



SAES GETTERS S.p.A.

Capital Stock Euro 12,220,000 fully paid-in
Address of Principal Executive Offices:
Viale Italia, 77 – 20020 Lainate (Milan), Italy
Registered with the Milan Court Companies Register no. 00774910152

Additional periodic financial information as at March 31, 2020

HIGHLIGHTS AS AT MARCH 31, 2020

In the first quarter of 2020 the SAES® Group achieved **consolidated net revenues** equal to €49.3 million, up by 14.4% compared to the first quarter of 2019, equal to €43.1 million. Net of the **positive exchange rate effect** (+2.2%), the Group recorded an **organic growth** equal to +12.2%.

The organic growth was mainly driven by the sales of advanced getters for the consumer electronics market (Specialty Chemicals Division), by the medical business both in the sector of components for medical diagnostics (Metallurgy Division) and in the Nitinol sector (Medical Division), as well as by the security and defense business (Metallurgy Division).

Please note that the effects of Covid-19 began to appear only in the last part of the quarter.

By including also the revenues of the joint ventures¹, the **total revenues of the Group** were equal to €51.5 million, up by 12% compared to €46 million in the first quarter of 2019, thanks exclusively to the increased consolidated revenues, while the revenues of the joint ventures Actuator Solutions and SAES RIAL Vacuum S.r.l. decreased, penalized also by the Covid-19 epidemic.

The growth of consolidated revenues, mainly in the Specialty Chemicals Division, enabled the increase of the **consolidated gross profit**² (equal to €20.4 million compared to €18.2 million in the corresponding period of 2019). The slight decrease in the **gross margin**³ (41.3% in the first quarter of 2020, compared to 42.2% in the corresponding quarter of 2019), was mainly due to the different product mix in the Metallurgy Division and to the higher relative weight of the Specialty Chemicals Division, characterized by lower margins.

Consolidated operating income amounted to €6.8 million in the first quarter of 2020, strongly increased (+47.4%) when compared to an operating income of €4.6 million in the first quarter of the previous year: such growth was attributable both to the increase in the gross profit and to the decrease in operating expenses, mainly G&A.

In percentage terms, the **operating margin** was equal to 13.9%, up when compared to 10.8%, in the first quarter of 2019, thanks to the lower weight of operating expenses (from 31.4% to 26.2%), despite the current quarter included €0.5 million of costs related to a donation to some research institutes, made by the Group to deal with coronavirus.

¹ Actuator Solutions (50%), SAES RIAL Vacuum S.r.l. (49%) and Flexterra (46.73%).

² Calculated as the difference between net sales and industrial costs directly and indirectly attributable to the products sold.

³ Calculated as the ratio between gross profit and consolidated revenues.

Consolidated EBITDA⁴ was equal to €9.4 million, compared to €6.6 million in the corresponding quarter of 2019. The growth was mainly driven by higher sales in the medical segment (both in the healthcare diagnostics and in the Nitinol sectors), as well as in the security and defense and consumer electronics sectors. The EBITDA margin was equal to 19% in the first quarter of 2020, compared to a margin equal to 15.3% as at March 31, 2019.

Consolidated net income of the first quarter of 2020 was negative and equal to -€5.1 million (+€3.2 million in the first quarter of 2019): the loss was exclusively due to the decrease in the fair value of the securities in the portfolio (-€10.3 million) as a consequence of the Covid-19 crisis in the financial markets.

The **consolidated net financial position** was equal to €102.8 million as at March 31, 2020, compared to a positive consolidated net financial position equal to € 115.3 million as at December 31, 2019. The decrease was mainly due to the aforementioned decrease in the fair value of the securities owned by the Group.

The first quarter of 2020 ended with excellent operating results, to some extent favored by inventory movements, deriving from the current extraordinary situation that we are experiencing. Part of these movements will be reabsorbed in the second quarter of the year and this adjustment will be accompanied by a slowdown in the medical sector following the postponement of elective surgery. We consider these phenomena as temporary ones and we look forward to a gradually recovering second half of the year.

⁴ EBITDA is not deemed as an accounting measure under International Financial Reporting Standards (IFRSs); however, we believe that EBITDA is an important parameter for measuring the Group's performance and therefore it is presented as an alternative indicator. Since its calculation is not regulated by applicable accounting standards, the method applied by the Group may not be homogeneous with the ones adopted by other Groups. EBITDA is calculated as "Earnings before interests, taxes, depreciation and amortization".

CONSOLIDATED FINANCIAL STATEMENTS**Consolidated statement of profit or loss**

Thousands of euro

	1Q 2020	1Q 2019
Total net sales	49,285	43,099
Cost of sales	(28,927)	(24,911)
Gross profit	20,358	18,188
	R&D expenses	(2,574)
	Selling expenses	(3,035)
	G&A expenses	(7,312)
Total operating expenses	(12,921)	(13,536)
Other income (expenses), net	(596)	(12)
Operating income (loss)	6,841	4,640
Interest and other financial income, net	(10,246)	1,651
Write-down of financial receivables and other financial assets	(120)	(118)
Income (loss) from equity method evaluated companies	(571)	(615)
Foreign exchange gains (losses), net	41	47
Income (loss) before taxes	(4,055)	5,605
Income taxes	(1,019)	(2,427)
Net income (loss) from continued operations	(5,074)	3,178
Income (loss) from discontinued operations	0	0
Net income (loss) before minority interest	(5,074)	3,178
Net income (loss) pertaining to minority interest	0	0
Net income (loss) pertaining to the Group	(5,074)	3,178

Consolidated statement of other comprehensive income

Thousands of euro

	1Q 2020	1Q 2019
Net income (loss) for the period	(5,074)	3,178
Exchange differences on translation of foreign operations	2,831	2,238
Exchange differences on equity method evaluated companies	206	185
Total exchange differences	3,037	2,423
Total components that will be reclassified to the profit (loss) in the future	3,037	2,423
Other comprehensive income (loss), net of taxes	3,037	2,423
Total comprehensive income (loss), net of taxes	(2,037)	5,601
<i>attributable to:</i>		
- Equity holders of the Parent Company	(2,037)	5,601
- Minority interests	0	0

Consolidated Statement of Financial Position

Thousands of euro

	March 31, 2020	December 31, 2019
Property, plant and equipment, net	73,121	70,893
Intangible assets	45,914	45,216
Right of use	4,334	4,617
Securities	128,129	134,673
Other non current assets	15,818	15,775
Current assets	170,998	171,393
Total Assets	438,314	442,567
Shareholders' equity	250,495	252,530
Minority interest in consolidated subsidiaries	0	0
Total Shareholders' Equity	250,495	252,530
Non current liabilities	121,784	122,621
Current liabilities	66,035	67,416
Total Liabilities and Shareholders' Equity	438,314	442,567

Consolidated Cash Flows Statement

Thousands of euro

	1Q 2020	1Q 2019
Net income (loss) from continued operations	(5,074)	3,178
Net income (loss) from discontinued operations	0	0
Current income taxes	1,665	2,754
Change in deferred income taxes	(646)	(327)
Depreciation, amortization and write down of non current assets	2,544	1,940
Net loss (gain) on disposal of assets	1	0
Ancillary charges for the purification business disposal	0	0
Interests and other financial income, net	10,937	(918)
Other non-monetary costs	(578)	(1,205)
	8,849	5,422
Change in operating assets and liabilities	(7,954)	(3,083)
Payments of termination indemnities and similar obligations	(35)	(64)
Financial income received, net of payment of interests	(221)	(50)
Payment of income taxes	(340)	(416)
Net cash provided by (used by) operating activities	299	1,809
Purchase of tangible and intangible assets, net of proceeds from sales	(3,186)	(3,510)
Adjustment on consideration for the purification business disposal	0	(1,095)
Purchase of securities, net of disinvestments	(784)	(95,845)
Income from securities, net of management fees	547	278
Cash flows provided by (used by) investing activities	(3,423)	(100,172)
Proceeds from debts, net of repayments	411	(587)
Interests on financing receivables from related parties	1	1
Dividends paid	0	0
Interests and other expenses paid on loans	(313)	(37)
Repayment of financial liabilities for leased assets (interests included)	(554)	0
Other financial liabilities/assets	40	46
Cash flows provided by (used by) financing activities	(415)	(577)
Effect of exchange rate differences	768	911
Increase (decrease) in cash and cash equivalents	(2,771)	(98,029)
Cash and cash equivalents at the beginning of the period	48,521	170,394
Cash and cash equivalents at the end of the period	45,750	72,365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting Principles, Methods and Structure of the Group

This document has been prepared applying the international accounting standards (IFRS) and in accordance with article 2.2.3, paragraph 3, of the Regulation of the Markets organized and managed by Borsa Italiana S.p.A. Concerning the content, please make reference to the pre-existing article 154-ter, paragraph 5, of “Financial Consolidation Act”, also in the light of what clarified by ESMA in the Q&A on the Directive 2004/109/CE.

The Additional periodic information is consistent with the accounting principles that govern the preparation of the annual and consolidated financial statements, insofar as they are applicable. Evaluation procedures adopted in the Additional periodic information are substantially similar to those usually applied to prepare the annual and consolidated financial statements.

During the first quarter of 2020 there were no changes in the scope of consolidation.

Relevant events occurred in the first quarter of 2020

As part of the **incentive plan based on phantom shares** called “2018 Phantom Shares Plan” and approved by the Shareholders’ Meeting of October 1, 2018, on February 13, 2020 the Board of Directors of SAES Getters S.p.A., upon proposal of the Remuneration and Appointment Committee, assigned no. 195,618 phantom shares, among those still assignable pursuant to article 5 of the aforementioned plan, to Dr Paolo Vacca, appointed Manager with Strategic Responsibility with effect from January 1, 2020. The assignment value was fixed at €21.14.

Following the regulations and recommendations issued by the Lombardy Region, as a precautionary containment of the **Covid-19** pandemic, the headquarter of the Parent Company in Lainate and the Roncello plant of SAES Coated Films S.p.A. were closed from the afternoon of February 24, 2020 to February 28, 2020, also in order to prepare the necessary risk containment measures and draw up the operating protocol.

Afterwards the two plants got back to work while all the other production plants of the Group, in Italy and abroad, have always worked, observing all the regulatory provisions in force to guarantee the safety of the working environments and favoring, where possible, the use of remote smart working procedures.

The continuity of company activities will depend on further regulatory emergency measures that will be gradually issued, based on the evolution of the current situation.

Finally, please note that on March 26, 2020 the Group reached an agreement with the Trade Unions representatives related to the use of social security measures provided by the *D.p.c.m. "Cura Italia"* of March 17, 2020 (ordinary redundancy fund – *CIGO Cassa Integrazione Guadagni Ordinaria*) for a period of nine weeks starting from March 30, 2020, for some employees of the Lainate plant, with a wage supplement supported by the Company equal to 40%.

On March 12, 2020, the SAES Group decided to **donate €0.5 million to the research institutes involved in the front line to deal with coronavirus, as well as to the Italian Civil Protection**. In this way, SAES offers its contribution to overcome the emergency that the whole country is facing. The donation is specifically made to the specialized research institutes *Fondazione IRCCS Ca' Granda Ospedale Maggiore Policlinico* and *Fondazione IRCCS Policlinico San Matteo di Pavia*, as well as to the Italian Civil Protection.

On March 6, 2020 SAES Getters S.p.A. has signed with Unicredit S.p.A. a **new credit line** for a maximum amount of €30 million, for revolving uses and intended for general corporate operations,

capex and acquisitions. The duration of the credit line is thirty-six months. SAES may request its use in tranches of not less than €0.5 million and with a duration from one to three months. The contract provides for the payment of interests indexed at the one/three month Euribor rate, increased by a spread of 1.2%, and for only one financial covenant (positive consolidated net financial position) subject to half-yearly verification.

On March 12, 2020 SAES Getters S.p.A., as sole shareholder, approved a **capital payment** of €800 thousand **in favor of SAES Nitinol S.r.l.**, aimed at covering the losses recorded in 2019 and the establishment of an available reserve of €21 thousand.

As at March 31, 2020 the Group has no forward sale contracts in place.

Reclassifications on the figures as at March 31, 2019

Starting from January 1, 2020, the Group is organized in the following technological areas of competence (or “Divisions”):

- Metallurgy Division (that coincides with the previous Industrial operating sector, excluding the Solutions for Vacuum Systems Business, the Functional Chemical Systems Business and the advanced getters for the electronic consumers market, the latter previously classified within the Electronic Devices Business);
- Vacuum Technology Division (coinciding with the Solutions for Vacuum Systems Business operating unit, included in the Industrial operating sector);
- Medical Division (unchanged);
- Specialty Chemicals Division (that means advanced getters for the electronic consumers market, classified within the Electronic Devices Business in the previous year, in addition to the Functional Chemical Systems sector and the Flexterra business, the latter previously not allocated);
- Advanced Packaging Division (unchanged).

The economic figures relating to the first quarter of 2019 have been reclassified according to the new operating structure, to allow a homogeneous comparison with 2020.

Reclassification of the income statement figures of the first quarter of 2019
Thousand of euro

	Metallurgy Division			Vacuum Technology Division			Medical Division			Specialty Chemicals Division			Advanced Packaging Division			Net Allocated Costs			TOTAL			
	IQ 2019	Reclassification	IQ 2019 reclassified	IQ 2019	Reclassification	IQ 2019 reclassified	IQ 2019	Reclassification	IQ 2019 reclassified	IQ 2019	Reclassification	IQ 2019 reclassified	IQ 2019	Reclassification	IQ 2019 reclassified	IQ 2019	Reclassification	IQ 2019 reclassified	IQ 2019	Reclassification	IQ 2019 reclassified	
Total net sales	20,624	(5,387)	16,437	0	2,809	2,809	20,652	0	20,652	0	918	918	2,623	0	2,623	0	0	0	0	43,999	0	43,999
Cost of sales	(10,040)	2,420	(7,620)	0	(1,205)	(1,205)	(12,265)	0	(12,265)	0	(999)	(999)	(2,309)	0	(2,309)	0	0	0	0	(24,819)	0	(24,819)
Gross profit (loss)	10,584	(7,807)	2,777	0	1,604	1,604	8,387	0	8,387	0	(81)	(81)	314	0	314	0	0	0	0	19,180	0	19,180
Operating expenses and other income (expenses)	(4,269)	1,738	(2,531)	0	(673)	(673)	(2,724)	0	(2,724)	0	(27)	(27)	(624)	0	(624)	0	(6,210)	0	(6,210)	(1,752)	0	(1,752)
Operating income (loss)	6,315	(6,069)	2,446	0	931	931	5,663	0	5,663	0	(108)	(108)	(310)	0	(310)	0	(6,210)	0	(6,210)	2,446	0	2,446

Net Sales by Business and by Geographic Location of Customers

Metallurgy Division	
Security & Defence	Getters and metal dispensers for electronic vacuum devices
Electronic Devices	Getters for microelectronic, micromechanical systems (MEMS) and sensors
Healthcare Diagnostics	Getters for X-ray tubes used in image diagnostic systems
Thermal Insulated Devices	Products for thermal insulation
Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Sintered Components for Electronic Devices and Lasers	Cathodes and materials for thermal dissipation in electronic tubes, lasers and solid-state devices
SMA Industrial	Shape memory alloys actuator devices for the industrial sector (domotics, white goods industry, consumer electronics, automotive and luxury sector)
Vacuum Technology Division	
Solutions for Vacuum Systems	Getter pumps for vacuum systems that find application in the industrial sector, in research and in particle accelerators
Medical Division	
Nitinol for Medical Devices	Nitinol raw material and components for the biomedical sector
Specialty Chemicals Division	
Functional Dispensable Products	Getter materials integrated in polymeric matrices for organic and hybrid

	electronics, photonics and implantable medical devices
Advanced Packaging Division	
Advanced Coatings	Lacquers and advanced plastic films for the sustainable packaging sector

Consolidated Net Sales by Business

Thousands of euro (except %)

Business	1Q 2020	1Q 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	4,608	3,633	26.8%	24.9%	1.9%
Electronic Devices	4,168	3,539	17.8%	16.5%	1.3%
Healthcare Diagnostics	1,665	1,202	38.5%	36.5%	2.0%
Lamps	1,053	1,070	-1.6%	-3.0%	1.4%
Thermal Insulated Devices	962	945	1.8%	-1.3%	3.1%
Sintered Components for Electronic Devices & Lasers	2,073	2,393	-13.4%	-15.9%	2.5%
SMA Industrial	3,875	3,655	6.0%	4.4%	1.6%
Metallurgy Division	18,404	16,437	12.0%	10.2%	1.8%
Solutions for Vacuum Systems	2,442	3,069	-20.4%	-21.5%	1.1%
Vacuum Technology Division	2,442	3,069	-20.4%	-21.5%	1.1%
Nitinol for Medical Devices	21,579	20,052	7.6%	4.5%	3.1%
Medical Division	21,579	20,052	7.6%	4.5%	3.1%
Functional Dispensable Products	4,275	918	365.7%	364.6%	1.1%
Specialty Chemicals Division	4,275	918	365.7%	364.6%	1.1%
Advanced Coatings	2,585	2,623	-1.4%	-1.4%	0.0%
Advanced Packaging Division	2,585	2,623	-1.4%	-1.4%	0.0%
Total Net Sales	49,285	43,099	14.4%	12.2%	2.2%

Consolidated Net Sales by Geographic Location of Customer

Thousands of euro

Geographic Area	1Q 2020	1Q 2019
Italy	1,269	902
European countries	9,814	8,675
North America	25,195	26,012
Japan	1,698	1,310
South Korea	391	235
China	8,662	4,613
Rest of Asia	1,884	929
Rest of the World	372	423
Total Net Sales	49,285	43,099

In the first quarter of 2020 the SAES Group achieved **consolidated net revenues** equal to €49.3 million, up by 14.4% compared to the first quarter of 2019, equal to €43.1 million. Net of the **positive exchange rate effect** (+2.2%), the Group recorded an **organic growth** equal to +12.2%.

The organic growth was mainly driven by the sales of advanced getters for the consumer electronics market (Specialty Chemicals Division), by the medical business both in the sector of components for medical diagnostics (Metallurgy Division) and in the Nitinol sector (Medical Division), as well as by the security and defense business (Metallurgy Division).

Please note that the effects of Covid-19 began to appear only in the last part of the quarter.

By including also the revenues of the joint ventures, the **total revenues of the Group** were equal to €51.5 million, up by 12% compared to €46 million in the first quarter of 2019, thanks exclusively to the increased consolidated revenues, while the revenues of the joint ventures Actuator Solutions and SAES RIAL Vacuum S.r.l. decreased, penalized also by the Covid-19 epidemic.

Total revenues of the Group

Thousands of euro

	1Q 2020	1Q 2019	Difference
Consolidated sales	49,285	43,099	6,186
50% sales of the joint venture Actuator Solutions	2,239	2,753	(514)
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	176	276	(100)
46.73% sales of the joint venture Flexterra	14	3	11
Intercompany eliminations	(251)	(147)	(104)
Other adjustments	30	(12)	42
Total revenues of the Group	51,493	45,972	5,521

Information by operating segmentConsolidated statement of profit or loss by Business Unit
Thousands of euro

	Metallurgy Division		Vacuum Technology Division		Medical Division		Specialty Chemicals Division		Advanced Packaging Division		Not Allocated Costs		TOTAL	
	1Q 2020	1Q 2019	1Q 2020	1Q 2019	1Q 2020	1Q 2019	1Q 2020	1Q 2019	1Q 2020	1Q 2019	1Q 2020	1Q 2019	1Q 2020	1Q 2019
Total net sales	18,404	16,437	2,442	3,069	21,579	20,052	4,275	918	2,585	2,623	0	0	49,285	43,099
Cost of sales	(8,831)	(7,636)	(1,009)	(1,405)	(13,550)	(12,563)	(3,201)	(999)	(2,336)	(2,309)	0	1	(28,927)	(24,911)
Gross profit (loss)	9,573	8,801	1,433	1,664	8,029	7,489	1,074	(81)	249	314	0	1	20,358	18,188
Operating expenses and other income (expenses)	(2,944)	(3,031)	(923)	(947)	(2,251)	(2,132)	(522)	(297)	(820)	(930)	(6,057)	(6,211)	(13,517)	(13,548)
Operating income (loss)	6,629	5,770	510	717	5,778	5,357	552	(378)	(571)	(616)	(6,057)	(6,210)	6,841	4,640

Metallurgy Division

Consolidated revenues of the Metallurgy Division amounted to €18.4 million in the first quarter of 2020, up by 12% compared to €16.4 million in the corresponding quarter of 2019. The currency trend recorded a positive exchange rate effect equal to +1.8%, net of which revenues organically grew by 10.2%.

The organic growth was mainly driven by:

- the security and defense sector (Security & Defense Business, +24.9%), thanks to higher sales of getter components for infrared sensors and night vision systems for defense applications;
- the electronic devices sector (Electronic Devices Business, +16.5%), mainly driven by infrared applications in thermal sensors used in temperature measurements and thermography. Also, a positive trend was recorded in applications related to medium voltage switches in electricity distribution systems. In both cases, part of these higher sales were also driven by the recent Covid-19 crisis;
- the sector of healthcare diagnostic (Healthcare Diagnostics Business, +36.5%) thanks to stock advances and increase in demand by some large customers in the image diagnostics sector, related to the Covid-19 crisis.

Also the shape memory alloys sector for industrial applications recorded an organic growth (SMA Industrial Business, +4.4%), thanks to higher sales in the consumer electronics sector, also in this case probably favored by stock advances requested by some customers.

On the other end, the Sintered Components for Electronic Devices & Lasers Business recorded a decrease (organic decrease of -15.9%), due to lower sales of devices for thermal dissipation in semiconductor-based lasers, whose figures were higher in the first quarter of 2019 compared to the quarterly average, due to some stock adjustments.

Finally, the thermal insulation sector (Thermal Insulated Devices Business) showed an organic stability (-1.3%), while the Lamps Business recorded a slight organic decrease (-3%) in line with the current trend.

The table below shows the revenues in the first quarter of 2020 related to the different businesses, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	1Q 2020	1Q 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	4,608	3,633	26.8%	24.9%	1.9%
Electronic Devices	4,168	3,539	17.8%	16.5%	1.3%
Healthcare Diagnostics	1,665	1,202	38.5%	36.5%	2.0%
Lamps	1,053	1,070	-1.6%	-3.0%	1.4%
Thermal Insulated Devices	962	945	1.8%	-1.3%	3.1%
Sintered Components for Electronic Devices & Lasers	2,073	2,393	-13.4%	-15.9%	2.5%
SMA Industrial	3,875	3,655	6.0%	4.4%	1.6%
Metallurgy Division	18,404	16,437	12.0%	10.2%	1.8%

Gross profit of the Metallurgy Division was equal to €9.6 million in the first quarter of 2020, up by 8.8% compared to €8.8 million in the first quarter of 2019, mainly thanks to the significant performance of the sales of getter for infrared applications in the security and defense sector as well as in the thermography one, in addition to higher sales in the healthcare diagnostics sector.

As a percentage of revenues, the **gross margin** decreased from 53.5% to 52%: the slight decrease was concentrated in the SMA for industrial applications sector, penalized by an increased incidence of raw materials.

Operating income of the Metallurgy Division was equal to €6.6 million, showing a two-digit increase (+14.9%) compared to €5.8 million in the first quarter of 2019, thanks to the increase in gross profit and to almost unchanged operating expenses (-3.3%). The **operating margin** increased from 35.1% to 36%.

Vacuum Technology Division

Consolidated revenues of the Vacuum Technology Division were equal to €2.4 million in the first quarter of 2020, down by 20.4% compared to €3.1 million in the corresponding period of 2019. The exchange rate effect was positive and equal to +1.1%, net of which the organic decrease was equal to -21.5%.

Revenues decreased due to lower sales in the field of analytical instrumentation, as well as in that of research and universities. The decrease in the latter was mainly concentrated in China, due to Covid-19.

The table below shows the revenues in the first quarter of 2020, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	1Q 2020	1Q 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Solutions for Vacuum Systems	2,442	3,069	-20.4%	-21.5%	1.1%
Vacuum Technology Division	2,442	3,069	-20.4%	-21.5%	1.1%

Gross profit of the Vacuum Technology Division was equal to €1.4 million in the first quarter of 2020 compared to €1.7 million in the corresponding period of 2019 (-13.9%). Despite the reduction in sales and the consequent decrease in gross profit, **gross margin** grew from 54.2% to 58.7%, thanks to the different product mix.

Operating income of the Vacuum Technology Division amounted to €0.5 million, compared to €0.7 million in the first quarter of 2019 (-28.9%), due to the contraction in volumes and in the gross profit, despite operating expenses were down by 11.8%. The **operating margin** decreased from 23.4% to 20.9%.

Medical Division

Consolidated revenues of the Medical Division were equal to €21.6 million in the first quarter of 2020, up (+7.6%) when compared to €20.1 million in the corresponding period of 2019. The exchange rate effect was positive and equal to +3.1%, net of which the organic growth was equal to +4.5%.

The growth was mainly concentrated in the first two months, despite the sharp reduction of an important US customer due to its high levels of stock. Please note, in the last part of the quarter, a slowdown in the demand for medical devices related to the suspension of the deferrable surgical operations by hospitals (*elective surgery*), in order to focus all the resources on the Covid-19 medical cases.

The table below shows the revenues in the first quarter of 2020, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	1Q 2020	1Q 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Nitinol for Medical Devices	21,579	20,052	7.6%	4.5%	3.1%
Medical Division	21,579	20,052	7.6%	4.5%	3.1%

Gross profit of the Medical Division was equal to €8 million in the first quarter of 2020, up by 7.2% compared to €7.5 million in the corresponding period of 2019, thanks to higher volumes. **Gross margin** was substantially unchanged (37.2% compared to 37.3%).

Operating income of the Medical Division amounted to €5.8 million (26.8% of revenues), increased compared to €5.4 million (26.7% of revenues) in the first quarter of 2019, in line with the increase in gross profit.

Specialty Chemicals Division

Consolidated revenues of the Specialty Chemicals Division were equal to €4.3 million in the first quarter of 2020, strongly increased (+365.7%) compared to €0.9 million in the corresponding period of 2019. The exchange rate effect was positive and equal to +1.1%, net of which the organic growth was equal to +364.6%.

The growth was mainly driven by higher sales of advanced components for the consumer electronics market and, with lower absolute figures, by higher sales of dispensable dryers for passive matrix OLED applications. In both cases, the higher volumes were also favored by advance orders from Chinese and Taiwanese customers, in order to deal with any supply risk due to Covid-19.

The table below shows the revenues in the first quarter of 2020, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	1Q 2020	1Q 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Functional Dispensable Products	4,275	918	365.7%	364.6%	1.1%
Specialty Chemicals Division	4,275	918	365.7%	364.6%	1.1%

Gross profit of the Specialty Chemicals Division was equal to €1.1 million in the first quarter of 2020, strongly up compared to a loss of -€0.1 million in the corresponding period of 2019, thanks to the extremely higher turnover of chemicals for the consumer electronics market. **Gross margin** was equal to 25.1% in the first quarter of 2020 (it was negative and equal to -8.8% in the first quarter of 2019, due to engineering costs of new products and a higher incidence of fixed industrial costs related to low volumes).

Operating income of the Specialty Chemicals Division amounted to €0.6 million (12.9% of revenues), compared to an operating loss of -€0.4 million in the first quarter of 2019: the increase in gross profit was partially offset by higher operating expenses, especially the G&A ones.

Advanced Packaging Division

Consolidated revenues of the Advanced Packaging Division were equal to €2.6 million in the first quarter of 2020, substantially stable compared to the first quarter of 2019. Sales are exclusively denominated in euro.

Revenues for the quarter were in line with the corresponding period of the previous year, but the mix of the product portfolio was different and for the first time it showed a prevalence of lacquered products, intended for sustainable and compostable applications, compared to metallized ones, thus confirming the strategy of repositioning the offer on products with higher added value.

The table below shows the revenues in the first quarter of 2020 compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	1Q 2020	1Q 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Advanced Coatings	2,585	2,623	-1.4%	-1.4%	0.0%
Advanced Packaging Division	2,585	2,623	-1.4%	-1.4%	0.0%

Gross profit of the Advanced Packaging Division was equal to €0.2 million (9.6% of revenues) in the first quarter of 2020, substantially in line with €0.3 million (12% of revenues) recorded in the corresponding period of 2019. The drop in **gross margin** was mainly due to the initial operating phase of the second lacquering line, whose investment was finalized only at the end of last year.

Likewise, in the first quarter of 2020 the **operating loss** (-€0.6 million) was unchanged compared to that of the corresponding period of 2019.

Not allocated Costs

It includes the costs related to basic research projects or aimed at diversification in innovative businesses, as well as corporate costs (costs that cannot be directly attributed or reasonably allocated to any business sector, but that refer to the Group as a whole).

Costs were equal to €6.1 million in the first quarter of 2020 and they decreased by €0.2 million compared to the figure of the first quarter of 2019 (€6.2 million): the decrease in G&A expenses (around -€0.5 million, thanks to lower severance and less legal costs) was offset by the cost for the Covid-19 donation (€0.5 million, classified in the item “Other income (expenses) net”).

Economic results of the first quarter of 2020

The growth of consolidated revenues, mainly in the Specialty Chemicals Division, enabled the increase of the **consolidated gross profit** (equal to €20.4 million compared to €18.2 million in the corresponding period of 2019). The slight decrease in the **gross margin** (41.3% in the first quarter of 2020, compared to 42.2% in the corresponding quarter of 2019), was mainly due to the different product mix in the Metallurgy Division and to the higher relative weight of the Specialty Chemicals Division, characterized by lower margins.

Consolidated operating income amounted to €6.8 million in the first quarter of 2020, strongly increased (+47.4%) when compared to an operating income of €4.6 million in the first quarter of the previous year: such growth was attributable both to the increase in the gross profit and to the decrease in operating expenses, mainly G&A.

In percentage terms, the **operating margin** was equal to 13.9%, up when compared to 10.8%, in the first quarter of 2019, thanks to the lower weight of operating expenses (from 31.4% to 26.2%), despite the current quarter included €0.5 million of costs related to a donation to some research institutes, made by the Group to deal with coronavirus.

Consolidated EBITDA was equal to €9.4 million, compared to €6.6 million in the corresponding quarter of 2019. The growth was mainly driven by higher sales in the medical segment (both in the healthcare diagnostics and in the Nitinol sectors), as well as in the security and defense and consumer electronics sectors. The EBITDA margin was equal to 19% in the first quarter of 2020, compared to a margin equal to 15.3% as at March 31, 2019.

EBITDA

Thousands of euro

	1Q 2020	1Q 2019
Operating income (loss)	6,841	4,640
Depreciation & amortization	2,544	1,939
Write-down of assets	0	1
Bad debt provision accrual (release)	(1)	(3)
EBITDA	9,384	6,577
% on sales	19.0%	15.3%

Consolidated operating expenses were equal to €12.9 million (26.2% of revenues) in the first quarter of 2020, compared to €13.5 million (31.4% of revenues) in the corresponding period of the previous year.

The decrease (-4.5%) was mainly concentrated in the G&A expenses thanks to lower severance costs and lower legal expenses.

The net balance of the **other income (expenses)** was negative and equal to -€0.6 million compared to a nil value (-€12 thousand) in the corresponding quarter of 2019: the increase was related to the aforementioned Covid-19 donation made by the Parent Company (€0.5 million).

The sum of the **exchange rate differences** recorded a slightly positive balance equal to +€41 thousand in the first quarter of 2020, compared to a figure equal to +€47 thousand in the first quarter of the

previous year. Both balances were mainly attributable to the effect of the fluctuation of the dollar against the euro on commercial transactions, including also those within the Group.

The net balance of **financial income and expenses** was negative for -€10.4 million, compared to a positive balance of +€1.5 million in the first quarter of the previous year: the negative amount of the current quarter was attributable to the reduction in the fair value (approximately -€10.3 million) of the securities portfolio compared to December 31, 2019, due to the Covid-19 financial crisis. On the other hand, coupon income (€0.6 million) was offset by interest on short and long-term loans, as well as bank commissions.

The loss deriving from the **valuation with the equity method** of the joint ventures amounted to a total of -€0.6 million, mainly attributable to the joint venture Flexterra, and it was aligned with that of the first quarter of 2019.

For further details, please refer to the specific section dedicated to the joint ventures.

Consolidated net income before taxes was negative and equal to -€4.1 million in the first quarter of 2020, exclusively due to the reduction of the value of the securities portfolio. In the first quarter of 2019 consolidated net income before taxes was equal to +€5.6 million.

Income taxes amounted to €1 million in the first quarter of 2020, compared to €2.4 million in the first quarter of the previous year.

The value for the current quarter mainly included the taxes of the US companies; the decrease compared to the previous year was largely attributable to the loss made on securities held by SAES Getters Investments S.A., which ended the quarter with a tax loss and therefore without recording any taxes.

Consolidated net income was negative and equal to -€5.1 million in the first quarter of 2020 compared to a consolidated net income equal to €3.2 million in the corresponding quarter of the previous year.

The **net loss per share**, both ordinary share and savings share, amounted to €0.27956 in the first quarter of 2020; this figure compares with a net income per ordinary share equal to €0.13856 and a net income per savings share equal to €0.15519 in the first quarter of 2019.

Consolidated income (loss) per share

Euro

	1Q 2020	1Q 2019
Net income (loss) per ordinary share	(0.27956)	0.13856
Net income (loss) per savings share	(0.27956)	0.15519

Net financial position

Consolidated net financial position as at March 31, 2020 was equal to €102.8 million compared to a positive consolidated net financial position equal to €115.3 million as at December 31, 2019. The decrease was mainly due to the aforementioned devaluation of the securities in portfolio.

The self-financing of the quarter was mostly absorbed by the increase in the net working capital (in particular, higher trade receivables related to the increase in sales compared to the last quarter of 2019, as well as an increase in stock mainly in the Nitinol sector for medical applications and in the security and defense sector, in addition to the reduction in the commercial debts of the Parent Company that at the end of last year included debts for investments in the packaging sector).

Finally, please note, among the investment activities, a capex equal to €3.2 million and cash coupons from securities equal to €0.6 million.

The exchange rate effect was positive for about €0.5 million, mainly attributable to the effect of the revaluation of the US dollar on the liquidity held in these currencies compared to the end of 2019.

Consolidated Net Financial Position

Thousands of euro

	March 31, 2020	December 31, 2019
Cash on hands	10	11
Cash equivalents	45,941	48,623
Cash and cash equivalents	45,951	48,634
Related parties financial assets, current	0	1
Securities - short term	67,767	70,779
Other current financial assets	0	0
Current financial assets	67,767	70,780
Bank overdraft	(27,282)	(27,195)
Current portion of long term debt	(5,629)	(5,365)
Derivative financial instruments	(47)	(50)
Other current financial liabilities	(1,889)	(900)
Current financial liabilities for leases	(1,882)	(1,876)
Current financial liabilities	(36,729)	(35,386)
Current net financial position	76,989	84,028
Related parties financial assets, non current	49	49
Securities - long term	128,129	134,673
Non current financial assets	128,178	134,722
Long term debt, net of current portion	(99,933)	(100,724)
Non current financial liabilities for leases	(2,436)	(2,710)
Non current financial liabilities	(102,369)	(103,434)
Non current net financial position	25,809	31,288
Net financial position	102,798	115,316

Performance of the joint ventures

Actuator Solutions

Actuator Solutions GmbH is based in Gunzenhausen (Germany) and is 50% jointly owned by SAES and Alfmeier Präzision, a German group operating in the fields of electronics and advanced plastic materials.

This joint venture, which consolidates its wholly owned subsidiaries Actuator Solutions Taiwan Co., Ltd. and Actuator Solutions (Schenzen) Co., Ltd., both in liquidation, is focused on the development, production and commercialization of actuators using shape memory alloys in place of the engine.

Actuator Solutions recorded net revenues equal to €4.5 million in the first quarter of 2020, down by -18.7% compared to €5.5 million in the first quarter of 2019: the slowdown in the automotive market, which began in 2019, worsened in the first quarter of 2020 due to the Covid-19 crisis that negatively impacted the sales in the end market and caused uncertainty in the supply chain, especially in China.

However, please note how the Covid-19 crisis constituted an opportunity for Actuator Solutions to sell actuators for testing systems applied to the medical market: the first order was received in April 2020 for contract assembly and sale of Covid-19 testing equipment.

The period ended with a net result of €0.1 million, compared to a loss of -€0.1 million in the first quarter of 2019: despite the decrease in sales, the gross margin remained substantially aligned, while the operating margin significantly improved, thanks to the reduction in operating expenses due to the liquidation of the two Asian operations and income from third party engineering contracts.

Thousands of euro

Actuator Solutions	1Q 2020	1Q 2019
	100%	100%
Total net sales	4,478	5,506
Cost of sales	(3,616)	(4,410)
Gross profit	862	1,096
<i>% on sales</i>	<i>19.2%</i>	<i>19.9%</i>
Total operating expenses	(631)	(1,054)
Other income (expenses), net	15	28
Operating income (loss)	246	70
<i>% on sales</i>	<i>5.5%</i>	<i>1.3%</i>
Interests and other financial income, net	(36)	(144)
Foreign exchange gains (losses), net	(139)	27
Income taxes	14	(46)
Net income (loss)	85	(93)

The share of the SAES Group in the result of this joint venture in the first quarter of 2020 amounted to +€42 thousand (-€47 thousand in the first quarter of 2019) but it was not recognized by the Group as the equity of the joint venture is still negative for almost €3 million⁵, against a stake of SAES in Actuator Solutions already fully reduced to zero. Please also note that as of December 31, 2019 a provision for risks of €0.6 million had been accrued, equal to the pro-quota financial resources necessary for Actuator Solutions in the following twenty-four months to continue its operating activities, following the update of the five-year plan of February 18, 2020.

Finally, please note that during the first quarter of 2020 the financial credit related to the interest accrued during the period on the interest-bearing loans granted by SAES Nitinol S.r.l. to the joint venture in previous years, equal to €0.1 million, was written down because it was deemed difficult to recover.

⁵ Pro-quota amount at 50%.

Actuator Solutions - SAES Group interest (50%)

Thousands of euro

Actuator Solutions	March 31, 2020	December 31, 2019
Statement of financial position	50%	50%
Non current assets	3,353	3,488
Current assets	1,484	1,343
Total Assets	4,837	4,831
Non current liabilities	4,530	4,625
Current liabilities	3,233	3,176
Total Liabilities	7,763	7,801
Capital Stock, Reserves and Retained Earnings	(2,970)	(1,553)
Net income (loss) for the period	42	(1,408)
Other comprehensive income (loss) for the period (*)	2	(9)
Total Equity	(2,926)	(2,970)

(*) Currency translation differences arising from the conversion in euro of the financial statements of Actuator Solutions Taiwan Co., Ltd. in liquidation and Actuator Solutions (Shenzhen) Co., Ltd. in liquidation.

Actuator Solutions	1Q 2020	1Q 2019
Statement of profit or loss	50%	50%
Total net sales	2,239	2,753
Cost of sales	(1,808)	(2,205)
Gross profit	431	548
Total operating expenses	(316)	(527)
Other income (expenses), net	8	14
Operating income (loss)	123	35
Interests and other financial income, net	(18)	(72)
Foreign exchange gains (losses), net	(70)	13
Income taxes	7	(23)
Net income (loss)	42	(47)
Exchange differences	2	(9)
Total comprehensive income (loss) for the period	44	(56)

SAES RIAL Vacuum S.r.l.

SAES RIAL Vacuum S.r.l., established at the end of 2015, is jointly controlled by SAES Getters S.p.A (49%) and Rodofil S.r.l. (51%). The company is specialized in the design and manufacturing of vacuum chambers for accelerators, synchrotrons and colliders and combines at the highest level the competences of SAES in the field of materials, vacuum applications and innovation, with the experience of Rodofil in the design, assembling and fine mechanical productions, with the aim of offering absolutely excellent quality products and of successfully competing in the international markets.

SAES RIAL Vacuum S.r.l. ended the first quarter of 2020 with sales equal to €0.4 million, down compared to the corresponding period of 2019 (€0.6 million). The decrease in sales, related to the Covid-19 pandemic, against unchanged industrial fixed costs and increasing operating expenses, caused a net loss equal to -€0.2 million, compared to a break-even net income (+€3 thousand) in the first quarter of 2019.

Thousands of euro

SAES RIAL Vacuum S.r.l.	1Q 2020	1Q 2019
	100%	100%
Total net sales	359	563
Cost of sales	(459)	(468)
Gross profit	(100)	95
<i>% on sales</i>	<i>-27.9%</i>	<i>16.9%</i>
Total operating expenses	(127)	(96)
Other income (expenses), net	13	4
Operating income (loss)	(214)	3
<i>% on sales</i>	<i>-59.6%</i>	<i>0.5%</i>
Interests and other financial income, net	(11)	(7)
Foreign exchange gains (losses), net	0	0
Income taxes	54	7
Net income (loss)	(171)	3

The share of the SAES Group in the loss of this joint venture in the first quarter of 2020 amounted to -€84 thousand (compared to +€2 thousand in the corresponding quarter of the previous year).

SAES RIAL Vacuum S.r.l. - SAES Group interest (49%)

Thousands of euro

SAES RIAL Vacuum S.r.l.	March 31, 2020	December 31, 2019
Statement of financial position	49%	49%
Non current assets	355	325
Current assets	966	983
Total Assets	1,321	1,308
Non current liabilities	192	192
Current liabilities	762	665
Total Liabilities	954	857
Capital Stock, Reserves and Retained Earnings	451	249
Net income (loss) for the period	(84)	198
Other comprehensive income (loss) for the period (*)	0	4
Total Equity	367	451

(*) Actuarial differences on the employee severance indemnities (TFR), according to the IAS 19.

SAES RIAL Vacuum S.r.l.	1Q 2020	1Q 2019
Statement of profit or loss	49%	49%
Total net sales	176	276
Cost of sales	(225)	(229)
Gross profit	(49)	47
Total operating expenses	(62)	(47)
Other income (expenses), net	6	2
Operating income (loss)	(105)	2
Interests and other financial income, net	(5)	(3)
Foreign exchange gains (losses), net	0	0
Income taxes	26	3
Net income (loss)	(84)	2
Actuarial gain (loss) on defined benefit plans, net of	0	0
Totale comprehensive income (loss) for the period	(84)	2

Flexterra

Flexterra, Inc., based in Skokie (close to Chicago, Illinois, USA), was established at the end of 2016 as a development start-up with the objective of designing, manufacturing and commercializing materials and components for truly flexible displays.

Flexterra, Inc. fully controls Flexterra Taiwan Co., Ltd.

SAES holds 46.73% of the share capital of the joint venture Flexterra, Inc.

During the year 2019 the Flexterra project made further progress, albeit with some delay compared to the original forecasts. In particular, the joint venture continued the development activities on its organic materials and received the qualification of its formulations by an important Taiwanese manufacturer of OTFTs (Organic Thin Film Transistors). The industrialization of the OTFTs is at an advanced stage and, although with a longer time than that initially estimated, also due to the Covid-19 crisis, it should be completed after the summer 2020, while the start of the actual production and sale activities by Flexterra are expected to start at the end of the year.

Flexterra, qualified as a joint venture, ended the first quarter of 2020 with a net loss equal to -€1.1 million, compared to -€1.3 million in the corresponding period of 2019 (mainly, costs for personnel employed in research activities and in general and administrative activities, consultancy fees, costs related to the management of patents and amortization of intangible assets, including intellectual property).

Thousands of euro

Flexterra	1Q 2020	1Q 2019
	100%	100%
Total net sales	30	7
Cost of sales	(17)	(1)
Gross profit	13	6
<i>% on sales</i>	<i>43.3%</i>	<i>85.7%</i>
Total operating expenses	(1,070)	(1,130)
Other income (expenses), net	0	0
Operating income (loss)	(1,057)	(1,124)
<i>% on sales</i>	<i>n.a.</i>	<i>n.a.</i>
Interests and other financial income, net	(4)	1
Foreign exchange gains (losses), net	(32)	(24)
Income taxes	11	(175)
Net income (loss)	(1,082)	(1,322)

The share of the SAES Group in the result of this joint venture in the first quarter of 2020 amounted to -€0.5 million (-€0.6 million in the first quarter of 2019).

Flexterra - SAES Group interest (46.73%)

Thousands of euro

Flexterra	March 31, 2020	December 31, 2019
Statement of financial position	46.73%	46.73%
Non current assets	6,826	6,837
Current assets	887	1,261
Total Assets	7,713	8,098
Non current liabilities	78	92
Current liabilities	182	255
Total Liabilities	260	347
Capital Stock, Reserves and Retained Earnings	7,595	9,465
Reserve for stock options plan	158	156
Net income (loss) for the period	(506)	(2,031)
Other comprehensive income (loss) for the period (*)	206	161
Total Equity	7,453	7,751

(*) Currency translation differences arising from the conversion in euro of the financial statements of Flexterra, Inc. and of Flexterra Taiwan Co., Ltd.

Flexterra	1Q 2020	1Q 2019
Statement of profit or loss	46.73%	46.73%
Total net sales	14	3
Cost of sales	(8)	0
Gross profit	6	3
Total operating expenses	(500)	(528)
Other income (expenses), net	0	0
Operating income (loss)	(494)	(525)
Interests and other financial income, net	(2)	0
Foreign exchange gains (losses), net	(15)	(10)
Income taxes	5	(82)
Net income (loss)	(506)	(617)
Exchange differences	206	186
Total comprehensive income (loss) for the period	(300)	(431)

The following table shows the **Total Group's statement of profit or loss** as of March 31, 2020, achieved by incorporating with the proportional method, instead of the equity method, the joint ventures of the Group (Actuator Solutions [50%], SAES RIAL Vacuum S.r.l. [49%] and Flexterra [46.73%]).

Total statement of profit or loss of the Group

Thousands of euro

	1Q 2020							
	Consolidated profit or loss	50% Actuator Solutions	Intercoy eliminations & other adjustments	49% SAES RIAL Vacuum S.r.l.	Intercoy eliminations & other adjustments	46.73% Flexterra	Intercoy eliminations & other adjustments	Total profit or loss of the Group
Total net sales	49,285	2,239	(111)	176	(110)	14		51,493
Cost of sales	(28,927)	(1,808)	111	(225)	110	(8)		(30,747)
Gross profit	20,358	431	0	(49)	0	6	0	20,746
	<i>41.3%</i>							<i>40.3%</i>
Total operating expenses	(12,921)	(316)		(62)		(500)	19	(13,780)
Other income (expenses), net	(596)	8		6		0		(582)
Operating income (loss)	6,841	123	0	(105)	0	(494)	19	6,384
	<i>13.9%</i>							<i>12.4%</i>
Interest and other financial income, net	(10,366)	(18)	60	(5)		(2)		(10,331)
Income (loss) from equity method evaluated companies	(571)		0		84		487	0
Write-down of investments from equity method evaluated companies	0		0				0	0
Foreign exchange gains (losses), net	41	(70)		0		(15)		(44)
Income (loss) before taxes	(4,055)	35	60	(110)	84	(511)	506	(3,991)
Income taxes	(1,019)	7		26		5		(981)
Net income (loss) from continued operations	(5,074)	42	60	(84)	84	(506)	506	(4,972)
Income (loss) from assets held for sale and discontinued operations	0							0
Net income (loss) before minority interest	(5,074)	42	60	(84)	84	(506)	506	(4,972)
Net income (loss) pertaining to minority interest	0							0
Net income (loss) pertaining to the Group	(5,074)	42	60	(84)	84	(506)	506	(4,972)

Significant events occurred after the end of the quarter

Please note that the month of April 2020, the **Covid-19 CIGO** adopted pursuant to *D.p.c.m. "Cura Italia"* of March 17, 2020 involved around thirty employees of the Lainate office, on shift.

On April 15, 2020 the **Shareholders' Meeting of E.T.C. S.r.l. resolved to revoke the liquidation of the company** and to modify its corporate purpose to allow the company to directly or indirectly acquire interests or shareholdings in the field of packaging and the scouting of new technologies in the same sector. The revocation will take effect sixty days after the registration of the resolution (registration occurred on April 22, 2020), or earlier if there is the consent of all creditors or the payment of non-consenting creditors. On the effective date of the revocation of the liquidation status, the corporate name of E.T.C. S.r.l. will be changed into SAES Innovative Packaging S.r.l.

On April 30, 2020 SAES Getters S.p.A. has signed with Intesa Sanpaolo S.p.A. a **new line of cash credit on a revolving basis**, for a maximum amount of €30 million, intended to support business operations or financial needs related to investments and acquisitions. The duration of the credit line is thirty-six months. SAES may request its use in tranches of not less than €1 million and subsequent multiples of €0.5 million each. The contract provides for the payment of interest indexed at the one/three-month Euribor rate, increased by a spread of 1.10% and only one financial covenant (positive consolidated net financial position) subject to half-yearly verification.

Please note that the fair value of the Group's **securities portfolio**, consisting mainly of buy & hold assets, has increased by approximately 0.2% at the end of April 2020, compared to the value at March 31, 2020.

Business outlook

To date we expect a second quarter down by about 15-20%, that will be gradually reabsorbed in the second half of the year.

It should be noted that the Additional periodic financial information on 1st quarter 2020 is unaudited.

Consob regulatory simplification process

Please note that, on November 13, 2012, the Board of Directors has approved, pursuant to article no. 3 of Consob resolution no.18079/2012, to adhere to the opt-out provisions as envisaged by article no.70, paragraph 8, and no. 71, paragraph 1-*bis* of the Consob Regulation related to Issuer Companies, and it therefore avails itself of the right of making exceptions to the obligations to publish information documents required in connection with significant mergers, spin-offs and capital increases by contributions in kind, acquisitions and disposals.

The Officer Responsible for the preparation of corporate financial reports of SAES Getters S.p.A. certifies that, in accordance with the second subsection of article 154-*bis*, part IV, title III, second paragraph, section V-*bis*, of Legislative Decree February 24, 1998, no. 58, the financial information included in the present document corresponds to book of account and book-keeping entries.

*The Officer Responsible for the preparation of corporate financial reports
Giulio Canale*

Lainate, Milan - Italy, May 14, 2020

On behalf of the Board of Directors
Dr Ing. Massimo della Porta
President