited	907	415	-	-	-
De Nora China-Jinan Co., Ltd.	57	-	-	-	-
De Nora Holdings US, Inc.	18	42,225	-	-	-
De Nora Water Technologies (Shanghai), Ltd.	25	-	-	-	-
De Nora Water Technologies, LLC	1,215	-	115	-	-
De Nora Water Technologies, LLC - Singapore Branch	1,687	-	-	-	-
De Nora Marine Technologies, LLC	98	-	-	-	-
De Nora Italy Hydrogen Technologies S.r.l.	18	-	248	-	(265)
Total Subsidiaries	56,769	125,114	7,672	3,156	690

Trade receivables

Trade receivables, amounting to € 74,553 thousand (€ 56,769 as at December 31, 2023), mainly refer to the services provided by the corporate functions of the Company, and to the licenses for the use of patents, trademarks and know-how.

Financial assets

Financial assets amounted to € 105,036 thousand (€ 125,114 thousand as at December 31, 2023) and refer to receivables for cash pooling from Capannoni S.r.l., De Nora Deutschland GmbH and De Nora Water Technologies Italy s.r.l. and receivables for loans from De Nora Do Brasil Ltda, De Nora Holdings US, De Nora Tech LLC, De Nora Water Technologies FZE, De Nora Water Technologies UK Services Limited.

Trade payables

Trade payables, amounting to € 7,432 thousand (€ 7,672 thousand as at December 31, 2023), refer mainly to services for R&D activities provided to De Nora Permelec Ltd and De Nora Tech. LLC. related to the development of intellectual property and payables to De Nora Deutschland GmbH for tax credits.

Financial liabilities

Financial liabilities, amounting to € 10,218 thousand (€ 3,156 thousand as at December 31, 2023), refer to financial payables for cash pooling to De Nora Italy S.r.l. and De Nora Deutschland GmbH.

Other receivables/Other payables

Starting from financial year 2022 and for a three-year period, the Company has signed a special agreement for consolidated taxation, in its capacity as consolidating company, with the following Subsidiaries: Capannoni S.r.l., De Nora Italy S.r.l., De Nora Water Technologies S.r.l., De Nora Italy Hydrogen Technologies S.r.l.. Each company participating in the national tax consolidation scheme transfers the tax income or loss to the consolidating company, recognizing a credit or debit equal to the IRES offset at the group level. These receivables/payables are shown in this category.

The following table shows the detailed statement of the economic values referring to the relations maintained by the Company with the Subsidiaries as at December 31, 2024 and 2023:

	For the year ended December 31, 2024					
Subsidiaries	Other income	Income from equity investments	Finance income	Operating expenses	Costs for services	Finance expenses
	(in € thousands)					
Capannoni S.r.l.	13	-	987	-	695	90
De Nora Italy S.r.l.	7,023	6,350	-	13	717	321
De Nora Italy S.r.l. Singapore Branch	367	-	-	-	-	-
De Nora Elettrodi (Suzhou) Ltd.	9,428	-	-	18	431	-
De Nora Deutschland GmbH	17,377	-	511	85	174	-
De Nora Do Brasil Ltda	1,767	-	557	-	5	-
De Nora India Ltd	740	-	-	-	-	-
De Nora Tech. Inc.	22,380	-	1,585	-	3,229	-
Oronzio De Nora B.V.	-	29,200	-	-	-	-
De Nora Permelec Ltd	10,261	-	-	45	2,242	-
De Nora Water Technologies Italy, S.r.l.	1,903	-	316	-	197	-
De Nora Water Technologies, Inc. - Abu Dhabi Branch	64	-	-	-	-	-
De Nora Water Technologies UK Services Limited	573	-	29	-	-	-
De Nora China-Jinan Co., Ltd.	234	-	-	-	-	-
De Nora Holdings US, Inc.	21	-	2,821	-	-	-
De Nora Water Technologies (Shanghai), Ltd.	12	-	-	-	-	-
De Nora Water Technologies, LLC	3,024	-	-	-	3	-
De Nora Water Technologies, LLC - Singapore Branch	818	-	-	-	-	-
De Nora Marine Technologies, LLC	214	-	-	-	-	-
De Nora Water Technologies FZE	405	-	40	-	-	-
De Nora Hong Kong LTD.	3	-	-	-	-	-
De Nora Italy Hydrogen Technologies S.r.l.	371	-	-	-	68	-
Shotec GmbH	-	-	-	5	36	-
Total Subsidiaries	76,998	35,550	6,846	166	7,797	411

Subsidiaries	For the year ended December 31, 2023					
	Other income	Income from equity investments	Finance income	Operating expenses	Costs for services	Finance expenses
	(in € thousands)					
Capannoni S.r.l.	10	-	552	-	736	108
De Nora Italy S.r.l.	6,979	8,300	-	7	651	237
De Nora Italy S.r.l. Singapore Branch	378	-	-	-	-	-
De Nora Elettrodi (Suzhou) Ltd.	7,268	-	-	69	2	-
De Nora Deutschland GmbH	23,388	-	223	209	174	-
De Nora Do Brasil Ltda	1,985	-	576	-	-	-
De Nora India Ltd	785	-	-	-	-	-
De Nora Tech.Inc.	22,198	-	1,775	2	3,278	-
Oronzio De Nora B.V.	-	28,000	-	-	-	-
De Nora Permelec Ltd	8,934	-	-	75	2,506	-
De Nora Water Technologies Italy, S.r.l.	1,362	-	395	-	173	-
De Nora Water Technologies, Inc. - Abu Dhabi Branch	59	-	-	-	-	-
De Nora Water Technologies UK Services Limited	499	-	26	-	-	-
De Nora China-Jinan Co., Ltd.	183	-	-	-	-	-
De Nora Holdings US, Inc.	17	-	2,454	-	-	-
De Nora Water Technologies (Shanghai), Ltd.	15	-	-	-	-	-
De Nora Water Technologies, LLC	3,112	-	-	-	43	-
De Nora Water Technologies, LLC - Singapore Branch	903	-	-	-	-	-
De Nora Marine Technologies, LLC	321	-	-	-	-	-
De Nora Water Technologies FZE	385	-	115	-	-	-
De Nora Italy Hydrogen Technologies S.r.l.	67	-	-	318	443	-
De Nora ISIA S.r.l.	-	-	-	5	-	-
Total Subsidiaries	78,848	36,300	6,116	685	8,006	345

Other income

Other income amounted to € 77,648 thousand (€ 78,848 thousand in 2023). Other income is mainly attributable to: (i) intercompany recharges which include income for services provided by corporate functions for € 23,379 thousand (€ 20,710 thousand in 2023), and for licenses to use intellectual property, trademarks and know-how for € 47,022 thousand (€ 50,523 thousand in 2023); and (ii) other income, which mainly includes expenses recharges.

Income from equity investments

Income from equity investments, amounting to € 35,550 thousand (€ 36,300 thousand in 2023), refers to dividends received by the Company Oronzio De Nora BV for € 29,200 thousand, and by the company De Nora Italy S.r.l. for € 6,350 thousand.

Finance income

Finance income, amounting to € 6,846 thousand (€ 6,116 thousand in 2023), mainly refers to:

(i) interest income on loans; this interest income relates to transactions with De Nora Holdings US Inc., De Nora Tech LLC, De Nora Water Technologies FZE, De Nora Do Brasil Ltda, De Nora Water Technologies UK Services Limited;

(ii) interest income on cash pooling transactions; this interest income relates to transactions with De Nora Water Technologies Italy, S.r.l., De Nora Deutschland GmbH and Capannoni S.r.l.

Operating expenses

Operating expenses, amounting to € 166 thousand (€ 685 thousand in 2023), mainly refer to the supply of materials used by the Company in R&D.

Costs for services

Costs for services, amounting to € 8,447 thousand (€ 8,006 thousand in 2023), mainly refer to: services for R&D activities related to the development of intellectual property provided by De Nora Permelec Ltd and De Nora Tech. LLC and De Nora Deutschland GmbH, costs for administrative services provided by De Nora Italy S.r.l. (such as general accounting, support in tax compliance, procurement, personnel administration, etc.), and costs for utilities, building expenses and ordinary maintenance related to the leased properties by Capannoni S.r.l.

Finance expenses

Finance expenses, amounting to € 411 thousand (€ 345 thousand in 2023), refer to: (i) lease payables related to the lease of the administrative headquarters and R&D laboratories to the company Capannoni S.r.l. amounting to € 90 thousand and (ii) the cash pooling referring to the above-mentioned loans to De Nora Italy S.r.l. amounting to € 321 thousand.

Transactions with Associates

Transactions with Associates are mainly related to income for the provision of research and development services for € 937 thousand (€ 648 thousand in 2023).

Transactions with Other Related Parties

Relations with Other Related Parties mainly refer to:

- other receivables, amounting to € 45 thousand (unchanged from the financial statements as at December 31, 2023) attributable to the transactions with Norfin S.p.A. described above;
- remuneration to directors and the Board of Statutory Auditors, for which reference should be made to note 34;
- payables attributable to transactions for directors' fees with the companies Gencap Advisory S.r.l., Snam S.p.A., Ischyra Europa GmbH.

Below is the list of directly or indirectly owned investments:

Company name	Registered office
Directly owned investments:	
Capannoni S.r.l.	Italy
De Nora Italy S.r.l.	Italy
Oronzio De Nora International BV	The Netherlands
De Nora Elettrodi (Suzhou) Ltd	China
De Nora do Brasil Ltda	Brazil
De Nora Holding UK Ltd.	United Kingdom
De Nora Water Technologies Italy S.r.l.	Italy
De Nora Italy Hydrogen Technologies S.r.l.	Italy
thyssenkrupp Nucera AG & Co. KGaA	Germany
thyssenkrupp nucera Management AG	Germany
Indirectly owned investments:	
De Nora Deutschland GmbH	Germany
De Nora India Ltd	India
De Nora Tech LLC	USA
De Nora Permelec Ltd	Japan
De Nora Hong Kong Limited	Hong Kong
De Nora China - Jinan Co Ltd	China
De Nora Glory (Shanghai) Co., Ltd	China
De Nora Water Technologies UK Services Ltd.	United Kingdom
De Nora Holding US Inc.	USA
De Nora Water Technologies (Shanghai) Co. Ltd	China
De Nora Water Technologies LLC	USA
De Nora Marine Technologies LLC	USA
De Nora Water Technologies Ltd.	United Kingdom
De Nora Water Technologies (Shanghai) Ltd	China
De Nora Neptune LLC	USA
De Nora Water Technologies FZE	U.A.E.
Shotec GmbH	Germany
Capannoni USA LLC	USA
thyssenkrupp nucera Italy S.r.l.	Italy
thyssenkrupp nucera Japan Ltd.	Japan
thyssenkrupp nucera (Shanghai) Co., Ltd.	China
thyssenkrupp nucera USA Inc.	USA
thyssenKrupp nucera Australia Pty.	Australia
thyssenkrupp nucera Arabia for Contracting Limited	Saudi Arabia
thyssenkrupp nucera Participations GmbH	Germany
thyssenkrupp nucera India Private Limited	India

G. DIRECTORS', STATUTORY AUDITORS' AND INDEPENDENT AUDITORS' FEES

34. Directors', Statutory Auditors' and Independent Auditors' fees

Pursuant to article 38 of Italian Legislative Decree 127/91, the fees paid to the Directors and Statutory Auditors of the company Industrie De Nora S.p.A. for the performance of their duties are detailed below:

- Fees to Board of Directors and Supervisory Committees: € 1,271 thousand in 2024 (compared to € 1,264 thousand in 2023);
- Fees to Board of Statutory Auditors: € 98 thousand in 2024 (compared to € 98 thousand in 2023);
- Fees to Independent Auditors (statutory financial statements): € 59.2 thousand (compared to € 58.8 thousand in 2023).

H. EVENTS AFTER THE REPORTING DATE

35. Events after the reporting date

The Company has signed two collaboration and research contracts with Saudi companies ACWA Power and Saudi Water Authority on the occasion of bilateral meetings between Italy and the Kingdom of Saudi Arabia. These agreements aim to boost the circular economy, innovation, and energy transition, contributing to Saudi Arabia's Vision and achieving the 2030 goals.

The first agreement, a Memorandum of Understanding with ACWA Power, a Saudi giant in the desalination and energy sector that includes green hydrogen, involves studying, developing, and applying innovative technologies to improve the efficiency of water treatment systems. Specifically, ACWA Power, a publicly traded company, will focus on solutions to optimize the desalination process and reduce environmental impact.

The second agreement is with the Saudi Water Authority, the government agency that regulates and oversees the water sector in Saudi Arabia. This collaborative project involves the provision of three pilot plants: the first dedicated to increasing the efficiency of chlorine dioxide for water disinfection, the second to study the treatment of PFAS (per- and polyfluoroalkyl substances), and the third pilot to investigate innovative solutions for the recovery of hydrogen emitted from electro chlorination systems, thus contributing to energy efficiency and sustainability.

Significant events subsequent to the end of the financial year did not have relevant effects on the financial statements.

I. ANNUAL LAW FOR THE MARKET AND COMPETITION (L. 124/2017)

36. Annual law for the market and competition (L. 124/2017)

The Italian Law no. 124 of August 4, 2017, "Annual law for the market and competition", which entered into force on August 29, 2017, aims to ensure greater transparency in the system of financial relations between public entities and other subjects.

During the year, the Company recorded revenues for contributions recognized but not yet disbursed for € 198 thousand pursuant to Italian Law no. 124/2017, Article 1, paragraph 25.

L. ALLOCATION OF PROFIT FOR THE PERIOD

37. Allocation of profit for the period

We propose the distribution of a dividend of € 0,104 per share; the residual part of the profit for the period resulting from the financial statements closed as at December 31, 2024 to allocate instead to the retained earnings reserve.

On behalf of the Board of Directors

The Chief Executive Officer

Paolo Enrico Dellachà

MANAGEMENT CERTIFICATION OF THE SEPARATE FINANCIAL STATEMENTS

(Pursuant provision of article 154-bis, paragraph 5 of the Legislative Decree No. 58/1998 - Testo Unico della Finanza)

The undersigned Paolo Enrico Dellachà and Luca Oglialoro, in their respective capacities as Chief Executive Officer and Manager responsible for preparing the Company's financial reports of Industrie De Nora S.p.A., hereby certify, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:

- the adequacy in relation to the characteristics of the company and
- the effective application of the administrative and accounting procedures for the preparation of the separate financial statements as at December 31 2024.

It is also certified that:

The separate financial statements as at 31 December 2024:

- have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the information contained in the accounting ledgers and records;
- provide a true and fair representation of the equity, economic and financial situation of the Issuer.

Milan, 18 March, 2025

Paolo Enrico Dellachà
Chief Executive Officer

Luca Oglialoro
Manager responsible for preparing the Company's financial reports

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Industrie De Nora SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Industrie De Nora SpA (the Company), which comprise the statement of financial position as of 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity, cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Assessment of the recoverability of the carrying amounts of investments *Notes to the Separate Financial Statements Paragraph A - General information – Note 2 – "Summary of accounting standards and measurement criteria" –"Equity investments" and "Use of estimates" paragraphs Part C – Notes to the main financial statements items – Statement of financial position, Assets – Note 18 "Investments in subsidiaries and associated companies"*	
Investments in subsidiaries and associates amount to euro 353.2 million and are recognised in the Company statement of financial position as non-current assets. Investments are measured at cost; when impairment indicators exist, the recoverability of the carrying amounts is tested by comparing the carrying amount of each investment with its recoverable amount that is the higher of fair value less costs of disposal and value in use, as defined by IAS 36 *"Impairment of assets"*. In the preparation of the financial statements as of 31 December 2024 the Company has not identified any impairment indicators. The assessment of the recoverability of the carrying amounts of investments is a key audit matter for the financial statements both in consideration of the relevance of the amount and because of the presence of significant elements of estimation. The correct identification of potential impairment indicators, as well as estimations to determine the recoverable amount, when applicable, depend on subjective evaluations as well as factors that may change over time affecting management's evaluations and estimates.	We performed specific analyses to understand and evaluate internal controls over management's evaluations in this area. We also verified management's analyses for the identification of impairment indicators, in accordance with IAS 36. Finally, we verified the accuracy and completeness of disclosures in the notes to the financial statements.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

Among the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

In the shareholders meeting of Industrie De Nora SpA held on 18 February 2022 we were engaged to perform the audit of the Company's consolidated and separate financial statements for the years ending 31 December 2022 to 31 December 2030.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) 537/2014 and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Delegated Regulation (EU) 2019/815

The directors of Industrie De Nora SpA are responsible for the application of the provisions of Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Delegated Regulation") to the financial statements as of 31 December 2024, to be included in the annual report.
We have performed the procedures specified in auditing standard (SA Italia) 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation
In our opinion, the financial statements as of 31 December 2024 have been prepared in XHTML format in compliance with the provisions of the Delegated Regulation.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree 39/10 and with article 123-bis, paragraph 4, of Legislative Decree 58/98

The directors of Industrie De Nora SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Industrie De Nora SpA as of 31 December 2024, including their consistency with the relevant financial statements and their compliance with the law.
We have performed the procedures required under auditing standard (SA Italia) 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/98, with the financial statements;
- express an opinion on the compliance with the law of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/98 are consistent with the financial statements of Industrie De Nora SpA as of 31 December 2024.
Moreover, in our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 3 April 2025

PricewaterhouseCoopers SpA

Signed by

Francesco Ronco
(Partner)

As disclosed by the Directors, the accompanying financial statements of Industrie De Nora SpA constitute a non-official version which is not compliant with the provisions of the Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.