

**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Shareholders of
SAES Getters S.p.A.**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of SAES Getters S.p.A. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2020 and the income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of SAES Getters S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment test on goodwill, other intangible fixed assets, tangible fixed assets, right of use and equity method investments

Description of the key audit matter

The Group's consolidated financial statements include goodwill equal to Euro 35,417 thousand, other intangible fixed assets equal to Euro 5,748 thousand, tangible fixed assets equal to Euro 73,353 thousand, right of use equal to Euro 5,415 thousand and investments accounted for using the equity method equal to Euro 2,152 thousand.

The goodwill was attributed to the "cash generating units" (CGUs) related to the operating sectors as at December 31, 2020 and is composed as follows:

- Medical (Euro 34,472 thousand);
- Metallurgy (Euro 945 thousand).

The reorganization process of the internal management and divisional structure of the Group, implemented since the beginning of 2020 and already considered for the purposes of the previous year impairment test, defined the identification of the following CGUs: Metallurgy, Vacuum Technology, Medical, Specialty Chemicals and Advance Packaging, which correspond to the Group's operating segments.

The *impairment test* was carried out by comparing the recoverable value of the CGUs - determined according to the value in use method - with the book value, which also includes the other tangible and intangible assets allocated to the CGUs. The Directors also performed a second level *impairment test*, including assets not allocated to any business sector.

The Company estimated the recoverable amount by determining the present value of the cash flows expected based on the explicit period of three years, corresponding to the business plan 2021–2023 approved by the Company's Board of Directors on January 21, 2021, for the CGUs Metallurgy, Vacuum Technology, Medical e Specialty Chemicals. Regarding the CGU Solutions for Advanced Packaging, whose operating sector was introduced more recently than the others, the explicit forecast period was extended for two additional years.

The Directors also determined a *terminal value*, assuming a zero g-rate and a time horizon deemed representative of the duration of the various businesses. As a result of the *impairment test*, was recorded an impairment loss on the investment in Flexterra Inc. for Euro 591 thousand.

The Directors, also, point out that the forecasts regarding the potential effects of the Covid-19 pandemic on the performance of the various sectors and, consequently, on the estimates of the Group's future cash flows are still subject to a high degree of uncertainty and will be subject to constant monitoring in the coming months, also for the purpose of identifying any future impairment of the Group's assets. In this context, the Directors deemed appropriate to increase the WACC for those sectors that during 2020 were most impacted by the effects of the Covid-19 pandemic.

The valuation process made by the Directors for carrying out the *impairment test* is complex and based on assumptions concerning, among others, the forecast of expected cash flows of each of the above mentioned CGU and the determination of an appropriate discount rate (WACC) and long-term growth rate (g-rate).

The most important key variables in determining the expectations of future cash flows are:

- sales forecasts by business area/product family/client;
- prices and margins trend;
- cost of goods sold (including cost of materials) by product family;
- production costs, operating expenses and investment plan;
- discount rates.

Future expectations and market conditions influence these assumptions.

In consideration of the significance of these assets in the consolidated financial statements, the subjectivity of the estimates for the determination of the CGU cash flows and other key parameters of the impairment test, we considered the *impairment test* as a key audit matter of SAES Groups's consolidated financial statements.

Paragraphs 14. "Property, plant and equipment", 15. "Intangible assets", 16. "Right of use" and 17. "Investments accounted for using the equity method" report the disclosures on the *impairment test* and the related results, including a sensitivity analysis performed by the Directors.

Audit procedures performed

As part of our audit, among other procedures, we have carried out the following, also with the support of experts:

- review of the methods adopted by the Directors for the determination of the recoverable value of the CGUs and analyses of the methods and assumptions used on the *impairment test*;
- understand the methodology used by the Directors on the *impairment test* and examination of its compliance with the referenced accounting principles;
- understand the Group's internal controls relevant to the *impairment test* process;
- analysis of the reasonableness of the key assumptions underlying the cash flows determination, also considering the possible effects of the Covid-19 pandemic, through information obtained from management;
- analysis of the actual figures compared to the plans in order to assess the nature of the deviations and the reliability of the planning process;
- analysis of the reasonableness of the discount rate (WACC), long-term growth rate (g-rate) and assumptions used for the terminal value (TV) determination;
- review of the mathematical accuracy of the model used to estimate the value in use of the CGUs and of the correct calculation of the book value of the CGUs;
- review of the Directors' sensitivity analysis.

Further, we also examined the adequacy of the disclosure provided by the Group on the *impairment test* and its compliance to IAS 36 disclosure requirements.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of SAES Getters S.p.A. has appointed us on April 23, 2013 as auditors of the Company for the years from December 31, 2013 to December 31, 2021.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of SAES Getters S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of SAES Getters Group as at December 31, 2020, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements of SAES Getters Group as at December 31, 2020 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of SAES Getters Group as at December 31, 2020 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Statement pursuant to art. 4 of the Consob Regulation for the implementation of Legislative Decree 30 December 2016, no. 254

The Directors of SAES Getters S.p.A. are responsible for the preparation of the non-financial statement pursuant to Legislative Decree 30 December 2016, no. 254.

We verified the approval by the Directors of the non-financial statement.

Pursuant to art. 3, paragraph 10 of Legislative Decree 30 December 2016, no. 254, this statement is subject of a separate attestation issued by us.

DELOITTE & TOUCHE S.p.A.

Signed by
Carlo Laganà
Partner

Milan, Italy
March 26, 2021

This report has been translated into the English language solely for the convenience of international readers.