

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING

PURSUANT TO ARTICLE 153 DECREE LAW 58/1998 AND ARTICLE 2429, PARAGRAPH 3 OF THE ITALIAN CIVIL CODE

To the Shareholders' Meeting of SAES Getters S.p.A.

Dear Shareholders,

In its current formation, the Board of Statutory Auditors was regularly appointed by the Shareholders' Meeting of SAES Getters S.p.A. (hereinafter also referred to as the "Company") on April 20, 2021, also in observance of Article 22 of the By-laws, and shall end its mandate with the Shareholders' Meeting called to approve the financial statements of the Company as at December 31, 2023.

During the year ended on December 31, 2021, the supervisory activity of the Board of Statutory Auditors was conducted in compliance with the legislation of the "Consolidated Finance Law" pursuant to Italian Legislative Decree 58/1998 and, for those provisions that are applicable, of the Italian Civil Code, also taking into account the Principles of Conduct recommended by the Italian accounting profession in the version approved with the resolution of April 26, 2018, and Consob communications on the subject of corporate controls and activities of the Board of Statutory Auditors, specifically communication no. DEM/1025564 of April 6, 2001 and subsequent amendments. In its role established by Article 19 of Italian Legislative Decree 39/2010, the Board of Statutory Auditors also performed an audit on itself during the year as required by law.

That being said, we report on the supervisory activities required by law that we conducted during the year that ended on December 31, 2021, and more specifically:

- we can guarantee to have supervised compliance with the law and with the By-laws, and observance of the principles of proper administration, having held n. 6 meetings of the Board of Statutory Auditors for the year without considering additional informal meetings;
- at such meetings, at board meetings and in any case at least every three months, we obtained from the Directors and from the management bodies of the Company information on the general course of operations and on its foreseeable development, and on the most important operations in terms of size or characteristics carried out by the Company, also regarding the subsidiaries;
- for calendar year 2021, the Board of Statutory Auditors attended n. 1 Shareholders' Meeting and n. 13 Board of Directors meetings held in observance of the statutory and legislative rules governing their operation and for which we can reasonably ensure that the resolved actions comply with the law and with the By-laws and serve the company's interests, including the inter-company actions, and were not imprudent, risky, atypical or unusual, or in potential conflict of interest or such as to jeopardise the integrity of the shareholders' equity. Considerations, opinions and judgements could be expressed freely at these meetings;
- we assessed and supervised the adequacy of the organisational, administrative and accounting system, and the reliability of the latter in properly representing the operational transactions by obtaining information from the managers of the functions and by examining company documents and, to this regard, we have no particular comments to report. Moreover, having followed the activities carried out by the Internal Audit function and by the Audit, Risks and Sustainability Committee, the Supervisory Body, as well as the Related Parties Committee, we can confirm that the internal control system adopted by the Company is entirely appropriate;
- pursuant to Article 19, paragraph 1, of Italian Legislative Decree 39/2010, we supervised the financial disclosure process; the effectiveness of the internal control, internal auditing and risk management system; the statutory audit of the annual accounts and of the consolidated accounts; the independence of the audit firm, particularly as concerns the provisions of non-auditing services to the Company;
- we also verified the adequacy of the instructions given to the subsidiaries pursuant to Article 114, paragraph 2 of Italian Legislative Decree 58/1998;
- we examined and obtained information on the organisational and procedural activities initiated pursuant to Italian Legislative Decree 231/2001 and subsequent amendments and on the

administrative responsibility of bodies for the offences established by this legislation. No significant critical issues that must be reported herein were ascertained in the report of the Supervisory Body - in which one member of the Board of Statutory Auditors always took part - on the activities carried out during 2021 or from the meetings of the Body with the Board of Statutory Auditors.

With reference to the provisions as per Article 36 of the Market Regulation issued by Consob relating to subsidiaries of significant importance, formed and regulated by the law of non-European Union states, we report that the companies in question were identified and their administrative-accounting system appears suitable for transmitting the economic, equity and financial data necessary for drawing up the consolidated financial statements to the Company and audit firm on a regular basis.

Having said this, we would like to bring to the attention of the Shareholders' Meeting some particularly important aspects that were ascertained in the financial statements with regard to the following.

Performance over the year

As illustrated by the Directors in the Annual Financial Report, the 2021 financial year demonstrated the overcoming of the Covid-19 crisis. The growth was driven by the strong recovery in the medical device sector in Nitinol (Medical Division) and, to a lesser extent in absolute value, by that of vacuum systems (Vacuum Technology Division) and by the advanced materials business for the consumer electronics segment (Specialty Chemicals Division).

The Group's results returned to pre-Covid levels. Consolidated net revenues in financial year 2021 amounted to 190.2 million of euro, up 12.7% compared to 168.7 million of euro in 2020, despite the penalizing effect of exchange rates (approximately -4.9 million of euro) mainly due to the devaluation of the US dollar with respect to the euro and the persistence of international tensions between the US and China. Despite the unfavourable exchange rates and the presence of some non-recurring costs - impairment test write-down on the Advanced Packaging Division, amounting to 1.5 million of euro, and cancellation of the receivable relating to the advance payment for an equity investment then suspended in the packaging sector, amounting to 1.1 million of euro, which will be discussed later - all operating indicators - gross margin, EBITDA and operating margin - recorded a strong improvement compared to 2020.

Consolidated net profit, equal to 13.1 million of euro, almost tripled compared to the previous year, thanks to the overcoming of the negative impact of the pandemic crisis from both an operational and financial point of view.

The following is a summary of the percentage changes in the main indicators extracted from the consolidated data for 2021, compared to the corresponding data for the previous year:

Net consolidated revenues	+12.7%
Consolidated gross profit	+16%
Consolidated operating profit	+39.1%
Consolidated EBITDA	+31.9%

Most significant transactions during the year

The following transactions of greater significance of SAES Getters S.p.A., described in the Group Report on operations, should be noted.

- In June 2021, the German Branch of SAES Getters S.p.A. was established, located in Freiburg - Germany, mainly with a scouting and promotion function, in line with the strategy that will see the Group committed to improving its presence in markets deemed crucial for future growth.
- On July 2, 2021, the Company signed a convertible loan of 1.5 million of euro in favour of the German company RapiTag GmbH, based in Munich, a start-up that develops products for mobile check-out, based on IoT (Internet of Things) solutions, to encourage the digital transformation of physical stores. The loan was granted by SAES in two tranches, the first of which, amounting to 800 thousand of euro, transferred upon signature of the agreement, to finance the company's operations; the second (totalling 740 thousand of euro), disbursed in five successive calls for an amount of 148 thousand of euro each, corresponding to the progress of the prototyping activity carried out through the joint venture

Actuator Solutions GmbH. Expiring on December 31, 2024, the loan can be extended by agreement between the parties and accrues an annual interest of 6%.

- On July 7, 2021, SAES Getters S.p.A. finalized the closing for the acquisition of 100% of the share capital of Strumenti Scientifici Cinel S.r.l. (CINEL), a consolidated international player in the sector of components and scientific instrumentation for synchrotrons and particle accelerators, based in the Padua province. The price was 19.2 million of euro. The objective of the acquisition, for SAES, is to strengthen its competitive position in the vacuum sector, through an expansion of the range of products for particle accelerators and synchrotrons, entirely made in Italy, and at the forefront on a global scale.
- In early September 2021, the relative majority shareholder S.G.G. Holding S.p.A. accrued an increase in voting rights for n. 2,198,713 ordinary shares of SAES Getters S.p.A. As a result of this transaction, S.G.G. Holding S.p.A. holds 34.44% of total ordinary shares, against 51.15% of voting rights.
- On October 5, 2021 SAES Getters S.p.A. was awarded the tender for the supply to CONSORZIO RFX of Padua of a non-evaporable getter pump for the SPIDER system, for a total value of 4.5 million of euro. SPIDER is the acronym of "Source for the Production of Ions of Deuterium Extracted from a Radio frequency plasma" and is the prototype of the ion source to be used in ITER, the first machine able to demonstrate the feasibility of producing energy by reproduction and exploitation of the processes that take place inside the sun and stars.
- On October 25, 2021, upon completion of the agreements signed in 2015 and their subsequent redefinitions, SAES Getters S.p.A. announced an agreement for the acquisition of the entire capital stock of SAES RIAL Vacuum S.r.l. In particular, SAES Getters S.p.A., which already holds 49% of the shares, intends to acquire the remaining 51% of the capital stock of SAES RIAL Vacuum S.r.l. with the aim of consolidating its leadership in the advanced scientific research market, making the most of the synergies with the other companies of the Group operating in the high vacuum business, including the newly acquired Strumenti Scientifici Cinel S.r.l. The proposed consideration, preliminarily approved by the Board of Directors held on October 14, 2021, was around 5.25 million of euro. The preliminary contract for the purchase and sale of shares was signed on March 2, 2022, and the closing of the acquisition, subject to passing the financial and fiscal due diligence, is expected within the first half of 2022.
- In order to protect the 2022 economic result from exchange rate fluctuations, on November 29, 2021, forward sale contracts were taken out on the US dollar for a notional value of 9 million US dollars, with an average forward exchange rate of 1.1369 to the euro. These contracts extend throughout 2022, hedging approximately 80% of the net flows in dollars estimated for that year.
- At the end of December 2021 the remaining portions of all existing loans were repaid in advance by the Company and in particular:
 - loan with Unicredit S.p.A., signed in April 2017, with a nominal value of 10 million of euro and maturing on March 31, 2022;
 - loan with Intesa Sanpaolo, signed in December 2016, with a nominal value of 10 million of euro and maturing on December 21, 2022;
 - loan with Mediobanca, signed in May 2019, with a nominal value of 92.7 million of euro and maturing on April 17, 2024.

No penalty was paid on the first two loans, while for the one signed with Mediobanca a sum of 325 thousand of euro was paid to the lender.

At the same time, the Interest Rate Swap contracts on the first two loans were extinguished.

The loan signed by the Company with Banco BPM at the end of 2016 and with a nominal value of 5 million of euro, on the other hand, came to maturity, according to the original repayment plan, on December 31, 2021.

- With regard to the investment in the venture capital fund EUREKA! Fund I - Technology Transfer, in 2021 the Company made capital injections totalling 305 thousand euro. At the end of the 2021 financial year, the Company's investment in the venture capital fund was 4.81%. The venture capital fund - EUREKA! Fund I - Technology Transfer is a closed alternative investment fund, with investments from Cassa Depositi e Prestiti (CDP) and the European Investment Fund (EIF), specialised and focused exclusively on deeptech investments, in start-ups and spin-offs of Research Centres and Universities, in applications and technologies related to the science of materials, sensors, advanced electronics,

photonics, IoT (the Internet of Things) and Lab-on-a-chip applications, attentive to the principles of sustainability and ESG (Environmental, Social and Governance) criteria. As well as being a founding investor, the Company is also EUREKA!'s strategic partner in the advanced materials sector, with access to the Fund's deal flow in the sectors and business areas of interest to the Group, with priority co-investment rights.

As regards the other SAES Group companies, we highlight the following from among the transactions of greater significance.

- On March 31, 2021, the establishment of a Branch of SAES Coated Films S.p.A. in Freiburg - Germany, was completed, in line with the strategy that sees the company committed to improving its presence in strategic markets, in order to boost new business opportunities. This decision was approved by the Board of Directors of SAES Coated Films S.p.A. held on November 26, 2020.
- In June, SAES Nitinol S.r.l. partially waived, for a total amount of 500 thousand of euro, the interest already accrued on the loans granted to the joint venture Actuator Solutions GmbH. The interest rate applied to loans was reduced to 2% starting from January 1, 2021.
- On July 22, 2021, the liquidation process of the German subsidiary Memry GmbH was completed (started at the end of 2017) with the cancellation of the company from the Register of Companies.
- On August 18, 2021, an agreement was finalised by SAES Getters International Luxembourg S.A. to disburse to the joint venture Flexterra, Inc. a second convertible loan for a total value of 2 million of dollars, with the same characteristics as the one granted in July 2020. The loan, with a duration of one year and on which interest of 8% will accrue, is divided in two tranches: the first, equal to 1 million of dollars, at the signing of the contract and the second, again for 1 million of dollars, to be paid in the second half of November 2021. The agreement also established the extension of the maturity date of the 3 million of dollars convertible loan granted in July 2020 and the alignment of the maturity date to that of the new loan. As a guarantee for the loans granted, SAES has received a lien on Flexterra's intellectual property (IP). This loan was written down, both for the principal portion and for the interest accrued, together with the write-down of the financial receivable related to the interest accrued on the first convertible loan granted in July 2020.
- On September 23, 2021 Venchi S.p.A. announced a technology and research partnership with SAES Coated Films S.p.A., which is finalizing a new active packaging with Venchi, which, in addition to being entirely recyclable, will be able to guarantee the best preservation of the sensory characteristics of chocolate for the entire duration of its shelf life.
- At the beginning of October 2021 SAES Getters International Luxembourg S.A. increased its stake in Flexterra, Inc. from 46.73% to 46.84%, following the repurchase by the joint venture of the shares previously owned by two small shareholders at a symbolic value of 2 dollar (1 dollar for each small shareholder).
- At the end of the 2021 financial year, to manage the early repayments by the Parent Company of the residual portions of loans in place with Unicredit S.p.A., Intesa Sanpaolo and Mediobanca, SAES Investments S.A. almost completely disposed of Branch I of the Cardif Lux Vie Multiramo policy and, on December 23, 2021, signed a new Lombard loan with JP Morgan for an amount equal to 52 million of euro. The loan has a duration of two years, with repayment of the entire principal amount at maturity, and provides for the quarterly payment of interest at a fixed rate of 0.21% per annum. There are no financial covenants and the loan is guaranteed by the "Buy & Hold" bond portfolio managed by JP Morgan and by the new DMAS (Dynamic Multi-Asset) management activated with JP Morgan in the first half of 2021.
- During the 2021 financial year, the investment of SAES Getters International Luxembourg S.A. in Cambridge Mechatronics Limited was diluted from 0.87% to 0.86%, following:
 - the issue of new ordinary preference shares in January 2021, upon completion of the same round of financing for a total of 7.5 million of pounds, in which the SAES Group also participated;
 - the issue of new ordinary shares, used as part of the consideration for the purchase of a business unit from a sub-supplier;
 - the issue of new ordinary shares in relation to the exercise of some options on shares held by employees.

Most significant transactions after the end of the year

The following transactions of greater significance which occurred after December 31, 2021 should be noted.

- On January 24, 2022, the Italian Branch of Memry Corporation was constituted, based in Lainate, which, together with the already operational German Branch, will facilitate Memry Corporation's commercial expansion on the European market and will carry out a scouting function, with the aim of increasing penetration of the Group in the health care sector.
- On January 31, 2022 the EUREKA! Fund - Technology Transfer ended its fundraising activity with a total collection of 62,675,500 euro. On February 16, 2022, following the sixth and final Closing, the Parent Company obtained a reimbursement related to both the costs and the investments of the fund, amounting to 5 thousand of euro and SAES' investment in the fund was diluted from 4.81% to 4.79%.
- On February 15, 2022, the Board of Directors of SAES Getters S.p.A. proposed the inclusion, from January 1, 2022, of the newly acquired Strumenti Scientifici Cinel S.r.l. in the scope of the national tax consolidation, together with the other Group companies that are already part of it. The respective Boards of Directors approved this inclusion at the beginning of March.
- On February 28, 2022, SAES RIAL Vacuum S.r.l. fully repaid the interest-bearing loan granted by the shareholder SAES Getters S.p.A. (principal portion equal to 49 thousand of euro). On the same date, the loan granted by the other shareholder, Rodofil S.r.l. (principal portion equal to 51 thousand of euro) was repaid.
- On March 1, 2022, SAES Getters S.p.A. confirmed its commitment to provide its subsidiary SAES Coated Films S.p.A. with the financial resources necessary for it to carry out ordinary business operations and to guarantee its business continuity as a going concern and, if necessary, to recapitalise the company in compliance with the provisions of the Italian Civil Code.
- On March 1, 2022 SAES Nitinol S.r.l. resolved to waive - subject to the approval of the same transaction by the Board of Directors of SAES Getters S.p.A., which subsequently intervened with a resolution of March 14, 2022, issued with the favourable opinion of the Related Parties Committee of March 8, 2022 - a further portion of interest accrued on the loans granted to the joint venture Actuator Solutions GmbH, equal to 300 thousand of euro.
- Regarding the investment completed in the EUREKA! venture capital fund on March 7, 2022, a payment of 49 thousand of euro was made, including both the portion of the management fee and other costs, and the portion of an investment made by the fund in the company NOVAC S.r.l.

The Board of Statutory Auditors, duly and promptly informed by the Directors, ascertained compliance of the aforesaid transactions with the law, with the By-laws and the principles of correct administration, ensuring that they were not manifestly imprudent or risky, or conflicting with the resolutions passed by the Shareholders' Meeting or such as to jeopardise the integrity of the company's assets.

Ukraine - Russia conflict

Direct exposure of SAES in Russia, Ukraine and Belarus is marginal. Revenues of 2021, concentrated in Russia alone, were immaterial. The forecasts for 2022, drawn up before the crisis, also confirm the irrelevance of these markets. Moreover, SAES has no suppliers from these countries.

However, the unpredictable dynamics of the geopolitical, military and economic evolutions of the crisis, combined with the complex interdependencies between the world's economies and supply chains, do not allow the Company to provide reliable estimates on the impact of the crisis. The expected results of ordinary operations remain conditioned by the evolution of the global macroeconomic context and the consequent repercussions on the cost of raw materials and energy.

SAES has constituted transfunctional and corporate working groups (with particular attention to European situations), coordinated by headquarters, whose purpose is capturing the possible impacts and identifying trends and risks to identify and implement mitigation actions.

Impact of the Covid-19 epidemic

The current year saw the gradual overcoming of the Covid-19 crisis. In particular, after a first quarter that had already shown some signs of recovery, although still burdened by the effects of the pandemic,

especially on the Medical Division, starting from the second quarter of 2021 the sales of the medical sector returned to pre-Covid levels, thanks to the recovery of elective surgeries.

Going concern

The financial statements are prepared on the basis of business continuity as, even though in the presence of a difficult and uncertain economic and financial environment caused by the ongoing Covid-19 pandemic and the geopolitical tensions linked to the crisis between Russia and Ukraine, in the light of the results achieved in 2021 and, in particular, of the progressive increase in the Medical Division sales, that exceeded pre-Covid levels, there are no significant uncertainties regarding business continuity.

The duration and extent of the future spread of the Covid-19 pandemic and its related economic and financial effects remain difficult to forecast and are constantly monitored by the Company. It should also be noted that SAES' global presence, in terms of both manufacturing and sales, and its positioning in businesses considered essential, reduce the risk. In addition, the availability of unused credit lines constitutes a further guarantee of business continuity.

Atypical and/or unusual transactions, including intra-group or related-party transactions

Pursuant to the Consob communications of February 20, 1997 and February 28, 1998, as well as to IAS 24 revised, we report that, also in 2021, transactions with subsidiaries, associated companies or joint ventures and with other related parties of the SAES Group continued.

As regards the subsidiaries, these transactions were mostly commercial, and regarded purchases and sales of raw materials, semi-finished goods, finished products, tangible assets, royalties and various services. Cash pooling agreements are in place with several Group companies as well as loan agreements. Agreements for the provision of commercial, technical, IT, administrative, legal and financial services for the analysis of specific projects are also in force with several subsidiaries. The Board of Statutory Auditors was informed that all contracts were concluded at economic and financial market or standard conditions.

The equity and economic transactions with subsidiaries and jointly-controlled companies of SAES Getters S.p.A. are summarised below.

(thousands of euro)

Legal Entity	Receivables	Payables	Revenues	Expenses	Obligations
	2020	2020	2020	2020	2020 (*)
S.G.G. Holding S.p.A.	0	0	0	0	0
SAES Getters/USA, Inc.	1,457	116	6,599	868	4,000
Spectra-Mat, Inc.	122	0	162	1	0
SAES Getters Export, Corp	0	0	0	0	0
SAES Smart Materials, Inc.	137	101	176	626	0
Memry Corporation	912	146	1,253	1,245	0
SAES Getters Korea Corporation	260	1	1,245	25	0
SAES Getters (Nanjing) Co., Ltd.	249	78	1,634	278	0
SAES Getters International S.A.	0	17,108	0	107	0
SAES Innovative Packaging S.r.l. (**)	16	2,697	13	3	448
SAES Nitinol S.r.l.	43	451	11	1	0
SAES Coated Films S.p.A.	2,606	10	605	7	59
SAES Coated Films - German Branch	4	0	4	0	0
Strumenti Scientifici Cinel S.r.l. (***)	233	0	198	2	35
SAES Investments S.A.	48,801	161	290	161	0
SAES RIAL Vacuum S.r.l.	121	56	751	208	0
Actuator Solutions GmbH	41	0	414	299	1,250
Flexterra, Inc.	85	0	87	0	0
Total	55,087	20,924	13,441	3,829	5,792

(*) It includes guarantees issued by SAES Getters S.p.A.

(**) Co-obligation of SAES Getters S.p.A. in guarantee of E.T.C. S.r.l. in liquidation (now SAES Innovative Packaging S.r.l.) for VAT refund 2017.

(***) Co-obbligaion of SAES Getters S.p.A. in guarantee ok Strumenti Scientifici Cinel S.r.l. for rent contract.

In connection with the transactions with related parties other than subsidiaries, as at December 31, 2021 the Directors identified:

- **S.G.G. Holding S.p.A.**, relative majority shareholder that, as at December 31, 2021, held 34.44% of the ordinary shares of SAES Getters S.p.A. On April 28, 2021, S.G.G. Holding S.p.A. collected dividends from SAES Getters S.p.A. for a total of 2 million of euro.

Please note that at the beginning of September 2021, S.G.G. Holding S.p.A. accrued the increase in voting rights in relation to an additional n. 2,198,713 ordinary shares of SAES Getters S.p.A. and overall holds 51.15% of the voting rights.

- **Actuator Solutions GmbH**, a joint venture 50% jointly owned by SAES Group and Alfmeier Präzision Group, focusing on the development, manufacturing and marketing of actuators based on SMA technology.

With regard to Actuator Solutions GmbH, in 2021, the Company had a commercial relationship (sale of raw materials and semi-finished products) and performed various services (in particular, development services and accessory/administrative activities), which are charged back under a service contract. Moreover, there is a sales agreement in place between the Company and Actuator Solutions GmbH that envisages recognition to the joint venture of sales commissions on SMA wire procured for SAES Getters S.p.A. from the business activities of Actuator Solutions. Against this agreement, no commissions accrued in favour of Actuator Solutions GmbH in 2021.

Please note that the subsidiary SAES Nitinol S.r.l. granted several interest-bearing loans to the joint venture Actuator Solutions GmbH. As at December 31, 2021, the financial debt of Actuator Solutions GmbH towards SAES Nitinol S.r.l. was equal to a total of 9.8 million of euro, including 1.8 million of euro in interest accrued and not yet paid. The interest rate applied to loans granted was reduced from 6% to 2% starting from January 1, 2021, and, in June 2021, SAES Nitinol S.r.l. partially waived the interest accrued in the period 2016-2018 (overall amount of the waiver was 500 thousand of euro).

The total amount of the financial receivable (both principal and interest) held by SAES Nitinol S.r.l. from the German joint venture was already fully written off at the end of the previous financial year; as at December 31, 2021, an additional write-down was made on the financial receivable corresponding to the interest accrued in the current year (160 thousand of euro) since SAES management believes it is unlikely to be recovered.

Lastly, please note that on July 2, 2021 SAES Getters S.p.A. signed a convertible loan worth 1.5 million of euro in favour of the German company Rapitag GmbH: the loan agreement provides that the resources provided by SAES will be used by Rapitag for the prototyping activity carried out through the joint venture Actuator Solutions GmbH as an exclusive contractor. In particular, the loan was granted by SAES in two tranches, of which the second, for a total of 740 thousand of euro, paid in five successive instalments for an amount of 148 thousand of euro each, corresponding to the progress of the prototyping activity carried out by the joint venture Actuator Solutions GmbH and invoiced by the latter to Rapitag GmbH.

- **SAES RIAL Vacuum S.r.l.**, a joint venture between SAES Getters S.p.A. and Rodofil S.r.l., focusing on the design and production of integrated vacuum components and systems for accelerators, for the research, as well as for industrial systems and devices.

The Company has business relationships with SAES RIAL Vacuum S.r.l. (purchase and sale of raw materials, components and processing for the production of vacuum systems) and performs various services for this, mainly sales, marketing activities and administrative support, which are charged back under a service agreement. Furthermore, there is an onerous contract in place between SAES Getters S.p.A. and SAES RIAL Vacuum S.r.l. for the granting of a non-exclusive user license for the use of the SAES brand and name, without territorial limitations.

Finally, SAES Getters S.p.A. granted a loan of 49 thousand of euro, aimed at financially supporting SAES RIAL Vacuum S.r.l. operations.

- **Flexterra, Inc.**, a joint venture of SAES Getters International Luxembourg S.A. based in Skokie (USA), established at the end of 2016 for the development, production and the commercialisation of materials and devices used in fully flexible displays.

- **Flexterra Taiwan Co., Ltd.**, a company established at the beginning of 2017, wholly owned by the joint venture Flexterra, Inc.

With regard to Flexterra, Inc. and its subsidiary, the Company provides some administrative services, as well as legal, financial and tax support, as well as assistance in joint venture research and development activities, including the management of patents. These services are charged back under a service fees contract.

Lastly, SAES Getters International Luxembourg S.A. subscribed two convertible loans in favour of the joint venture Flexterra, Inc., respectively of the value of 3 million of dollars (granted on July 16, 2020) and of the value of 2 million of dollars (the first tranche of 1 million of dollars paid on August 18, 2021 and the second tranche, of the same amount, paid in the second half of November 2021), to be repaid in cash or in the form of equity upon the occurrence of certain conditions, with an 8% annual interest. As a guarantee for the loans granted, SAES has received a lien on Flexterra's intellectual property (IP). The financial receivable relating to the first convertible loan had been fully written down (both principal and interest) as at December 31, 2020, while as at December 31, 2021 the additional write-down of the financial receivable corresponding to the interest accrued during the year was carried out (243 thousand of dollars, equal to 215 thousand of euro); as at December 31, 2021, the entire financial receivable was then written down (both principal and interest) corresponding to the second convertible loan (a total of 2,040 thousand of dollars, equal to 1,769 thousand of euro): despite the progress of the Flexterra project and the confirmation of the business opportunity, due to the lengthening of the development time horizon and the consequent increased uncertainties on the commercial success of the initiative, it was decided to proceed with the write-down, considering the receivables difficult to recover, on the basis of information currently available.

- **Key Managers**, these include the members of the Board of Directors, including non-executive directors, and the members of the Board of Statutory Auditors.

The Group Human Resources Manager, the Group Legal/Compliance & Internal Audit Manager (who ceased their work relationship with SAES Getters S.p.A. on May 31, 2021) and the Group Research Lab Manager are also considered key managers. Their close relatives are also considered connected parties. In this respect, please note that Ginevra della Porta and Lorenzo della Porta, children of Massimo della Porta, were employed by SAES Getters S.p.A. and the subsidiary SAES Coated Films S.p.A., respectively.

The following tables show the total values of transactions between the Company and its related parties - other than subsidiaries - in 2020 and 2021.

(thousands of euro)															
December 31, 2021	Expenses recharge									Other income (expenses)	Financial income (expenses)	Trade receivables	Trade payable	Tax consolidation receivables from Parent Company	Financial receivables
	Net sales	Cost of goods sold	Research and development expenses	Selling expenses	General and administrative expenses	Research and development expenses	Selling expenses	General and administrative expenses	Research and development expenses						
S.G.G. Holding S.p.A.															
SAES RIAL Vacuum S.r.l.	729	(208)						8	10	3	1	71	(56)		50
Actuator Solutions GmbH	332					40			42	(299)		41			
Flexterra, Inc.						50			35	2		85			
Total	1,061	(208)	0	0	0	90	8	87	(294)	1	197	(56)	0	50	

(thousands of euro)															
December 31, 2020	Expenses recharge									Other income (expenses)	Financial income (expenses)	Trade receivables	Trade payable	Tax consolidation receivables from Parent Company	Financial receivables
	Net sales	Cost of goods sold	Research and development expenses	Selling expenses	General and administrative expenses	Research and development expenses	Selling expenses	General and administrative expenses	Research and development expenses						
S.G.G. Holding S.p.A.															
SAES RIAL Vacuum S.r.l.	975	(198)						10	10		1	318	(18)		50
Actuator Solutions GmbH	709					40			42	(300)		252			
Flexterra, Inc.						25			22			47			
Total	1,685	(198)	0	0	0	65	10	74	(300)	1	618	(18)	0	50	

The following table shows the remuneration of key managers as identified above.

(thousands of euro)	December 31, 2021	December 31, 2020	Difference
Short term employee benefits	4,276	3,967	309
Post employment benefits	0	0	0
Other long term benefits	533	1,290	(757)
Termination benefits	1,479	1,740	(261)
Payments in shares	0	0	0
Other benefits	0	0	0
Total remuneration provided to managers with strategic responsibilities	6,288	6,997	(709)

As at December 31, 2021, the amount due to key managers of the Company was equal to 3,935 thousand of euro compared to a payable of 7,121 thousand of euro as at December 31, 2020. The decrease is mainly attributable to the payment, which took place in May 2021, of the three-year monetary incentive plans of the Executive Directors and key managers of the Company, which matured on December 31, 2020, as well as the lower payable for variable remuneration of the Directors.

Pursuant to the Consob communications of February 20, 1997 and February 28, 1998, as well as to IAS 24 (revised), it should be noted that also in 2021 all related party transactions were carried out in the ordinary course of business, at economic and financial conditions in line with standard market conditions.

Audit Firm

Deloitte & Touche S.p.A., the firm appointed to audit the consolidated and separate financial statements of SAES Getters S.p.A. and to perform the statutory audit of accounts pursuant to Article 150, paragraph 3 of Italian Legislative Decree 58/1998, issued the certification reports on March 29, 2022 and gave an opinion without findings and without requests for information on the consolidated and separate financial statements of the year 2021.

We held meetings, including of an informal nature, with the representatives of the firm Deloitte & Touche S.p.A., and during said meetings no significant data or information to be pointed out in this report were ascertained.

The Board of Statutory Auditors acknowledges to have received, pursuant to Article 19, paragraph 3, of Italian Legislative Decree 39/2010, the report of the independent auditors explaining essential issues that arose during the statutory audit and any significant shortcomings that emerged in the internal control system in connection with the financial disclosure process. The report shows that no significant shortcomings have been identified in the preparation of the financial statements.

The Board also acknowledges to have received from the audit firm, pursuant to Article 17, paragraph 9, letter a) of Italian Legislative Decree 39/2010 confirmation of its independence, to have had information on the services other than the statutory audit provided to the Company also by entities belonging to the Deloitte & Touche S.p.A.'s network and to lastly have discussed, pursuant to Article 17, paragraph

9, letter b) of the same decree, the risks concerning its independence and the measures taken to limit these risks with the audit firm.

Indication of any additional engagements with the audit firm and/or parties associated with the firm in long-term relationships

As regards the additional tasks appointed to the audit firm and/or to parties associated with the firm in long-term relationships (other auditing services, tax consultancy services and other services other than the audit), reference is made to the information given by the Company in the Explanatory notes to the consolidated financial statements, pursuant to Article 149-*duodecies* of the Issuers' Regulations on disclosure of fees.

Indication of the presence of approvals issued under law during the year

In 2021, the Board of Statutory Auditors approved:

- the adjustment made for 2020 to the fees to be paid to Deloitte & Touche S.p.A. in connection with the statutory audit appointment granted for the years from 2013 to 2021 with resolution of the ordinary Shareholders' Meeting on April 23, 2013 ("2013-2021 Statutory Audit Appointment");
- the adjustment made for 2020 to the fees to be paid, again, to Deloitte & Touche S.p.A. in connection with the appointment concerning the limited review of the Consolidated non-financial statement of SAES Getters S.p.A. and of its subsidiaries granted for the years from 2017 to 2021 with resolution of the ordinary Shareholders' Meeting on April 24, 2018.

With reference to 2021, the Board of Statutory Auditors was also called upon to approve in 2022:

- the payment of a fee, for the year 2021, in relation to the limited audit of the interim reporting package prepared by the company SAES Investments S.A.
- the payment of an additional fee to be paid to the company Deloitte & Touche S.p.A. in relation to the additional auditing activity pertaining to the opinion regarding the compliance of the draft financial statements and consolidated financial statements of SAES Getters S.p.A. with the provisions of Delegated Regulation (EU) 2019/815 (ESEF);
- the adjustment made for 2021 to the fees to be paid, again, to Deloitte & Touche S.p.A. in connection with the appointment concerning the limited review of the Consolidated non-financial statement of SAES Getters S.p.A. and of its subsidiaries granted for the years from 2017 to 2021 with resolution of the ordinary Shareholders' Meeting on April 24, 2018.

Presentation of complaints pursuant to Article 2408 of the Italian Civil Code and allegations

With reference to the year ended December 31, 2021, the Board of Statutory Auditors did not receive any complaints pursuant to Article 2408 of the Italian Civil Code.

Consob sanction procedure

With reference to the administrative sanction proceedings initiated by Consob against SAES Getters S.p.A. for violation of current regulations on public disclosure of inside information ("MAR"), with reference to the press release regarding the agreement to sell the gas purification business, finalized in mid-year 2018, the Company provided to pay the sanction amounting to 80 thousand of euro at the start of 2021. The amount was allocated at the end of the 2020 financial year to a special liability provision, appropriately used in 2021. In spite of the fact that the sanction was paid, SAES Getters S.p.A. has decided to appeal this judgement in court.

Correct administration - Organizational structure and its amendments

The Company is managed with expertise in observance of the rules of law and of the By-laws. We attended the Shareholders' Meeting and the meetings of the Board of Directors, and the meetings of

the other established committees for which our presence is required, held in observance of the statutory and legislative rules that govern their functioning.

The Board of Statutory Auditors acquired knowledge and monitored, to the extent of its competence, the suitability and operation of the organizational structure of the Company, through direct observations and information gathered from the heads of the functions; in this regard, it has no comments to make. The mandates and powers meet the needs of the Company and are adequate for the evolving company management. The Board of Statutory Auditors believes that the overall organisational structure of the Company is appropriate for the size of the Group.

The Board of Statutory Auditors monitored, within the scope of its competence, the suitability of the administrative-accounting system, and the reliability with which this correctly represents management activities, acquiring information from the heads of the respective functions, from the audit firm, Deloitte & Touche S.p.A., and from the review of company documentation: in this regard, it has no observations to make. During the year, the technical characteristics of the administrative staff were found to be suited to the company needs.

We provide below the number of employees of SAES Getters S.p.A. by category:

Company's employees	December 31, 2021	December 31, 2020	Average 2021	Average 2020
Managers	47	44	46	44
Employees and middle management	200	193	198	190
Workers	185	179	186	187
Total	432	416	430	422

Through regular audits during the year, the Statutory Auditors verified the correctness and promptness of all fulfilments/communications consequent to the listing of the Parent Company on the Euronext STAR segment of the electronic equity market (MTA) to be made to Borsa Italiana and Consob.

Internal control and risk management system - Administrative-accounting system

The internal control and corporate risk management system (hereinafter also referred to as "SCIGR") is managed and monitored by the Board of Directors, the Director responsible for the internal control and risk management system, the Audit, Risk and Sustainability Committee, the Internal Audit Function, the Supervisory Body and the Board of Statutory Auditors, each with specific tasks within the scope of their role and relevant responsibilities. The SCIGR framework adopted by the Company implements the components of the "CoSO Framework" model, recognized internationally as the best practice of reference for representing and assessing the internal control system. It should also be noted that:

- the Chairman of the Board of Statutory Auditors attends, as a guest, the meetings of the Audit, Risk and Sustainability Committee and the Remuneration and Appointments Committee and of the Committee for Transaction with Related Parties;
 - a Statutory Auditor is member of the Supervisory Body, the body that promoted and supported the correct implementation of the Organisational Model pursuant to Italian Law 231/2001 also during 2021.
- During the year, the Board of Statutory Auditors found no particular critical issues or anomalies requiring mention in this report as part of its supervision of the effectiveness of the system and observance of the law, also following periodic meetings with the aforesaid parties.

Subsidiaries

As established in the internal control model adopted by the Company, the Manager in charge of preparing the company's accounting documents ensures the circulation and updating of the control rules of the subsidiaries, ensuring that they are in line with the Group's principles. On this aspect, the Board fully refers to the detailed information provided in the specific paragraph of the Report on corporate governance and ownership (pursuant to Article 123 of the TUF - Consolidated Finance Law),

approved by the Board of Directors on March 14, 2022 and made available on the website of the Company.

Corporate Governance Code

The Corporate Governance system of the Company implements, in its essential passages, the principles and recommendations contained in the "Corporate Governance Code of listed companies", which the Board of Directors decided to adopt on February 23, 2012. The Board of Directors also approved the annual Report on corporate governance and ownership structure for the year 2021 on March 14, 2022; the full text of this, to which we refer for more information, is placed at the disposal of the public according to the procedure dictated by current laws and regulations.

Report on remuneration, pursuant to Article 123-ter of the Consolidated Finance Law and 84-quater of the Issuers' Regulation, and monetary incentive systems for strategic resources

The Board of Statutory Auditors certifies to have previously examined and provided its approval, together with the Remuneration and Appointments Committee, also in observance of the provisions under Article 2389, paragraph 3 of the Italian Civil Code, on policies and general guidelines on the subject of remuneration of administrative bodies and managers with strategic responsibilities of the Company and, in particular, on the Remuneration Report drawn up pursuant to Articles 123-ter of the Consolidated Finance Law and 84-quater of the Issuers' Regulations, and with reference to the annual and three-year monetary incentive instruments for the strategic resources of the Company and of the SAES Group.

Independence

The Board of Statutory Auditors certifies to have checked the correctness of the criteria adopted by the Board of Directors to assess:

- the independence of its members based on the requirements set out in the Corporate Governance Code of Borsa Italiana and under Article 147-ter, paragraph 4 and Article 148, paragraph 3 of the Consolidated Finance Law, acknowledging the declarations issued by the Directors and confirming the "Independent" status of the Directors Ms. Gaudiana Giusti, Mr. Stefano Proverbio, Ms. Luciana Rovelli, and based on the independence requirements set out under Article 147-ter, paragraph 4 and Article 148, paragraph 3 of the Consolidated Finance Law, although not based on the Corporate Governance Code of Borsa Italiana, the "independent" status of Mr. Adriano De Maio;
- permanence of the requirements of professional competence and reputation that the Auditors must possess pursuant to Ministry of Justice Decree no. 162 of March 30, 2000 and of independence pursuant to Article 148, paragraph 3 of the Consolidated Finance Law (TUF).

Presentation of the Financial Statements of the Parent Company and of the Consolidated Financial Statements as at 31 December 2021

As we are not charged with the analytical checking of the content of the financial statements, we certify that we supervised the general outline adopted with regard to both the separate financial statements of SAES Getters S.p.A. and the consolidated financial statements, and the overall compliance with the law in form and structure; we also confirm that we found them to correspond to the events and information of which we are knowledgeable. As for the previous years, please note that both the consolidated financial statements, after European Regulation no. 1606/2002 came into force, and the separate financial statements of SAES Getters S.p.A. were drawn up according to the IAS/IFRS international accounting standards, on a going concern basis.

The accounting schedules adopted are consistent with those envisaged by IAS 1 - *revised*; specifically:

- the statement of financial position has been prepared by classifying assets and liabilities as current or non-current and by stating "Assets held for sale" and "Liabilities held for sale" in two separate items, as required by IFRS 5;

- the income statement has been prepared by classifying operating expenses by allocation, as this form of disclosure is considered more suitable to represent the Company's specific business, complies with the internal reporting procedures and in line with standard industry practices;
- the Cash Flow Statement has been prepared by stating cash flows provided by operating activities according to the "indirect method" as allowed by IAS 7.

In addition, as required by Consob resolution no. 15519 of July 27, 2006, in the context of the statement of profit (loss) by allocation and in the Explanatory notes the significant income and expenses arising from non-recurring transactions or from events that do not recur frequently during the normal conduct of operations are specifically identified.

Again pursuant to the aforementioned resolution, the values of positions or transactions with related parties have been shown separately from the related items in the explanatory notes.

The financial statements for the year ended December 31, 2021 are the first financial statements of the company transposing the provisions of the Delegated Regulation (EU) 2019/815 (ESEF) for the year 2021 containing the obligation to adopt a single electronic reporting format for the preparation of the annual financial reports of the issuers, in order to facilitate the communication of financial information, as well as accessibility, analysis and comparability of financial statements.

The financial statements were drawn up on the assumption of a going concern.

As for the financial statements submitted for your approval, we point out the following in brief.

[Separate financial statements of SAES Getters S.p.A.](#)

(euro)

	2021	2020
Third party net sales	59,885,952	53,737,011
Intercompany net sales	9,741,910	10,116,595
Total net sales	69,627,862	63,853,606
Third party cost of sales	(36,014,096)	(33,396,179)
Intercompany cost of sales	(2,817,275)	(2,297,397)
Total cost of sales	(38,831,371)	(35,693,576)
Gross profit	30,796,491	28,160,030
Research & development expenses	(8,606,077)	(7,432,781)
Selling expenses	(7,403,745)	(6,207,182)
General & administrative expenses	(22,873,709)	(23,633,332)
Write-down of trade receivable	(13,178)	(52,332)
Total operating expenses	(38,896,709)	(37,325,627)
Royalties	0	0
Intercompany royalties	1,036,151	862,135
Other third party income (expenses), net	(973,875)	(987,800)
Other intercompany income (expenses), net	1,357,231	1,714,618
Total other income (expenses), net	1,419,507	1,588,953
Operating income (loss)	(6,680,711)	(7,576,644)
Dividends	10,520,418	11,257,181
Third party financial income	1,161,472	1,155,112
Intercompany financial income	304,469	331,520
Total financial income	1,465,941	1,486,632
Third party financial expenses	(3,038,969)	(1,835,254)
Intercompany financial expenses	(271,770)	(179,005)
Total financial expenses	(3,310,739)	(2,014,259)
Foreign exchange gains (losses), net	(215,039)	(334,876)
Writedown of investmens	(9,084,000)	(416,207)
Income before taxes	(7,304,131)	2,401,827
Income taxes	(987,451)	(149,750)
Current taxes	(734,184)	(891,206)
Deferred taxes	(253,267)	741,456
Net income (loss) from continued operations	(8,291,582)	2,252,077
Net income (loss)	(8,291,582)	2,252,077

Net revenues in 2021 were 69,628 thousand of euro, up compared to 2020 (+9.0%). The growth compared to the previous year was supported by the significant increase in the Solutions for Vacuum Systems, Specialty Chemicals Division, Thermal Insulated, Healthcare Diagnostics, Advanced Packaging Division and SMA Industrial businesses, which more than offset the decreases recorded in the Electronic Devices, Lamps and Security & Defence businesses.

Gross industrial profit was 30,796 thousand of euro in 2021 against 28,160 thousand of euro in the previous year, marking an increase of +9.4%, corresponding to 2,636 thousand of euro in absolute terms and mainly due to an increase in volumes. The gross profit margin instead was unchanged moving from +44.1% in 2020 to +44.2% in 2021.

EBITDA for the year was a negative -1,537 thousand of euro against a negative figure of -2,667 thousand of euro in 2020.

Dividends, net financial income and net gains on exchange rates totalled 8,461 thousand of euro in 2021, compared to 10,395 thousand of euro in the previous year.

In 2021, the Company wrote down equity investments and made provisions for risks on equity investments of 9,084 thousand of euro, of which 8,705 thousand of euro for the write-down of the equity investment in SAES Coated Films S.p.A. following the impairment test compared to 442 thousand of euro recognised in 2020. With regard to the expected losses on cash and cash equivalents in application of IFRS 9, there was a decrease from 26 thousand of euro recorded in the previous year to 4 thousand euro in 2021.

2021 therefore closed with a negative income before taxes of -7,304 thousand of euro, down compared to 2,402 thousand of euro in the previous year as a result of the lower dividends received from the subsidiaries and write-downs of equity investments.

2021 therefore closed with a net loss for the year of -8,292 thousand of euro against a net profit of 2,252 thousand of euro in 2020. This loss is mainly attributable to the write-downs of equity investments for a value of 9,080 thousand of euro, lower dividends received from companies, and higher financial expenses deriving from the fair value measurement of financial assets.

As regards the various income statement components, it should be noted that:

- General and administrative expenses decreased by 760 thousand of euro. The main change concerns consultancy expenses, which decreased by 218 thousand of euro compared to 2020.
- Research and development expenses amounted to 8,606 thousand of euro, up compared to 7,433 thousand of euro in 2020 (+15.8%) as a result of the full recovery of research activities after the slowdown in 2020 due to the Covid-19 emergency.
- The item "Other expenses" is mainly composed of the write-down of the receivable relating to a potential minority investment in the packaging business, amounting to 1,100 thousand of euro, subsequently suspended due to a change in strategy.
- Dividends, net financial income (expenses) and net gains (losses) on exchange rates totalled 8,461 thousand of euro in 2021, compared to 10,395 thousand of euro in the previous year.
- In 2021, the equity investment in SAES Coated Films S.p.A. was written down by 8,705 thousand of euro following impairment testing. Furthermore, with reference to SAES Getters Korea Corporation, a further amount was allocated to the provision for risks of 375 thousand of euro to cover future losses. In 2020, following an impairment test, the equity investments in Memry GmbH in liquidation for 105 thousand of euro and in SAES Getters Korea Corporation for 184 thousand of euro were written down, in addition to the allocation to the provision for risks of 154 thousand of euro to cover future losses.
- Current taxes for the year amounted to 734 thousand of euro, of which 191 thousand of euro for IRAP, 535 thousand of euro as non-recoverable portion of the tax credit for withholdings applied on foreign dividends, 24 thousand of euro as consolidation income, and 28 thousand of euro for income taxes for the previous year.

Following the changes made by Legislative Decree no. 142 of November 29, 2018, to the reference provisions on "Controlled Foreign Companies" (CFC regime, Article 167, paragraph 5 of the TUIR - Consolidated Law on Income Tax), on December 9, 2020 SAES Getters S.p.A. filed a request for ruling, pursuant to Article 11, paragraph 1, letter b) of Law no. 212 of July 27, 2000, to obtain the opinion of the Italian tax authorities on the non-application of this legislation to the US subsidiary SAES Getters Export, Corp. (ICD).

On April 1, 2021, the Company received a request from the Revenue Agency for additional documentation in relation to the aforementioned request for a ruling. Pending the production of additional documentation, on July 5, 2021 the Inland Revenue Agency published the draft circular regarding the CFC regulations, as amended by Legislative Decree no. 142/2018, which states that "the positive response provided in response to requests for ruling submitted pursuant Article 8-ter, under the same circumstances, continues to be valid for the purposes of the new legislation". The validity of the favourable rulings pursuant to paragraph 8-ter was then confirmed by the final version of the circular (circular 18/2021), published on December 27, 2021.

Please note that on January 31, 2012 the Company obtained a positive opinion on the non-application of the *CFC* regulations in force at the time, pursuant to Article 167, paragraph 8-ter of the Consolidated Law on Income Tax and it is believed that the substance of the case in question has not changed.

Therefore, the Company is waiting for the final circular, to assess the need to make progress or not with the ruling presented or to consider the positive opinion issued in 2012 still valid.

In light of the above, taking into consideration:

- (i) the favourable response obtained in 2012 pursuant to paragraph 8-ter to the request for ruling for the non-application of the *CFC* regime;
- (ii) and that the Group's operating structure in the United States and, in particular, the operation of the ICD Regime has never been changed over the years, with the exception of the sale of Saes Pure Gas, Inc., which in any case has not changed the "operation and function of ICD in the context of the Group's business in the USA,

the Company considers that the favourable ruling obtained in 2012 is still to be considered valid for the purposes of the non-application of the *CFC* regulations for ICD.

The net financial position as at December 31, 2021 showed a positive balance of 2,791 thousand of euro, down compared to the balance of 33,715 thousand of euro in the previous year.

Compared to December 31, 2020, the decrease in the net financial position (-30,924 thousand of euro) is mainly due to investments in property, plant and equipment (-7,080 thousand of euro), investments in companies of the SAES Group (-18,912 thousand of euro, including the payment to purchase Strumenti Scientifici Cinel S.r.l.) and the payment of dividends in May (-7,440 thousand of euro).

Impairment testing of assets in the separate financial statements

Equity investments

In compliance with the international accounting standard IAS 36, on each reporting date, the Company assesses if there are elements that could indicate that intangible assets with a finite useful life and property, plant and equipment and equity investments may have suffered an impairment loss.

In particular, equity investments undergo impairment testing at least once a year, or, more frequently, whenever there is any indication that the asset may be impaired.

With reference to the financial statements as at December 31, 2021, the impairment test, aimed at establishing if the equity investments had been recognized in the financial statements as at December 31, 2021 at a lower value than their recoverable amount, was conducted on the basis of the most recent plan drawn up by top management for the 2022-2024 period and approved by the Company's Board of Directors on January 20, 2022. The testing conducted, based also on the best estimates made by management as regards the company's operations, production profiles, market context and changes in the regulatory and legislative framework, was concentrated on the equity investments having a carrying amount higher than the pertinent amount of shareholders' equity.

In accordance with IAS 36 - Impairment of assets, the recoverable value of the equity investments held in SAES Coated Films S.p.A., Strumenti Scientifici Cinel S.r.l. and SAES Getters Korea Corporation was tested.

With regard to the equity investments in SAES Coated Films S.p.A. and in Strumenti Scientifici Cinel S.r.l., the recoverable value was determined by identifying the equity value through the cash flows estimated by management in line with the assumptions of the five-year plans approved by the Board of Directors of the Companies on March 2, 2022, in line with the assumptions of the medium-term forecasts prepared by the Management and of a terminal value.

With reference to the equity investment in SAES Coated Films S.p.A., the outcome of the analyses carried out showed the need to carry out a write-down of 8,705 thousand of euro. On the other hand, as regards the equity investment in Strumenti Scientifici Cinel S.r.l., the outcome of the audits carried out confirmed the carrying amount.

As regards SAES Getters Korea Corporation, whose equity investment had been completely written off in 2020, a prudential check of future cash flows was carried out. The negative outcome of the test highlighted the need to integrate the provision for risks to cover future losses of an additional 375 thousand of euro.

With reference to the equity investment held in SAES RIAL Vacuum S.r.l., in October 2021 the Company announced an agreement for the acquisition of the remaining 51% of the share capital of the joint venture. The proposed consideration is around 5.25 million of euro, as approved by the Board of Directors on October 14, 2021. Therefore, no specific impairment test was carried out, having considered the recoverable value to be the fair value of the share held, equal to 49%, inferred on the basis of this extraordinary transaction under negotiation.

The estimation of the recoverable amount, as described above, required judgement and the use of estimates by management. The Company cannot therefore guarantee that no impairment losses will arise in the future. In fact, a number of different factors, also related to changes in the market and in demand, could require the value of the assets in future periods to be recalculated. The circumstances and the events that could cause a further assessment of the existence of impairment will be constantly monitored by the Company. In particular, in relation to the current conflict between Ukraine and Russia, it should be noted that the plans used for the purposes of impairment testing do not include any effect, either direct or indirect, caused by the worsening of the geopolitical crisis, as it derives from events subsequent to the end of the financial year. However, it is not yet possible at present to make any assessment of the economic impacts of the conflict, due to the unpredictable dynamics of its evolution and the complex interdependencies with world economies. The potential effects of this phenomenon on the estimates of the Group's future cash flows cannot be determined at the moment and will be subject to constant monitoring in the coming months, also for the purpose of identifying any impairment of the Group's assets.

Consolidated financial statements of SAES Getters S.p.A.

The companies included in the scope of consolidation as at December 31, 2021 with the full consolidation method are the following:

<i>Company</i>	<i>Currency</i>	<i>Capital Stock</i>	<i>% of Ownership</i>	
			<i>Direct</i>	<i>Indirect</i>
Directly-controlled subsidiaries:				
SAES Getters USA, Inc. Colorado Springs, CO (USA)	USD	33,000,000	100.00	-
SAES Getters (Nanjing) Co., Ltd. Nanjing (P. R. of China)	USD	6,570,000	100.00	-
SAES Getters International Luxembourg S.A. Luxembourg (Luxembourg)	EUR	34,791,813	100.00	-
SAES Getters Export, Corp. Wilmington, DE (USA)	USD	2,500	100.00	-
SAES Innovative Packaging S.r.l. Lainate, Milan (Italy)	EUR	75,000	100.00	-
SAES Nitinol S.r.l. Lainate, Milan (Italy)	EUR	10,000	100.00	-
SAES Coated Films S.p.A. Roncello, MB & Lainate, MI (Italy) & Friburgo (Germany)	EUR	50,000	100.00	-
SAES Investments S.A. Luxembourg (Luxembourg)	EUR	30,000,000	100.00	-
Strumenti Scientifici Cinel S.r.l. Vigonza, PD (Italy)	EUR	78,000	100.00	-
Indirectly-controlled subsidiaries:				
<i>Through SAES Getters/U.S.A., Inc.:</i>				
Spectra-Mat, Inc. Watsonville, CA (USA)	USD	204,308	-	100.00
<i>Through SAES Getters International Luxembourg S.A.:</i>				

SAES Getters Korea Corporation Seoul (South Korea)	KRW	524,895,000	37.48	62.52
SAES Smart Materials, Inc. New Hartford, NY (USA)	USD	17,500,000	-	100.00
Memry Corporation Bethel, CT (USA) & Freiburg (Germany)	USD	30,000,000	-	100.00

The companies included in the scope of consolidation as at December 31, 2021 with the equity method are the following.

Company	Currency	Capital Stock	% of Ownership	
			Direct	Indirect
Actuator Solutions GmbH Gunzenhausen (Germany)	EUR	2,000,000	-	50.00*
SAES RIAL Vacuum S.r.l. Parma, Parma (Italy)	EUR	200,000	49.00	-
Flexterra, Inc. Skokie, IL (USA)	USD	33,382,842	-	46.84** (#)
Flexterra Taiwan Co., Ltd. Zhubei City (Taiwan)	TWD	5,000,000	-	46.84*** (#)

* % of indirect ownership held through SAES Nitinol S.r.l.

** % of indirect ownership held through SAES Getters International Luxembourg S.A.

*** % indirect ownership held through the joint venture Flexterra, Inc. (which holds a 100% interest in Flexterra Taiwan Co., Ltd.).

(#) At the beginning of October 2021 SAES Getters International Luxembourg S.A. saw its stake in Flexterra, Inc. increase from 46.73% to 46.84%, following the repurchase by the joint venture of the shares previously owned by two small shareholders at a symbolic value of 2 dollar (1 dollar for each small shareholder).

The following table shows the equity investments in other companies as at December 31, 2021, other than subsidiaries, associates or joint ventures, included in the scope of consolidation through measurement at fair value, pursuant to IFRS 9.

Company	Currency	Capital Stock	% of Ownership	
			Direct	Indirect
EUREKA! Fund I - Technology Transfer Milan (Italy)	EUR	8,883,903*	4.81**	-
Cambridge Mechatronics Limited Cambridge (United Kingdom)	GBP	49,514***	-	0.86***

* This amount represents the total capital payments by investors as at December 31, 2021, against a total commitment of 62,422,500 euro.

** Compared to December 31, 2020, the equity investment of SAES was diluted from 7.51% to 4.81% following the completion of the third, fourth and fifth closing by the EUREKA! fund, on the basis of which new investors were formally admitted, with a total theoretical contribution to the investment of approximately 22.5 million euro.

*** % of indirect ownership held through SAES Getters International Luxembourg S.A. Compared to December 31, 2020, the capital stock of Cambridge Mechatronics Limited increased from 48,565 GBP to 49,514 GBP, while the SAES equity investment was diluted from 0.87% to 0.86%, following the issue by the company of new preferred ordinary shares in January 2021, upon completion of the same financing round for a total of 7.5 of million GBP in which the SAES Group also participated; following the issue of new ordinary shares, used as part of the consideration for the purchase of a business unit from a sub-supplier; following the issue of new ordinary shares in relation to the exercise of some options on shares held by employees.

The main changes in the scope of consolidation during 2021 are shown below.

- On July 7, 2021, SAES Getters S.p.A. finalised the closing for the acquisition of 100% of the capital stock of Strumenti Scientifici Cinel S.r.l. an established international player in the sector of components and scientific instruments for particles synchrotrons and accelerators, based in the province of Padua. The objective of the acquisition, for SAES, is to strengthen its competitive position in the vacuum sector, through an expansion of the range of products for particle accelerators and synchrotrons, entirely made in Italy, and at the forefront on a global scale.

The price, equal to 19.2 million of euro, was set by calculating the equity value, by adding the enterprise value (equal to 8 times the EBITDA obtained as the arithmetic average of the EBITDA resulting from the financial statements approved for the years 2019 and 2020), the net financial position (NFP) at the closing date, as well as the difference between the net working capital (NWC) estimated at the closing date and the Company's net working capital (NWC) for the financial year ended as at December 31, 2020.

- On July 22, 2021, the liquidation process of the German subsidiary Memry GmbH was completed (started at the end of 2017) with the cancellation of the company from the Register of Companies. Please note that:
- on March 31, 2021, the establishment of a Branch of SAES Coated Films S.p.A. in Freiburg - Germany (registration number HRD723906) was completed, in line with the strategy that sees the company committed to improving its presence in strategic markets, in order to boost new business opportunities;
- on June 1, 2021, the German Branch of SAES Getters S.p.A. was established, located in Freiburg - Germany (registration number HRB724326), mainly with a scouting and promotion function, in line with the strategy that will see the Group committed to improving its presence in markets deemed crucial for future growth.

Lastly, note that in 2021 SAES Getters S.p.A. made capital injections into the venture capital fund EUREKA! Fund I - Technology Transfer for a total amount of 305 thousand of euro and received repayments of approximately 104 thousand of euro following the finalization of the third, fourth and fifth closing by the same fund. As at December 31, 2021, against a total commitment of 3 million of euro, SAES Getters S.p.A. made capital injections into the EUREKA! fund totalling 427 thousand of euro while the residual commitment is equal to 2,573 thousand euro.

The consolidated profit and loss for 2021 is the following:

Consolidated statement of profit or loss		
(thousands of euro)	2021	2020
Total net sales	190,198	168,703
Cost of sales	(108,886)	(98,590)
Gross profit	81,312	70,113
Research & development expenses	(11,704)	(10,421)
Selling expenses	(12,971)	(11,045)
General & administrative expenses	(33,101)	(31,721)
Write-down of trade receivables	(69)	(56)
Total operating expenses	(57,845)	(53,243)
Other income (expenses), net	(828)	(596)
Operating income (loss)	22,639	16,274
Interests and other financial income	4,613	2,904
Interests and other financial expenses	(2,594)	(4,147)
Write-down of financial receivables and other financial assets	(2,148)	(2,965)
Share of result of investments accounted for using the equity method	200	(1,704)
Write-down of investments in companies valued using the equity method	0	(591)
Foreign exchange gains (losses), net	(230)	(477)
Income (loss) before taxes	22,480	9,294
Income taxes	(9,404)	(4,507)
Net income (loss) from continued operations	13,076	4,787
Net income (loss) from discontinued operations	0	0
Net income (loss) for the period	13,076	4,787
Minority interests in consolidated subsidiaries	0	0
Group net income (loss) for the period	13,076	4,787
Net income (loss) per ordinary share	0.71368	0.25699
- from continued operations	0.71368	0.25699
- from discontinued operations	0.00000	0.00000
Net income (loss) per savings share	0.73031	0.27362
- from continued operations	0.73031	0.27362
- from discontinued operations	0.00000	0.00000

Consolidated statement of other comprehensive income		
(thousands of euro)	2021	2020
Net income (loss) for the period from continued operations	13,076	4,787
Exchange differences on translation of foreign operations	10,123	(9,555)
Exchange differences on equity method evaluated companies	0	(630)
Total exchange differences	10,123	(10,185)
Total components that will be reclassified to the profit (loss) in the future	10,123	(10,185)
Actuarial profit (loss) on defined benefit plans relating to SAES Getters S.p.A. and subsidiaries	(49)	80
Income taxes	12	(19)
Actuarial profit (loss) on defined benefit plans, net of taxes - SAES Getters S.p.A. and subsidiaries	(37)	61
Actuarial profit (loss) on defined benefit plans relating to companies valued using the equity method	13	(1)
Income taxes	(3)	0
Actuarial profit (loss) on defined benefit plans, net of taxes - companies valued using the equity method	10	(1)
Fair value variation of investments in other companies	(95)	(110)
Income taxes	0	0
Fair value variation of investments in other companies, net of taxes	(95)	(110)
Total components that will not be reclassified to the profit (loss) in the future	(122)	(50)
Release of conversion reserve for liquidation of companies valued with the equity method	0	278
Total components that have been reclassified in profit (loss) for the period	0	278
Other comprehensive income (loss), net of taxes - continued operations	10,001	(9,957)
Total comprehensive income (loss), net of taxes - continued operations	23,077	(5,170)
Total comprehensive income (loss), net of taxes - discontinued operations	0	0
Net income (loss) for the period from discontinued operations	0	0
Total comprehensive income (loss), net of taxes - discontinued operations	0	0
Total comprehensive income (loss), net of taxes	23,077	(5,170)
attributable to:		
- Equity holders of the Parent Company	23,077	(5,170)
- Minority interests	0	0

Consolidated net revenues in financial year 2021 amounted to 190,198 thousand of euro, up 12.7% compared to 168.703 thousand of euro in 2020, despite the penalizing effect of exchange rates (-2.9%) and the persistence of international tensions between the US and China.

Consolidated gross profit amounted to 81,312 thousand of euro in 2021, compared to 70,113 thousand of euro in 2020. Removing the negative exchange rate effect (equal to -2,278 thousand of euro) and the change related to the scope of consolidation (equal to +539 thousand of euro), gross profit would have organically increased by 18.5% (+12,938 thousand of euro in absolute value). The gross margin is also growing (from 41.6% in 2020, to 42.8% in 2021) and, when separating both the effect of currencies and the change in the perimeter, it would have reached 43%.

All Divisions are growing both in absolute value and as a percentage of revenues. The only exceptions are the Vacuum Technology Division and the Advanced Packaging Division: the first, which, in spite of a sharply growing gross industrial result, sees a reduction in margins due to a different mix of supply contributions and higher costs of raw materials, as well as for the different scope of consolidation; the second, with a drop in both gross profit and margins, due to the start-up of the second lacquering line, not yet fully operational.

Consolidated EBITDA was equal to 35,914 thousand of euro in 2021 (18.9% of consolidated revenues), up by 31.9% compared to 27,225 thousand of euro in 2020 (16.1% of consolidated revenues). Net of the negative exchange rate effect (-1,959 thousand of euro), the change in the scope of consolidation (+170 thousand of euro) and the non-recurring revenues and costs of both years (in 2021: cancellation of the advance for a potential acquisition not carried out, equal to -1,100 thousand of euro, and net income related to the R&D tax credit of the Parent Company, equal to +425 thousand of euro; in 2020: costs for Covid-19 donations, equal to -691 thousand of euro, and income, equal to +291 thousand of euro, for the R&D tax credit and other tax credits on sanitation costs), EBITDA 2021 would have been equal to 38,378 thousand of euro (20.2% of consolidated net revenues), with very strong growth compared to 27,625 thousand of euro (16.4% of consolidated net revenues) in 2020. This growth (equal to +38.9%, or 10,753 thousand of euro in absolute terms) is mainly concentrated in the Nitinol medical division and, to a lesser extent, in the vacuum systems business.

Impairment testing on assets of the consolidated financial statements

Goodwill

Goodwill recognised in the consolidated financial statements as at December 31, 2021 was equal to 54,461 thousand of euro. The increase for the period is due both to the consolidation of the newly acquired Strumenti Scientifici Cinel S.r.l. and to the effect of exchange rates on goodwill in currencies other than the euro (especially related to the revaluation of the US dollar at December 31, 2021, compared to the exchange rate of December 31, 2020).

Please note that the goodwill deriving from the acquisition of Strumenti Scientifici Cinel S.r.l. (equal to 16,331 thousand of euro) was calculated as the difference between the book value of the company's equity at the date of acquisition (2,916 thousand of euro) and the total price paid for the purchase of the same company (19,247 thousand of euro). This value is to be considered provisional, pending completion of the process for determination of the current values of net assets acquired.

Pursuant to IAS 36, goodwill is not amortized but, on an annual basis or more often if there are indications of an enduring impairment loss in value, is subject to periodical impairment tests.

The Board of Directors approved the assumptions and procedures used for impairment testing on February 15, 2022 and the corresponding results on March 14, 2022. Impairment testing involves estimating the recoverable value of each Cash Generating Unit (CGU) and comparing it with the net book value of the property, plant and equipment and intangible assets (including the right of use of leased assets) allocated to that CGU, including goodwill.

The recoverable amount is verified by calculating the value in use, which corresponds to the present value of the future cash flows that are expected to be associated to each CGU based on the most recent plans drawn up by management for the 2022-2024 period and approved by the Board of Directors on January 20, 2022, based on the medium-term forecasts prepared by management and the terminal value.

The CGUs identified by the SAES Group for the purposes of impairment testing are five in total:

1. SAES Industrial, coinciding with the Metallurgy operating segment, in addition to all SAES products based on functionalised polymers that have a getter function (included within the Specialty Chemicals operating segment);
2. SAES High Vacuum, coinciding with the Vacuum Technology operating segment;
3. SAES Medical Nitinol, coinciding with the Medical operating segment;
4. SAES Packaging, coinciding with the Advanced Packaging operating segment;
5. Functional Acoustic Composites, i.e. the business of SAES functional composites for applications in consumer electronics (included within the Specialty Chemicals operating segment).

The new *Functional Additives* business, which includes the new products currently being validated by prospects and based on the technological platforms of functional materials developed in the SAES laboratories and which will be part of the Chemicals operating segment starting from January 1, 2022, currently not having either allocated assets, nor forecast cash inflows, was considered for the purposes of impairment testing as "Not Allocated" and was included in the second level of verification.

The first level assessment showed an impairment loss only on the SAES Packaging CGU totalling 1,500 thousand of euro. As required by IAS 36, since the goodwill allocated to the CGU in question has already been completely written off, the excess of the book value of the assets with respect to their recoverable value was recognized as a reduction of all assets, both tangible (property, plant and equipment) and intangible (industrial patent rights and intellectual property rights) assets, of the operating unit in proportion to their net book value as at December 31, 2021.

A second-level testing was also conducted, including on both the assets not allocated to any operating segment and, in the recoverable amount, the costs relating to the new Functional Additives business and to corporate functions, as well as the economic values that cannot be uniquely allocated or allocated through reliable drivers to primary operating segments, which include some of particular importance, such as the basic research costs, sustained by the Group to identify innovative solutions. No further potential impairment of assets emerged at this level, not even when performing a sensitivity test.

The estimation of the recoverable amount of the various CGUs required judgement and the use of estimates by management. The Group cannot therefore ensure that no impairment losses will arise in the future. In fact, a number of different factors, also related to changes in the market context and in demand, could require the value of the assets in future financial years to be recalculated.

In particular, in relation to the current conflict between Ukraine and Russia, it should be noted that the plans used for the purposes of impairment testing do not include any effect, either direct or indirect, caused by the worsening of the geopolitical crisis, as it derives from events subsequent to the end of the financial year. However, it is not yet possible at present to make any assessment of the economic impacts of the conflict, due to the unpredictable dynamics of its evolution and the complex interdependencies with world economies. The potential effects of this phenomenon on the estimates of the Group's future cash flows cannot be determined at the moment and will be subject to constant monitoring in the coming months, also for the purpose of identifying any impairment of the Group's assets.

Equity investments

In compliance with the requirements of IAS 36, the equity investments measured with the equity method - Actuator Solutions GmbH, SAES RIAL Vacuum S.r.l. and Flexterra - must be subject to impairment test to verify that they are recognised in the consolidated financial statements at a value not exceeding their recoverable amount. However:

- as the value of the equity investment in Actuator Solutions GmbH as at December 31, 2021 had been fully written off and since there were no recapitalization obligations, it was not necessary to carry out any impairment test.
- the value of the equity investment held in SAES RIAL Vacuum S.r.l. did not undergo impairment testing as there were no indications of impairment losses. The consideration proposed by SAES for the purchase of the remaining 51% of the company's capital stock, equal to 5.25 million of euro, is in fact representative of the fair value of 51% of SAES RIAL Vacuum S.r.l. Consequently, the pro-quota value pertaining to the SAES Group (equal to 49%) in the fair value to be inferred from the

extraordinary negotiation transaction, is higher than the carrying amount of the equity investment recognized in the financial statements as at December 31, 2021 (2,362 thousand euro).

Write-down of financial receivables and other financial assets

The item "Write-down of financial receivables and other financial assets" amounted to 2,148 thousand of euro in 2021, compared to 2,965 thousand of euro in the previous year. The amount for 2021 includes:

- the write-down, equal to 1,769 thousand euro, of the second convertible loan granted to Flexterra, Inc. (both principal and accrued interest), as well as the write-down, equal to 215 thousand of euro, relating to the financial receivable related to the interest accrued on the first convertible loan granted in July 2020. Due to the lengthening of the project time horizon and the consequent increased uncertainties on the commercial success of the initiative, the Group decided to proceed with the write-down, judging the receivables to be difficult to recover, based on the information currently available, despite the progress of the Flexterra project during the current year and the confirmation of the business opportunity.
- the write-down of 160 thousand of euro of the receivable for interest accrued during the year on loans granted by SAES Nitinol S.r.l. to Actuator Solutions GmbH, due to the continuing uncertainty on the equity and financial position of the joint venture, despite the fact that the latter closed the current year in profit.

Non-Financial Statement

The Board of Statutory Auditors supervised the satisfaction of the obligations set by the legislation on drawing up and publishing the Consolidated Non-Financial Statement for the 2021 financial year and the adequacy of the procedures, processes and structures that oversee the production, measurement, reporting, and representation of the performance and information of this nature. To this regard, the Control Body examined the report issued by the independent auditors on March 29, 2022, pursuant to Article 3, paragraph 10, Italian Legislative Decree 254/2016 and Article 5 of Consob Regulation 20267 that, on the basis of the work performed, concluded that the Consolidated non-financial statement was drawn up, in all significant aspects, in compliance with the requirements of Articles 3 and 4 of the cited legislative decree and with the "Global Reporting Initiative Sustainability Reporting Standards".

Lastly, the Board acknowledges the proposal of the Board of Directors:

- to fully cover the loss for the financial year as at December 31, 2021, of 8,291,582.19 euro through the use of a corresponding amount from the "Retained earnings reserve", which will therefore be reduced;
- to distribute a portion of the "Retained earnings" available reserve of 8,530,485.43 euro equally to ordinary and savings shares pursuant to Article 26 of the By-laws, by assigning a dividend of 0.47 euro per savings share and per ordinary share, as shown in the following table;

- 0.470000 euro for each of the 7,378,619 savings shares	euro 3,467,950.93
- 0.470000 euro for each of the 10,771,350 ordinary shares	euro 5,062,534.50
For a total maximum amount of	euro 8,530,485.43

The calculation of ordinary shares does not include the 3,900,000 treasury shares of the Company. The Company cannot, in fact, sell them because, in compliance with Article 2357-ter, the Shareholders' Meeting did not authorise their sale.

On the basis of the above and in consideration of the results of the activities we carried out, we propose to the Shareholders' Meeting to approve the consolidated and separate financial statements for the year ended December 31, 2021, as drawn up by the Directors.

Lainate, March 29, 2022

The Board of Statutory Auditors

Vincenzo Donnataria

Maurizio Civardi

Sara Anita Speranza