

DMC GLOBAL INC.

2021 Sustainability Report





NobelClad Liebenscheid, Germany facility

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About This Report

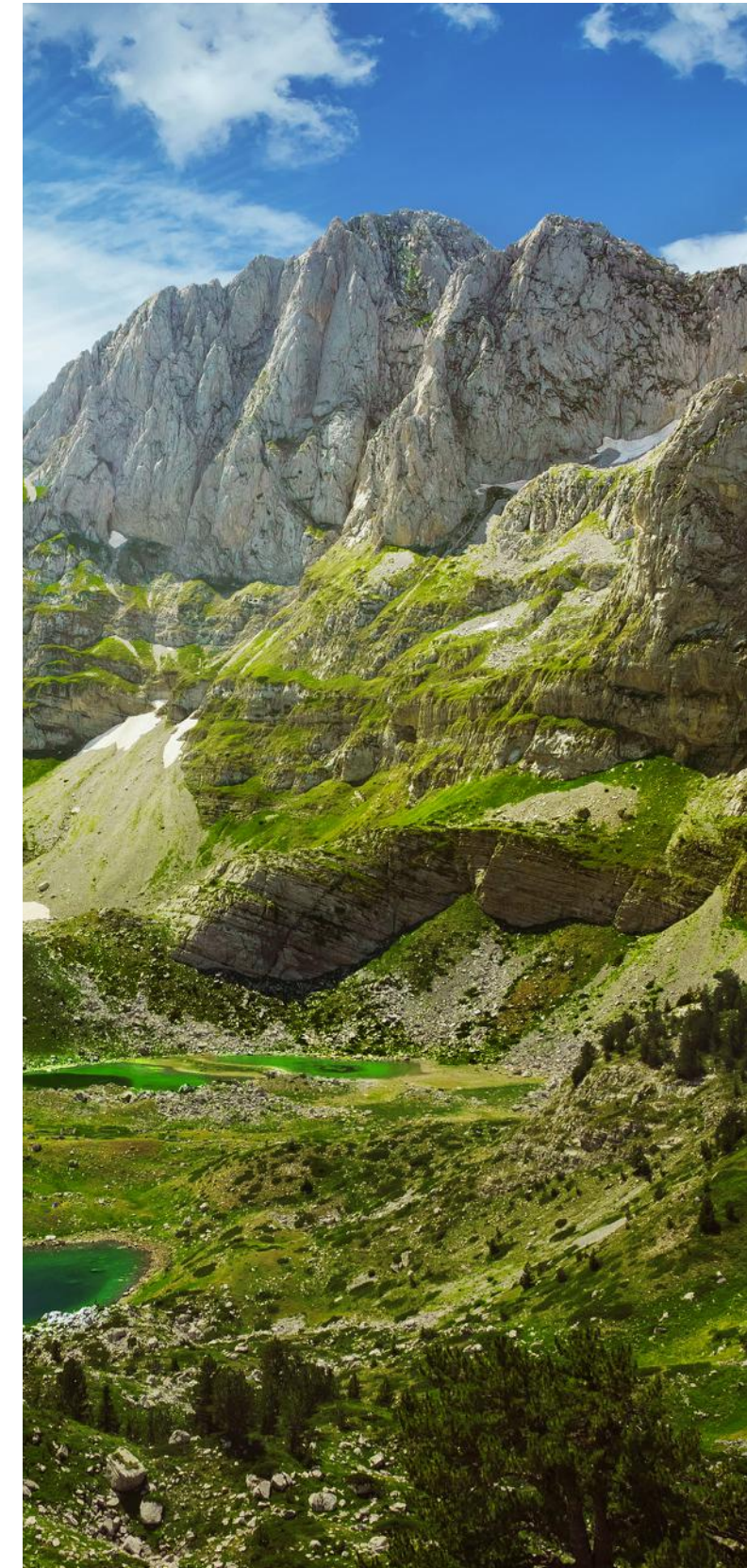
This Sustainability Report is prepared in accordance with the Global Reporting Initiative's (GRI) Core Standards and references disclosure standards of the U.S.-based Sustainability Accounting Standards Board (SASB). We also provide reporting indices for the Task Force on Climate-Related Financial Disclosures (TCFD).

Unless otherwise noted, this report covers initiatives and performance metrics of DMC and its subsidiaries for the fiscal year ended December 31, 2021.

This report covers DMC operations in 2021 excluding our new Arcadia business, which was acquired in December 2021. We look forward to including comprehensive disclosures regarding Arcadia in our 2022 Sustainability Report.

References made in this report to "DMC" or the "Company" refer to DMC Global Inc. and its subsidiaries.

Contact Geoff High, VP Investor Relations & Corporate Communications at ghigh@dmcglobal.com for additional information or questions about this report.





A Letter to Our Stakeholders

Dear Stakeholders,

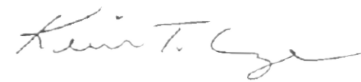
DMC's 2021 Sustainability Report documents another year in our ongoing journey toward becoming a more resilient, successful and sustainable company. This report reflects the practical and balanced approach DMC takes to sustainability as we address the interests of a broad coalition of stakeholders that includes our employees around the world, the investors who have entrusted us with their capital, the customers and markets that rely on us for innovative products and solutions, and the communities in which we operate.

DMC has established a set of sustainability principles that guide our approach to business opportunities and operational risk. These principles also serve as guideposts for DMC's businesses, which we have empowered to develop innovative programs that adhere to our sustainability objectives. Locally led initiatives ensure the safety of our workplaces; support our efforts to minimize the consumption and disposal of raw materials; conserve the energy and natural resources we require to operate; provide employees with opportunities for professional and personal growth; and strengthen our role as an engaged and responsible corporate citizen.

Fundamental to DMC's success is our support of creativity and innovation at every level of the Company. This has resulted in an ever-expanding portfolio of technologies, products and solutions that enhance the efficiency and performance of our customers' operations. Our focus on innovation also drives our profitable financial growth and supports the long-term sustainability of DMC.

We hope you find this report informative and illustrative of our efforts to positively impact the people and world around us.

Kind regards,



Kevin Longe
President & CEO



2021 Company Overview



OUR COMPANY AT A GLANCE

1965

Company Founded

Broomfield, CO

Headquarters

1,503 Full & Part Time Employees

as of December 31, 2021 (900 of these employees joined DMC when it acquired Arcadia in December 2021)

\$260.1M

2021 Consolidated Revenue

\$500.5M

2021 Pro-forma Consolidated Revenue ¹

\$0.2M

2021 Net Loss attributable to DMC Global Inc. stockholders

\$2.9M

2021 Adjusted Net Income attributable to DMC Global Stockholders

\$12.8M

2021 Cash used in Operations

\$116.6M

Net Debt at December 31, 2021 ²

\$30.8M

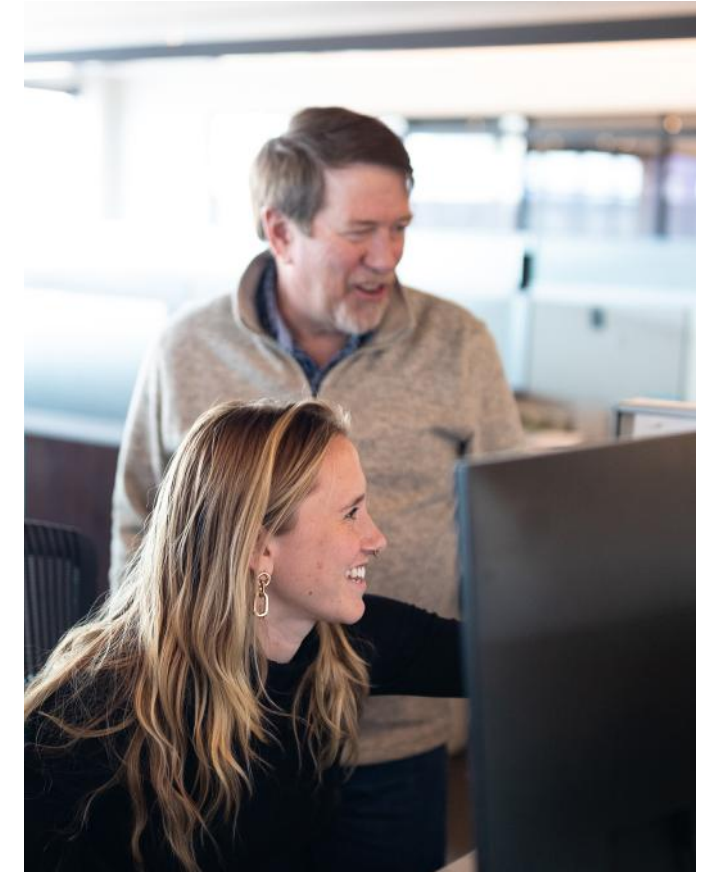
Total Cash at December 31, 2021

\$20.2M

2021 Adjusted EBITDA attributable to DMC Global Inc. ²

\$50.1M

2021 Pro-forma Adjusted EBITDA ¹



DMC Headquarters, Broomfield, Colorado

DMC Global Inc. (DMC) is a diversified holding company of innovative businesses that provide differentiated products and services to niche segments of the architectural building products, energy, industrial processing and transportation markets around the world. DMC is incorporated in Delaware, is publicly held, and listed on Nasdaq (NASDAQ: BOOM).

DMC's current portfolio consists of three businesses: Arcadia, DynaEnergetics and NobelClad. Arcadia is a supplier of architectural framing systems, windows and doors for the commercial construction and high-end residential markets. DynaEnergetics designs and manufactures products used by the global energy industry principally for the perforation of oil and gas wells. NobelClad is a leading supplier of composite metal plates for use in the construction of corrosion resistant industrial processing equipment, as well as specialized transition joints for transportation applications and industrial construction projects.

¹ Inclusive of recently acquired Arcadia

² Non-GAAP financial measure. Please see Use of Non-GAAP Financial Measures Business Areas

Business Strategy

DMC's strategy is to identify and acquire well-run businesses with strong management teams and support them with long-term capital and strategic, legal, technology and operating resources. Our approach helps our portfolio companies grow core businesses, launch new initiatives, upgrade technologies and systems to support their long-term strategy, and make acquisitions that improve their competitive positions and expand their markets. DMC's culture is to foster local innovation versus centralized control and to stand behind our businesses in ways that truly add value.

DMC currently operates a global network of eight primary manufacturing facilities and 19 light manufacturing, sales and administrative offices in seven countries. Prior to the acquisition of Arcadia in December 2021, DMC operated four manufacturing facilities and eight sales and administrative offices.

Our Purpose

At DMC, we believe a sustainable organization is one that creates long-term opportunities for our employees, innovative technologies and products for our customers, superior value for our stakeholders, and economic and social benefits for the communities in which we do business. Our shared values of Integrity, Teamwork, Courage and Humility serve as the guiding principles for everything we do.

Through a steadfast focus on safety, we work to ensure the well-being of our employees, our customers and the communities in which we operate. We endeavor to run our businesses in an environmentally responsible manner, while empowering our customers to mitigate the ecological impact of their operations with innovative solutions.

DMC offers rewarding opportunities, competitive compensation and benefits, and we provide our employees with a highly supportive environment where they are challenged to excel and empowered to transform business through their work.

Our values are important tenets that every person can identify with and embody throughout all aspects of the organization.

Our Values



Integrity

We stand by our word and own our decisions. We are fair in how we treat customers, peers, partners and the communities we work in. We treat our company like it's our own.



Teamwork

We believe being a part of one team, one community. We count on each other to do our part. We stand by one another when things are tough, learning from our failures and celebrating together when we get the job done.



Courage

We are entrepreneurs, with the courage to act when we see something that needs doing. We believe in pursuing the right path forward, even if it's the most difficult one.



Humility

We believe that inspiration can come from anywhere and remain open to new ideas. We are proud of our work and how it helps our customers, but are never boastful.

Our Shared Ways of Working

- 1 We commit to clear priorities.
- 2 We never settle for good enough.
- 3 We love a challenge.
- 4 We do our best when we do things together.
- 5 We're not afraid to fail.
- 6 We selflessly teach and willingly learn.
- 7 We believe good communication starts with good listening.
- 8 We are transparent about success and failure.
- 9 We celebrate successes and acknowledge efforts.
- 10 We think globally and act locally.

Employee Value Proposition

We provide a highly supportive environment where people are challenged to excel and empowered to transform business through their work.



DynaEnergetics employees at Troisdorf, Germany facility

Our Sustainability Strategy

Sustainability is a cornerstone of DMC's success, and drives our efforts to develop innovative, safe and efficient products for our markets, while protecting the interests of our current and future stakeholders. Sustainability guides our approach to business opportunities and operational risk and drives our efforts to improve efficiencies and reduce costs. Its influence is evident in our consistent improvements in operational performance and our exceptional employee safety record.

Sustainability also is a priority to our customers, who use our innovative technologies and products to improve the safety and efficiency of their businesses, and to mitigate the environmental impact of their operations. We take our customers' goals and priorities very seriously, and these priorities are factored into our product design processes.

Our commitment to sustainability is important in attracting and retaining top talent and improving the productivity and effectiveness of our workforce. We are focused on creating a safe and supportive work environment for all our employees, adhering to well-defined corporate values, and encouraging diversity and inclusion.

Our focus on sustainability strengthens our relationships with the communities in which we operate and supports our approach to long-term value creation for our stakeholders.

We are committed to respecting and conserving environmental resources, and engage our local teams to carry out our commitments in these areas.

We are continuously innovating, progressing and deepening our internal dialogue to ensure DMC and its portfolio companies make a positive impact on the people and world around us.

DynaEnergetics Blum, Texas facility

Sustainability Highlights 2021

COVID-19 Response

During 2021, COVID-19 continued to present challenges to the lives of our employees and to our operations. Our teams worked proactively in all of our jurisdictions to navigate local pandemic conditions, laws and regulations, and to implement related safety protocols and practices. Our operations teams also worked diligently and proactively to address labor, supply chain, transportation and other challenges. Highlights of our response efforts include:

- Continued adherence to recommended health and safety protocols
- Daily digital health and wellness surveys for the U.S. workforce to enable safe and efficient access to our workplaces
- Emphasis on employee assistance programs to help with mental health and stress
- Voluntary COVID-19 vaccine programs
- Increased use of social media and webinars to maintain communication with customers
- Conducted our first virtual Leadership and Sales Conference
- Mitigation of labor and supply chain impacts

Arcadia Acquisition

In December 2021, DMC acquired a 60% controlling interest in Arcadia. In addition to roughly doubling DMC's annualized sales and adding more than \$32 million in annualized adjusted EBITDA attributable to DMC, Arcadia added approximately 900 employees to the DMC family. It also more than doubled the size of DMC's addressable markets.



We believe the increased scale of DMC will allow us to better absorb the costs and challenges of increasingly complex regulatory and business environments, while the diversification of our portfolio is expected to mitigate business, regulatory, climate and other relevant risks.

Arcadia joined DMC with three highly regarded businesses that serve distinct segments of the architectural building products market. The largest operates under the Arcadia brand, and provides exterior architectural framing systems, curtain and window walls, entrances, and sun control systems to the commercial buildings market. Arcadia's manufacturing facilities in Vernon, California supply a network of service centers primarily located in the western and southwestern United States. The business primarily targets low and mid-rise buildings, and it serves a broad range of commercial markets that include offices, government and civic facilities, education, healthcare, retail, airports and warehouses. Many of these markets are countercyclical, generating steady demand during up and down cycles in the broader economy.

Wilson Partitions serves the commercial interiors market, and provides office framing products, doors and sliding systems. Wilson's products are used principally in office construction and remodel projects, and are designed to address noise control and fire rating applications. Wilson is supported by manufacturing facilities in California, Texas and Connecticut.

Arcadia Custom serves America's high-end residential real estate market, and provides custom, highly engineered steel, aluminum and wood windows and doors that are manufactured at its facilities in Tucson, Arizona; Vernon, California and Stamford, Connecticut. Arcadia Custom works closely with architects, contractors and installers, and typically participates throughout the planning and design phases of a custom home. It has established strong brand recognition based on reputation for unmatched quality and aesthetics in homes with both modern and traditional designs.

People

We completed our first pay equity study of U.S. employees in December 2021. We are working to expand our study to include non-U.S. and Arcadia employees for 2022.

We adopted our Diversity, Equity and Inclusion Policy in May 2021 to articulate our commitments in these areas.

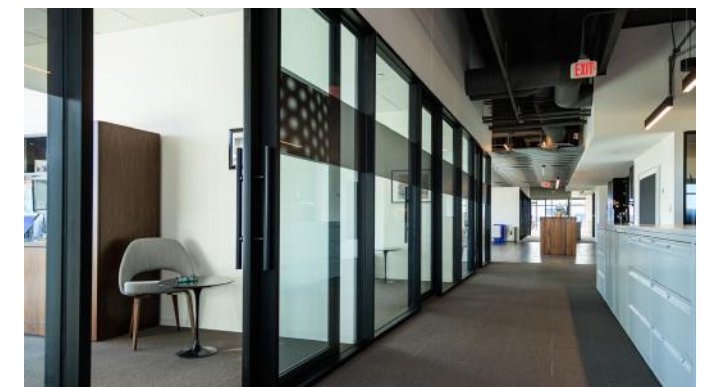
Cybersecurity

We continued to advance our cybersecurity maturity. Key projects completed in 2021, include:

- Business continuity and disaster recovery assessment and process improvements
- Developed third-party risk management framework
- Implemented vulnerability management and incident detection and response tools and processes

Digitalization

DMC continued its digital transformation in 2021. DynaEnergetics launched its Digital Platform, which allows customers to configure and purchase DynaEnergetics products via an online e-commerce platform.



Wilson Partitions commercial interior



Arcadia Custom provides an ever-expanding range of materials, styles and finishes for design flexibility that meets every aesthetic

Sustainability Goals



Debt Reduction

The financing of the Arcadia acquisition included \$150 million in borrowings under DMC's new credit facility. DMC is focused on de-leveraging and building cash reserves to enhance DMC's resiliency, invest in its existing businesses and allow flexibility to pursue growth opportunities.

Shareholder Returns

DMC's objective is to deliver superior returns for our stakeholders by adhering to three key performance tenets:



Maximize free cash flow through financial discipline



Maximize return on invested capital by achieving operational excellence and making discerning investment decisions



Invest in new technology, product and market development to drive sustained growth and increased profitability

Arcadia Integration

Our primary goal with respect to Arcadia is to continue to execute our integration plan, which includes building strong public company financial reporting and compliance processes and internal controls, as well as providing a supportive culture that empowers Arcadia's employees to transform their business. In the ESG and sustainability areas, we are establishing teams and processes to enable monitoring and data collection. This will allow us to learn more about the Arcadia ESG opportunities and challenges associated with Arcadia and its customers.

Transparency, Reporting and Processes

We are continuing to build out our internal sustainability structures and initiatives, as well as our reporting framework and processes.



NobelClad employee at Liebenscheid facility

Fully Engage Facilities-Led Management Approach

The leadership and employees at each of our facilities are responsible for executing on the goals and values set forth in this Report. These teams are best positioned to look for new opportunities to improve our operational efficiencies and ESG approaches and results. Although we have historically relied on the input and efforts of our local teams in these areas, we believe it is time to formally recognize these contributions and fully engage and empower our local employees to move our ESG journey forward. DMC will actively support and encourage Facilities-Led Initiatives at all of our locations.

Environmental

We are committed to continuously improving our processes and practices to reduce the environmental impacts from our operations and products, as well as related impacts to our customers and communities. Our local teams will guide these efforts through Facilities-Led Initiatives, with support from DMC. Looking forward, we are committed to identifying industry associations and global frameworks to identify additional opportunities to reduce emissions and energy consumption.



“We are focused on cultivating a skilled, committed and engaged workforce, where employees feel valued and respected and have the right support and resources to be successful.”

People

Safety

DMC will establish goals and targets based on 3-year averages. It is our view that the performance of our safety program must be measured over a multi-year period. Trends for both Lost-Time Incident Rates (LTIR) and Total Recordable Incident Rates (TRIR) have shown positive progress over the last three years within the DynaEnergetics and NobelClad businesses, and DMC goals are set with the expectation of improving these averages in 2022.

We will advance the process of reviewing and assessing Arcadia health and safety programs and practices, with 2022 to serve as our baseline for setting future improvement targets for Arcadia.

Employee Engagement and Development

We are focused on cultivating a skilled, committed and engaged workforce, where employees feel valued and respected and have the right support and resources to be successful. We seek to build opportunities to engage more deeply with employees and are reviewing a range of training and development opportunities. We will monitor employee turnover as a key performance indicator in this area.

Diversity and Inclusion

We are furthering our diversity and inclusion efforts in 2022 with in-person training for our U.S. employees. In 2022, we are expanding our pay equity study to include non-U.S. and Arcadia employees.

Supply Chain

We are committed to strengthening our relationships and collaboration with our suppliers to ensure continuity of supply for necessary materials and products and to ensure alignment with our ethical sourcing commitments.

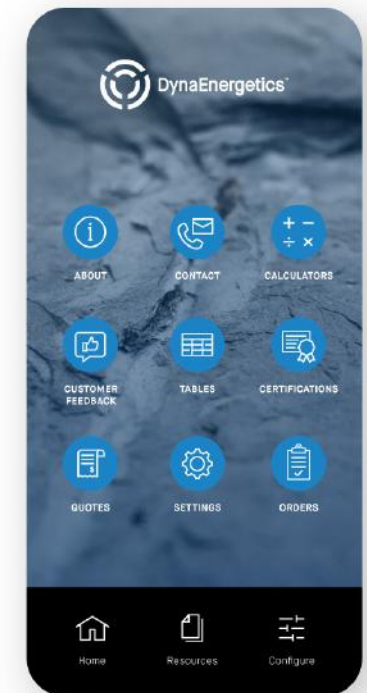
Cybersecurity

We continue to increase cybersecurity maturity across all DMC business units and geographies by standardizing cybersecurity tools and processes and implementing best-in-class cybersecurity solutions.

Accelerate Digitalization

DMC continues to invest in digital transformation. Key initiatives in 2022 include:

- Launching mobile versions of DynaEnergetics Digital Platform on iOS and Android
- Launching NobelClad Customer Portal allowing customers to view real-time order status and enabling on-line collaboration between NobelClad and its customers
- Upgrading NobelClad’s legacy ERP system to a new cloud-based digital platform
- Implementing new cloud-based, modern ERP platform at Arcadia (targeted to go-live February 2023)



DynaEnergetics digital platform

Our Sustainability Framework

Oversight of ESG and Sustainability

Our management team is responsible for day-to-day management of ESG and sustainability matters and programs and has established an ESG committee to oversee these matters. The committee is comprised of senior executives from our operations, human resources, financial, legal and corporate communications teams. It reviews the ESG program (including the selection of our ESG commitments and our progress toward achieving those commitments) and approves our annual Sustainability Report.

The Chair of the ESG Committee (our EVP and Chief Legal Officer) reports to the Board and the Risk Committee of the Board on ESG matters on a regular basis (at least bi-annually). The Board reviews the Sustainability Report, our ESG commitments, as well as our progress towards those commitments.

The Risk Committee of the Board, as part of its mandate to oversee sustainability matters, oversees ESG risks. ESG risks are reviewed and compiled by management as part of the Enterprise Risk

Management process, and then submitted to the Risk Committee for review on a quarterly basis. The Audit Committee reviews ESG matters as they relate to financial reporting and internal controls.

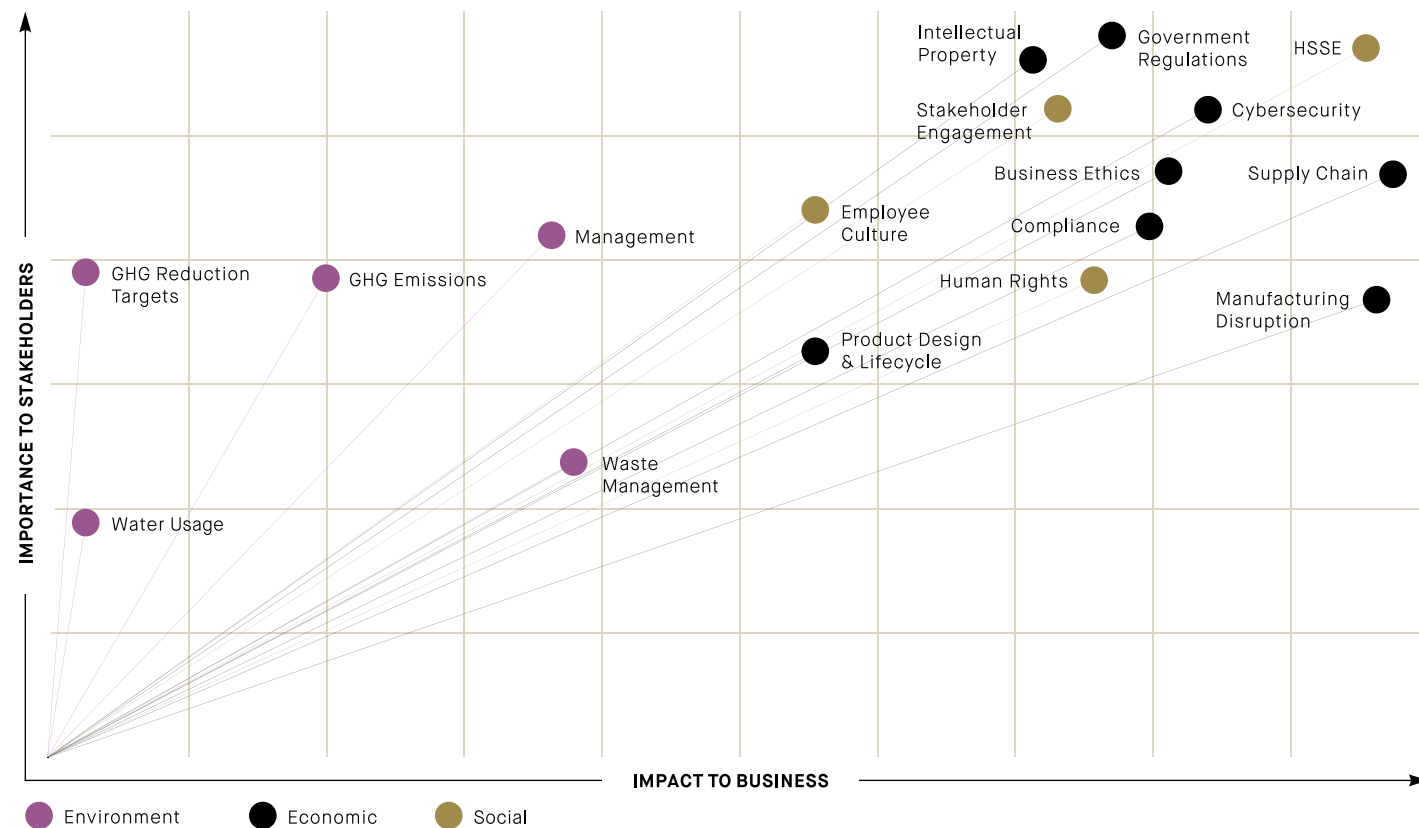
Materiality

The ESG Committee performed a materiality assessment, which identified topics materially important to our current operations and long-term, sustainable growth. Our review considered impacts and opportunities presented by regulatory and policy changes, market conditions, environmental issues and societal considerations.

The assessment informed the topics discussed in this report, and will help guide our sustainability strategy and priorities in the coming years.

As we continue to engage our investors, customers, suppliers and other key stakeholders, we will re-evaluate our materiality assessment as necessary.

MATERIALITY MATRIX



Risk Management

Our Approach

DMC recognizes that risk management is vital to its operations and has established an Enterprise Risk Management (ERM) process. The ERM process evaluates business risks and opportunities, ensuring that risks are appropriately identified, assessed against tolerance levels and managed across the Company. Our ERM team is comprised of senior management in key business areas and manages and implements the ERM process. The ERM team meets regularly and employs a proactive approach to reviewing and analyzing current and potential risks facing the Company. The team reports to the Risk Committee on a quarterly basis regarding risk assessments and mitigation efforts and progress.

We further discuss risk management as it relates to people and the environment, which can be found on pages 31 and 42, respectively.

Stakeholder Engagement

DMC is committed to building a successful and sustainable company for all our stakeholders.

These include DMC employees around the world, the local communities in which we operate, the markets we serve, and the investors that trust us to be a good steward of their financial resources. Engaging in meaningful dialogue with all stakeholders provides diverse perspectives on our businesses and operations, and how they impact our communities. We use this feedback to align our priorities with those of our stakeholders, and to identify where we can improve our performance.

How We Define Our Stakeholders

We define our stakeholders as those individuals or groups that affect our Company, as well as those that are or could be affected by DMC. These groups include investors, customers, suppliers, employees, the communities in which we do business, and associations.

Investors

DMC is committed to transparent communication and proactive engagement with the investment community, and believes these efforts are critical to enabling informed and objective assessments of our Company as an investment opportunity. We use a variety of avenues to engage with investors, including:



NobelGlad employee at Libenscheid, Germany facility

- Conference calls that follow each quarterly earnings release, providing a forum for greater context about our financial and operational performance, and an opportunity to address analyst and investor questions
- Investor conferences, where our executives deliver presentations on DMC, its financial and operational performance, and our near and long-term strategy
- One-on-one meetings conducted at conferences, DMC facilities and investor offices
- Site visits, which provide investors a first-hand view of our products, operations and facilities
- Road shows, in which DMC leadership travels to various U.S. and international financial markets to personally meet with investors and analysts
- In-bound calls, which we endeavor to promptly address
- Outreach, which involves proactively contacting investors and analysts who we believe will appreciate the DMC business model and strategy

During 2021, we conducted more than 100 in-person, virtual and telephonic investor and analyst meetings.



Customers and Suppliers

We engage with our customers and suppliers on the basis of honesty and transparency and focus on building collaborative and mutually beneficial partnerships. We work to understand the needs of each customer to ensure client satisfaction. This collaboration is key in developing new technologies and product offerings. Our suppliers are critical partners as we navigate challenging business environments and increasing governance and regulatory requirements. We support responsible sourcing of materials from suppliers that share our values, including with respect to conflict minerals and human rights, as outlined in our Conflict Minerals Policy and our Human Rights Policy.

Employees

Our employees are the key to our short-term and long-term success. They advance DMC's values and goals every day by living and demonstrating our values, furthering innovation in our products and processes, solving problems and shaping our workplaces. We rely on our employees' insights and expertise to guide our strategies and programs. The Board engages with our business unit management teams during our strategy and budget reviews.

We regularly communicate with employees regarding new hires and promotions and material developments within the businesses. BOOM Times is a periodic publication distributed to all employees worldwide, which reports on key developments and initiatives and highlights the accomplishments of our teams and employees across the Company.

We seek to acknowledge our employees' contributions through real-time recognition and feedback, as well as through more formal means such as the CEO Innovation Award and the Chairman's Safety Award. Leadership teams throughout the organization host

various training and team building events to further employee skill development, build connections among employees and create value alignment.

Communities

Our goal is to conduct our business operations in a socially responsible manner and engage our employees in their communities. Fundamental to our operations are the communities in which we do business. We believe in investing and supporting our local communities and rely on the guidance of our leadership and employees at each facility to understand their community's needs. Our local teams assess areas of support and involvement and organize initiatives to deploy resources in support of strong local community relationships.



DynaEnergetics employees at Troisdorf, Germany facility

Associations

DMC and our businesses are members of the following associations and organizations, which are strategic to our business:

- The Welding Institute
- Materials Technology Institute
- International Titanium Association
- The Rapid Advancement in Process Intensification Deployment Institute
- Colorado Oil & Gas Association
- The Institute of Makers of Explosives (IME)
- Chamber of Industry and Commerce (IHK Bonn/Rhein/Sieg)
- Chamber of Industry and Commerce (IHK Ireland)
- German Blasting Association
- Federation of European Explosives Manufactures (FEEM)
- ASTM International (American Society for Testing and Materials)
- DVS German Welding Society and Allied Processes (DVS-Deutscher Verband Schweißen und verwandte Verfahren)
- Chamber of Commerce (IHK Dillenburg)
- Chamber of Commerce (IHK Koblenz)
- Chamber of Commerce (IHK Siegen)
- German Blasting Association (Deutscher Sprengverband)
- Employer's Liability Insurance Association for Raw Materials and the Chemical Industry (BG RCI)
- Chamber of Foreign Trade (AHK)
- Society of Petroleum Engineers (SPE)

Sun Valley Sales & Leadership Conference

Our annual Sales and Leadership Conference, which is held in Sun Valley, Idaho each January, provides an opportunity for our leadership and sales teams to build relationships, share expertise and experiences and receive training on key topics. The multi-day event is a chance to recognize outstanding sales performance and innovation in each business, acknowledge other key accomplishments from the prior year and set goals and priorities for the coming year. We believe that this gathering is key to aligning our values worldwide and encouraging teamwork and cohesiveness.

Products & Innovation



DMC's businesses have established leadership positions in their respective industries, in large part by maintaining a consistent focus on technology and product innovation and constant improvement of products and processes. In addition to optimizing product safety and performance, an important objective of DMC's businesses is to limit the environmental impact associated with manufacturing and deploying its products. We pursue innovation through in-house research and development, as well as collaborative partnerships with third parties. In 2021, we invested approximately \$7.2 million in research and development and currently hold a total of 128 patents and 131 patent applications.

Although innovation is typically associated with research and development, DMC believes innovative ideas can come from any functional area of a business. For instance, a new or improved manufacturing or business process can drive meaningful improvements in quality, efficiency or bottom-line performance.



DynaEnergetics transformed North America's well performing industry with its 2013 introduction of a patented, intrinsically safe initiating system that effectively eliminates the risk of inadvertent detonations of perforating-systems. To date, approximately 4.8 million of DynaEnergetics' IS2™ initiating systems have been deployed without a safety incident.

In 2015, DynaEnergetics commercialized its fully integrated DS perforating system. DS systems are shipped fully-assembled, just-in-time to the customer's wellsite, reducing the number of people required on location, eliminating the need for explosive storage and assembly facilities, and minimizing the customer's investments in inventory and supply-chain resources. DynaEnergetics estimates these benefits can save customers more than \$200,000 per well in completion costs versus traditional component-based perforating products.

DynaEnergetics' direct-to-well distribution model also reduces fuel consumption, truck traffic and emissions associated with transporting perforating products to and from regional distribution centers.

Widespread adoption of the IS2™ and DS systems increased DynaEnergetics' market share to more than 20%, from approximately 5% since its introduction.

DynaEnergetics has reduced by 60% the direct labor hours required to assemble its DS Perforating Systems when compared to 2019 assembly rates.

CEO Innovation Award

Each year, DMC seeks nominations from across its businesses for the CEO's Innovation Award, which is presented at DMC's Sales and Leadership Conference held each January in Sun Valley, Idaho. The award recognizes outstanding innovation, whether through technology and product innovation or through improvements to manufacturing or business processes.

During 2021, DynaEnergetics launched several initiatives to streamline the manufacturing process for its DS system. These initiatives have reduced the direct labor hours required to assemble DS Systems by 60% compared to 2019 assembly rates. DynaEnergetics' focus on safe manufacturing practices was acknowledged by the Institute of Makers of Explosives(IME), which in 2021 presented its Award of Safety to DynaEnergetics for its safety performance.

DynaEnergetics also instituted a series of new product designs and manufacturing processes during 2021. These initiatives focused on:

- Reducing the use of raw material, including plastic and steel
- Accelerating DS System assembly speed, which increases efficiency and decreases costs
- Reducing the quantities of wood and cardboard used in product packaging and transport
- Reducing noise levels on the manufacturing floor

The results of these initiatives will be reflected in a series of new products and manufacturing practices that will be introduced during 2022.



IS2™ product family



The composite metal plates produced by NobelClad are designed to improve the longevity, performance and safety of mission-critical capital equipment, such as pressure vessels, heat exchangers and reactors. NobelClad's plates also reduce the quantity of expensive reactive metals required in the manufacturing of industrial processing equipment. The thickest layer in these plates is typically carbon steel, which provides structural integrity and requires significantly less energy to produce than reactive metals such as titanium and zirconium.

In 2021, NobelClad introduced DetaPipe™, a high-performance clad-metal pipe product designed for use in corrosive, high-temperature and high-pressure industrial-processing environments. The product is produced using a proprietary process that joins corrosion-resistant alloys, such as zirconium and titanium, to lower-cost, higher-strength base metals. DetaPipe™, which delivers greater fracture resistance compared to solid zirconium or titanium pipe, was developed in accordance with pipe manufacturing specifications set by the American Society of Mechanical Engineers. It also underwent a series of performance evaluations, including thermomechanical fatigue testing, by Paulin Research group, an independent third-party laboratory.

There has been strong commercial interest in DetaPipe™, which management believes could lead to a meaningful increase in sales during the coming years.

During 2021, NobelClad also began a research and development program focused on reducing greenhouse gas emissions associated with its explosion welding process. In addition, NobelClad's composite metal plates are being evaluated for use in a variety of evolving alternative energy applications, including concentrated solar power, wind, hydrogen and geothermal.



Following its December 2021 acquisition of a controlling interest in Arcadia, DMC began the process of integrating Arcadia's operations. Key elements in this process include identifying opportunities to enhance the safety and efficiency of Arcadia's manufacturing processes, while also advancing its product and market-development programs. The integration process will continue into 2023 and will be followed by implementation of new safety programs and manufacturing best practices.



NobelClad DetaPipe™



Arcadia Custom home interior

Governance

Strong corporate governance is essential to achieving our business strategy and operating responsibly.

BOARD HIGHLIGHTS

Director Independence:	7 of our 8 directors are independent, including the Chairman of the Board
Gender Diversity:	25% (2 Female)
Racial/Ethnic Diversity:	25% (2 minority)
Board Refreshment:	2 New Directors since beginning of 2020
Average Director Age:	68 Years Old

OTHER BOARD AND GOVERNANCE INFORMATION

Size of Board	8
Board Risk Assessment Oversight	Yes
Code of Ethics for Directors, Officers and Employees	Yes
Incentive Compensation Clawback Policy	Yes
Separate Chairman and CEO	Yes
Stock Ownership Guidelines for Directors and Executive Officers	Yes
Independent Directors Meet in Executive Session	Yes
Anti-Hedging and Pledging Policies	Yes
Annual Board Evaluations	Yes
Financial Code of Ethics for Senior Officers	Yes



David C. Aldous



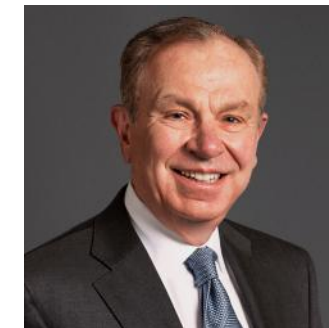
Andrea E. Bertone



Robert A. Cohen



Ruth I. Dreesen



Richard P. Graff



Michael A. Kelly



Kevin T. Longe



Clifton Peter Rose

Corporate Governance Guidelines

DMC has adopted Corporate Governance Guidelines which are available at dmcglobal.com/investors/governance under Governance Documents. These guidelines were adopted by the Board of Directors to ensure that the Board has the necessary authority and practices in place to make decisions that are independent from management, that the Board adequately performs its function as the overseer of management, and to help ensure that the interests of the Board and management are aligned with the interests of the Company’s stockholders. These guidelines are reviewed annually and were most recently re-issued in May 2021.

Our Board of Directors and Committees

The DMC Board of Directors oversees the management and governance of the Company. Our Board is committed to promoting the interests of the Company and its stakeholders while abiding by our Corporate Governance Guidelines. Our Board has the following four committees to assist in discharging its duties: Audit, Compensation, Corporate Governance and Nominating, and Risk.

The Audit Committee oversees the integrity of the Company’s financial reporting process and the internal controls around those processes, the Company’s compliance with legal and regulatory requirements and the financial risks of the Company. The Audit Committee oversees ESG and cybersecurity matters related to financial and internal control matters. The Audit Committee has four members, all of whom are independent.

The Compensation Committee oversees the Company’s executive compensation strategy and programs, incentive compensation arrangements and the evaluation of risks related thereto. The Compensation Committee has four members, all of whom are independent.

The Corporate Governance and Nominating Committee recommends director nominees and oversees governance matters of the Company, including primary oversight of the Code of Ethics and Business Conduct. The Corporate Governance and Nominating Committee has three members, all of whom are independent.

The Risk Committee oversees the Company’s level of risk, risk assessment, and risk management process, with particular responsibility for overseeing designated areas of risk that are not the primary responsibility of another committee. This includes oversight of the Company’s global Enterprise Risk Management process as well as the Company’s ESG and cybersecurity policies and practices. The Risk Committee has four members, three of whom are independent.

Each committee operates under a written charter, which sets forth the functions and responsibilities of the committee. A copy of the charter for each committee can be viewed on our website. Information about our corporate governance, including our [Code of Ethics and Business Conduct](#) and [Corporate Governance Guidelines](#), is also on our website.

Business Ethics

Our Code of Ethics and Business Conduct (“Code of Ethics”) guides how we behave and conduct business. It sets forth the ethics, principles and standards that must be followed by each division, business and corporate function and applies to all employees, directors, suppliers, distributors, agents, independent contractors and anyone acting on our behalf. Employees and directors are required to certify annually that they have read, understand and will continue complying with the Code of Ethics.

Anti-Bribery and Anti-Corruption

Our Code of Ethics includes a summary of our Anti-Bribery Policy, which prohibits bribery and facilitating payments in all business dealings, in every country around the world, with governments, employees of state-owned companies, and the private sector—or anyone else whatsoever. We have internal controls and procedures addressing compliance-sensitive activities, such as travel and entertainment, charitable donations, and working with third parties to prevent bribery. In addition to our Code of Conduct training that covers anti-corruption, we host periodic, specific Anti-Bribery training for employees based on their job function and responsibilities.

Political Advocacy

DMC’s Code of Ethics prohibits the use of company funds or assets for political contributions. In 2021, no DMC funds were paid as political or Political Action Committee contributions.

Privacy and Cybersecurity

DMC takes cybersecurity and data privacy very seriously. We are committed to individual rights to data protection and privacy, building digital trust through sound oversight of cybersecurity and data privacy protections and the responsible use of data and technology. We protect our digital systems and data through a cybersecurity management program. Oversight responsibilities for our cybersecurity and privacy programs and risks lie primarily with the Risk Committee of the Board of Directors, with Audit Committee oversight of cybersecurity matters related to financial and internal control matters. Our Board is actively engaged in the oversight of our cybersecurity program. Our Risk Committee receives quarterly reports on the Company’s cybersecurity program and developments from our Chief Information Officer at each of its regular Board meetings. These reports include analyses of recent cybersecurity threats and incidents across the industry, as well as a review of our own security controls, assessments and program maturity, and risk mitigation status. The Company has not experienced a material cybersecurity breach to date.

Our Code of Ethics includes commitments in the following areas:

- Compliance with Laws
- Positive Work Environment
- Health, Safety, Security and the Environment
- Corporate Citizenship and Human Rights
- Conducting Business Fairly
- Conflicts of Interest
- Insider Trading
- Political Contributions
- Antitrust
- Anti-Bribery/ Anti-Corruption
- Export and Import Controls
- Confidential Information and Use of Company Assets
- Privacy and Data Security

INDEPENDENT DIRECTORS	AUDIT COMMITTEE	COMPENSATION COMMITTEE	GOVERNANCE AND NOMINATING COMMITTEE	RISK COMMITTEE
David C. Aldous	Member	Member		
Andrea E. Bertone	Member			Chair
Robert A. Cohen		Chair	Member	
Ruth I. Dreessen	Member			
Richard P. Graff	Chair			Member
Michael A. Kelly		Member	Member	Member
Clifton Peter Rose		Member	Chair	
NON-INDEPENDENT DIRECTORS				
Kevin T. Longe				Member

Member Chair

We leverage the National Institute of Standards and Technology (NIST) cybersecurity framework to drive strategic direction and maturity improvement. We also engage third party security experts for risk assessments and program enhancements, including ransomware vulnerability assessments, cybersecurity tabletop exercises, and internal phishing awareness campaigns. We also maintain information security risk insurance coverage.

To maintain and improve employee awareness of these risks, we provide information security trainings for employees who have relevant job functions. These trainings are e-learning programs, and they are conducted annually. We also require new hires to take these trainings as part of their orientation. Additionally, we perform phishing simulation testing numerous times each year. If necessary, employees are required to take a refresher course so they can better detect phishing emails.

Compliance Training Program

In order to further the values and commitments espoused in the DMC Code of Ethics and to ensure that our employees understand the importance of our Company policies and relevant laws and regulations, DMC maintains a Compliance Training Program. This program provides in person and e-learning training courses

on important topics including, but not limited to, anti-discrimination, workplace harassment, conflicts of interest, electronic communications, cybersecurity, anti-bribery/anti-corruption and antitrust. These trainings are offered at various times throughout the year.

Compliance Hotline

We encourage all employees and those acting on our behalf to report conduct that violates, or in their good faith belief may violate, the Code of Ethics, the Company's corporate policies or applicable laws. Violations or concerns can be reported through confidential and non-confidential reporting methods, as outlined in the Code of Ethics and our Whistleblower Policy. Our anonymous Compliance Hotline, which allows reporting by phone or via website, 24 hours a day. Website access is available in five languages, and phone access provided additional languages. All information is reviewed by our legal department and appropriate actions are taken. We do not tolerate retaliation against anyone who in good faith makes a report of a violation or potential violation.



CEO Kevin Longe chatting with DMC team members



DynaEnergetics employee testing shaped charges

Our People



NobelClad employees

Health & Safety

We prioritize the health, safety and wellbeing of our employees. Our Occupational Health and Safety (OH&S) management system is focused on maintaining a strong safety culture, stringent risk management and effective leadership. The system covers all global employees, regardless of employment type, and aligns to ISO 45001:2018 requirements.

Managing risks and upholding operational integrity across our Company is fundamental to our business success. All workplace accidents or key incidents are thoroughly investigated to identify root causes and we implement corrective actions, as necessary, to prevent future recurrences, losses, and interruptions to our operations.

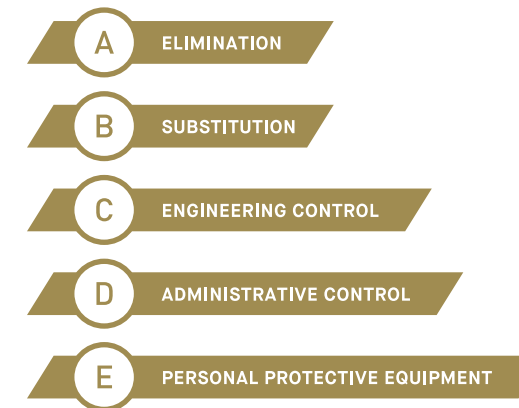
We have dedicated health and safety plans with clear strategic objectives, key performance indicators, goals and annual targets in place to improve performance.

Risk Assessment and Mitigation

Each DMC business adheres to the local-level risk assessment laws and regulations relevant to their activities. Hazards and risks are continually identified, assessed and reviewed with the appropriate risk assessment methodology applied by OH&S management. Cross audits across business units are conducted to ensure objective review of OH&S performance.

To define risk mitigation measures, we use the following control hierarchy: a) elimination; b) substitution; c) engineering control; d) administrative control; e) personal protective equipment. However, each location follows a risk map and mitigation plan customized to the location's activities and key processes.

RISK MITIGATION HIERARCHY



Many DMC employees engage in active lifestyles

Healthy Workplaces

The wellbeing of our employees is of utmost importance to the organization and DMC provides appropriate occupational health services for our various working environments. These services include air sampling, fit testing, audio testing, plumeria function testing and lead monitoring where appropriate. Employees also receive regular medical check-ups as required by local regulations. External auditors conduct regular assessments of working conditions of certain DMC production facilities, mines and equipment.

We strive to create healthy and supportive working environments so our employees can thrive in and outside of DMC.

Active Employees

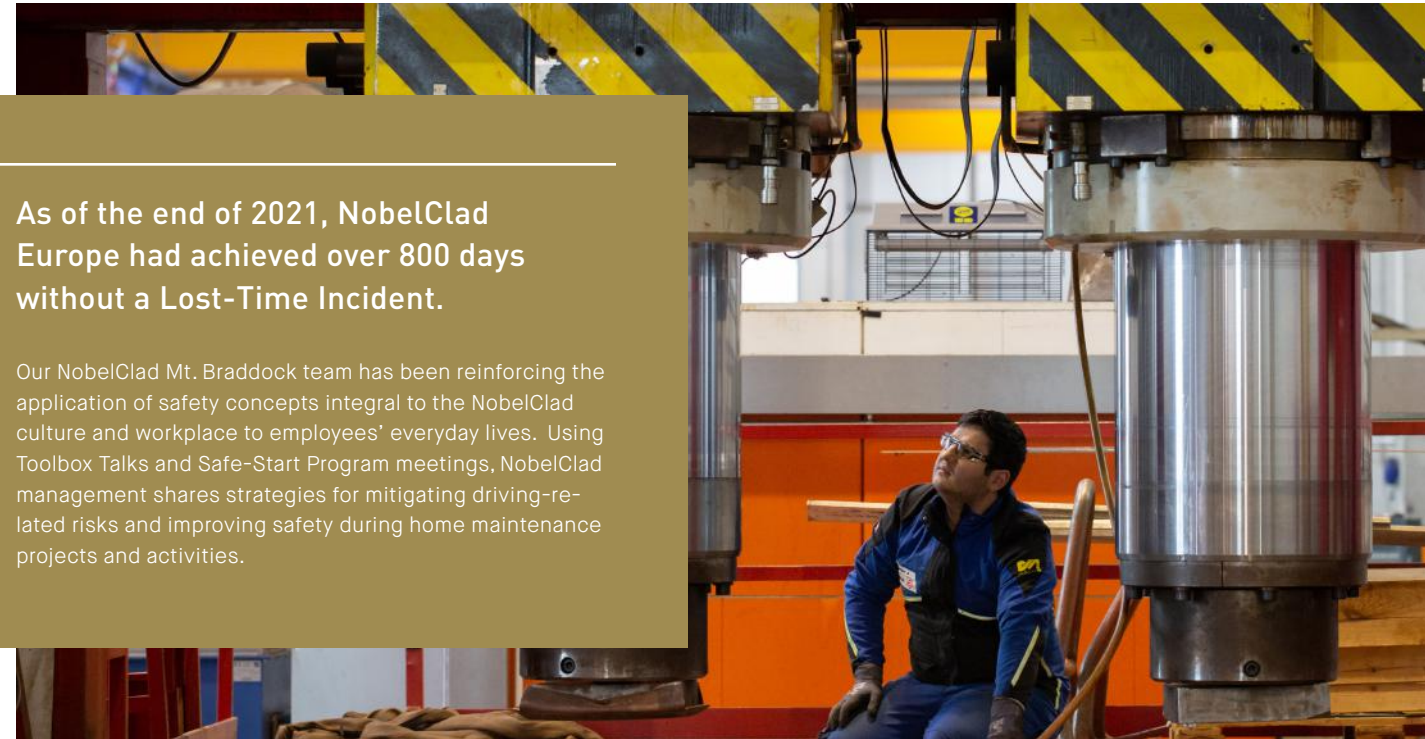
Many of our employees engage in active lifestyles and participate in local activities, DMC-sponsored teams and running clubs. Discounted gym memberships are also offered in select locations.

Healthy Eating

We encourage healthy eating choices through local, country-specific efforts. Our Blum, Texas facility is staffed with a third-party food service partner, and the Company subsidizes healthy breakfast and lunch options, while our European offices enjoy weekly produce deliveries.

Mindful Wellness

The mental wellbeing of our employees is as important as their physical health. As part of our Employee Assistance Program, U.S. employees have access to confidential counseling and legal services. Employees also have access to free annual biometric screenings at our U.S. locations. Additionally, financial education and wellness programs are offered throughout the year to help employees with retirement planning, unexpected health costs and overall financial planning.



As of the end of 2021, NobelClad Europe had achieved over 800 days without a Lost-Time Incident.

Our NobelClad Mt. Braddock team has been reinforcing the application of safety concepts integral to the NobelClad culture and workplace to employees' everyday lives. Using Toolbox Talks and Safe-Start Program meetings, NobelClad management shares strategies for mitigating driving-related risks and improving safety during home maintenance projects and activities.

Engaging Employees

DMC fosters a safety-positive culture that focuses on self-responsibility and care for others. We believe employee engagement is the most effective means to managing safety risks and performance. Each month, in our manufacturing facilities, an appointed cross-departmental safety committee comprised of employees and managers meets to provide feedback on observed safety risks, discuss risk mitigation and implementation of corrective actions to avoid future safety incidents.

Safety Performance

We provide valuable resources and training to cultivate a healthy and safe workplace for all employees.

Each division adopts and publishes a Global Quality, Health Safety and Environmental Policy, which acknowledges our commitment to meeting or exceeding all legal and regulatory obligations, legal and regulatory requirements and all applicable safety and environmental standards and regulations. Each location commits to continuous improvement initiatives, measuring key processes, setting and monitoring objectives and targets, employee training programs and conducting internal audits and incident investigations.

DMC provides regular occupational health and safety trainings for permanent, temporary and contract employees at our manufacturing facilities. This includes a safety orientation during new employee onboarding as well as ongoing monthly trainings specific

to work-related hazards, hazardous activities, or hazardous situations. Additionally, daily 15-minute safety meetings are conducted before each shift to communicate reminders or tips about safety behaviors.

During 2021, DMC employees completed 27,833 hours of safety training, an average of 58 hours per employee.

Chairman's Safety Award

Safety is embedded in the culture of DMC. Each year, DMC's Board of Directors acknowledges excellence in safety by selecting a recipient of the Chairman's Safety Award. The Risk Committee within DMC's Board of Directors selects winners based on a review of nominations and supporting documentation. Nominations can come from anyone in the business, and nominees can be individuals, teams or locations. The annual award recognizes outstanding performance in the prevention of workplace injuries, efforts to enhance the safety of others, and demonstration of strong safety leadership in daily activities.



In 2021, NobelClad's Liebenscheid, Germany manufacturing facility was selected to receive the Chairman's Safety Award for its ongoing Lost Time Incident record and overall improvements in safety focus and incident reduction.

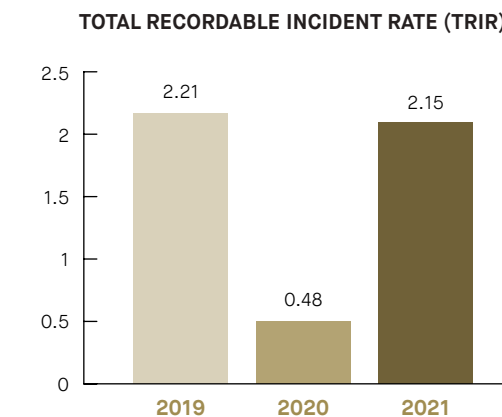
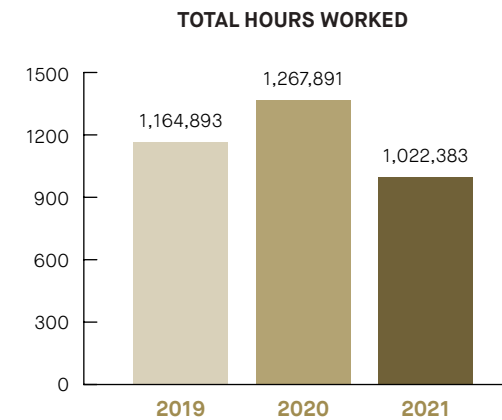
SafeStart

SafeStart was introduced to all global DynaEnergetics and NobelClad teams during 2019 and into 2020 as a resource for teaching Critical Behavior Inventories and Vocal/Visual techniques that can mitigate the most common human behaviors leading to accidents. The five-unit training program introduces safety awareness and helps with skill development in identifying the four states of mind that are most likely to cause injury: Rushing, Frustration, Fatigue and Complacency.

Safety Goals: Path to Zero

DMC will establish goals and targets based on 3-year averages. It is our view that the performance of our safety program must be measured over a multi-year period. Trends for both Lost-Time Incident Rates (LTIR) and Total Recordable Incident Rates (TRIR) have shown positive progress over the last three years within the DynaEnergetics and NobelClad businesses, and DMC goals are set with the expectation of improving these averages in 2022.

We will advance the process of reviewing and assessing Arcadia OH&S programs and practices, with the intention of setting goals for Arcadia in 2023.



COVID-19 Response

At DMC, the health and safety of our employees is our highest priority. In response to the pandemic, we organized global response teams to implement local health and safety measures while minimizing the impact on our operations. These measures include, but are not limited to, social distancing, mask requirements, heightened cleaning and disinfecting, health surveys and remote-work arrangements. We also utilize a variety of employee communication and collaboration tools to support a remote and socially distanced work environment.

DMC continues to monitor and update the Company's COVID-19 precautionary and remedial measures in accordance with applicable guidelines and regulations. We also continue to work with our employees to ensure they are aware of current measures and understand how to prevent the spread of the virus.

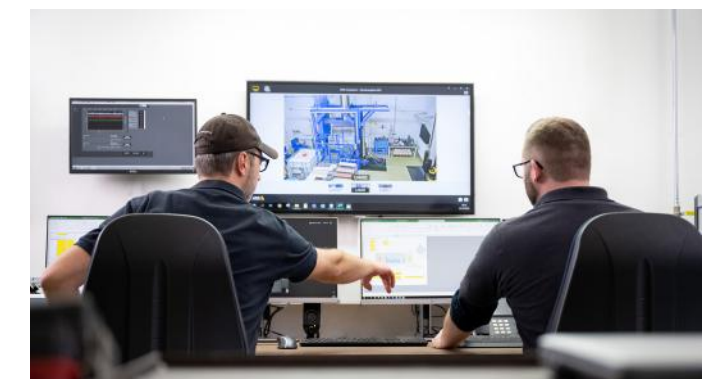
Workforce

Equal Opportunity

We are an equal opportunity employer. Any decisions regarding employee hiring, compensation, development and promotions are based solely on merit, qualifications, ability and performance. We do not discriminate on any grounds, including race, age, gender, religion, color, national origin, disability or any other characteristic protected by law.

Policy Against Discrimination and Harassment

At DMC, we promote an inclusive work environment, and we believe that every employee deserves to have a workplace where they are treated with dignity and respect. We are committed to providing a positive work environment where our employees are free from unlawful discrimination, harassment and any behavior that creates a hostile or intimidating work environment. Our discrimination and harassment policy applies not only to DMC employees, but also non-employees, contractors and temporary employees.



DMC promotes an inclusive work environment



DynaEnergetics team member

Diversity and Inclusion

DMC believes that diversity is a very valuable resource within the workplace, and we respect and embrace different backgrounds, abilities, strengths, perspectives, and knowledge. Because we operate a global business, it is especially important that we attract employees with diverse backgrounds and the capability to address customer needs across the numerous cultures in the countries in which we operate. A substantial percentage of our employees, particularly in DynaEnergetics and NobelClad, live and work outside the U.S., providing our Company with global perspectives that contribute to DMC's responsiveness, resiliency and vitality. Our commitment to diversity and inclusion starts at the top with a highly skilled and diverse Board of Directors.

DMC encourages hiring and promotion practices that focus on top talent and high performers across a diverse population. DMC strives to provide all employees with a supportive work environment and the opportunity to improve their skills and advance their careers. Our culture promotes an inclusive, thriving workplace. We believe every employee deserves to work in an environment in which they are treated with dignity and respect and have their voices heard.

In 2021, we adopted a Diversity, Equity and Inclusion Policy, which provides:

DMC is committed to fostering a diverse, equitable and inclusive environment in which all employees are treated with dignity and respect. We believe that diversity of thought, experiences and background are critical to our success, and we seek to build and support a workforce that reflects the communities in which we operate. At DMC, we are committed to the success of all of our employees and strive to provide opportunities for growth and development for everyone.

Employee Engagement and Development

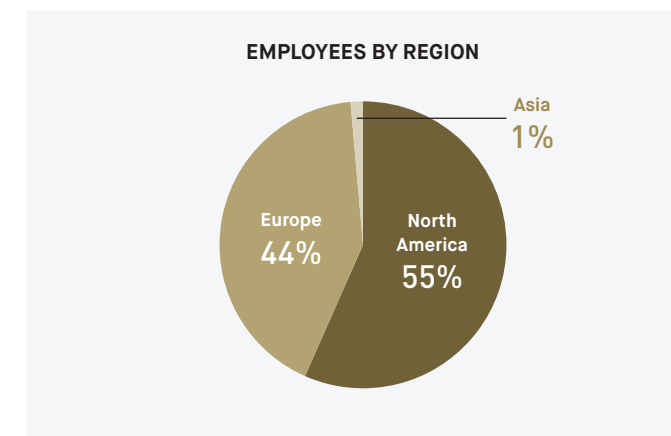
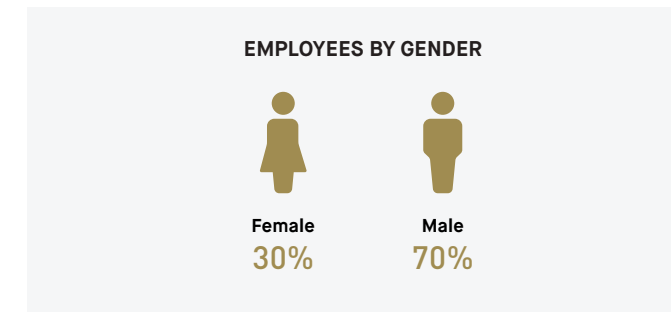
Our employees are the key to our success, and we strive to create a healthy and open environment where employees are engaged and acknowledged as important members of the DMC family. DMC engagement, recognition and development initiatives include:

- Publication of BOOM Times, an all-employee newsletter
- Company-wide employee communications on material developments and recognition events
- Invitation to all employees to join quarterly earnings calls
- Annual Sun Valley Sales and Leadership Conference
- CEO Innovation Award

- Chairman's Safety Award and related recognition events with employees
- Culture rollout and events
- The DMC Board of Directors aims to schedule at least one meeting a year at or near manufacturing locations to facilitate Board tours and time with local employees

In addition to DMC corporate-led initiatives, our facilities organize their own employee engagement and training initiatives. These include:

- Our Blum, Texas DynaEnergetics HR team sponsors leadership training and has recently commenced a Women's Leadership Event series.
- NobelClad leadership in our Broomfield, Colorado office keeps the office connected with impromptu Thursday Afternoon Club (ThAC) invitations.
- Employees in our Mt. Braddock, Pennsylvania NobelClad location engage in cross-training on different job functions, and certain employees have elected to pursue radiographic training courses and ultrasonic and penetrant examination courses.
- At our Troisdorf, Germany DynaEnergetics location, employees are offered training in English and German, and the facility has hosted Specialized Advanced Training in explosives usage and a Leadership Training Program.



WOMEN AT DMC IN 2021 (%)

Board of Directors	25%
Senior Leadership	10%
Managers	22%
All Employees	30%

Workforce data includes permanent employees or those employees with long-term contracts who receive DMC benefits. Additional workforce demographics are available in the appendix.

EMPLOYEE TURNOVER AND NEW HIRES IN 2021

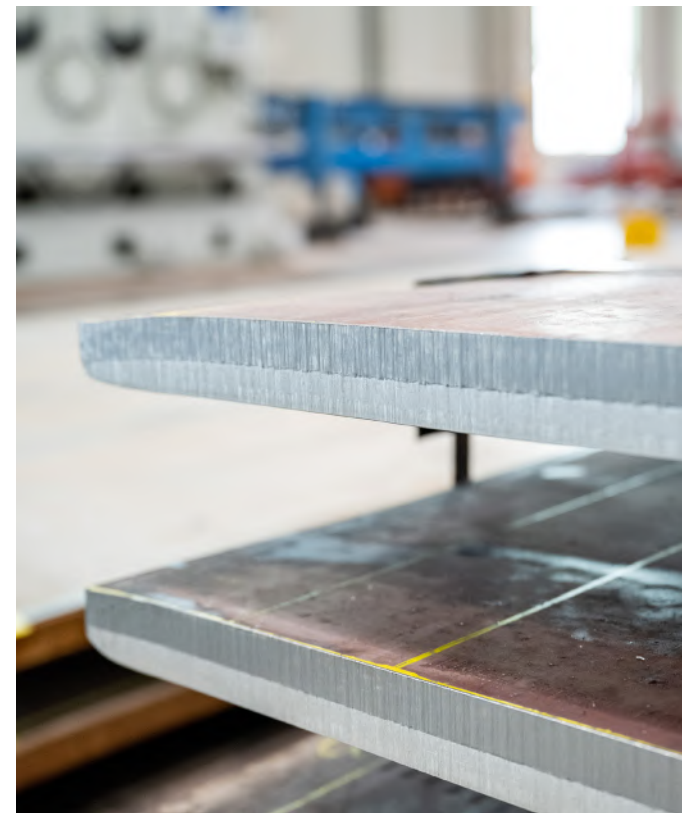
METRICS*	NUMBER	PERCENT
Total Employee Attrition	124	
Male	83	67%
Female	41	33%
Voluntary Employee Attrition	94	
Male	62	66%
Female	32	34%
Involuntary Employee Attrition	30	
Male	21	70%
Female	9	30%

*Numbers are based on self-identification by employees.

ANNUAL NEW HIRES BY REGION IN 2021

METRICS*	NUMBER	PERCENT
Global	156	
Male	105	67%
Female	51	33%
North America	131	
Male	83	63%
Female	48	37%
Europe	25	
Male	22	88%
Female	3	12%
Asia	0	
Male	0	0%
Female	0	0%

*Numbers are based on self-identification by employees.



NobelClad plates

Compensation and Benefits

We believe in compensating people competitively, fairly, and in alignment with our pay for performance philosophy. We work to ensure that our compensation programs are competitive and aligned with local markets through regular and robust benchmarking. We manage a global incentive bonus program that covers most salaried employees globally and seeks to align employee compensation with the Company's financial and strategic metrics.

Equitable Pay

DMC strives to provide market-competitive, fair and equitable pay across our global operations. We completed our first pay equity study in the U.S. in 2021, which covered DMC corporate, NobelClad and DynaEnergetics employees. We work proactively to identify and address potential pay disparities and their underlying causes. We plan to continue this initiative with our European workforce and with our Arcadia employees in 2022.

Benefits

As a global company, our operations manage healthcare and benefits according to local laws and regulations, which vary by geography.

Healthcare plans and life insurance are a core benefit of the Company and are provided at all locations globally.

Our U.S. operations, which account for a majority of our employees, offer a comprehensive benefits package to full-time employees that includes the following:

- Comprehensive medical, dental and vision benefits for employees and covered dependents
- Employee Assistance Program
- Short- and long-term disability and life/accident insurance
- Pre-tax health savings plan
- Employer match of contributions to Safe Harbor 401(k)
- Employee Stock Purchase Plan
- Paid Time Off (PTO), paid holidays and parental leave
- Educational assistance program
- Annual health risk assessment

Human Rights

DMC's Human Rights Policy

DMC is committed to good citizenship, and we believe that engagement with others improves the human condition. For our employees worldwide, DMC strives to assure safe and healthy work environments that respect workers' rights and dignity and are free of discrimination, based on the more stringent of U.S. standards, local standards, or our corporate policies. We support the principles established under the United Nations Universal Declaration of Human Rights and do not condone or knowingly conduct business with any individual or company that participates in the exploitation of children (including child labor), physical punishment, forced or prison labor, human trafficking or any other abuse of fundamental human rights. We expect our business partners to be committed to these standards as well. DMC recognizes its responsibility to respect human rights and avoid complicity in human rights abuses.

DMC's Human Rights Policy acknowledges the broader human-rights related commitments we have made in our Code of Ethics and other DMC compliance policies. The policy also reinforces our commitments in the following areas:

- **Freedom of Association and Right to Collective Bargaining:** We recognize and respects our employees' right to join associations and choose representative organizations for the purpose of engaging in collective bargaining in a manner consistent with applicable laws, rules and regulations as well as local customs as appropriate.
- **Policy Against Forced or Compulsory Labor.** DMC does not utilize forced or compulsory labor. We recruit our employees and provide working conditions, including payment of wages and benefits that comply with applicable laws and regulations.
- **Policy Against Child Labor.** Throughout our worldwide operations, we prohibit the use of children in our workforce. All DMC employees are at or above the legal employment age in the control of their employment.
- **Fair Labor.** We compensate our employees competitively and operate in compliance with applicable wage, work hours, overtime and benefits laws and international labor standards.

Employee Stock Purchase Plan

The Employee Stock Purchase Plan (ESPP) provides U.S. employees with the opportunity to acquire ownership in the Company and have a stake in our success. Participants of the program are able to purchase stock based on the beginning or ending stock price in the period, whichever is lowest, with an additional 15% discount on the stock price. Enrollment is open twice a year and employees can invest up to 15% of their salary.

Educational Assistance Program

DMC's Educational Assistance Program provides for the reimbursement of qualified educational expenses related to certain certification courses, undergraduate, graduate and post-graduate courses in accredited colleges or universities. Reimbursable educational expenses include costs tuition, textbooks and required fees.

Anti-Bribery and Anti-Corruption

DMC recognizes the severe human rights implications that arise from corruption and bribery in all forms. We are committed to conducting our business with honesty and integrity and in full compliance with anticorruption and anti-bribery laws and regulations, including the U.S. Foreign Corrupt Practices Act and other laws that prohibit improper payments to obtain a business advantage. In furtherance of the foregoing, we have adopted an Anti-Bribery Policy applicable to our employees and all third parties working on DMC's behalf and we conduct due diligence to proactively assess, identify, and prevent actual and potential corruption and bribery.

Conflict Minerals

DMC recognizes there are serious human rights abuses associated with the extraction, transportation, and trade of certain minerals and materials. We have always supported responsible sourcing of materials from suppliers that share our values, and we commit to avoid contributing to the conflict through our sourcing activity, as outlined in our Conflict Minerals Policy.

DMC is committed to complying with the requirements regarding the use of "Conflict Minerals" under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), and the related rules and regulations issued by the U.S. Securities and Exchange Commission ("SEC"). As required by the Dodd-Frank Act, the SEC has adopted rules requiring publicly traded companies to disclose whether they use tin, tantalum, tungsten, and gold (collectively "3TG") that originated in the Democratic Republic of Congo (DRC) or an adjoining country and if so, to issue a report identifying certain information about the source of those conflict minerals. DMC, like many companies in our industry, requires some of these 3TG materials in the manufacturing of its products as they are necessary for the functional performance of the products. We do not purchase these metals directly from smelters or mines, so we must rely on the source information provided by our suppliers.

We file our annual Conflict Minerals Report with the U.S. Securities and Exchange Commission. We have posted our Conflict Minerals Policy and our annual report on our website at www.dmcglobal.com/Sustainability under Governance Documents.

Supply Chain

Our suppliers are critical partners in our businesses, and maintaining an ethical supply chain is essential to our success and sustainability. We operate an international network of manufacturing and distribution facilities and rely on a global supply chain for a broad range of raw materials, finished goods and services. The ethical sourcing of raw materials and ensuring safe and fair working conditions within our supply chain are important parts of DMC's sustainability strategy. We expect our suppliers to be committed to the standards outlined in our Code of Ethics, in our Human Rights Policy and in our Conflict Minerals Policy. Suppliers are required to complete certain onboarding processes, which may include due diligence questionnaires, credit checks and compliance reviews, and are required to maintain certain ongoing compliance procedures.



Partnering in Support of Education

In 2021, DMC's corporate headquarters and NobelClad's North American sales office, both in Broomfield, Colorado, became partners in Arrupe Jesuit High School's Corporate Work Study Program (CWSP). The program provides economically disadvantaged students in north Denver with a college-preparatory education. Students take on paid, full-time work study positions, and the money earned covers nearly 50% of the students' tuition at Arrupe.

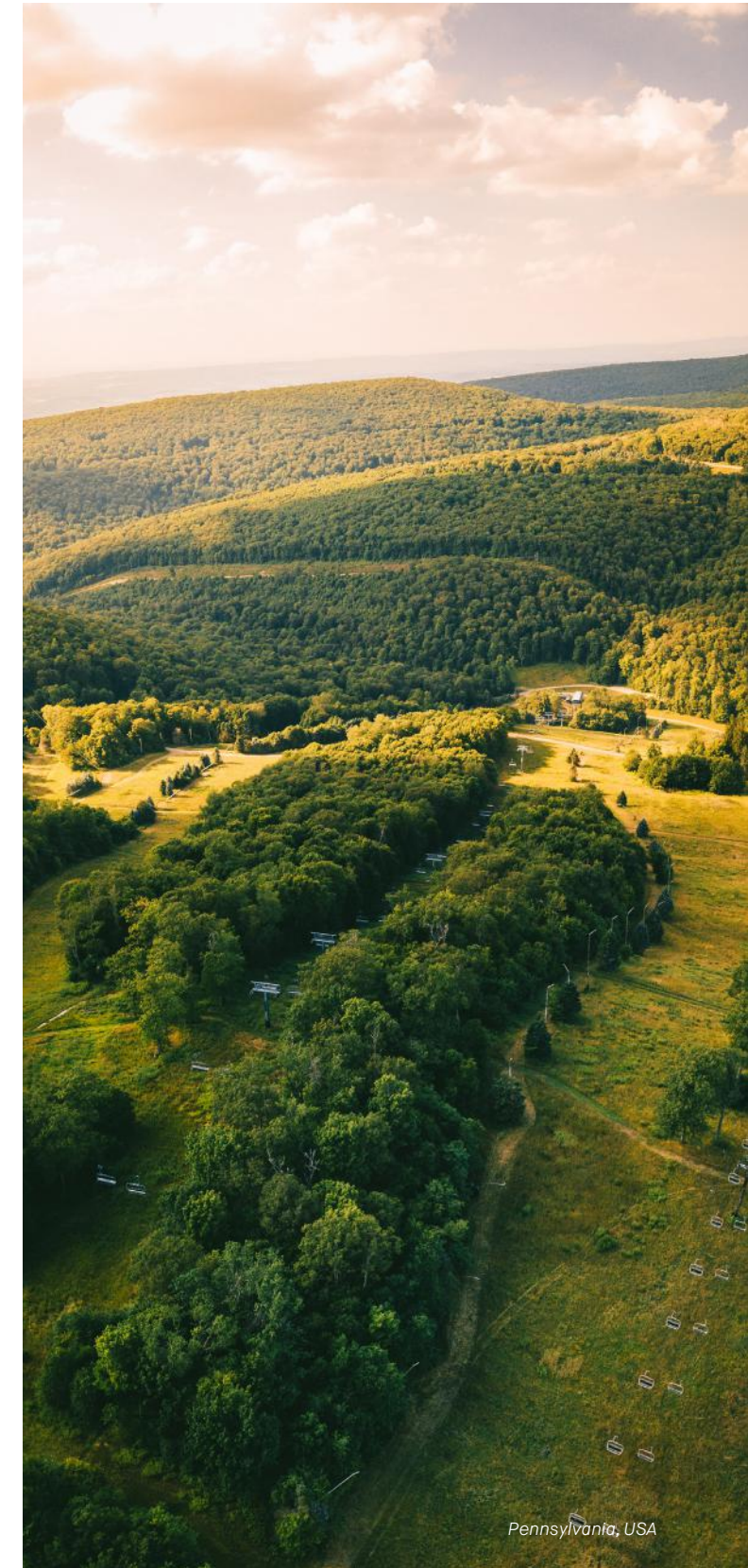
Two students spent 10 months at the DMC and NobelClad offices providing entry-level support in a variety of departments, including sales, legal, finance and marketing. Employees trained and mentored the students, and also provided insight on how DMC businesses serve their customers and industries.

DMC and NobelClad have committed to continuing their partnership with Arrupe in 2022.

Community

Through our facility-lead initiatives, our local teams organized the following projects in support of their communities:

- Our Mt. Braddock, Pennsylvania NobelClad team participated in fundraisers to support various local charities, including the Boy Scouts of America, and participated in the Charleroi Area High School Senior Mock Interview Process.
- Our Broomfield, Colorado DMC and NobelClad employees hosted its annual holiday gift drive for Precious Child.
- Our Blum and Whitney, Texas DynaEnergetics facilities supported various organizations throughout the year, including the White Bluff Volunteer Fire Department, the Blum Volunteer Fire Department, and participated in the Whitney High School Career and Mock Interview Day.
- Our Blum, Texas DynaEnergetics facility hosted job fairs throughout the year to introduce the community to employment opportunities at the company.
- Our Troisdorf, Germany DynaEnergetics location engages in various fund-raisers throughout the year for local charities, including an annual food drive.
- Our Blum, Texas DynaEnergetics employees have recently organized an Employee Involvement Committee to give back to the local community.
- Our Broomfield, Colorado office started its partnership with the Arrupe Jesuit High School's Corporate Work Study Program.



Pennsylvania, USA

Protecting the Environment

Environmental Policy

DMC recognizes its responsibility to the environment beyond legal and regulatory requirements. We are committed to reducing our environmental impact and continually improving our environmental performance as an integral part of our business strategy and operating methods. We encourage customers, suppliers and other stakeholders to do the same. DMC has adopted an Environmental Policy to articulate these commitments, which is available on our website at www.dmcglobal.com/Sustainability.

Consistent with our policy, we endeavor to comply with and exceed all relevant regulatory requirements, continually monitor and improve environmental performance, continually improve and reduce environmental impacts, increase employee awareness and training, incorporate environmental factors into business decisions and acknowledge these factors as an integral part of our operations. To further these commitments, our businesses consider all aspects of the company, including manufacturing and logistics, marketing, sales and customer use of products, energy and water consumption, travel, paper and office supplies and hazardous materials/waste disposal.

Under our facilities-based management approach, our local teams drive efforts to ensure compliance with laws and regulations, implement preferred practices and programs, explore opportunities for lowering environmental impacts and engage and broaden environmental awareness and understanding among employees. Our local teams work with senior DMC leadership to set goals and targets, establish initiatives and communicate the progress of these efforts. With the combined help of the DMC Global community, we are taking strides towards a greener tomorrow.

In 2021, we had zero environmental incidents.

0

Environmental incidents in 2021

2,658

Tons of Recycled Metals Used in 2021

20.9%

Renewable Electrical Use in 2021

6.9%

Renewable Energy Use in 2021



Risk Management

DMC is subject to broad range of risks related to environmental compliance and stewardship. We are subject to risks and opportunities related to climate change and the energy transition, and we commit to continually evaluating these risks and opportunities as a part of doing business and ensuring our sustainability.

Energy and Climate Change

Climate change and the societal and governmental responses to it are challenging companies around the world to adapt, and to not only identify and manage associated risks, but also find potential opportunities to contribute to solutions. These solutions may lead to more efficient and cost-effective products, new products or new businesses entirely. DMC’s businesses continue to explore these opportunities. These efforts include DynaEnergetics DynaSlot™ product initiatives and NobelClad’s efforts to evaluate the use of its composite metal plates for use in a variety of evolving alternative energy applications, including concentrated solar power, wind, hydrogen and geothermal.

Physical Risk Management

We review acute physical risks associated with the impacts of climate change, including extreme weather. Extreme weather events may include hurricanes, tornadoes, excessive wind, rain or flooding or increased severity and frequency of extreme heat or cold. Those variances may impact our business through resulting flooding, changes in road or work site conditions, damage to facilities or negative impacts on working conditions for our employees. These or similar events may affect our suppliers and customers and their respective employees. This may result in increased operating costs or decreases in revenue through disruptions at our facilities, in our supply chain, or customer locations; equipment damage and repair requirements; and increased insurance premiums. To manage extreme weather risks, we assess potential risks to our facilities and propose mitigating actions, and our local teams implement appropriate safety procedures and programs. Our insurance policies help mitigate the risk of loss of assets at our facilities.

Transition Risk Management

We also routinely monitor climate-related transition risks as part of our risk management process. These risks include policy and legal risks as they relate directly to our operations in various jurisdictions, which include current or proposed disclosure obligations with the U.S. Securities and Exchange Commission and environmental and climate-related regulations applicable to our manufacturing locations and processes. We are cognizant of the increased resources necessary to comply with these increasing regulatory and disclosure burdens. These impacts may directly increase our operating costs and may increase the costs of the materials we buy from our suppliers.

In addition, government policies and actions intended to combat climate change may contribute to secondary effects including increases in transportation costs, increasing fuel and energy costs and potential power disruptions at manufacturing locations. Regulations that limit oil and gas activity or restrict greenhouse gas (GHG) emissions and other similar events create preference for products outside of the traditional energy sectors and negatively impact the oil and gas industry and NobelClad and DynaEnergetics customers, thus reducing the demand for our products. We actively engage with our customers and other key stakeholders to understand their needs and concerns to inform our business sustainability and growth strategy.

Furthermore, we monitor the impact of potential reputational challenges that may arise due to our stage of engagement on climate issues and our focus on energy end-markets, particularly in DynaEnergetics. These challenges may involve our investors, employees, supplier and customer relationships and banking relationships.

We work to protect the environment, maximize the efficiency of our products and manufacturing processes, and manage our energy consumption, emissions, waste and water consumption. The first step in this process is developing appropriate reporting frameworks to allow analysis and future benchmarking and goal setting.

TOTAL ENERGY CONSUMPTION	
2021 ENERGY USE DATA	TOTAL
Total Energy Use (GJ)	82,578
Non-Renewable Energy Use (GJ)	76,892
Non-Renewable Energy Use %	93.1%
Renewable Energy Use (GJ)	5,686
Renewable Energy Use %	6.9%
Total Electrical Use (kWh)	7,546,307
Total Electrical Use (non-renewable) (kWh)	5,966,936
Total Electrical Use (non-renewable) %	79.1%
Total Electrical Use (renewable) (kWh)	1,579,371
Total Electrical Use (renewable) %	20.9%
Total Natural Gas Use (non-renewable) (MCF)	40,824
Total Gasoline/Diesel/LPG Fuel Use (non-renewable) (Gal)	88,683

LGJ – Gigajoules
 kWh – Kilowatt hours
 MCF – Thousand cubic feet
 Gal – Gallons

The information in the above chart represents purchased electricity, natural gas, LPG, gasoline and diesel.

ENERGY INTENSITY		
METRIC	UNIT	2021
Total Energy Intensity – DMC Consolidated	GJ/\$ of revenue	0.00032

GHG EMISSIONS AND INTENSITY		
Scope 1: covers direct emissions from owned or controlled sources		
Scope 2: covers indirect emissions from the generation of purchased electricity		
GREENHOUSE GAS EMISSIONS ¹	UNIT	2021
Total GHG Emissions		
Direct GHG (Scope 1)	TCO2e	3,210
Indirect GHG (Scope 2)	TCO2e	4,290
Emissions Intensity	TCO2e/\$ of Revenue	0.00003

¹Emissions in total metric tons of CO2 equivalents

Managing our Energy Use and Emissions

We recognize responsible operations are critical to our long-term sustainability and performance. Our local teams through our Facilities Led Initiatives review key energy use and emissions impacts at their facilities and structure and implement appropriate responses. Our efforts to manage our energy use and emissions include, but are not limited to:

- Our DynaEnergetics operations teams in Texas and Troisdorf, Germany are undertaking several initiatives focused on reducing energy usage across our facilities, which include upgrading insulation, upgrading lighting, centrally controlling heating, assessing points of high energy usage in production and repurposing work areas to reduce our energy usage into 2023.
- DMC sought to maximize operating efficiencies through consolidation of facilities from 2012 to 2021, with the number of manufacturing and distribution facilities decreasing from 29 to 8. DMC will review the operating footprint of our newly acquired Arcadia business and consider potential opportunities to improve operational and energy efficiency.
- We actively consider co-locating company facilities and common processes where feasible to minimize GHG impacts
- Evaluate lighting systems for upgrade improvement opportunities
- Identify low impact energy providers where geographically available
- Energy efficient and green energy alternatives are considered in the design of new or remodeled office spaces and manufacturing locations
- We are evaluating options to reduce emissions from our fleet vehicles

Looking forward, we are committed to continually improving our operations to minimize our environmental footprint and seeking out industry associations and global frameworks to identify additional opportunities to reduce emissions and energy consumption.

Waste

We have begun tracking waste quantities at all of our manufacturing locations.

2021 WASTE QUANTITIES

WASTE TYPE	UNIT	TOTALS
Metals (Recycled)	Tons	2,658
Wood (Recycled)	Tons	75
Cardboard (Recycled)	Tons	144
Plastic (Recycled)	Tons	37
Hazardous Materials	Tons	9,986
Landfill	Tons	317

Our local teams are responsible for assessing and minimizing waste at their facilities. They tailor their efforts in light of waste produced, local resources and local recycling options. These efforts include:

- Our Blum, Texas DynaEnergetics facility has engaged an outside resource to assess recycling opportunities and approaches to reduce landfill waste.
- Our DynaEnergetics team is implementing various processes to reduce the use of raw material, including plastic and steel and the quantities of wood and cardboard used in product packaging and transport.
- Our Mt. Braddock, Pennsylvania NobelClad facility has implemented a study to determine economical methods to separate clad scrap into their unique alloys, allowing for greater recycling opportunities. The information gained by this study will be applied at both NobelClad manufacturing facilities.

Water Usage

We track water usage (withdrawal) at our manufacturing and material office locations.

WATER WITHDRAWAL

METRIC	UNIT	2021
DMC Consolidated	Cubic meters	18,060

With the scope-in of Arcadia, we plan to use 2022 as our baseline in order to assess our water usage and analyze potential opportunities to address water consumption and disposal-related risks.

Appendix

Environmental & Social Data

ENERGY CONSUMPTION ²

	UNIT	2021
DMC Global Consolidated		
Diesel	gallons	79,102
Gasoline	gallons	9,580
Natural Gas	therms	423,340
Non-renewable electrical use	KWh	5,966,936
Renewable electrical use	KWh	1,579,371
Total electrical use	KWh	7,546,307

NobelClad		
Diesel	gallons	49,673
Gasoline	gallons	1,452
Natural Gas	therms	364,083
Non-renewable electrical use	KWh	1,893,557
Renewable electrical use	KWh	1,039,403
Total electrical use	KWh	2,932,960

DynaEnergetics		
Diesel	gallons	29,429
Gasoline	gallons	8,128
Natural Gas	therms	59,257
Non-renewable electrical use	KWh	4,073,379
Renewable electrical use	KWh	539,968
Total electrical use	KWh	4,613,347

TOTAL ENERGY INTENSITY

	UNIT	2021
DMC Consolidated	GJ / \$ of Revenue	0.00032

GHG EMISSIONS

	UNIT	2021
DMC Global Consolidated		
Total Direct (Scope 1)	TCO2e	3,210
Total Indirect (Scope 2)	TCO2e	4,290
Total Emissions Intensity	TCO2e/\$ of Revenue	0.00003

NobelClad		
Total Direct (Scope 1)	TCO2e	2,448
Total Indirect (Scope 2)	TCO2e	1,412
Emissions Intensity	TCO2e/\$ of Revenue	0.00005

DynaEnergetics		
Total Direct (Scope 1)	TCO2e	762
Total Indirect (Scope 2)	TCO2e	2,878
Emissions Intensity	TCO2e/\$ of Revenue	0.00002

²Data includes four manufacturing facilities and other select locations.

2021 WASTE QUANTITIES

WASTE TYPE	UNIT	2021
DMC Global Consolidated		
Metals	Tons	2,658
Landfill	Tons	317
Wood	Tons	75
Cardboard	Tons	144
Plastic	Tons	37
Hazardous Materials	Tons	9,986

NobelClad		
Metals	Tons	1,243
Landfill	Tons	317
Wood	Tons	75
Cardboard	Tons	41
Plastic	Tons	37
Hazardous Materials	Tons	0

DynaEnergetics		
Metals	Tons	1,415
Landfill	Tons	0
Wood	Tons	0
Cardboard	Tons	103
Plastic	Tons	0
Hazardous Materials	Tons	9,986

WATER WITHDRAWAL

	UNIT	2021
DMC Consolidated	Cubic meters	18,060
NobelClad	Cubic meters	3,281
DynaEnergetics	Cubic meters	14,763
Corporate	Cubic meters	16

1 gallon = 0.00378541 cubic meters

WORKFORCE SAFETY ³

	2019	2020	2021
DMC Global Consolidated			
Total Hours Worked	1,267,891	837,973	1,022,383
Total Recordable Incident Rate (TRIR)	2.21	0.48	2.15
Total Fatalities	0	0	0
Total Recordable Cases (TRI)	14	2	11
Total Lost Workday Cases (LTI)	7	0	4
Total Lost Workday Case Rate (LTIR)	1.10	0	0.78
Total Number of Lost Work Days	222	0	9
Total Severity Rate	16	0	0.8
Near Miss Reports	36	45	68
Total Near Miss Frequency Rate (NMFR)	5.68	10.74	13.30

NobelClad AME			
Total Hours Worked	154,417	157,921	153,402
Total Recordable Incident Rate (TRIR)	2.59	2.53	1.30
Total Fatalities	0	0	0
Total Recordable Cases (TRI)	2	2	1
Total Lost Workday Cases (LTI)	1	0	0
Total Lost Workday Case Rate (LTIR)	1.3	0	0.00
Total Number of Lost Workdays	15	0	0
Total Severity Rate	7.50	0	0.0
Near Miss Reports	9	13	7
Total Near Miss Frequency Rate (NMFR)	11.66	16.46	9.13

NobelClad Europe			
Total Hours Worked	111,996	127,589	119,149
Total Recordable Incident Rate (TRIR)	8.93	0	3.36
Total Fatalities	0	0	0
Total Recordable Cases (TRI)	5	0	2
Total Lost Workday Cases (LTI)	5	0	0
Total Lost Workday Case Rate (LTIR)	8.93	0	0.00
Total Number of Lost Workdays	207	0	0
Total Severity Rate	41.4	0	0.0
Near Miss Reports	11	10	1
Total Near Miss Frequency Rate (NMFR)	19.64	15.68	1.68

³Rates calculated based on 200000 hours worked.

	2019	2020	2021
DynaEnergetics AME			
Total Hours Worked	735,090	334,244	514,607
Total Recordable Incident Rate (TRIR)	1.4	0	1.9
Total Fatalities	0	0	0
Total Recordable Cases (TRI)	5	0	5
Total Lost Workday Cases (LTI)	1	0	1
Total Lost Workday Case Rate (LTIR)	0.30	0	0.4
Total Number of Lost Workdays	0	0	3
Total Severity Rate	0.05	0	0.6
Near Miss Reports	16	16	56
Total Near Miss Frequency Rate (NMFR)	4.40	101	21.8

DynaEnergetics Europe			
Total Hours Worked	266,388	218,219	235,225
Total Recordable Incident Rate (TRIR)	1.50	0	2.6
Total Fatalities	0	0	0
Total Recordable Cases (TRI)	2	0	3
Total Lost Workday Cases (LTI)	0	0	3
Total Lost Workday Case Rate (LTIR)	0	0	2.6
Total Number of Lost Workdays	0	0	6
Total Severity Rate	0	0	2.0
Near Miss Reports	0	6	4
Total Near Miss Frequency Rate (NMFR)	0	6	3.4

WORKFORCE DEMOGRAPHICS

	2019	2020	2021
DMC Consolidated			
Total Workforce	735	553	640
Male %	69%	71%	70%
Female %	31%	29%	30%
Salary			
Male %	78%	79%	73%
Female %	22 %	21%	27%
Hourly			
Male %	65%	62%	68%
Female %	37%	38%	32%
Full time employees			
Male %	70%	72%	70%
Female %	30%	28%	30%
Part time employees			
Male %	9%	8%	67%
Female %	91%	92%	33%
Temporary/Contract employees			
Male %	78%	76%	100%
Female %	22%	24%	0%
New Hires			
Male %	64%	69%	66%
Female %	36%	31%	34%

Breakdown by Region: North America

Total	503	323	403
Male %	67%	68%	67%
Female %	33%	32%	33%
Salary			
Male %	75%	75%	74%
Female %	25%	25%	26%
Hourly			
Male %	64%	63%	63%
Female %	36%	37%	37%
Full time employees			
Male %	68%	68%	63%
Female %	32%	32%	37%
Part time employees			
Male %	0%	0%	50%
Female %	100%	100%	50%
Temporary/Contract employees			
Male %	67%	67%	0%
Female %	33%	33%	0%
New Hires			
Male %	63%	59%	63%
Female %	37%	41%	37%

Europe

Total	226	224	231
Male %	73%	75%	75%
Female %	27%	25%	25%
Salary			
Male %	81%	82%	71%
Female %	19%	18%	29%
Hourly			
Male %	71%	58%	78%
Female %	43%	42%	22%
Full time employees			
Male %	75%	78%	75%
Female %	25%	22%	25%
Part time employees			
Male %	11%	9%	0%
Female %	89%	91%	0%
Temporary/Contract employees			
Male %	100%	95%	100%
Female %	0%	5%	0%
New Hires			
Male %	72%	86%	87%
Female %	28%	14%	13%

WORKFORCE DEMOGRAPHICS

	2019	2020	2021
Asia			
Total	6	6	6
Male %	67%	67%	66%
Female %	33%	33%	33%
Salary			
Male %	67%	67%	66%
Female %	33%	33%	33%
Hourly			
Male %	0%	0%	0%
Female %	0%	0%	0%
Full time employees			
Male %	67%	67%	66%
Female %	33%	33%	33%
Part time employees			
Male %	0%	0%	0%
Female %	0%	0%	0%
Temporary/Contract employees			
Male %	0%	0%	0%
Female %	0%	0%	0%
New Hires			
Male %	100%	100%	0%
Female %	0%	0%	0%

Breakdown by Employee Category

Leadership	4%	6%	
Male %	80%	84%	90%
Female %	20%	16%	10%
Manager	10%	14%	
Male %	84%	83%	78%
Female %	16%	17%	22%
Non-Manager	86%	81%	
Male %	67%	68%	67%
Female %	33%	32%	33%

Breakdown by Age according to Employee Category

Leadership			
below 30 years old	0%	0%	0%
between 30-50 years old	57%	84%	38%
over 50 years old	43%	16%	62%
Manager			
below 30 years old	0%	0%	2%
between 30-50 years old	65%	70%	66%
over 50 years old	35%	30%	32 %
Non-Manager			
below 30 years old	26%	18%	23%
between 30-50 years old	49%	56%	51%
over 50 years old	25%	25%	26%

SASB Index

The Sustainability Accounting Standards Board (SASB) provides sustainability metrics to enable public companies to disclose financially material, decision-useful information to investors. To support comparable and consistent data, we disclose the following in accordance with SASB accounting metrics under the Industrial Machinery category assigned to DMC. Additional quantitative and qualitative data and analysis related to the below disclosure topics can be found on the associated page within the DMC 2021 Sustainability Report. For more details on our reporting process please visit the About This Report section in the 2021 Sustainability Report.

OIL & GAS: SERVICES			
TOPIC	ACCOUNTING METRIC	CODE	INFORMATION REFERENCE
Emission reduction services & fuels management	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	EM-SV-110a.1	(1).(2). Environmental- Total Energy Consumption, page 43 (3) Standard not applicable
	Discussion of strategy or plans to address air emission-related risks, opportunities, and impacts	EM-SV-110a.2	Data not available
	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	EM-SV-110a.3	Data not available
Water management services	(1) Total volume of fresh water handled in operations, (2) percentage recycled	EM-SV-140a.1	(1) Standard not applicable (2) Standard not applicable
	Discussion of strategy or plans to address water consumption and disposal related risks, opportunities, and impacts	EM-SV-140a.2	Environmental, Water Usage, page 44
Chemicals management	Volume of hydraulic fracturing fluid used, percentage hazardous	EM-SV-150a.1	Standard not applicable
	Discussion of strategy or plans to address chemical related risks, opportunities, and impacts	EM-SV-150a.2	Data not available
Ecological impact management	Average disturbed acreage per (1) oil and (2) gas well site	EM-SV-160a.1	Standard not applicable
	Discussion of strategy or plan to address risks, opportunities related to ecological impacts from activities	EM-SV-160a.2	Standard not applicable
Workforce health & safety	(1) Total Incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incidents (TVIR), and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	EM-SV-320a.1	(1) 2.15 (2) Absolute value is zero (3) 13.3 (4) Data not available (5) 58 hours per employee
	Description of management systems used to integrate a culture of safety throughout the value chain and project lifestyle	EM-SV-320a.2	People, Health and Safety, Safety Performance, page 30-33
Business ethics & payments transparency	Amount of net revenue in countries that have 20 lowest rankings in Transparency International's Corruption Perception Index	EM-SV-501a.1	Data not available
	Description of management systems used for prevention of corruption and bribery throughout the value chain	EM-SV-501a.2	Governance, Business Ethics, pages 27-29; People, Human Rights, pages 37-38
Management of the legal and regulatory environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-SV-530a.1	Our Sustainability Framework, pages 18
Critical incident risk management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-SV-540a.1	Our Sustainability Framework, Risk Management, pages 18-19

OIL & GAS: EXPLORATION & PRODUCTION

TOPIC	ACCOUNTING METRIC	CODE	INFORMATION REFERENCE
Biodiversity impacts	(1) Number and aggregate volume of hydrocarbon spills, (2) volume in Arctic, (3) volume impacting shorelines with ESI ranking 8-10, and (4) volume recovered	EM-EP-160a.2	Standard not applicable

GRI Content Index

ELECTRICAL & ELECTRONIC EQUIPMENT			
TOPIC	ACCOUNTING METRIC	CODE	INFORMATION REFERENCE

Waste management	(1) Amount of hazardous waste generated, (2) percentage recycled*	RT-EE-150a.1	Data not available
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TECHNOLOGY: HARDWARE			
TOPIC	ACCOUNTING METRIC	CODE	INFORMATION REFERENCE

Product security	Description of approach to identifying and addressing data security risks in products	TC-HW-230a.1	Governance, Privacy and Cybersecurity, page 27-28
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Employee diversity & inclusion	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-HW-230a.2	(1),(3). DMC does not report this data for "Technical Staff" as a category; Percentage of Board by gender and by racial/ ethnic group representation: Governance, page 25; Percentage of gender representaton for employees: People, Workforce, page 35
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Activity Metrics

OIL & GAS: SERVICES			
ACCOUNTING METRIC		CODE	INFORMATION REFERENCE (DMC GLOBAL INC.)

Number of active rig sites		EM-SV-000.A	Standard not applicable
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Number of active well sites		EM-SV-000.B	Standard not applicable
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Total amount of drilling performed		EM-SV-000.C	Standard not applicable
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Total number of hours worked by all employees		EM-SV-000.D	Data not available
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INDUSTRIAL MACHINERY			
TOPIC	ACCOUNTING METRIC	CODE	INFORMATION REFERENCE (DMC GLOBAL INC.)

Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-IG-120a.1	Environmental- Total Energy Consumption, page 43 (3) Standard not applicable
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Employee Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	RT-IG-320a.1	(1) 2.15 (2) Absolute value is zero (3) 13.30
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Fuel Economy & Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium-and heavy-duty vehicles	RT-IG-410a.1	Data not available
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	Sales-weighted fuel efficiency for non-road equipment	RT-IG-410a.2	Standard not applicable
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	Sales-weighted fuel efficiency for stationary generators	RT-IG-410a.3	Standard not applicable
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	Sales-weighted emissions of: (1) nitrogen oxides (NOX) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	RT-IG-410a.4	Standard not applicable
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Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-IG-440a.1	People, Human Rights, pages 37-38
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Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1	Standard not applicable
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GENERAL DISCLOSURES		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA

102-1	Name of the organization	a. DMC Global Inc.
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102-2	Activities, brands, products, and services	a.b. Company Overview, page 6-8; Products and Innovation, pages 22-24; Form 10-K, Business, pages 1-10
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102-3	Location of headquarters	a. 11800 Ridge Parkway, Suite 300, Broomfield, Colorado 80021
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102-4	Location of operations	a. DMC conducts business in 60 countries and has significant operations in the U.S. and Germany; Form 10-K, Business, pages 1-14
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102-5	Ownership and legal form	a. Form 10-K, Business, page 1
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102-6	Markets served	a.i.iii. Company Overview, pages 6-8; Form 10-K, Business, pages 1-14
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102-7	Scale of the organization	a.i. Company Overview, pages 6-8; Form 10-K, Business, pages 1-14 a.ii. Company Overview, pages 6-8; Form 10-K, Properties, pages 1-10 a.iii. Company Overview, pages 6-8; Form 10-K, Financial Statements, pages 59-63 a.iv. Not applicable a.v. Data not available
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102-8	Information on employees and other workers	a.c. Company Overview, page 7; People, Workplace, pages 34-35; Environmental and Social Data (appendix) d. Environmental and Social Data e.f. Data not available
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102-9	Supply chain	a. People, Supply Chain, page 38
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102-10	Significant changes to the organization and its supply chain	a.i. Form 10-K, Business, pages 10-11 a.ii. Not applicable a.iii. Data not available
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102-11	Precautionary Principle or approach	a. Precautionary Principle not applied. Please see Environmental section for additional information.
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102-12	External initiatives	a. People, Human Rights, Page 37
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102-13	Membership of associations	a. Our Sustainability Framework, Associations, page 21
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102-14	Statement from senior decision-maker	a. Letter from our CEO, page 4
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102-15	Key impacts, risks, and opportunities	a. Letter from our CEO, page 4; Form 10-K, Risk Factors, pages 14-31
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102-16	Values, principles, standards, and norms of behavior	a. Company Overview, pages 6-8; Our Sustainability Strategy, page 11
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102-17	Mechanisms for advice and concerns about ethics	a.i.ii. Governance, Business Ethics, pages 27-29
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102-18	Governance structure	a.b. Governance, pages 25-26; 2022 Proxy Statement, pages 18-20
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102-19	Delegating authority	a. Governance, pages 25-26; 2022 Proxy Statement, pages 14-20
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102-20	Executive-level responsibility for economic, environmental, and social topics	a.b. Our Sustainability Framework, p. 18
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102-21	Consulting stakeholders on economic, environmental, and social topics	a. Stakeholder Engagement, page 19-21 b. 2022 Proxy Statement Corporate Governance, Communications with the Board, page 20
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102-22	Composition of the highest governance body and its committees	a.i.viii. 2022 Proxy Statement, Board of Directors, pages 14-16
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102-23	Chair of the highest governance body	a.b. 2022 Proxy Statement, Board of Directors, Board Leadership Structure, page 14
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102-24	Nominating and selecting the highest governance body	a.b. 2022 Proxy Statement, Corporate Governance, Director Nominations, page 19
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102-25	Conflicts of interest	a.b. Governance, Business Ethics, pages 27; Code of Ethics and Business Conduct, Conflicts of Interest, pages 15-18; 2022 Proxy Statement, Certain Relationships and Related Party Transactions, page 53-54
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102-26	Role of highest governance body in setting purpose, values, and strategy	a. Our Sustainability Framework, pages 18-19
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102-27	Collective knowledge of highest governance body	a. Our Sustainability Framework, pages 18-19
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102-28	Evaluating the highest governance body's performance	a.d. 2022 Proxy Statement, Annual Board Assessments, page 20
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102-29	Identifying and managing economic, environmental, and social impacts	a.b. Our Sustainability Framework, page 18-19
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102-30	Effectiveness of risk management processes	a. Our Sustainability Report, Risk Management, page 18-19; 2022 Proxy Statement, Corporate Governance, Risk Oversight, page 19
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GENERAL DISCLOSURES (CONT.)		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
102-31	Review of economic, environmental, and social topics	Our Sustainability Framework, Risk Management, page 18-19
102-32	Highest governance body's role in sustainability reporting	Our Sustainability Framework, Risk Management, page 18
102-33	Communicating critical concerns	2022 Proxy Statement, 221 Say on Pay Results and Shareholder Engagement, page 30; Communication with the Board, page 20
102-35	Remuneration policies	a.b. 2022 Proxy Statement, Director compensation, pages 47; Executive compensation, pages 27-46
102-36	Process for determining remuneration	a.c. 2022 Proxy Statement, Executive compensation, The Decision Making Process, pages 31-32
102-37	Stakeholders' involvement in remuneration	a.b. 2022 Proxy statement, 2021 Say on Pay Results & Shareholder Engagement, page 30
102-38	Annual total compensation ratio	a. 2022 Proxy Statement, CEO Pay Ratio, page 48
102-40	List of stakeholder groups	Our Sustainability Framework, Stakeholder Engagement, pages 19-21
102-41	Collective bargaining agreements	a. None
102-42	Identifying and selecting stakeholders	a. Our Sustainability Framework, Stakeholder Engagement, page 19
102-43	Approach to stakeholder engagement	a. Our Sustainability Framework, Stakeholder Engagement, page 19 -21
102-44	Key topics and concerns raised	a. Our Sustainability Framework, Stakeholder Engagement, page 19 -21
102-45	Entities included in the consolidated financial statements	a. Form 10-K, Exhibit 21.1, page b. None
102-46	Defining report content and topic boundaries	a.b. About this Report, page 3
102-47	List of material topics	a. Our Sustainability Framework, page 18
102-48	Restatements of information	a. None
102-49	Changes in reporting	a. Expansion on certain topics, including governance, water, energy, waste. Reset baseline for 2021 on all environmental metrics.
102-50	Reporting period	a. January 1, 2021 to December 31, 2021
102-51	Date of most recent report	a. March 2021
102-52	Reporting cycle	a. Annual
102-53	Contact point for questions regarding the report	a. ghigh@dmcglobal.com
102-54	Claims of reporting in accordance with the GRI Standards	About this report, page 3
102-55	GRI content index	a.b. GRI Index, pages 51-57
102-56	External assurance	a.b. None.

MANAGEMENT APPROACH		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
103-1	Explanation of the material topic and its boundary	Our Sustainability Framework, page 18
103-2	The management approach and its components	a.c. Sustainability Goals, page 14-17; Our Sustainability Framework, pages 18-19
103-3	Evaluation of the management approach	a.i.-iii. Our Sustainability Framework, pages 18-19

ECONOMIC PERFORMANCE		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
201-1	Direct economic value generated and distributed	a.b. Data not available.
201-2	Financial implications and other risks and opportunities due to climate change	a.i:iv. Environmental, pages 41-44;

MARKET PRESENCE		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
202-2	Proportion of senior management hired from the local community	a:b Data not available c. "Local" includes leaders who live inside of the United States d. DMC Global Inc. conducts business in 60 countries. Our significant operations are those where we conduct manufacturing and assembly operations.

INDIRECT ECONOMIC IMPACT		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
203-2	Significant indirect economic impacts	a:b. Data not available

PROCUREMENT PRACTICES		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
204-1	Proportion of spending on local suppliers	a. Data not available b. "Local" is defined as being purchased in the same country as the location of the order issuance. c. DMC Global Inc. conducts business in 60 countries. Our significant operations are those where we conduct manufacturing and assembly operations.

ANTI-CORRUPTION		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
205-1	Operations assessed for risks related to corruption	a. 100%: 2 product companies b. Data not available
205-2	Communication and training about anti-corruption policies and procedures	a. 100% b. 100% c. Data not available d. 100% e. 100% of employee have received at least basic anti-corruption training
205-3	Confirmed incidents of corruption and actions taken	a:c. Data not available due to confidentiality constraints d. None

ANTI-COMPETITIVE BEHAVIOR		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	a:b. Material legal actions, if any, are reported in our Form 10-K, Legal proceedings, and financial statements and supplementary data

ENERGY		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
302-1	Energy consumption within the organization	Environmental, Total Energy Consumption, page 43
302-3	Energy intensity	Environmental, Energy Intensity, page 43
302-4	Reduction of energy consumption	a:d. Data not available.

WATER AND EFFLUENTS		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
303-1	Interactions with water as a shared resource	Environmental, Water usage, page 44
303-2	Management of water discharge-related impacts	a.i:iv. Data not available.
303-3	Water withdrawal	Environmental, Water usage, page 44
303-4	Water discharge	a:b. Data not available.
303-5	Water consumption	a:d. Data not available

BIODIVERSITY		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	a.i.vii. Data not available
304-2	Significant impacts of activities, products, and services on biodiversity	a.i.b.iv. No significant impacts known
304-3	Habitats protected or restored	a.d. Not applicable
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	a. Not applicable

EMISSIONS		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
305-1	Direct (Scope 1) GHG emissions	Environmental, GHG Emissions and Intensity, page 43
305-2	Energy indirect (Scope 2) GHG emissions	a.g. Data not available.
305-3	Other indirect (Scope 3) GHG emissions	a.g. Data not available.
305-4	GHG emissions intensity	Environmental, GHG Emissions and Intensity, pages 43
305-5	Reduction of GHG emissions	a.e. Data not available
305-6	Emissions of ozone-depleting substances (ODS)	a.d. Data not available.

WASTE		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
306-1	Waste generation and significant waste-related impacts	a. Data not available.
306-2	Management of significant waste-related impacts	Sustainability Goals, page 15; Environmental, Waste, page 44
306-3	Waste generated	Environmental, Waste, page 44
306-4	Waste diverted from disposal	Environmental, Waste, page 44
306-5	Waste directed to disposal	Environmental, Waste, page 44

EFFLUENTS AND WASTE (2016)		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
306-3	Significant spills	a.c. Not applicable.

ENVIRONMENTAL COMPLIANCE		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
307-1	Non-compliance with environmental laws and regulations	a:None. b:Environmental, page 41

SUPPLIER ENVIRONMENTAL ASSESSMENT		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
308-1	New suppliers that were screened using environmental turnover	a. Data not available
308-2	Negative environmental impacts in the supply chain and actions taken	a.e. Data not available

EMPLOYMENT		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
401-1	New employee hires and employee turnover	People, Workforce, page 34-35
401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	People, Workforce, page 36
401-3	Parental leave	Data not available

LABOR/MANAGEMENT RELATIONS		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
402-1	Minimum notice periods regarding operational changes	a. We comply with local laws pertaining to operational changes. Notice periods vary by geography. b. Not applicable.

OCCUPATIONAL HEALTH AND SAFETY		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
403-1	Occupational health and safety management system	People, Health and Safety and Safety Performance, pages 31-33
403-2	Hazard identification, risk assessment, and incident investigation	People, Health and Safety and Safety Performance, pages 31-33
403-3	Occupation health services	People, Health and Safety and Safety Performance, pages 31-33
403-4	Worker participation, consultation, and communication on occupational health and safety	People, Health and Safety and Safety Performance, pages 31-33
403-5	Worker training on occupational health and safety	People, Health and Safety & Safety Performance, page 31-33
403-6	Promotion of worker health	People, Healthy Workplaces, page 31
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	a. DynaEnergetics employees provide training to its customers.
403-8	Workers covered by an occupational health and safety management system	People, Health and Safety, pages 30-33
403-9	Work-related injuries	a. Employee fatalities: 0; TRIR: 2.15; Number of hours worked: 1,022,383 b. Contractor fatalities: 0 c.f. Data not available
403-10	Work-related ill health	a. Employee fatalities: 0 b. Contractor fatalities: 0 c. Our DMC procedures entail a detailed assessment of hazards and the identification of appropriate controls and is required for work activities conducted by our employees and supervised contractors. d. All employees and contractors supervised by the DMC are included in these calculated values. Contractors not under the day-to-day supervision of DMC are excluded from the metrics. e. DMC follows OSHA standard recording methodologies to determine recordability of illnesses.

TRAINING AND EDUCATION		
DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
404-1	Average hours of training per year per employee	People, Safety Performance, page 32
404-2	Programs for upgrading employee skills and transition assistance programs	a. People, Employee Engagement and Development b: Data not available
404-3	Percentage of employees receiving regular performance and career development reviews	Data not available

DIVERSITY AND EQUAL OPPORTUNITY

DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
405-1	Diversity of governance bodies and employees	People, Women at DMC in 2021, page 35
405-2	Ratio of basic salary and remuneration of women to men	Data not available

NON-DISCRIMINATION

DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
406-1	Incidents of discrimination and corrective actions taken	Data not available due to confidentiality constraints

CHILD LABOR

DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
408-1	Operations and suppliers at significant risk for incidents of child labor	a.b. Data not available c. People, Human Rights, page 37

FORCED OR COMPULSORY LABOR

DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	a.i.ii Data not available b. People, Human Rights, page 37

SECURITY PRACTICES

DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
410-1	Security personnel trained in human rights policies or procedures	Data not available

RIGHTS OF INDIGENOUS PEOPLES

DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
411-1	Incidents of violations involving rights of indigenous people	None known

HUMAN RIGHTS ASSESSMENT

DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
412-1	Operations that have been subject to human rights reviews or impact assessments	Data not available
412-2	Employee training on human rights policies or procedures	Data not available
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	a. Data not available

LOCAL COMMUNITIES

DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable

SUPPLIER SOCIAL ASSESSMENT

DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
414-1	New suppliers that were screened using social criteria	Data not available
414-2	Negative social impacts in the supply chain and actions taken	Data not available

PUBLIC POLICY

DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
415-1	Political contributions	a.b. Not applicable. DMC does not make payments to political parties.

CUSTOMER PRIVACY

DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	a. 0 substantiated complaints received concerning breaches of customer privacy. b. 0 identified leaks, thefts, or losses of customer data.

SOCIOECONOMIC COMPLIANCE

DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
419-1	Non-compliance with laws and regulations in the social and economic area	a.i.c. Material legal actions, if any, are reported in our Form 10-K, legal proceedings, and financial statements and supplementary data.

TCFD Index

The following table references DMC’s 2021 financial and sustainability disclosures with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

GOVERNANCE	
TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES (DMC GLOBAL INC.)
Describe the boards’ oversight of climate-related risks and opportunities	Our Sustainability Framework, pages 18-19 Environment, pages 40-44 2022 Proxy Statement, Board of Directors, Board Committees, page 16-17; Corporate Governance, pages 18-19
Describe management’s role in assessing and managing climate- related risks and opportunities.	Our Sustainability Framework, pages 18-19 Environment, pages 40-44

STRATEGY	
TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES (DMC GLOBAL INC.)
Describe the climate-related risks and opportunities the organization has identified over the short- medium- and long-term.	Products & Innovation, pages 23-24 Form 10-K, Risk Factors, page 26-27 Environment, page 40-44
Describe the impact of climate- related risks and opportunities on the organization’s businesses, strategy, and financial planning.	CEO Letter to our Stakeholders, page 4 Our Sustainability Framework, pages 18-19 Environment, pages 40-44
Describe the resilience of the organization’s strategy, taking into consideration different climate- related scenarios, including a 2°C or lower scenario.	Data not available

RISK MANAGEMENT	
TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES (DMC GLOBAL INC.)
Describe the organization’s processes for identifying and assessing climate- related risks.	Our Sustainability Framework, pages 18-19 Environment, pages 40-44
Describe the organization’s processes for managing climate-related risks.	Our Sustainability Framework, pages 18-19 Environment, pages 40-44
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	Our Sustainability Framework, pages 18-19

METRICS AND TARGETS	
TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES (DMC GLOBAL INC.)
Disclose the metrics used by the organization to assess climate- related risks and opportunities in line with its strategy and risk management process.	Environment, page 40-44
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Environment, Scope 1 and 2 emissions, page 43
Describe the targets used by the organization to manage climate- related risks and opportunities and performance against targets.	Data not available

Use of Non-GAAP Financial Measures

Adjusted EBITDA, adjusted net income, and net debt are non-GAAP (generally accepted accounting principles) financial measures used by management to measure operating performance and liquidity. Non-GAAP results are presented only as a supplement to the financial statements based on U.S. generally accepted accounting principles (GAAP). The non-GAAP financial information is provided to enhance the reader’s understanding of DMC’s financial performance, but no non-GAAP measure should be considered in isolation or as a substitute for financial measures calculated in accordance with GAAP. Reconciliations of the most directly comparable GAAP measures to non-GAAP measures are provided in our Annual Report on Form 10-K for the year ended December 31, 2021.

EBITDA is defined as net income plus or minus net interest plus taxes, depreciation and amortization. Adjusted EBITDA excludes from EBITDA stock-based compensation, restructuring and impairment charges and, when appropriate, other items that management does not utilize in assessing DMC’s operating performance (as further described in in our Annual Report on Form 10-K for the year ended December 31, 2021). Adjusted net income is defined as net income plus restructuring and impairment charges and, when appropriate, other items that management does not utilize in assessing DMC’s operating performance. Net debt is defined as total debt less cash and cash equivalents. None of these non-GAAP financial measures are recognized terms under GAAP and do not purport to be an alternative to net income as an indicator of operating performance or any other GAAP measure.

Management uses adjusted EBITDA in its operational and financial decision-making, believing that it is useful to eliminate certain items in order to focus on what it deems to be a more reliable indicator of ongoing operating performance. As a result, internal management reports used during monthly operating reviews feature adjusted EBITDA measures. Management believes that investors may find this non-GAAP financial measure useful for similar reasons, although investors are cautioned that non-GAAP financial measures are not a substitute for GAAP disclosures. In addition, management incentive awards are based, in part, on the amount of adjusted EBITDA achieved during relevant periods. EBITDA and adjusted EBITDA are also used by research analysts, investment bankers and lenders to assess operating performance. For example, a measure similar to adjusted EBITDA is required by the lenders under DMC’s credit facility.

Net debt is used by management to supplement GAAP financial information and evaluate DMC’s performance, and management believes this information may be similarly useful to investors.

Because not all companies use identical calculations, DMC’s presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. However, these measures can still be useful in evaluating the company’s performance against its peer companies because management believes the measures provide users with valuable insight into key components of GAAP financial disclosures. For example, a company with greater GAAP net income may not be as appealing to investors if its net income is more heavily comprised of gains on asset sales. Likewise, eliminating the effects of interest income and expense moderates the impact of a company’s capital structure on its performance.

All of the items included in the reconciliation from net income to EBITDA and adjusted EBITDA are either (i) non-cash items (e.g., depreciation, amortization of purchased intangibles and stock-based compensation) or (ii) items that management does not consider to be useful in assessing DMC’s operating performance (e.g., income taxes, restructuring and impairment charges). In the case of the non-cash items, management believes that investors can better assess the company’s operating performance if the measures are presented without such items because, unlike cash expenses, these adjustments do not affect DMC’s ability to generate free cash flow or invest in its business. For example, by adjusting for depreciation and amortization in computing EBITDA, users can compare operating performance without regard to different accounting determinations such as useful life. In the case of the other items, management believes that investors can better assess operating performance if the measures are presented without these items because their financial impact does not reflect ongoing operating performance.

Cautionary Statement Regarding Forward Looking Statements

This report contains “forward-looking statements” within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934. We intend the forward-looking statements throughout this report to be covered by the safe harbor provisions for forward-looking statements. Statements contained in this report which are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from projected results. These statements can sometimes be identified by our use of forward-looking words such as “may,” “believe,” “plan,” “anticipate,” “estimate,” “expect,” “intend,” and other phrases of similar meaning. Such statements include our future plans and commitments regarding ESG and sustainability generally, our plans for deleveraging and building cash reserves and to deliver superior returns to our investors, our Arcadia integration goals and plans, our plans to complete pay equity studies for Arcadia and non-US employees and our cybersecurity and digitalization goals. The forward-looking information is based on information available as of the date of this report and on numerous assumptions and developments that are not within our control. Although we believe that our expectations as expressed in these forward-looking statements are reasonable, we cannot assure you that our expectations will turn out to be correct. Factors that could cause actual results to differ materially include, but are not limited to, those factors referenced in our Annual Report

on Form 10-K for the year ended December 31, 2021 and such things as the following: geopolitical and economic instability, including economic recessions or depressions; inflation; supply chain delays and disruptions; the availability and cost of energy; transportation disruptions; the ability to obtain new contracts at attractive prices; the size and timing of customer orders and shipments; product pricing and margins; our ability to realize sales from our backlog; fluctuations in customer demand; fluctuations in foreign currencies; competitive factors; the timely completion of contracts; the timing and size of expenditures; the timely receipt of government approvals and permits; the price and availability of metal, aluminum, and other raw materials; fluctuations in tariffs or quotas; changes in laws and regulations, both domestic and foreign, impacting our business and the business of the end-market users we serve; the adequacy of local labor supplies at our facilities; current or future limits on manufacturing capacity at our various operations; our ability to successfully integrate Arcadia and future-acquired businesses; the impact of pending or future litigation or regulatory matters; the availability and cost of funds; our ability to access our borrowing capacity under our credit facility or access the capital markets; global economic conditions; and wars, terrorism and armed conflicts. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s analysis only as of the date hereof. We undertake no obligation to publicly release the results of any revision to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.



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