HALF-YEAR FINANCIAL REPORT AT JUNE 30, 2026

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CORPORATE INFORMATION

Parent Company Registered Office

Sit S.p.A.

Viale dell'Industria, 34

35129 Padua – Italy

www.sitgroup.it

Parent Company Legal Details

Share capital approved Euro 96,162,195.00

Share Capital subscribed and paid-in Euro 96,162,195.00

Tax and Padua Companies Registration Office No. 04805520287

Operating branches

Viale dell'Industria, 32/34 – 35129 Padua – Italy

Viale A. Grandi, 6 – 45100 Rovigo – Italy

Viale A. Grandi, 11 – 45100 Rovigo - Italy

Via Grazia Deledda 10/12 - 62010 Montecassiano - Italy

THE SIT GROUP'S MISSION, VISION AND VALUES

Mission

"*Our commitment is to create smart solutions for climate control and consumption measurement for a more sustainable world*".

Vision

"To be recognized as the leading sustainable partner for energy and climate control solutions (and to enjoy the journey!)"

Values

CUSTOMER ORIENTATION

Everyone at SIT aims to fulfill and exceed customer expectations. Whether external or internal, the customer is our compass

SUSTAINABILITY

A sustainable company for the stakeholders. Sustainable products for the environment. A sustainable work-life balance for the employees

LEAD BY EXAMPLE

SIT is a leader in the markets where it operates. Our people are courageous and confident and lead by example in every aspect of their day-to-day work

TECHNOLOGY

We master technology and look ahead, supporting our customers with state-of-the-art solutions and stimulating innovation through collaboration

LEAN

No frills. We act quickly and do not miss deadlines. We deliver "on time and in full"

PASSION

Passionate commitment is part of daily life at every organizational level. Accountability and engagement are rewarded, well aware that mistakes provide opportunities for growth

DIRECTORS' REPORT

COMPOSITION OF THE CORPORATE BOARDS

Board of Directors *

Federico de Stefani	Executive Chairman
Walter Albè	*Chief Executive Officer, Director in charge of the Internal Control and Risk Management System (ICRMS) and "Corporate Sustainability Director"*
Stefano Besseghini **	*Independent Director*
Maria Chiara Franceschetti **	*Independent Director*
Paola Bruno **	*Independent Director and "Lead Independent Director"*
Massimiliano Nitti	*Director*
Valentina Bosetti **	*Independent Director*

Board of Statutory Auditors *

Matteo Tiezzi	*Chairperson*
Camilla Menini	*Statutory Auditor*
Loredana Anna Conidi	*Statutory Auditor*
Barbara Russo	*Alternate Auditor*
Carlomaria Setti Della Volta	*Alternate Auditor*

Independent Audit Firm

Deloitte & Touche S.p.A.

Internal Control, Risks and Sustainability Committee

Paola Bruno **	Chairperson
Massimiliano Nitti	Member
Valentina Bosetti **	Member

Related Parties Committee

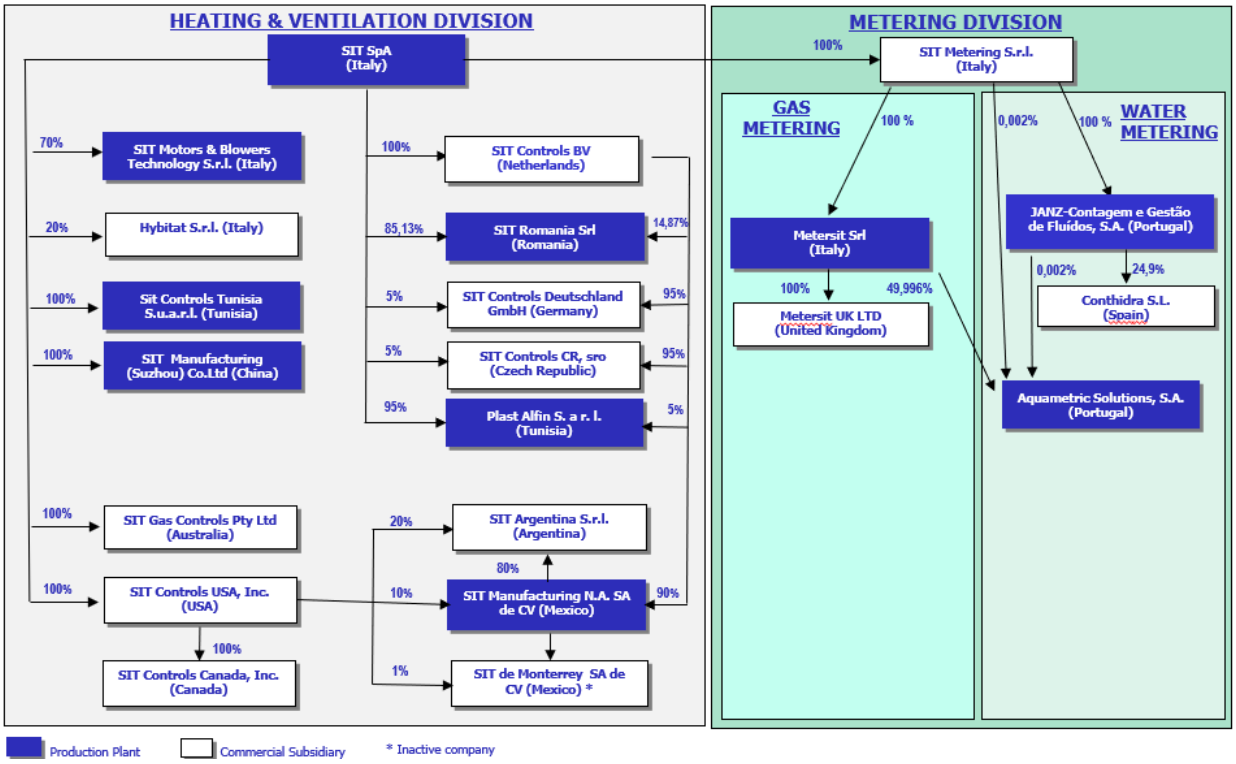
Stefano Besseghini **	Chairperson
Paola Bruno **	Member
Valentina Bosetti **	Member

Remuneration Committee

Stefano Besseghini **	Chairperson
Paola Bruno **	Member
Valentina Bosetti **	Member

* The Board of Directors and the Board of Statutory Auditors were appointed by the Shareholders' Meeting of June 26, 2026 and remain in office until the approval of the 2028 Annual Accounts
** Independent directors.

GROUP STRUCTURE



SIT Group

The SIT Group designs and manufactures high-precision devices for consumption measurement and systems for the safety, comfort, and high efficiency of heating and ventilation appliances, as well as the production and distribution of water and gas meters.

The Group comprises two divisions:

- Heating & Ventilation: It operates in the production of components and systems for residential and commercial heating, including multifunction gas safety and control valves, electronic controls, fans for high-efficiency boilers and electric heat pumps, as well as for mechanical ventilation systems and kitchen hoods, serving major global markets.
- Metering: manufactures and distributes smart gas meters which more accurately measure gas and water consumption and feature control and safety (including remote) functionality.

The Group operates in the Heating & Ventilation sector through the following companies:

- SIT S.p.A (hereinafter "Company" or "SIT") is the parent company of SIT Group and undertakes R&D and commercial and sales operations, while also providing a range of industrial and support services to the manufacturing and distribution companies. SIT has a number of production units involved in precise machining, fitting and assembly for the manufacturing of mechanical controls, integrated systems, electric fans and smoke exhaust kits;
- SIT MBT S.r.l., located in Montecassiano (MC), operates in the sector of fans for extractor hoods. On 1 April 2024, the business unit of SIT dedicated to ventilation systems and components for kitchen hoods and pellet stoves was contributed to the innovative start-up Motors & Blowers Technology S.r.l. (MBT), established by a group of managers with extensive experience in the industry.
- SIT Controls B.V. (Netherlands) distributes products manufactured by other Group companies to selected local customers;
- SIT Controls Deutschland GmbH (Germany) is a sales agent for a number of Group companies;
- SIT Controls CR s.r.o. (Czech Republic) is a sales agent for a number of Group companies;
- SIT Romania S.r.l. (Romania), based in Brasov in Romania, is engaged in the assembly and testing of mechanical controls, electric fans and integrated domestic gas equipment control systems;
- SIT Manufacturing N.A.S.A. de C.V. (Mexico) is a specialised Direct Heating and Storage Water Heating systems manufacturing facility, principally for the American and local markets. The company mainly works with end-customers, using, for the American market, the agency services provided by SIT Controls U.S.A. Inc., while on the Australian and Asian markets using local Group companies/distribution entities;
- SIT Controls U.S.A. Inc. (USA) is a sales agent for Group products on the US market;
- SIT Controls Canada Inc. (Canada) is a sub-agent of SIT Controls USA on the Canadian market;
- SIT Gas Controls Pty Ltd, based in Melbourne (Australia), oversees the distribution of SIT products on the local market and some countries in the region;
- SIT Manufacturing Suzhou Co. Ltd (China) is a manufacturer of mechanical controls, satisfying local market demand - both in terms of local customers and the local branches of European manufacturers. The company distributes its own products and those of other Group companies on the local market;
- SIT (Argentina) S.r.l. manages the import of SIT products into the region.

- Plast Alfin S. a r. l. (Tunisia), acquired during 2020, operates in the manufacturing of plastics for components used in the production of exhaust kits;
- Sit Controls Tunisia S.u.a.r.l. (Tunisia), set up in late 2020, is a production site for components and finished products.

The Group operates in the Metering division through the following companies:

- Sit Metering S.r.l., a holding company for the Metering division;
- Metersit S.r.l., located in Padua, is involved in the design, manufacturing and sale of new generation remote gas meters;
- Metersit UK Ltd., a trading company established during 2021, operates as a sales agency with the aim of developing the UK smart gas metering market;
- JANZ – Contagem e Gestão de Fluídos, S.A., located in Lisbon, Portugal, operates in the residential water metering sector through the development, manufacturing and distribution of water meters, primarily in the European market.
- Conthidra S.L., located in Gines, Spain, operates in the local distribution of water meters produced by JANZ – Contagem e Gestão de Fluídos, S.A., as well as in the distribution of such products in selected international markets.
- Aquametric Solutions, S.A., located in Lisbon, Portugal, is a Portuguese company established for the development and manufacture of residential water meters based on ultrasonic technology. The company, incorporated on 15 January 2024, is owned 50% by the SIT Group and 50% by the Swiss technology partner GWF AG.

SIT exercises management and co-ordination activities over the subsidiaries directly and indirectly held.

FINANCIAL HIGHLIGHTS

The following tables include adjusted data and performance indicators that are not expressly required by International Financial Reporting Standards (IFRS). Their definitions and calculation methodologies are described in the paragraph entitled "*Composition of the Main Alternative Performance Indicators*."

(Euro,000)

Financials	H1 2026	%	H1 2025	%	Change	Change %
Revenues from contracts with customers	150,763	100.0%	153,692	100.0%	(2,929)	-1.9%
EBITDA	17,130	11.4%	16,855	11.0%	275	1.6%
EBIT	5,375	3.6%	3,778	2.5%	1,597	42.3%
Net Profit/(loss) for the period	836	0.6%	(697)	-0.5%	1,533	220.1%
Cash flows from operating activities after investment activities	15,938		1,279		14,659	

Balance Sheet	30/06/2026	31/12/2025	30/06/2025
Net Financial Position	125,837	139,321	150,825
Net trade working capital	67,221	72,503	77,252
Net trade working capital/Revenues(*)	22.1%	22.7%	24.9%

(*) Annualised

ALTERNATIVE PERFORMANCE MEASURES

(Euro,000)

Financials	H1 2026	%	H1 2025	%	Change	Change %
Revenues from contracts with customers	150,763	100.0%	153,692	100.0%	(2,929)	-1.9%
EBITDA	17,130	11.4%	16,855	11.0%	275	1.6%
Adjusted EBITDA	17,732	11.8%	20,561	13.4%	(2,829)	-13.8%
EBIT	5,375	3.6%	3,778	2.5%	1,597	42.3%
Adjusted EBIT	5,978	4.0%	7,484	4.9%	(1,506)	-20.1%
Financial charges	3,109	2.1%	3,067	2.0%	41	1.3%
Financial income	114	0.1%	295	0.2%	(181)	-61.2%
Net financial (charges)/income	(2,994)	-2.0%	(2,772)	-1.8%	(222)	8.0%
Adjusted Net financial (charges)/income	(2,994)	-2.0%	(2,772)	-1.8%	(222)	8.0%
Profit (loss) before taxes	2,657	1.8%	1,347	0.9%	1,310	97.3%
Adjusted Profit (loss) before taxes	3,259	2.2%	5,053	3.3%	(1,793)	-35.5%
Net profit/(loss) for the period	836	0.6%	(697)	-0.5%	1,533	220.0%
Adjusted net profit for the period	1,270	0.8%	2,162	1.4%	(891)	-41.2%
Cash flow from operations after investing activities	15,938		1,279		14,659	

(Euro,000)

Balance Sheet	30/06/2026	31/12/2025	30/06/2025
Net capital employed	230,296	241,497	249,267
Shareholders' Equity	104,460	102,175	98,442
Net Financial Position	125,837	139,321	150,825
Adjusted Net Financial Position	118,157	130,035	140,292
Net trade working capital	67,221	72,503	77,252

Key performance indicators	30/06/2026	31/12/2025	30/06/2025
ROIC [(1)]	16.6%	15.7%	11.2%
Adjusted ROIC [(2)]	17.3%	17.7%	14.7%
Net Financial Position / Shareholders' equity	1.20	1.36	1.53
Net Financial Position / Adjusted LTM EBITDA	3.16	3.26	4.13

[(1)] ROIC is the ratio between EBITDA and Capital Employed at period-end.

[(2)] ROIC is the ratio between Adjusted EBITDA and Capital Employed at period-end.

Composition of key alternative performance indicators

In application of the Consob Communication dated December, the 3rd 2015, which implements in Italy the guidelines on Alternative Performance Indicators (IAPs) issued by the European Securities and Markets Authority (ESMA), the criteria used for their preparation are defined below.

The alternative performance indicators describe the economic/financial results of the Group on the basis of indices not expressly contained within IFRS (International Financial Reporting Standard) and adjusted by the effects of some items. It is considered that these indicators ensure a better comparability over time of results, although they do not replace the results determined by the application of international accounting standards IFRS described in the Explanatory Notes.

We list below the principal API's presented in the Directors' Report and a summary description of their composition, as well as the reconciliation with the corresponding official figures:

- Adjusted EBITDA is the EBITDA (EBIT plus amortisation, depreciation and write-downs, net of doubtful debt provisions) net of exceptional transactions or rather all those atypical, unusual or transactions which do not repeat frequently in the normal course of business activities, undertaken with related or third parties, which may have a significant impact on the financial results of the Group. The following table presents a reconciliation with the financial statements:

(Euro,000)

Reconciliation of Adjusted EBITDA	H1 2026	H1 2025
EBIT	**5,375**	**3,778**
Depreciation, amortisation and write-downs	11,792	13,164
Write-downs	(37)	(87)
EBITDA	**17,130**	**16,855**
Reorganization costs	425	2,703
Consulting and other services	-	389
Guarantees	-	290
Trade agreement	-	324
Contractual penalty	178	-
Total exceptional operating charges (income)	**603**	**3,706**
Adjusted EBITDA	**17,732**	**20,561**

The item *Reorganization costs*, amounting to Euro 425 thousand, includes transaction costs and incentives granted for the mutually agreed termination of employment relationships with certain employees, including related legal expenses. The reorganization and optimization of corporate functions involved the Italian companies SIT S.p.A. and Metersit S.r.l. for Euro 353 thousand and Euro 43 thousand, respectively, while a further Euro 29 thousand related to other Group companies.

The costs included under the "Contractual penalty" item, amounting to Euro 178 thousand, relate to the consideration payable by the Parent Company for the termination of a service agreement.

- Adjusted operating income is equal to operating income and expenses described above and below. The reconciliation, with evidence of adjusted income and expenses, is shown in the table below:

(Euro,000)

Reconciliation of Adjusted EBIT	H1 2026	H1 2025
EBIT	**5,375**	**3,778**
Reorganization costs	425	2,703
Consulting and other services	-	389
Guarantees	-	290
Trade agreement	-	324
Contractual penalty	178	-
Total exceptional operating charges (income)	**603**	**3,706**
Adjusted EBIT	**5,978**	**7,484**

- Adjusted net financial charges and income are financial charges are equal to financial expenses net of the changes described below during the year.

  The reconciliation is shown in the table below:

(Euro,000)

Reconciliation of Adjusted net financial (charges)/income	H1 2026	H1 2025
Financial charges	(3,109)	(3,067)
Financial Income	114	295
Net financial (charges)/income	**(2,994)**	**(2,772)**
Adjusted Net financial (charges)/income	**(2,994)**	**(2,772)**

- Adjusted Profit (loss) Before Tax (EBT) is the result before tax net of the items summarized below and described above. The reconciliation is shown in the table below:

(Euro,000)

Reconciliation of EBT adjusted	H1 2026	H1 2025
Profit (loss) before taxes for the year	**2,657**	**1,347**
Reorganization costs	425	2,703
Consulting and other services	-	389
Guarantees	-	290
Trade agreement	-	324
Contractual penalty	178	
Total adjusted operating charges (income)	**603**	**3,706**
Adjusted Profit (loss) before taxes for the year	**3,259**	**5,053**

- Adjusted net profit (loss) for the period is the net result for the period net of the transactions described above and the related tax effect. The reconciliation is shown in the table below:

(Euro,000)		
Reconciliation of Adjusted net profit (loss)	**H1 2026**	**H1 2025**
Net Profit (loss)	**836**	**(697)**
Reorganization costs	306	2,135
Consulting and other services	-	281
Guarantees	-	209
Trade agreement	-	233
Contractual penalty	128	-
Total adjusted operating expenses (income) net of tax	**434**	**2,858**
Adjusted net profit (loss)	**1,270**	**2,162**

For a description of the individual adjustment items of an operating nature, reference should be made to the adjusted EBITDA reconciliation table.

- Net capital employed and net commercial working capital are calculated considering the accounts presented in the following table:

(Euro,000)			
Reconciliation of net capital employed	**30/06/2026**	**31/12/2025**	**30/06/2025**
Goodwill	63,278	63,278	63,278
Other intangible assets	38,435	40,868	43,882
Property, plants and equipment	79,496	84,406	88,019
Investments in other companies	1,357	1,527	1,081
Non-current financial assets	5,805	4,340	3,593
Fixed assets (A)	**188,370**	**194,419**	**199,853**
Inventories	82,679	76,149	79,754
Trade receivables	59,827	62,251	67,821
Trade payables	(75,285)	(65,898)	(70,323)
Trade net working capital (B)	**67,221**	**72,503**	**77,252**
Other current assets	11,322	8,670	9,191
Tax receivables	1,083	2,676	1,208
Other current liabilities	(20,836)	(19,711)	(21,955)
Tax payables	(2,324)	(2,182)	(1,118)
Other current assets, liabilities and taxes (C)	**(10,754)**	**(10,548)**	**(12,674)**
Net working capital (B + C)	**56,467**	**61,955**	**64,578**
Deferred tax assets	11,539	11,693	11,692
Provisions for risks and charges	(9,393)	(9,264)	(8,978)
Net liabilities for employee benefits	(3,981)	(3,964)	(4,173)
Other non-current liabilities	(5,127)	(4,951)	(3,999)
Deferred tax liabilities	(7,578)	(8,391)	(9,706)
Other non-current liabilities, assets and provisions (D)	**(14,540)**	**(14,878)**	**(15,165)**
Net capital employed (A + B + C + D)	**230,296**	**241,497**	**249,267**

- The adjusted Net Financial Position is calculated by deducting the finance lease payable arising from application of IFRS 16 from the net financial debt calculated according to the indications of Consob Communication ESMA32-382-1138 of March 4, 2021.

(Euro,000)

Composition Net Financial Position	**30/06/2026**	**31/12/2025**	**30/06/2025**
A. Cash	12,342	11,627	8,853
B. Cash equivalents	-	-	-
C. Other current financial assets	1,873	3,055	3,657
D. Liquidity (A) + (B) + (C)	**14,216**	**14,682**	**12,510**
E. Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	29,834	24,935	30,026
F. Current portion of the non-current financial debt	23,001	19,265	12,746
G. Current financial indebtedness (E + F)	**52,834**	**44,200**	**42,772**
H. Net current financial indebtedness (G - D)	**38,619**	**29,518**	**30,262**
I. Non-current financial debt (excluding current portion and debt instruments)	55,247	69,828	80,589
J. Debt instruments	31,971	39,976	39,974
K. Non-current trade and payables	-	-	-
L. Non-current financial indebtedness (I + J + K)	**87,218**	**109,803**	**120,563**
M. Net Financial Position (H + L)	**125,837**	**139,321**	**150,825**
IFRS 16 – Leases	**(7,679)**	(9,286)	(10,533)
Adjusted Net Financial Position	**118,157**	**130,035**	**140,292**

As required by the above-mentioned communication, it should be noted that the Group has net liabilities for defined benefits to employees for the amount of Euro 3,981 thousand (Note 16) and provisions for risks and charges for Euro 9,393 thousand (Note 15) and other non-current liabilities, relating to the conditions defined by the agreement with the minority shareholders of SIT MBT S.r.l., Euro 4,313 thousand (Note 17) not included in the net financial position.

GENERAL SITUATION

Macroeconomics*

During the first half of 2026, global economic activity, which had initially shown encouraging signs, once again entered a period of significant uncertainty due to the escalation of the conflict in the Middle East. The geopolitical crisis has become the main risk factor for the global economy, affecting energy markets, trade flows and investment activity.

The International Monetary Fund revised its 2026 growth forecasts downward, while noting that developments in artificial intelligence are expected to partially offset the economic consequences of the conflict in the Middle East.

The table below summarizes GDP performance in the second quarter of 2026, both compared with the previous quarter and with the corresponding period of the previous year, for the main regions relevant to the Group:

GDP trend	vs Q1 2026	vs Q2 2025
Italy	0.2%	1.0%
Euro	0.4%	1.0%
USA	0.4%	1.5%
China	0.9%	4.3%

In the second quarter of 2026, the U.S. economy continued to expand, although at a slower pace than expected. GDP growth was driven by increases in consumer spending, investment and exports. These factors were partially offset by lower government spending and higher imports.

In China, GDP growth, the weakest recorded in the last three years, was held back by weak domestic demand and persistent difficulties in the real estate sector. Exports, on the other hand, continued to grow, supported by the technology sector.

The Eurozone economy proved more resilient than expected, although differences among member countries became increasingly pronounced. Strong household spending, resilient exports, fiscal support measures and growing renewable energy generation capacity helped mitigate the impact of higher energy costs on consumers.

In Italy, GDP growth in the second quarter, from the supply-side perspective, was mainly driven by the services sector, while declines were recorded in the value added generated by agriculture and industry. Domestic demand, excluding inventories, made a positive contribution to GDP growth, whereas net foreign demand had a negative impact.

With regard to the Italian mechanical engineering industry, the conflict in the Middle East had a significant impact on companies due to higher energy costs and increased transportation and logistics expenses, resulting in substantial pressure on operating margins.

** Sources: ISTAT, Eurostat, International Monetary Fund, Il Sole 24 Ore*

OPERATING PERFORMANCE

Significant events in the period

SIT towards the acquisition of 100% of Conthidra to strengthen its international presence in the Metering business

In February 2026, SIT announced the signing of an agreement for the acquisition of 100% of Conthidra, a Spanish company active in the distribution of products and solutions for water consumption metering, thereby strengthening its position in the European water metering market.

Through Conthidra, in which it already held a 24.9% equity interest, the Group will strengthen its control over and development of the Spanish metering market, one of the most significant in Europe, and will enter the submetering segment, i.e. the measurement of consumption at the level of individual residential units or users within buildings served by a centralized meter.

The transaction is expected to be completed during 2026.

SIT confirms EcoVadis Gold Rating for ESG Performance

Also in 2026, for the third consecutive year, SIT achieved the Gold Rating in the annual Corporate Social Responsibility (CSR) performance assessment conducted by EcoVadis, a leading international ESG rating agency.

The Group improved its score compared to 2025, placing SIT among the top 3% of the more than 150,000 companies assessed worldwide. This performance is even more outstanding within its industry sector, where SIT ranks among the top 1% most sustainable companies.

Euro 100 million Contract Awarded for the Supply of Smart Gas Meters in the Netherlands

Through its subsidiary Metersit, leading player in the development and production of smart gas metering solutions, SIT has been awarded a contract with an expected value of Euro 100 million under the tender launched by Netbeheer Nederland, involving all Dutch network operators. The agreement, with a duration of eight years (extendable up to thirteen years), covers the design, development and industrialisation of innovative residential smart gas meters specifically conceived for the Dutch market. The first deliveries are expected to commence in the second half of 2027.

Metersit signs contract with Italgas for 480,000 smart meters

The subsidiary Metersit, operating in the smart gas metering sector, has been awarded a contract for the supply of 480,000 smart gas meters under a tender launched by Italgas. The agreement, with a duration of two years, covers the assembly and supply of next-generation H2-ready meters designed to transform energy management for businesses, cities and households. The device has been conceived to support the evolution of distribution networks, enabling the management of different types of gas, including hydrogen blends, and its widespread deployment may contribute to the energy transition. Deliveries are expected to commence in the second quarter of 2027.

Sales analysis

SIT Group operates in two Divisions:

- Heating & Ventilation, operates in the production of components and systems for domestic and commercial heating, including multifunctional safety and regulation valves for gases, electronic controls, fans for high-efficiency boilers and electric heat pumps as well as for forced mechanical ventilation systems and cooker hoods, intended for the main world markets;
- Metering, operates in the production and marketing of smart meters, of the new generation that allow you to measure gas and water consumption more accurately and with control and safety functions - even remote -.

Sales by Division

(Euro,000)	H1 26	%	H1 25	%	change	change %
Heating & Ventilation	105,031	69.7%	106,700	69.4%	(1,669)	(1.6%)
Metering	43,142	28.6%	43,827	28.5%	(685)	(1.6%)
Total sales	**148,173**	**98.3%**	**150,527**	**97.9%**	**(2,354)**	**(1.6%)**
Other revenues	2,590	1.7%	3,165	2.1%	(575)	(18.2%)
Total sales	**150,763**	**100%**	**153,692**	**100%**	**(2,929)**	**(1.9%)**

(Euro,000)	Q2 26	%	Q2 25	%	change	change %
Heating & Ventilation	54,173	69.1%	56,585	67.7%	(2,413)	(4.3%)
Metering	23,189	29.6%	25,399	30.4%	(2,210)	(8.7%)
Total sales	**77,362**	**98.7%**	**81,984**	**98.0%**	**(4,623)**	**(5.6%)**
Other revenues	1,043	1.3%	1,654	2.0%	(611)	(36.9%)
Total sales	**78,405**	**100%**	**83,638**	**100%**	**(5,234)**	**(6.3%)**

Sales by geography

(Euro,000)	H1 26	%	H1 25	%	change	change %
Italy	44,900	29.8%	50,898	33.1%	(5,999)	(11.8%)
Europe (excluding Italy)	66,504	44.1%	60,873	39.6%	5,631	9.3%
The Americas	28,184	18.7%	29,092	18.9%	(908)	(3.1%)
Asia/Pacific	11,175	7.4%	12,829	8.3%	(1,654)	(12.9%)
Total sales	**150,763**	**100%**	**153,692**	**100%**	**(2,929)**	**(1.9%)**

(Euro,000)	Q2 26	%	Q2 25	%	change	change %
Italy	23,362	29.8%	28,935	34.6%	(5,573)	(19.3%)
Europe (excluding Italy)	33,768	43.1%	32,266	38.6%	1,502	4.7%
The Americas	14,745	18.8%	15,135	18.1%	(390)	(2.6%)
Asia/Pacific	6,530	8.3%	7,301	8.7%	(771)	(10.6%)
Total sales	**78,406**	**100%**	**83,638**	**100%**	**(5,232)**	**(6.3%)**

The Group's consolidated revenues for the first half of 2026 amounted to Euro 150.8 million, representing a slight decrease of 1.9% compared to the corresponding period of 2025 (Euro 153.7 million). At constant exchange rates, the change was +1.1%.
Sales of the Heating & Ventilation Division in the first half of 2026 amounted to Euro 105.0 million, representing a decrease of 1.6% compared to Euro 106.7 million in the first half of 2025. At constant exchange rates, sales were in line with those recorded in the first half of 2025.
The following table presents the Heating & Ventilation Division's operating sales by geographical area, based on management reporting criteria:

(Euro,000)	H1 26	%	H1 25	%	diff	diff %
Italy	19,703	18.8%	21,759	20.4%	(2,056)	(9.4%)
Europe (excluding Italy)	49,552	47.2%	44,555	41.8%	4,997	11.2%
The Americas	25,110	23.9%	26,859	25.2%	(1,749)	(6.5%)
Asia/Pacific	10,666	10.2%	13,527	12.7%	(2,861)	(21.1%)
Total sales	**105,031**	**100%**	**106,700**	**100%**	**(1,669)**	**(1.6%)**

(Euro,000)	Q2 26	%	Q2 25	%	diff	diff %
Italy	9,711	17.9%	11,123	19.7%	(1,412)	(12.7%)
Europe (excluding Italy)	24,896	46.0%	23,393	41.3%	1,503	6.4%
The Americas	13,364	24.7%	14,000	24.7%	(636)	(4.5%)
Asia/Pacific	6,202	11.4%	8,069	14.3%	(1,867)	(23.1%)
Total sales	**54,173**	**100%**	**56,585**	**100%**	**(2,412)**	**(4.3%)**

At a geographical level, sales in Italy declined by 9.4% during the first half of the year compared to the same period in 2025, mainly due to weaker market demand in the Central Heating segment, while Direct Heating and Ventilation recorded positive performances.

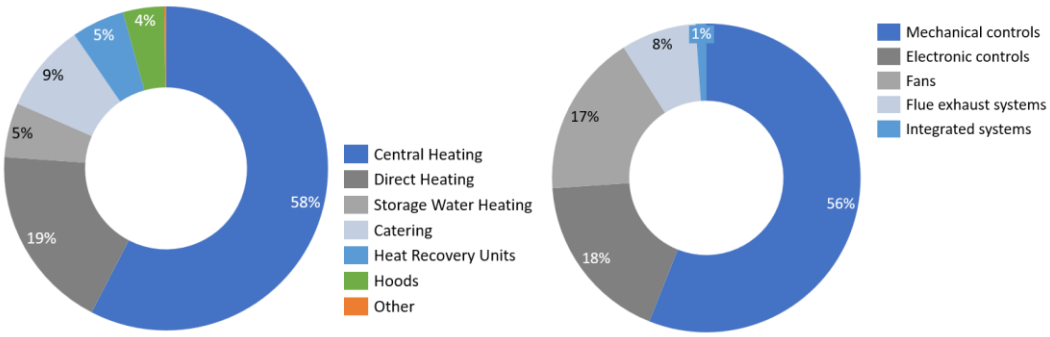
As regards Europe, excluding Italy, the first half of 2026 recorded a significant increase in sales of 11.2% compared to the same period of the previous year. This positive performance is in line with the trend observed in recent quarters, driven by growth in Turkey, particularly in sales to the local market and to certain OEMs operating in the Central Heating sector. Central Europe also delivered a positive performance, while the UK reported a decline during the period as a result of a weaker second quarter compared to the second quarter of the previous year.

The Americas region recorded a decline of 6.5% in the first half compared to the first half of the previous year, which corresponds to -1.7% at constant exchange rates. The period was negatively affected by the performance of the Central Heating and Storage Water Heating segments, reflecting particularly strong purchasing activity at the end of 2025 and certain delays in customer projects, while Direct Heating remained positive.

The Asia-Pacific region recorded a decline of 21.1% in the first half of 2026 compared to the same period in 2025. China continued to experience weak market conditions, while Australia was negatively affected by regulatory changes and other geographical areas were impacted by the international environment.

Turning to the main product families, it should be noted that in the first half of 2026, Mechanical Controls recorded performance substantially in line with the same period of 2025, while Electronic Controls declined by 15.2% in the first half, confirming the product mix trend already observed in the first quarter. Fans achieved strong growth of more than 25%, supported also by expanding applications in sectors beyond combustion-related markets. Flue Systems recorded a slight decline compared to the first half of 2025.

The charts below show Heating & Ventilation sales for the first half of 2026, broken down by product family and application segment (management reporting data):



Sales of the Metering Division amounted to Euro 43.1 million, compared to Euro 43.8 million in the same period of the previous year, representing a decrease of 1.6%.

Sales in the Smart Gas Metering business amounted to Euro 26.0 million, compared to Euro 28.6 million recorded in the first half of 2025, a decrease of 9.1%. Residential meters recorded a decline of Euro 5.8 million, corresponding to 23.2%, due to customers' short-term purchasing and delivery policies, which can affect performance in a given period. Conversely, Commercial & Industrial meters showed accelerated growth (+Euro 3.2 million, +130%) driven by the introduction of new products. Sales continue to be predominantly generated in Italy, accounting for 93.0% of total sales, compared to 96.0% in the same period of 2025.

Sales in the Water Metering business amounted to Euro 17.2 million, an increase of 12.6% compared to the first half of 2025. This performance was driven by the strong performance of direct sales of meters to utilities, while sales to OEM customers remained stable. With regard to geographical distribution, sales during the period were generated in Portugal (24.9%), Spain (31.5%), the rest of Europe (29.1%), and the Americas and Asia (13.2% and 1.3%, respectively).

Economic performance

The Group's consolidated revenues for the first half of 2026 amounted to Euro 150.8 million, a decrease of 1.9% compared to the same period of 2025 (Euro 153.7 million).

EBITDA amounted to Euro 17.1 million, representing 11.4% of revenues, an increase compared to the first half of the previous year (Euro 16.9 million, equal to 11.0% of revenues), reflecting the normalization of operations following the completion of the restructuring activities implemented during the previous financial year.

With regard to the main income statement items, the cost of raw materials and consumables, including changes in inventories, amounted to Euro 75.4 million, representing 50.0% of revenues, compared to 48.2% in the first half of 2025.

Service costs amounted to Euro 22.2 million, compared to Euro 23.7 million in the same period of 2025 (representing 14.7% and 15.4% of revenues, respectively).

Personnel costs amounted to Euro 35.2 million, compared to Euro 37.1 million (-5.2%), representing 23.3% of revenues compared to 24.2% in the same period of the previous year. Excluding one-off costs related to reorganization actions, personnel costs amounted to Euro 34.8 million, or 23.1% of revenues, substantially in line with the first half of 2025, when the ratio was 22.4%.

Depreciation, amortisation and impairment losses, amounting to Euro 11.8 million, decreased compared to Euro 13.2 million in the first half of 2025, representing 7.8% and 8.6% of revenues, respectively.

Operating profit (loss) (EBIT) was positive and amounted to Euro 5.4 million, representing 3.6% of revenues, compared to Euro 3.8 million, or 2.5% of revenues, in the first half of 2025.

Net finance costs for the first half of 2026 amounted to Euro 3.0 million, compared to Euro 2.8 million in the same period of 2025, representing 2.0% and 1.8% of revenues, respectively.

Income taxes for the period amounted to Euro 1.8 million, mainly relating to taxes accrued by subsidiaries and without the recognition of deferred tax assets. In the corresponding period of the previous year, income taxes amounted to Euro 2.0 million.

Net profit (loss) for the first half of 2026 amounted to a profit of Euro 0.8 million, compared to a net loss of Euro 0.7 million recorded in the same period of the previous year.

Financial performance

As at 30 June 2026, net financial debt amounted to Euro 125.8 million, representing a significant reduction compared both to the figure reported at year-end 2025 (Euro 139.3 million) and to Euro 150.8 million as at 30 June 2025.
The change of the net financial position is shown in the table below:

(Euro,000)	H1 2026	H1 2025
Cash flow from current activities (A)	**17,792**	**17,289**
Change in inventories	(5,793)	(7,748)
Change in trade receivables	2,859	(7,687)
Change in trade payables	8,832	5,107
Change in other current assets and liabilities and for taxes	(2,119)	(2,107)
Cash flow from changes in Working Capital (B)	**3,779**	**(12,435)**
CASH FLOW FROM OPERATING ACTIVITIES (A + B)	**21,571**	**4,854**
Cash flow from investing activities (C)	(5,633)	(3,575)
CASH FLOW FROM OPERATING & INVESTING ACTIVITIES (A + B + C)	**15,938**	**1,279**
Interest	(3,305)	(3,357)
Changes in MTM derivatives and amortised cost	326	(31)
Changes in translation reserve	412	(824)
Changes in financial assets	(127)	(1,480)
IFRS 16	241	(562)
Change in Net Financial Position	**13,485**	**(4,975)**
Opening Net Financial Position	**139,320**	**145,850**
Closing Net Financial Position	**125,837**	**150,825**

The cash flows for the first half of 2026 highlight the Group's strong operating cash generation, amounting to Euro 21.6 million, an improvement compared to Euro 4.9 million in the same period of 2025. This performance was driven both by the Group's profitability and, above all, by the management of working capital.
During the first half of 2026, a period in which seasonality resulted in an inventory absorption of Euro 5.8 million, the management of trade receivables and trade payables generated Euro 2.9 million and Euro 8.8 million, respectively. After taking into account changes in other working capital items, this resulted in a cash inflow of Euro 3.8 million, compared to a cash absorption of Euro 12.4 million in the first half of 2025.
Investing cash flows amounted to Euro 5.6 million, slightly higher than the Euro 3.6 million recorded in the corresponding period of 2025.
As a result, operating cash flows after capital expenditure were positive at Euro 16.0 million, compared to Euro 1.3 million in the first half of 2025.
Among financing cash flows, interest payments amounting to Euro 3.3 million were recorded during the period, in line with the corresponding period of the previous year.
Consequently, net financial debt decreased by Euro 13.5 million during the first half of 2026, declining from Euro 139.3 million to Euro 125.8 million.

Investments

In the first half of 2026, the Group made investments of Euro 4.1 million, of which Euro 3.0 million (74.0% of the total) in the Heating & Ventilation Division, Euro 0.9 million in the Smart Gas Metering business and Euro 0.2 million in the Water Metering business. In the first half of 2025, these amounts were Euro 2.8 million, Euro 0.4 million and Euro 0.4 million, respectively, for a total of Euro 3.6 million.

The main investments made in the first half of 2026 within the Heating & Ventilation Division related to the development of new products (Euro 1.1 million), of which Euro 0.5 million referred to development costs associated with four specific projects (877 XL, Flexa Pro, Axial Fan, VMC), the maintenance of production facilities (Euro 0.8 million) and the renewal of the die-casting mould fleet (Euro 0.7 million).

In the Smart Gas Metering business, investments were primarily directed towards the development of new products (Euro 0.8 million), of which Euro 0.7 million related to development costs associated with the Smartio – NB-IoT and Netherlands G4/G6 projects. The remainder related to industrial and laboratory equipment and the development of hardware and software.

Investments in the Water Metering business mainly related to the maintenance of production facilities (approximately 65% of the total); the remaining amount related to the development of new products (approximately 25% of the total) and the acquisition of hardware, software and various laboratory equipment.

RISK MANAGEMENT POLICY

SIT believes that effective risk management enhances awareness in business decision-making, reduces earnings volatility and contributes to the creation of sustainable long-term value for all stakeholders. The Group's Enterprise Risk Management (ERM) model is an integral part of SIT's Internal Control and Risk Management System (ICRMS) and is designed, through a structured and systematic process of risk assessment, monitoring and reporting, to ensure the effective management of the Group's key risks and to provide adequate information to the relevant stakeholders.

The methodology promotes a proactive and cross-functional approach to risk management, leveraging existing management systems at both strategic and operational levels, while ensuring an appropriate flow of information to the administrative and supervisory bodies.

The Group CFO is responsible for coordinating the ERM function.

The ERM model involves the following steps:

- risk assessment: identification and assessment of the main risks and their measurement, according to impact/probability parameters defined according to a matrix (Risk Scoring Scale) that allows them to be classified according to impact;
- risk management and follow-up: activities aimed at mitigating, managing and monitoring/accepting risks according to risk appetite policies and defined intervention plans;
- risk reporting: disclosure of risks and information to the main internal and external stakeholders, including the Control, Risk and Sustainability Committee and the Board of Directors.

The current model provides for the following macro-categories of risks:

- External risks

- Strategic risks
- Operational risks
- Legal and compliance risks
- Climate risks
- Financial risks

As part of the ERM framework, the main risks related to sustainability issues, including risks associated with climate change, are also assessed. During the preparation of the Sustainability Statement, these risks were incorporated into the Double Materiality Assessment for the purpose of identifying the sustainability matters that are material to SIT in accordance with the CSRD.

External risks

Country Risk

In view of its international presence, the Group is exposed to country risk, namely the risk arising from potential changes in the political and socio-economic conditions of a specific geographical area. This risk is mitigated through the adoption of a business diversification policy by product and geographical area, allowing risk to be balanced at Group level.

The location in Tunisia of one of the Group's manufacturing hubs, which supplies electronic boards and mechanical components to the Heating & Ventilation and Smart Gas Metering Business Units, exposes the Group to risks related to the country's political and institutional instability, further exacerbated by the economic crisis.

During the first half of 2026, Tunisia's political and economic environment continued to present areas of uncertainty, despite signs of gradual improvement in certain macroeconomic indicators and in the country's financial stability. In particular, the sovereign rating upgrade by Moody's in 2025 and the greater stability of foreign currency reserves confirm a favourable development compared to previous years. However, the country's political and institutional framework remains fragile and continues to represent a risk factor in terms of governance and the ability to implement economic reforms.

In this context, the Group continued to closely and systematically monitor political and economic developments in the country, drawing on both institutional sources and its network of relationships within local and international business communities. At the same time, the risk mitigation measures adopted in previous years have been maintained and further strengthened.

In particular, the double-sourcing strategy and manufacturing flexibility remain key elements of the Group's industrial policy, with the aim of ensuring business continuity and the ability to reallocate production volumes within a reasonable timeframe should the local situation deteriorate.

With regard to the ongoing Russia-Ukraine conflict and the conflict in the Middle East, the impacts on the Group's operations continue to be closely monitored.

Although the Group does not have any direct investments or operating facilities in these countries, the risks being monitored relate to two areas, both connected to the Heating & Ventilation business:

• from a commercial perspective, since 10 July 2022 the Company has restricted its direct dealings with Russia to products that are not subject to sanctions. More generally, following regulatory developments

regarding sanctions, the Company has implemented the necessary monitoring and control procedures to comply with the applicable restrictions;

• from a supply chain perspective, the production of electronic boards at the facility of a US multinational supplier located in western Ukraine continued to operate regularly during the first half of 2026, with no significant operational impacts on supplies to the Group. Nevertheless, in order to mitigate supply-related risks, SIT continued its programme of insourcing electronic boards and diversifying procurement sources, in line with the strategies already adopted in previous financial years.

Duties and tariffs

The trade policies adopted by the U.S. Administration have significantly altered the framework governing tariffs and duties in international trade. During the first half of 2026, the environment continued to be characterized by high volatility and a significant degree of uncertainty. Accordingly, the Group has continued to closely monitor and manage potential impacts, particularly within the Heating & Ventilation Division, the only Group division with direct exposure to the North American market.
Based on the Group's current manufacturing footprint and sourcing policies, potential exposure to tariff measures continues to relate primarily to sales from Mexico to the United States, the production of electronic boards in Tunisia and by other non-EU manufacturers, as well as, to a lesser extent, products exported from Europe.
With regard to exports from Mexico to the United States, it should be noted that the tariffs applied in previous years, following the enactment of the relevant regulations, have been the subject of refund claims, part of which were already reimbursed during the first half of 2026. This legislative approach, together with the pass-through policies applicable to customers, has so far mitigated the impact of this risk on the Group.
As for the production of electronic boards in Tunisia, these components are mainly intended for applications positioned within the premium segment of the relevant market. In view of this, and considering the existing customer relationships, no critical issues are currently anticipated regarding the implementation of pass-through policies to the market in this case either. However, as explained in the section "Operational Risks – Business Interruption", manufacturing localization measures are in place to reduce business continuity risks and will also contribute to mitigating tariff-related risks.
With regard to direct trade flows between Europe and the United States, the tariffs currently in force, amounting to a maximum of 15% as defined in the framework agreement of July/August 2025, have nevertheless been managed through SIT's commercial policies in a manner that safeguards profitability.
Over the medium term, there remains a risk that developments in trade and tariff policies may affect inflation and end-market demand in the Group's reference markets. As of the reporting date, there is no evidence requiring any material changes to the assumptions underlying the Group's business planning. Nevertheless, management continues to closely monitor developments in the macroeconomic and competitive environment in order to promptly assess any potential impact on demand and profitability.

Strategic risks

Innovation

The SIT Group operates in market sectors characterized by high competitiveness with regard to technological innovation of products, comparing itself with both multinational groups and specialized operators operating in specific market niches.

If on one side SIT Group is exposed to the risks associated with technological evolution, on the other side its ability to correctly interpret the needs of the market can translate into opportunities by offering innovative, technologically advanced as well as competitive products. In this perspective, in order to maintain a competitive advantage, SIT invests considerable resources in research and development activities on existing technologies and on those of new applications.

Strategically, the risk of innovation has been addressed through external collaboration agreements activated to access specialized resources and accelerate the development of new products. In this regard, it is worth mentioning, in particular:

- the strategic agreement, signed in November 2022, with a leading operator in the water metering sector (GWF) for the establishment of a joint venture for the development and production of an ultrasonic water meter. Pursuant to this agreement, on 15 January 2024, the Portuguese company "Aquametric Solutions, S.A." was established dedicated to the production of the new meter called SmartIO which began in November 2024. During 2025, the Group also acquired new orders in Italy and the development activity continued, which will see the introduction of new communication protocols that will allow it to expand the product range;
- the corporate agreement for the acquisition of a minority stake in UpSens, an SME specialising in the development of devices for monitoring indoor environmental parameters, both standard and custom, with specific expertise in air quality, finalised on 17 January 2023;
- the establishment, on 7 July 2023, of Hybitat Srl, an associate company of SIT dedicated to the development of a new long-term hydrogen generation and storage system for residential use;
- the partnership agreement signed with Panasonic Industry in November 2023, for the development of a complete fan solution designed specifically for residential heat pumps. During 2025, research and development activities also began on components for commercial electric heat pumps, a product family less subject to the volatility of residential demand. The partnership has also proved fruitful in other sectors of the SIT Group and collaborations have also begun during 2025 for the development of innovation in the metering sector;
- the strategic industrial operation in the company SIT MBT, which took place in April 2024 and in which SIT has a 70% stake, which aims to position itself as a European leader in the design and production of fans for kitchen hoods, induction hobs and pellet stoves through the development of innovative high-efficiency products.

The Heating & Ventilation Division, also in response to the challenges arising from the energy transition, has been increasingly diversifying its product portfolio for some years. Through the adoption of new technologies and the development of components for applications in new market segments/industries, the variability and breadth of product technologies has increased. Development needs require careful management of financial resources to be coordinated with constraints and opportunities deriving from time to market and the competitiveness objectives necessary to operate in these new markets. This balancing is an activity that is continuously monitored to reduce competitive risk in a context of short, medium/long-term financial equilibrium.

Finally, in order to reduce the risk associated with the lack of resources and technical skills, the Group continues its policy of collaboration with leading universities and research centres, with particular reference to the STEM area.

With regard to the innovation risks deriving from the energy transition, please refer to the "Climate risks" section for a full description of the management policies implemented.

Market

In the Heating & Ventilation sector, SIT operates globally and is a key player in numerous market segments, maintaining consolidated and strategic relationships with high-standing customers with a strong presence in their respective markets. In several applications, SIT has very high market shares, even exceeding 50%. Inevitably, with such a prominent role, SIT is exposed to market dynamics, affected by fluctuations in demand both from the end consumer - often influenced by incentive policies and regulatory changes - and from the OEM operators with whom it has relationships that implement their own optimization management policies.

Recently, the sector has recorded several extraordinary transactions that have changed the competitive scenario through aggregation and share exchange transactions that have consolidated the number of operators. As always happens in similar situations, it is possible that the progressive industrial and commercial integration activities resulting from these extraordinary transactions may have an impact on SIT, which maintains relationships with all players in the sector. Strategic relationships with the main operators and the capacity for innovation can however mitigate the impact of these changes in the medium term.

Also in the Smart Gas Metering sector, during 2025 an important consolidation transaction was completed on the Italian market through the acquisition of 2i Rete Gas by Italgas, both important customers of the SIT Group. In the already concentrated sector, a further degree of concentration has thus been achieved that may expose the SIT Group to commercial impacts as the most favorable conditions are adopted by customers. Also in this scenario, long-term strategic relationships and the capacity for innovation and competitiveness may be mitigating factors in the medium and long term.

Operational risks

Supply chain

In recent years, global events related to the pandemic, geopolitical instability resulting from the Russia-Ukraine and Middle East conflict and tensions between the United States and China in the Pacific area, as well as the resurgence of inflation linked to the volatility of energy prices, have led to a reassessment of the role of the supply chain in the company.

The new management paradigm that has emerged is aimed at obtaining components, materials and services at the right price, within defined times and with a high level of quality while promoting, at the same time, ethics and sustainability, development of stable relationships, finally guaranteeing innovation and technological development along the entire supply chain.

During the first half of 2026, notwithstanding the priorities that unexpectedly emerged as a result of exogenous factors, as discussed further below, the Group continued its supplier management process through the application of ESG criteria in the supplier engagement, evaluation and selection phases. To this end, the Group has established specific supplier management policies aimed at increasing the contractual coverage of its supplier base, with the objective of fostering more transparent, stable and clearer relationships, in line with the principles set out in the SIT Code of Ethics. In order to assess business conduct and engage suppliers in a proactive process of communication and dialogue, SIT selected the corporate social responsibility rating agency EcoVadis to evaluate the sustainability performance of its supply chain.
During the first half of 2026, the supply market remained generally characterized by substantial demand stability and material availability levels consistent with the Group's production requirements. It should be

noted that the electronic components sector, historically subject to greater volatility in delivery lead times, experienced cost increases and longer lead times for certain items as a result of extraordinary demand related to data center applications.
In this context, the Group continued, in line with its plans, the consolidation of its new manufacturing footprint, completing the ramp-up activities of the Tunisian facility and optimizing the related supplier base.
From a pricing perspective, no significant inflationary pressures were recorded on the Group's main production inputs, although some volatility remained in certain specific product categories and raw materials. In particular, geopolitical tensions in the Middle East, which intensified during the period, continued to affect international trade flows, resulting in higher transportation costs, insurance premiums and transit times on certain maritime routes. Additional impacts were recorded on energy costs and on the costs of petroleum-derived raw materials, such as rubber and plastics.
Nevertheless, thanks to the geographic diversification of its supplier base and the planning and monitoring tools adopted, the Group did not experience any significant impact on its operational continuity.
In certain operating segments, the Group maintains supplier relationships that are relatively concentrated among a limited number of commercial and technology partners. Such arrangements may expose the Group to a high level of dependency on certain product categories; however, these risks are continuously monitored and managed, including through strategic collaboration agreements with such suppliers. In any event, alternative sources of supply are available and may be activated, thereby mitigating these risks.

Business interruption

Business interruption refers to the risk of unavailability of production sites or their business continuity. In SIT, this risk is mitigated through an operational business continuity plan which, with respect to risk factors, tends to reduce their probability of occurrence and implement protections aimed at limiting their impact.
This risk is analysed with particular reference to the Group's international industrial structure and the production footprint adopted to serve the various markets by operating on continental platforms. Particular emphasis is given to the growing importance of the Tunisian plant, which has taken on a primary role in the production of electronic boards for both the Heating & Ventilation and Smart Gas Metering businesses. Mitigating solutions are in place that provide for agreements and relationships with third-party manufacturers (EMS) located on the continents of destination of the Group's products. In particular, one in Europe, one in China and one in Mexico: this structure makes it possible to guarantee production continuity in a reasonable time in the event of an interruption in Tunisia.
As far as mechanical production is concerned, the risk of production continuity is mitigated by the prevalent interchangeability of production plants.
Further actions to mitigate the risk of business interruption have been undertaken through the diversification of suppliers, the creation of consignment stock and the use, where possible, of suppliers physically adjacent to the production plants.
In order to transfer any risk deriving from business interruption events, the SIT group has long had a special insurance policy in place to cover this risk.

Product quality

SIT considers the risk associated with the marketing of the product to be of fundamental importance, in terms of quality and safety. The Group has always been committed to mitigating this risk with quality controls both on the internal production process and on suppliers and with error prevention activities. The latter are aimed at preventing problems before they arise, using specific robust design methodologies such as Failure Mode & Effect Analysis (FMEA), Quality Function Deployment (QFD) and Advanced Product Quality Planning (APQP).
The Company pays particular attention to compliance issues related to the use of hazardous or polluting substances in its production processes and products, also with reference to its supply chain. For this reason, SIT has implemented a management system called Material Trade Compliance (MTC), a portal for interaction with the supply chain for monitoring the compliance status of SIT's products. To date, MTC allows to cover compliance issues regulated by the SIT 4900000 standard under the Conflict Minerals regulation, the REACH and RoHS directives, the US Toxic Substances Control Act and a further set called SIT Restricted Substances which allows to monitor potential future attention points in the procurement process.

Cyber risks

The strong dependence on technology and the progressive acceleration towards digital transformation continue to expose companies to different types of cyber risks both internal and external, including possible third-party vulnerabilities. Cyberattacks, which are increasingly widespread and relevant globally, also in view of the evolution of the geopolitical context, represent a constant threat from which to defend the organization.
SIT's IT Department has equipped itself with specific professionals with experience in cybersecurity and annually defines a risk assessment and management program that includes:

- a system of internal policies and procedures that define the main rules of conduct for the use of company IT resources by assignees, also regulating physical and logical access to data and information;
- a continuous updating of IT infrastructures both at HW and SW level, to guarantee the best active and passive protection solutions against external attacks;
- a penetration test and vulnerability assessment program, to identify possible gaps in IT infrastructures and prepare appropriate remediation plans related to the non-conformities detected;
- training extended to all employees with a digital identity on cyber risks through the adoption of a new training tool;
- a Backup and Disaster Recovery infrastructure sized according to the different needs and critical issues of the company.

Starting from 2025, with the support of specialized professionals and consultants, activities were initiated to implement the regulatory requirements and related operational processes concerning cybersecurity (NIS2 – Directive (EU) 2022/2555) and artificial intelligence (AI Act – Regulation (EU) 2024/1689).

Legal and compliance risks

Compliance with regulations and laws

SIT is exposed to the risk of not promptly adapting to the evolution of laws and regulations in the industries and markets in which it operates. Of particular importance, with reference to this risk, are the rules applicable to the Parent Company as a company listed on the Euronext market of the Italian Stock Exchange as well as the regulations on intellectual and industrial property rights and competition, health and safety of workers and the environment, and the processing of personal data pursuant to European Regulation 2016/679 (GDPR), administrative liability of entities (Legislative Decree 231/01), protection of savings and regulation of financial markets (Law 262/05), as well as EU and national legislation on Antitrust. As a reflection of the ongoing geopolitical tensions, the regulations on international trade are increasingly important, including the limitations related to the sanction's regimes in place to which the Group is called to comply.
To mitigate these risks, each corporate function oversees the evolution of the relevant regulations by making use, if necessary, of external consultants.
The Parent Company, as an issuer listed on Euronext Milan, has consolidated its corporate governance system by adapting it to the provisions of current legislation and best market practices, both in terms of roles, responsibilities and committees, and in terms of procedures and policies.

Contractual risks

With regard to the management of any disputes, the Company's Legal Department periodically monitors the progress of potential or existing disputes and defines the strategy to be implemented and the most appropriate actions to manage them, making use, if necessary, of leading law firms competent for the various jurisdictions where the companies of the Group are based. With regard to these risks and the economic effects related to them, the appropriate assessments are carried out by the Administration, Finance and Control Department. It should be noted that the Company, in connection with its Governance objectives linked to the Sustainability Plan ("Made To Matter") has strengthened its compliance framework with laws, regulations and "best practices", through the drafting, publication and deployment of a new Group Code of Ethics and new procedures and policies in various areas (human rights, environment, stakeholder engagement, etc.).

Insurance coverage

During the first half of 2026, the Company, in cooperation with its insurance broker, continued the process of monitoring and assessing those risk categories considered material for insurance purposes, as well as reviewing the coverage solutions available in the insurance market, while confirming the existing insurance structure.
In particular, the Group renewed, through international insurance programs and for the benefit of all Group companies, coverage for its principal risks, including: third-party and employer's liability, product liability, directors' and officers' liability covering directors, statutory auditors, executives and managers; damage to corporate assets, including business interruption losses; goods in transit; and employee-related risks arising in the performance of their duties. Additional insurance policies have been arranged locally to address specific business needs and/or comply with local regulatory requirements.

Climate risks

SIT considers the impact of climate change from the point of view of the evolution of the Group's business with particular reference to the so-called transition risks related to:

- introduction of new regulations and product standards;
- development of new technologies that use alternative energy sources to gas;
- evolution of market demand towards applications with reduced CO2 emissions and/or high energy efficiency.

SIT has long been committed to this front through constant monitoring of the evolution of sector legislation, also being a participant in the debate of the regulatory bodies of the sectors in which it operates, both nationally and internationally, in a constant dialogue with the main reference stakeholders.
The development process of new products and solutions is inspired by the logic of eco-design, paying particular attention to carbon footprint profiles and environmental impact in general. SIT products are already prepared for the use of alternative combustion sources to gas (hydrogen and biomethane above all).
The business differentiation and market response strategies are oriented towards new sustainable technologies and the Company is making significant investments in these areas, both through technological partnership projects also with some important customers, and through the diversification of its business into market segments characterized by greater attention to sustainability issues such as controlled mechanical ventilation and electric heat pumps.
SIT has incorporated the impacts of transition risks into business development, having already taken into account the possible evolution of demand for its products as part of its strategic planning, carrying out appropriate climate and market scenario analyses.
The Company will continue to analyse the potential risks associated with the energy transition, functional to the preparation of its strategic plans, in line with the evolution of the relevant legislation and the objectives set by its Sustainability Plan.
Specifically, the business plan, referring to the 2026-2030 time horizon, incorporates the expected downsizing of the gas domestic heating market and the development of new products in growing sectors, such as heat pumps, controlled mechanical ventilation and hood ventilation, which exploit technologies and markets already covered by the Group and which require specific investments for product development. Similarly, growth is expected in product or market segments where combustion will remain prevalent (commercial applications, both methane and hydrogen); finally, the plan reflects an expected recovery in the US market, where restrictive regulations related to applications that use gas as a fuel do not yet seem to be on the horizon.
The development guidelines for Metering, both Smart Gas Metering and Water Metering, are equally defined and based on the important investments that utilities in the sector are planning and making for the digitization and modernization of distribution networks.
On the other hand, with regard to the physical risks related to climate change, the multiplication of catastrophic events, both acute and chronic, could have an impact on the business continuity and integrity of the Group's tangible assets.
On this front, the Company has adopted appropriate emergency management procedures in relation to the protection of business continuity. Risks of this type are monitored through property & business

continuity risk assessment activities with the support of specialized consulting companies in the insurance sector.
What has been highlighted above has been carefully considered in the main estimation processes underlying the assessments performed in the preparation of the 2026 Half-Year Report. In particular, with regard to Goodwill, it was concluded that the business performance during the period, together with the expected development of the financial year, recently assessed through the preparation of the forecast, and the outlook for the reference markets reflected in the assumptions underlying the aforementioned 2026-2030 Plan, which currently do not indicate any significant changes, do not constitute trigger events requiring the performance of an impairment test.

With regard to the physical risks associated with climate change, the increasing occurrence of both acute and chronic catastrophic events could affect the Group's business continuity and the integrity of its tangible assets. To address these risks, the Company has adopted appropriate emergency management procedures aimed at safeguarding business continuity. Risks of this nature are monitored through property and business continuity risk assessments, carried out with the support of specialized consulting firms operating in the insurance sector.
The second perspective relating to the assessment of climate change risks concerns the way in which the Group contributes to the fight against climate change through concrete actions aimed at reducing the environmental impact of its operations, lowering its carbon footprint and reducing emissions and consumption.

In this area, SIT can certainly be considered at the forefront of its industry, as it:

- has certified its product carbon footprint measurement system in accordance with ISO 14067:2018 and has verified its organizational carbon footprint (GHG inventory in accordance with ISO 14064-1 standards);
- has incorporated CFP (Product Carbon Footprint) measurements into its product development process as a key step, complementing economic and financial assessments with environmental impact considerations;
- has defined a multi-year plan to reduce CO_2 emissions (Scope 1 and Scope 2) inspired by the objectives of the European Union;
- has defined a multi-year plan to reduce CO_2 emissions (Scope 3) through dedicated projects and by promoting the involvement of its value chain.

The Group's emissions reduction plan is based on a gradual approach consistent with the economic and financial priorities that emerged during the 2023 and 2024 financial years, which required limitations on sustainability-related investments. Any acceleration in regulatory requirements or mandatory requests from customers could require this gradual approach to be reassessed. However, the current geopolitical environment and the new priorities emerging within European policies make such scenarios rather remote.
In addition to its carbon footprint, the Group monitors and manages other environmental impacts, including those related to evolving environmental regulations, the monitoring and control of pollutant emissions, the management of energy consumption and the use of natural resources, water withdrawals, and the proper management, disposal and reuse of waste.

In this regard, SIT ensures strict compliance with environmental regulations in all countries in which it operates. The Group's main manufacturing sites are certified under ISO 14001:2015, and the die-casting plant in Rovigo operates under an Integrated Environmental Authorization (AIA).
Environmental risks are managed at all levels of the organization through dedicated structures and procedures designed to ensure regulatory compliance and the execution of periodic monitoring activities, inspections and controls. To carry out these activities, SIT engages independent laboratories and certification bodies, thereby ensuring the reliability of the data collected and compliance with applicable regulations.

Financial risks

The Group is exposed to financial risks relating to the following cases:

- Market risks: (i) exchange rate risk deriving from transactions in currencies other than the functional currency of the companies and the Group; (ii) interest rate risk arising from fluctuations in market interest rates; (iii) price risk deriving from changes in the market prices of certain raw materials used by the Group in its production processes;
- Credit risk deriving from commercial relationships with its customers;
- Liquidity risk related to the availability of financial resources and access to the credit market.

The SIT Group has in place corporate policies for exchange rate risk management, interest rate risk management and liquidity management approved by the Board of Directors.

The purpose of these policies is to regulate within a shared framework the management approach, objectives, roles, responsibilities and operational limits in financial risk management activities.

In line with the terms of the policies, the Group has centralised the management of the financial risks of its subsidiaries in the parent company SIT S.p.A., taking on the role of coordinating processes, operating mechanisms and related organisational procedures at Group level.

Exchange rate risk

The Group is subject to the risk deriving from exchange rate fluctuations as it operates in an international context in which transactions are conducted in currencies other than the functional currency of the individual investee companies and the functional currency of the Group. The Group's exposure to exchange rate risk therefore derives from the geographical distribution of the markets in which it sells its products, the location of its production sites and the use of sources of supply denominated in different currencies.
In order to reduce exchange rate risk, it is a general policy to offset between exposures of opposite signs with correlated risk profiles (so-called Natural hedging).
In the Group's operations, exposure to exchange rate risk usually arises annually at the time of definition of the sales and purchase lists during the setting of the budget change.
The Group regularly assesses its exposure and manages the exchange rate risk on the net exposure, including through the use of derivative financial instruments. Speculative activities are not permitted.
Notwithstanding the validity of the aforementioned policies and compliance with the practices and procedures for managing exchange rate risk, sudden fluctuations in market rates could have negative effects on the Group's business, financial position, results of operations and prospects.
The following tables show the value in thousands of Euro, at average exchange rate, of revenues and purchase costs of raw materials, consumables and goods, broken down by currency, respectively. There were no significant changes compared to the previous year.

Total revenues by currency:

Eur,000	2026 H1	% Revenues	2025 H1	% Revenues
EUR	115,405	76.5%	115,348	75.1%
USD	25,349	16.8%	25,182	16.4%
CNY	6,665	4.4%	7,472	4.9%
MXN	1,870	1.2%	2,539	1.7%
AUD	1,137	0.8%	2,653	1.7%
GBP	325	0.2%	489	0.3%
Other	13	0.0%	9	0.0%
Total	**150,763**	**100.0%**	**153,692**	**100%**

Total raw materials, ancillaries, consumables and goods by currency:

Eur,000	2026 H1	% Acquisti	2025 H1	% Acquisti
EUR	49,214	60.6%	48,577	58.8%
USD	26,027	32.0%	27,438	33.2%
CHF	3,518	4.3%	4,159	5.0%
RON	917	1.1%	822	1.0%
CNY	899	1.1%	1,390	1.7%
MXN	460	0.6%	57	0.1%
TND	192	0.2%	177	0.2%
Other	21	0.0%	7	0.0%
Total	**81,248**	**100%**	**82,628**	**100%**

During the first half 2026, in line with company policies, the Company carried out financial hedging transactions limited to the ordinary management of the Group's currency treasury, operating in this sense in the main currencies.
Exchange rate risk hedging transactions outstanding at the balance sheet date and their fair value at the same date are shown in the Explanatory Notes.
The Group's financial debt is denominated entirely in Euro, while the breakdown by currency of the balances of unrestricted bank accounts is shown in the following table:

(Euro,000)	30.06.2026
Currency	
Euro	6,621
US Dollar	3,316
Chinese Yuan	1,510
Mexican Peso	531
Other currencies	348
Total	**12,326**

With reference to these items in the financial statements, the potential loss deriving from a hypothetical unfavourable change in the exchange rate of the Euro equal to 10% would have a negative impact of Euro 570 thousand without considering the effect of the existing hedges in this sensitivity analysis.

Interest rate risk

The Group is subject to the risk arising from fluctuations in market interest rates as it holds assets and liabilities that are sensitive to changes in market interest rates.
SIT regularly assesses the exposure to the risk of changes in interest rates and manages these risks also through the use of derivative financial instruments in accordance with the provisions of the company policies. These policies define the financial instruments that can be used and the prohibition of speculative activities.
Notwithstanding the validity of the aforementioned policies and compliance with the practices and procedures for managing interest risk, sudden fluctuations in market rates could have negative effects on the Group's business, financial position and financial position.
At the end of the year, the Group had term loans and bonds for a principal amount of Euro 106.5 million. These loans are currently covered through Interest Rate Swaps or through the setting of a fixed-rate interest for an amount of Euro 68.1 million, equivalent to 63.9% of the underlying value. The average fixed coverage rate is 3.39%.

Sensitivity analysis

All other things being equal, the effects deriving from a hypothetical increase of 100 basis points in the floating interest rate would have led to an increase in financial charges for SIT for the first half year 2026 of Euro 335 thousand, taking into account the hedges in place during the period. The same simulation carried out for the previous year, again taking into account the existing hedges, would have resulted in an increase in financial charges of Euro 292 thousand.

Commodity risk

The SIT Group's production costs are influenced by the prices of certain raw materials, such as copper, aluminium and lithium, as well as by the costs of electronic components, both as a result of direct purchases and through the impact of price fluctuations on the procurement costs of components and semi-finished products containing significant quantities of such materials. To mitigate these risks, SIT continuously monitors the availability of raw materials on the market, as well as related price trends, in order to promptly identify any potential shortages and implement appropriate measures to ensure the required production autonomy while maintaining a competitive cost structure. In addition, when deemed appropriate in light of expected market trends and budget targets, the Group enters into risk-sharing agreements with suppliers and, where feasible, financial hedging contracts.

During the first half of 2026, the supply market remained generally characterized by stable demand conditions and material availability levels consistent with the Group's production requirements. It should be noted that the electronic components market, a sector historically subject to greater volatility in delivery lead times, experienced cost increases and longer lead times for certain items due to extraordinary demand arising from data center applications.

From a pricing perspective, geopolitical tensions in the Middle East led to increases in transportation and energy costs, as well as higher prices for petroleum-derived raw materials such as rubber and plastics. Ongoing negotiations among the parties involved in the conflict may contribute to a moderation in current price growth trends and to the gradual normalization of markets, although such normalization is not expected in the short term and will likely continue to take place in an environment of considerable volatility and uncertainty.

Credit risk

The credit risk deriving from the normal operations of the Group companies with commercial counterparties is managed and controlled as part of the procedures for entrusting and monitoring the credit standing of customers with the aim of ensuring that sales are made to reliable and solvent customers. Credit management activities are coordinated by the Parent Company for all Group companies through periodic reporting and meetings and are based on the information available on the solvency of customers considering historical data and associating exposure limits for individual customers. In addition, the schedule of trade receivables is constantly monitored during the year in order to anticipate and promptly intervene on credit positions that present a greater degree of risk.

At the reporting date, there were no significant credit risk exposures outstanding. For further details on the composition of trade receivables, reference should be made to the relevant Explanatory Note.

Working capital

In the Heating & Ventilation sector, SIT is an integral part of its customers' value chain. In fact, SIT works with OEM customers, manufacturers of the end market appliance, which are the main global operators in the sector. One of the conditions of SIT's competitive advantage is its ability to integrate and coordinate its operations with those of customers, in order to respond promptly to changes in market demand both in terms of mix and volumes. This integration, in addition to involving physical proximity to customers' plants – think of the continental platforms of SIT's production footprint – requires production planning and forecasting processes that are highly coordinated with those of major customers. Also at the contractual level, logistical conditions and service levels are in line with this structure.

It follows that market fluctuations and the variability of demand can be reflected in SIT's working capital, which in this capacity is an integral part of the customers' production chain.

Over the last few years, the sector has experienced significant fluctuations in market demand as a result of changes in industry incentive schemes and the impact of inflation on household spending. During 2025, and as further confirmed in the first half of 2026, inventory levels across the supply chain appear to have returned to normal levels, enabling the Group to reduce its average inventory balance also through the inventory management policies implemented:

- with regard to raw materials, by adopting a prudent approach towards suppliers and aligning supply planning with the slowdown in production activities;
- with regard to finished goods, by applying stricter order management policies to customers, allowing order cancellations only with adequate notice periods consistent with production and delivery lead times.

During the first half of 2026, net trade working capital showed an improving trend compared to the same period of 2025. In the first six months of the year, net trade working capital decreased by Euro 5.3 million, representing a 0.6% reduction as a percentage of revenue. Compared with the same period of 2025, the balance decreased by Euro 10.0 million, equivalent to 2.8% of revenue, primarily as a result of improved management of trade receivables and trade payables, which more than offset a slight increase in inventory levels.

Liquidity risk

Liquidity risk may arise from difficulties in obtaining, on economically acceptable terms and within the required timeframe, the financial resources necessary to support the operations of the Company and the Group.
To address this risk, SIT has implemented a number of policies aimed at optimizing the management of financial resources and reducing liquidity risk through:

- maintaining an adequate level of available liquidity;
- securing appropriate credit facilities; and
- monitoring prospective liquidity conditions through the support of internal business planning processes.

The Group's cash flows, financing requirements and temporary liquidity surpluses are closely monitored and centrally managed by the Parent Company, which performs the Group treasury function and financial coordination activities, with the objective of ensuring an effective and efficient management of financial resources in response to changing macroeconomic conditions.
As described in greater detail in the section on Going Concern, during the first half of the year the Company held a series of discussions with a pool of banks regarding the structuring of a transaction aimed at redefining the Group's financial structure (the "Transaction"), with the objective of securing new resources to support the Plan while simultaneously reshaping the repayment profile in line with the operating cash flows envisaged therein. These discussions led to the successful completion of the Transaction, which was approved by the Board of Directors on 30 July 2026, and subsequently disbursed on 4 August 2026.
The Transaction, amounting in aggregate to Euro 100 million and with a five-year maturity, comprises a refinancing facility for existing indebtedness and a facility dedicated to investments envisaged under the Plan, the latter being partially guaranteed by SACE.
In light of the completion and funding of the Transaction and the resulting revised cash flow profile, liquidity risks have decreased compared to the previous situation and are considered manageable with resources deemed adequate to support the Group's operations over the next 12 months, within a scenario that nevertheless remains characterized by uncertainty due to the current macroeconomic environment.

With regard to the financial covenants applicable to the agreements in force as at 30 June 2026, all such covenants were complied with. The Transaction provides for a similar set of consolidated financial covenants to be tested on a semi-annual basis starting from 31 December 2026. The Plan, which incorporated the Transaction and was subject to an Independent Business Review (IBR), and which continues to represent a valid reference framework for the Group in light of the results achieved in the first half of the year and the forecast assumptions reviewed by the Board of Directors on 5 August 2026, does not indicate any issues regarding compliance with such covenants.

The contractual covenant levels in force as at 30 June 2026 and for the following 12 months are presented in the table below:

	30 june 2026	31 december 2026	30 june 2027
Leverage ratio (Net debt/Ebitda adj)	3,9x	3,75x	3,75x
Interest cover ratio (Ebitda adj/Net financial charges)	5,0x	4,5x	4,5x
Debt / Equity (Net debt/Equity)	1,5x	1,5x	1,5x
Capex Covenant (Capex cap)	n/a	Max €18,5 million Min € 9,0 million	n/a

It should be noted that financial covenants are defined on the basis of the definitions contained in the loan agreements.

INTER-COMPANY AND RELATED PARTY TRANSACTIONS

SIT is a joint-stock company located in Italy and registered at the Padua Companies Registration Office.
SIT exercises management and coordination activities in accordance with Article 2497 and subsequent of the Civil Code over its Italian subsidiary. It is not subject to management and coordination, pursuant to Articles 2497 and subsequent of the Italian Civil Code, by the parent company Technologies S.a.p.a. di F.d.S. S.S..
With regard to transactions carried out with related parties, including intragroup transactions, it should be noted that such transactions are neither atypical nor unusual, as they fall within the ordinary course of business of the Group companies.
These transactions are carried out on arm's length terms, that is, on terms and conditions that would have applied between independent parties, and are undertaken in the interest of the Group.
At its meeting held on 11 June 2021, the Board of Directors of SIT approved an update to the Related Party Transactions Procedure pursuant to Article 4 of the Consob Regulation governing related party transactions, adopted by Consob Resolution No. 17221 of 12 March 2010, as subsequently amended, most recently by Consob Resolutions No. 21623 and No. 21624 of 10 December 2020, and published on the Company's website at www.sitcorporate.it under the Corporate Governance section, Governance Documents.
Reference should be made to the Explanatory Notes for detailed information regarding transactions with parent companies and entities subject to the control of such parent companies, transactions with other related parties and intragroup transactions.
It should be noted that SIT S.p.A., Findest S.p.A., SIT MBT S.r.l. and Metersit S.r.l. have joined the National Tax Consolidation regime for the three-year period 2025–2027, as governed by Legislative Decree No. 344 of 12 December 2003 and, in particular, Articles 117 to 129 of the Italian Income Tax Code (TUIR), with Findest S.p.A. acting as the consolidating entity and the other companies as consolidated entities. The subsidiary SIT Metering S.r.l. has joined the National Tax Consolidation regime for the three-year period 2026–2028, while the parent company Technologies SAPA di F.D.S. S.S. has joined for the three-year period 2024–2026, both acting as consolidated entities.
Finally, it should be noted that, starting from the 2020 tax year, Findest S.p.A., as parent company, and SIT S.p.A. and Metersit S.r.l., as subsidiaries, have participated in the Group VAT settlement procedure pursuant to Article 73, last paragraph, of Presidential Decree No. 633/1972. The subsidiaries SIT Metering S.r.l., SIT MBT S.r.l., and the parent company Technologies SAPA di F.D.S. S.S. joined the Group VAT procedure starting from the 2021, 2025 and 2023 financial years, respectively.

TREASURY SHARES

As at 30 June 2026, the Company held 505,954 ordinary treasury shares, with no par value, representing 2.01% of the share capital. As at the same date in 2025 and as at 31 December 2025, treasury shares amounted to 636,813, corresponding to 2.54% of the share capital. The decrease is attributable to the vesting during the period of the conditions set out in the third cycle of the LTI Plan.

SUBSEQUENT EVENTS AND OUTLOOK

On 4 August 2026, following approval by the Board of Directors at its meeting on 30 July 2026, the Group completed a financing transaction for a total amount of Euro 100 million, with a five-year maturity, aimed at reshaping the repayment profile of certain existing loans and financing the Group's investment plan.

The transaction was entered into with a pool of Italian financial institutions and includes a partial SACE guarantee on the financing facility dedicated to investments. The interest rate is variable and 80% hedged, with a spread linked to the Group's financial leverage ratio. The financing also incorporates annual ESG targets under a sustainability-linked loan structure, consistent with the Group's sustainability strategy.

With regard to the foreseeable development of operations, against a backdrop of continuing geopolitical uncertainty, market volatility and increasing inflationary pressures in the Group's main reference markets, SIT continues to closely monitor the potential impacts on demand trends, production input costs and the Group's operating dynamics. Based on the management information currently available, the resilience of its business model and the strength of its commercial pipeline, management confirms its expectations for the full year 2026.

For the 2026 financial year, SIT therefore confirms low single-digit growth in consolidated revenues, supported by a positive performance in the second half of the year. In the Heating & Ventilation business, expectations are supported by visibility already secured for the third quarter and by the favourable seasonality of the business, while in Metering, the positive trend recorded in the second quarter is expected to continue.

The cost discipline demonstrated during the first half of the year provides a solid foundation for a further improvement in profitability during the second half. The Group therefore confirms its expectations of growth in operating profitability and a significant improvement in net profit compared to the previous financial year.

With regard to financial management, the Group expects to generate positive cash flow during the year, enabling it to reduce its level of indebtedness compared to that at the beginning of the year.

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Padua, August 5, 2026

The Chairman of the Board of Directors

(Dott. Federico de' Stefani)

CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2026

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

(Euro,000)	Note	30/06/2026	31/12/2025
Goodwill	1	63,278	63,278
Other intangible assets	1	38,435	40,868
Property, plant and equipment	2	79,496	84,406
Equity investments	3	1,357	1,527
Non-current financial assets	4	5,805	4,340
Deferred tax assets	5	11,539	11,693
Non-current assets		**199,909**	**206,112**
Inventories	6	82,679	76,149
Trade receivables	7	59,827	62,251
Other current assets	8	11,322	8,670
Tax receivables	9	1,083	2,676
Other current financial assets	4	1,873	3,055
Cash and cash equivalents	10	12,342	11,627
Current assets		**169,127**	**164,428**
Total assets		**369,037**	**370,540**
Share capital	11	96,162	96,162
Total Reserves	12	6,000	3,497
Net Profit/(loss)		836	1,345
Minority interest net equity		1,461	1,171
Shareholders' Equity		**104,460**	**102,175**
Medium/long-term loans and borrowings	13	43,966	57,344
Other non-current financial liabilities and derivative financial instruments	14	43,252	52,460
Provisions for risks and charges	15	9,393	9,264
Post-employment benefit provision	16	3,981	3,964
Other non-current liabilities	17	5,127	4,951
Deferred tax liabilities	18	7,578	8,391
Non-current liabilities		**113,298**	**136,374**
Short-term bank loans	19	33,675	29,209
Other current financial liabilities and derivative financial instruments	20	19,159	14,991
Trade payables	21	75,285	65,898
Other current liabilities	22	20,836	19,711
Tax payables	23	2,324	2,182
Current liabilities		**151,279**	**131,991**
Total Liabilities		**264,577**	**268,365**
Total Shareholders' Equity and Liabilities		**369,037**	**370,540**

CONSOLIDATED STATEMENT OF INCOME

(Euro,000)	Note	H1 2026	H1 2025
Revenues from sales and services	**24**	**150,763**	**153,692**
Raw materials, ancillaries, consumables and goods	25	81,248	82,628
Change in inventories	25	(5,825)	(8,560)
Service costs	26	22,193	23,687
Personnel expense	27	35,189	37,138
Depreciation, amortisation and write-downs	28	11,792	13,164
Provisions	29	155	437
Other charges (income)	30	637	1,421
Operating Profit/(loss)		**5,375**	**3,778**
Investment income/(charges)		-	-
Gains/(Losses) from valuations of minority option liabilities		-	-
Financial income	31	114	295
Financial charges	32	(3,109)	(3,067)
Net exchange gains (losses)	33	587	341
Impairments on financial assets	34	(312)	-
Profit (loss) before taxes		**2,657**	**1,347**
Income taxes	35	(1,820)	(2,044)
Net profit (loss) for the period		**836**	**(697)**
Minority interest result		290	143
Group net profit (loss)		**546**	**(840)**

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(Euro,000)	H1 2026	H1 2025
Net profit/(loss)	**836**	**(697)**
Other comprehensive income statement items which may be subsequently reclassified to the income statement for the year, net of taxes:		
Net change in cash flow hedge reserve	16	(626)
Income taxes	(4)	150
Total unrealised financial asset gains/(losses)	**12**	**(476)**
Translation of financial statements in currencies other than the Euro	1,440	(1,398)
Total of other comprehensive income statement items which may be subsequently reclassified to the profit/(loss) for the year, net of taxes	**1,452**	**(1,874)**
Other comprehensive income statement items which may not be subsequently reclassified to the profit/(loss) for the year, net of taxes:		
Unrealised actuarial gains	-	-
Income taxes	-	-
Total unrealised actuarial gains/(losses)	**-**	**-**
Total of other comprehensive income statement items which may not be subsequently reclassified to the profit/(loss) for the period, net of taxes	-	-
Total other comprehensive income/(expense) for the period, net of taxes	**1,452**	**(1,874)**
Total comprehensive income/(expense) for the period	**2,289**	**(2,570)**
Total comprehensive income/(expense) for the period attributable to:		
Parent company shareholders	**1,999**	**(2,713)**
Minority shareholders	290	143
Basic earnings per share	**0.0342**	**(0.1109)**
Diluted earnings per share	**0.0342**	**(0.1109)**

CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro,000)	Note	2026/06	2025/06
Net profit/(loss)		836	(697)
Amortisation & depreciation	1 - 2	11,754	13,077
Non-cash adjustments		386	94
Income taxes	34	1,821	2,042
Net financial charges/(income)	31 - 32	2,995	2,773
CASH FLOW FROM CURRENT ACTIVITIES (A)		**17,792**	**17,289**
Changes in assets and liabilities:			
Inventories		(5,793)	(7,748)
Trade receivables		2,859	(7,687)
Trade payables		8,832	5,107
Other assets and liabilities		(1,304)	(839)
Income taxes paid		(815)	(1,268)
CASH FLOW GENERATED (ABSORBED) FROM CHANGES IN WORKING CAPITAL (B)		**3,779**	**(12,435)**
CASH FLOW FROM OPERATING ACTIVITIES (A + B)		**21,571**	**4,854**
Investing activities:			
Investments in property, plant & equipment		(2,949)	(2,059)
Other changes in property, plant & equipment		222	811
Investments in intangible assets		(1,447)	(1,294)
Other changes in intangible assets		4	-
Investments in financial assets		(1,463)	(1,033)
Acquisition or sale of subsidiaries or business branches net of cash and cash equivalents		-	-
CASH FLOW FROM INVESTING ACTIVITIES (C)		**(5,633)**	**(3,575)**
CASH FLOW FROM OPERATING & INVESTING ACTIVITIES (A + B + C)		**15,938**	**1,279**
Financing activities:			
Interest paid		(3,182)	(3,665)
Repayment of non-current financial payables	20	(9,464)	(3,564)
Increase (decrease) current financial payables		(1,620)	2,418
Increase (decrease) other financial payables	20 - 35	(1,369)	(1,744)
New loans	20	-	914
Parent company financing		-	-
Other changes in Equity		-	-
CASH FLOW FROM FINANCING ACTIVITIES (D)		**(15,635)**	**(5,641)**
Change in translation reserve		412	(824)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)		**715**	**(5,186)**
Cash & cash equivalents at beginning of the year	**10**	**11,627**	**14,038**
Increase (decrease) in cash and cash equivalents		715	(5,186)
Cash & cash equivalents at end of the year	**10**	**12,342**	**8,852**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium reserve	Treasury shares reserve	Legal Reserve	Other reserves								Net profit (loss)	Group shareholders' equity	Minority interest capital & reserve	Total Group and Minority Interest Shareholders's Equity
					Currency conversion difference	Allocation employee L.T.I. reserve	Cash flow hedge reserve	Capital payments	Actuarial Reserve	Extraordinary reserve	Fair value of the put option on minority interests Reserve	Retained earnings (accum, losses)				
Balances as at January 1, 2025	**96,162**	**10,045**	**(5,328)**	**19,232**	**(6,214)**	**658**	**424**	**16,615**	**(271)**	**1,496**	**(5,040)**	**4,399**	**(31,617)**	**100,560**	**862**	**101,422**
Allocation of 2024 result	-	-	-	-	-	-	-	-	-	(1,393)	-	(30,224)	31,617	-	-	-
Change in Consolidation's scope	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
Purchase option on minority stakes	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
Comprehensive profit 2025	**-**	**-**	**-**	**-**	**281**	**-**	**(574)**	**-**	**66**	**-**	**-**	**-**	**1,036**	**809**	**309**	**1,119**
Assignment L.T.I. to employees	-	(83)	143	-	-	(436)	-	-	-	4	-	-	-	(372)	-	-
Other movements	-	-	-	-	-	-	-	-	-	-	-	6	-	6	-	**6**
December 31, 2025	**96,162**	**9,962**	**(5,185)**	**19,232**	**(5,933)**	**222**	**(149)**	**16,615**	**(205)**	**107**	**(5,040)**	**(25,819)**	**1,036**	**101,004**	**1,171**	**102,175**
Impact from the first-time adoption	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
Balances as at January 1, 2026	**96,162**	**9,962**	**(5,185)**	**19,232**	**(5,933)**	**222**	**(149)**	**16,615**	**(205)**	**107**	**(5,040)**	**(25,819)**	**1,036**	**101,004**	**1,171**	**102,175**
Allocation of 2025 result	-	-	-	-	-	-	-	-	-	-	-	1,036	(1,036)	-	**-**	**-**
Comprehensive profit June 30, 2026	**-**	**-**	**-**	**-**	**1,440**	**-**	**12**	**-**	**-**	**-**	**-**	**-**	**546**	**1,999**	**290**	**2,289**
Assignment L.T.I. to employees	-	(1,239)	1,461	-	-	(222)	-	-	-		-	-	-	**(0)**	-	**(0)**
Other movements	-	-	-	-	-	-	-	-	-	-	-	(5)	-	(5)	-	**(5)**
June 30, 2026	**96,162**	**8,723**	**(3,724)**	**19,232**	**(4,492)**	**-**	**(137)**	**16,615**	**(205)**	**107**	**(5,040)**	**(24,788)**	**546**	**102,998**	**1,461**	**104,460**

For further details on the breakdown of shareholders' equity, reference should be made to Notes 11 and 12 of the Explanatory Notes.

SIT and subsidiaries

EXPLANATORY NOTES

GENERAL INFORMATION

SIT S.p.A. (hereinafter, the Parent Company, SIT or the Company), based in Padua and whose shares are listed on the Euronext Milan market managed by the Italian Stock Exchange. The company is registered in the Companies Register of Padua at No. 04805520287 with registered office in Viale dell'Industria No. 34, Padua (PD).

The Company develops, manufactures and sells safety, control and comfort systems and high-performance gas equipment, principally for domestic use such as boilers, stoves and water heaters.

The consolidated half-yearly financial report of the SIT Group for the period between January 1, 2026 and June 30, 2026 was approved by the Board of Directors, which also authorized its publication by resolution dated August 5, 2026.

ACCOUNTING PRINCIPLES

The half-yearly condensed consolidated financial statements of the SIT Group as at June 30, 2026 were prepared in accordance with the international accounting standards (IFRS/IAS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union, including all interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

These half-yearly consolidated financial statements were prepared in accordance "IAS 34 Interim Financial Reporting" and therefore do not include all the information published in the consolidated annual report and must be read together with the consolidated annual financial statements as at December 31, 2025.

The consolidated financial statements comprise:

- the Consolidated balance sheet classified by current and non-current assets and liabilities based on their realisation or settlement within the normal operating cycle of the business or within twelve months of the reporting date,
- the Consolidated income statement which classifies costs and revenues by type, which is considered a better representation of the Group performance than a segment breakdown.
- the Consolidated comprehensive income statement;
- the Consolidated cash flow statement prepared in accordance with the indirect method;
- the statement of changes in consolidated shareholders' equity and
- corresponding explanatory notes containing the disclosure required by applicable legislation and by the reference international accounting standards.

The Consolidated Financial Statements have been prepared based on the historical cost principle, except for derivative financial instruments and financial liabilities for warrants, which have been recognised at fair value.

These consolidated financial statements are presented in Euro, the functional currency of the parent company and all amounts are rounded to thousands of Euro, except where otherwise indicated.

The consolidated financial statements fulfil the requirement for a true and fair view of the balance sheet, financial position, income statement and cash flows of the Group, in compliance with the general principles of going concern, the accruals concept, reliable presentation, correct classification, prohibition of offsetting and comparability of information.

The accounting standards and policies applied for the preparation of the consolidated financial statements as at June 30, 2026 are the same as those adopted for the consolidated financial statements as at December 31, 2025.

Going Concern

The Group recorded consolidated revenues of Euro 150.8 million in the first half of 2026, a decrease of 1.9% compared to the same period of 2025.
Heating & Ventilation sales declined by 1.6%, from Euro 106.7 million to Euro 105.7 million. At constant exchange rates, the first-half 2026 performance was substantially in line with the corresponding period of the previous year and reflected 11.2% growth in Europe, the region that had experienced significant volatility in recent years, confirming the normalization of market dynamics despite an uncertain geopolitical environment.
The Metering business reported a 1.6% decrease in sales, amounting to Euro 43.1 million, with Smart Gas Metering affected by customers' short-term purchasing and delivery policies, which influenced the period's performance. The half-yearly results confirmed the positive trend in Water Metering, which grew by 12.6% compared to the first half of 2025.
In terms of operating margins, the half year showed an improvement in EBITDA, which increased from Euro 16.9 million to Euro 17.1 million, and in Operating Profit (EBIT), which rose from Euro 3.8 million to Euro 5.4 million. The period result was a net profit of Euro 0.8 million, compared to a net loss of Euro 0.9 million in the first half of 2025.
From a financial management perspective, net financial debt amounted to Euro 125.8 million, showing a significant improvement, driven primarily by the reduction in working capital.
The results described above are substantially in line with the 2026 Budget approved by the Board of Directors on 18 December 2025, which has in turn been confirmed by the forecast reviewed by the Board of Directors on 5 August 2026.
Therefore, also in light of the operational evidence from the coming months, which confirms the assumptions for the current financial year, the figures contained in the 2026–2030 business plan, which was subject to an Independent Business Review ("IBR") by an independent expert and approved by the Board of Directors on 7 April 2026 (the "Plan"), are still considered a valid point of reference for the Group.
With regard to the current geopolitical environment, no significant disruptive events have emerged to date. In this respect, the Group has no assets or operations in the geographical areas affected by the conflict in Iran, and the proportion of indirect revenues generated from that market is immaterial. The impact of the conflict potentially concerns material costs, particularly those related to the petrochemical sector, such as plastics and rubber, as well as certain electronic components and transport and energy costs. At present, no issues have emerged regarding the availability of freight capacity or transportation services, although the knock-on effects arising from disruptions to trade flows in certain geographical areas could materialize several months later. The Group has already implemented price adjustment measures towards customers in order to mitigate the impact of any potential cost increases.
The Plan and the IBR performed by the independent expert, whose assessment was positive, confirming the underlying strategic rationale and the feasibility of the Plan, were among the principal documents

used by the Company in its discussions with major financial institutions regarding a transaction aimed at redefining its financial structure (the "Transaction"), with the objective of securing new resources to support the Plan while reshaping the repayment profile in line with the operating cash flows envisaged therein. During the first half of the year, these discussions progressed and led to the successful completion of the Transaction, approved by the Board of Directors on 30 July 2026, with funding subsequently disbursed on 4 August 2026.
The Transaction, amounting to Euro 100 million and having a five-year maturity, provides for a refinancing facility for existing indebtedness and a facility dedicated to the investments envisaged under the Plan, the latter being partially guaranteed by SACE. The Transaction was entered into with a pool of Italian financial institutions and includes annual ESG targets, allowing it to be classified as a sustainability-linked financing arrangement, consistent with the Group's sustainability strategy.
As a result of the disbursement and the consequent new cash flow profile, liquidity risks have decreased compared to the previous situation, given the level of financial resources secured through the Transaction.
In light of the above, the performance achieved in the first half of the year, and the outlook for the current financial year, which is expected to allow compliance with the covenants under the new financing agreements as well as with the assumptions contained in the Plan, the Directors believe that the Group will be able to meet its obligations in the foreseeable future and have therefore deemed it appropriate to prepare the condensed consolidated interim financial statements as at 30 June 2026 on a going concern basis.

IFRS Accounting Standards, Amendments and Interpretations applied from January 1, 2026

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group from January 1, 2026:

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued the document "Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7". The document clarifies certain issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary based on the achievement of ESG targets (e.g. green bonds). In particular, the amendments are intended to:

- clarify the classification of financial assets with variable returns linked to environmental, social and governance (ESG) objectives and the criteria to be applied in assessing the SPPI test;
- specify that the settlement date of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy allowing the derecognition of a financial liability before cash is delivered on the settlement date, provided certain specified conditions are met.

In addition, the IASB introduced further disclosure requirements, particularly with respect to investments in equity instruments designated at FVOCI.

The adoption of this amendment did not have any impact on the Group's consolidated financial statements.

Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7

On 18 December 2024, the IASB issued an amendment titled "Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7". The document aims to assist entities in reporting the financial effects of contracts for the purchase of electricity generated from renewable sources (often structured as Power Purchase Agreements). Under these contracts, the quantity of electricity generated and purchased may vary depending on uncontrollable factors such as weather conditions. The IASB introduced targeted amendments to IFRS 9 and IFRS 7. The amendments include:

- a clarification regarding the application of the "own use" requirements to this type of contract;
- criteria allowing such contracts to qualify for hedge accounting; and
- new disclosure requirements to enable users of financial statements to understand the effects of these contracts on an entity's financial performance and cash flows.

The adoption of this amendment did not have any impact on the Group's consolidated financial statements.

Annual Improvements Volum 11

On 18 July 2024, the IASB issued a document titled "Annual Improvements Volume 11". The document includes clarifications, simplifications, corrections and amendments aimed at improving the consistency of various IFRS Accounting Standards. The standards amended are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and the related guidance on the implementation of IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

The adoption of this amendment did not have any impact on the Group's consolidated financial statements.

Accounting standards, amendments and IFRS interpretations approved by the European Union, not yet mandatory and not adopted in advance by the Group as of June 30, 2026

As at the date of this document, the competent bodies of the European Union have completed the endorsement process required for the adoption of the amendments and standards described below. However, these standards are not yet mandatorily applicable and had not been early adopted by the Group as at 30 June 2026:

IFRS 18 Presentation and Disclosure in Financial Statements

The new standard, issued by the IASB on 9 April 2024, will replace IAS 1 Presentation of Financial Statements.

The new standard aims to improve the presentation of financial statements, with particular emphasis on the income statement. Specifically, the standard requires entities to:

- classify income and expenses into three new categories (operating, investing and financing), in addition to the existing categories relating to income taxes and discontinued operations;
- present two new subtotals: operating profit and profit before interest and taxes (EBIT).

The new standard also:

- requires enhanced disclosures regarding performance measures defined by management;
- introduces new principles for the aggregation and disaggregation of information; and
- introduces certain changes to the statement of cash flows, including the requirement to use operating profit as the starting point for the presentation of the cash flow statement under the indirect method and the removal of certain existing classification options for specific items (such as interest paid, interest received, dividends paid and dividends received).

The new standard will become effective from 1 January 2027, although earlier application is permitted.

The Directors are currently assessing the effects of the adoption of this new standard on the Group's consolidated financial statements.

Accounting standards, amendments and interpretations of IFRS not yet adopted by the European Union

As at the date of this document, the competent bodies of the European Union have not yet completed the endorsement process required for the adoption of the amendments and standards described below.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

On 9 May 2024, the IASB issued the new standard IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (together with the Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures issued on 21 August 2025). The new standard introduces certain simplifications with regard to the disclosures required by IFRS Accounting Standards in the separate financial statements of a subsidiary that meets the following requirements:

- it has not issued, and is not in the process of issuing, equity or debt instruments traded in a public market;
- its parent company prepares consolidated financial statements in accordance with IFRS Accounting Standards.

The new standard will become effective from 1 January 2027, although earlier application is permitted. The Directors are currently assessing the potential effects of the introduction of this amendment.

Translation to a Hyperinflationary Presentation Currency – Amendment to IAS 21

The document, issued by the IASB on 13 November 2025, clarifies the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy.

An entity applies the amendments if:

- its functional currency is that of a non-hyperinflationary economy and it is translating its results of operations and financial position into the currency of a hyperinflationary economy; or
- it is translating the results of operations and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy into the currency of a hyperinflationary economy.

The amendments will apply to financial statements for annual periods beginning on or after 1 January 2027. The Directors do not expect the adoption of this amendment to have any impact on the Group's consolidated financial statements.

IFRS 20 – Regulatory Asset and Regulatory Liabilities

The standard, issued by the IASB on 27 May 2026, applies to all entities subject to a specific type of rate regulation, namely rate regulation that gives rise to timing differences.

The objective of the new standard is to require an entity to provide relevant information that faithfully represents the effects of regulatory income and regulatory expenses on the entity's financial performance, as well as the effects of regulatory assets and regulatory liabilities on its financial position. To achieve this objective, the new standard establishes requirements for the recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expenses. Regulatory assets and regulatory liabilities represent a subset of the rights and obligations created by a regulatory agreement. Information about this subset of rights and obligations enables users of financial statements to understand:

- an entity's regulatory income and regulatory expenses arising from regulatory assets and regulatory liabilities. This understanding, together with the information required by other IFRS Accounting Standards, will provide insight into the total compensation permitted for regulated goods or services supplied by the entity during a reporting period and, consequently, into the entity's financial performance and prospects for future cash flows;
- an entity's regulatory assets and regulatory liabilities. This understanding will provide information about the entity's financial position at the end of a reporting period and about the amount, timing and uncertainty of its future cash flows.

IFRS 20 will replace IFRS 14 – Regulatory Deferral Accounts and will become effective for annual reporting periods beginning on or after 1 January 2029, with earlier application permitted.

The Directors do not expect the adoption of this standard to have a significant impact on the Group's consolidated financial statements.

Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to IAS 28)

The document, issued by the IASB on 27 June 2026, clarifies which entities are eligible to measure investments in associates and joint ventures using the fair value option provided for under IAS 28.

The IASB decided to develop amendments to address:

- the lack of clarity regarding the meaning of "similar entities, including investment-linked insurance funds" and how this definition should be interpreted, whether narrowly or broadly; and
- the different interpretations of the relationship between the scope of the fair value option in IAS 28 and the requirements of IFRS 18 relating to "specified main business activities."

The amendments will become effective concurrently with the application of IFRS 18 and, therefore, for annual reporting periods beginning on or after 1 January 2027.

The Directors are currently assessing the potential effects of the adoption of these amendments on the Group's consolidated financial statements.

DISCRETIONARY VALUATIONS AND SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of these half-yearly condensed consolidated financial statements required Directors to make estimates and assumptions which, in certain circumstances, are based on historic data and may affect the values expressed in the financial statements. Assumptions deriving from estimates are revised periodically and the relative effects are reflected in the income statement in the period in which they occur.

The areas that required the greatest use of estimates were those relating to the assessment of potential impairment losses on goodwill, the valuation of outstanding options, the analysis of deferred tax assets, provisions for risks and charges, and the impairment of receivables.

Consolidation scope and method and conversion of financial statements expressed in currencies other than the Group functional currency (Euro)

All the following companies are included in the financial statements according to the line-by-line method, which provides for the full inclusion of all of the financial statement line items, without considering the shareholding:

Company	Country	Registered Office	Currency	Share capital (in units of local currency)	% held
SIT S.p.A.	Italy	Padua	EUR	96,162,195	
Metersit S.r.l.	Italy	Padua	EUR	1,129,681	100
SIT Controls BV	Netherlands	Hoogeveen	EUR	46,000	100
SIT Gas Controls Pty Ltd	Australia	Mulgrave	AUD	100,000	100
SIT Controls USA Inc.	USA	Charlotte	USD	50,000	100
SIT Controls Deutschland GmbH	Germany	Arnsberg	EUR	51,129	100
SIT Controls CR, S.r.o.	Czech	Brno	CSK	1,500,000	100
SIT Manufacturing N.A. Sa de CV	Mexico	Monterrey	MXN	172,046,704	100
SIT de Monterrey N.A. SA de CV	Mexico	Monterrey	MXN	50,000	100
SIT Controls Canada Inc.	Canada	Ontario	CAD	14,947	100
S.C. SIT Romania S.r.l.	Romania	Brasov	EUR	2,165,625	100
SIT Manufacturing (Suzhou) Co. Ltd	China	Suzhou	EUR	2,600,000	100
SIT Argentina S.r.l.	Argentina	Santa Fe	ARS	90,000	100
JANZ – Contagem e Gestão de Fluídos, SA	Portugal	Lisbon	EUR	1,000,000	100
Plast Alfin S.a.r.l.	Tunisia	Ben Arous	EUR	10,454	100
Sit Controls Tunisia S.u.a.r.l.	Tunisia	Tunisi	EUR	1,561,303	100
Sit Metering S.r.l.	Italy	Padua	EUR	1,500,000	100
Metersit UK Ltd	United	Manchester	GBP	150,000	100
SIT Motors & Blowers Technology S.r.l.	Italy	Padova	EUR	1,192,143	70

The table below presents the exchange rates utilised for the conversion of the financial statements in currencies other than the Group functional currency (Euro).

Euro/Currency	June 30, 2026	Average H1 2026	December 31, 2025	2025 average	June 30, 2025	Average H1 2025
Mexican Peso	19.9030	20.3754	21.1180	21.6705	22.0899	21.8035
Argentinean Peso	1.687.3239	1.649.4737	1.707.5606	1.412.1281	1.391.4393	1.205.9751
Romanian Leu	5.2439	5.1425	5.0968	5.0424	5.0785	5.0041
US Dollar	1.1394	1.1666	1.1750	1.1300	1.1720	1.0927
Canadian Dollar	1.6220	1.6074	1.6088	1.5787	1.6027	1.5400
Czech Crown	24.2560	24.3130	24.2370	24.6879	24.7460	25.0016
Australian Dollar	1.6544	1.6612	1.7581	1.7518	1.7948	1.7229
Chinese Yuan	7.7314	8.0073	8.2262	8.1185	8.3970	7.9238
Tunisian Dinar	3.3621	3.3793	3.3948	3.3734	3.3917	3.3526
UK Sterling	0.8618	0.8672	0.8726	0.8568	0.8555	0.8423

COMMENTS ON THE MAIN ITEMS OF THE CONSOLIDATED BALANCE SHEET

Non-current assets

Note 1: Goodwill and Other intangible assets

(Euro.000)

	Balance as at Dec. 31, 25	Increases	Write-downs	Amortisation	Other movements	Translation differences	Balance as at June 30, 26
Goodwill	**63,278**	-	-	(0)	-	-	**63,278**
Development costs	3,094	-	-	(463)	107	-	2,737
Patent rights	2,471	67	-	(908)	-	4	1,634
Concessions, licences and trademarks	13,504	-	-	(826)	-	146	12,825
Other Intangible assets	15,220	28	-	(1,834)	6	-	13,420
Intangible Assets in progress and advances	6,579	1,352	-	-	(113)	1	7,819
Total other intangible assets	**40,868**	**1,447**	**-**	**(4,031)**	**-**	**151**	**38,435**
Total goodwill and other intangible assets	**104,146**	**1,447**	**-**	**(4,031)**	**-**	**151**	**101,713**

Goodwill

At June 30, 2026, goodwill amounted to Euro 63,278 thousand.

The total includes:

- Euro 78,138 thousand recognised following the acquisition of the Group company SIT La Precisa S.p.A. on May 2, 2014. As per IFRS 3 Business combinations, on acquisition the assets and liabilities of the Group were measured at fair value at the acquisition date. The excess between the consideration of the transaction (Euro 201,553 thousand) and the fair value of the assets and liabilities acquired was allocated (where possible) to identifiable assets.
- Euro 8,617 thousand recognised following the acquisition of the company JANZ – Contagem e Gestão de Fluídos, SA completed on December 29, 2020. The business combination was accounted for in accordance with IFRS 3.
- Euro 1,191 thousand recognised following the acquisition of the company Plast Alfin S.a.r.l. on July 17, 2020. The transaction will enable the Group to achieve cost savings by producing certain plastic components internally.
- Euro 17,000 thousand of impairment losses resulting from an impairment test conducted as of June 30, 2023, at the time of preparation of the half-yearly financial report, and attributable to the Heating & Ventilation CGU.
- Euro 7,668 thousand of impairment losses resulting from an impairment test carried out as of December 31, 2024, at the time of preparation of the annual financial report, and attributable to the Heating & Ventilation CGU.

As a result of the above indicated write-down, Goodwill, amounting to Euro 63,278 thousand as of June 30, 2026, is allocated to the Heating & Ventilation CGU in the amount of Euro 37,454 thousand, to the Smart Gas Metering CGU in the amount of Euro 17,207 thousand, and to the Water Metering CGU in the amount of Euro 8,617 thousand.

Development costs

As of June 30, 2026, development costs amounted to Euro 2,737 thousand.

The item consists of the capitalisation of internal personnel costs, external consultancy fees and prototypes attributable to the Smartio project (C&I project) for Euro 107 thousand. This item also includes the annual depreciation of Euro 463 thousand.

Patent and intellectual property rights

The item includes technical manufacturing know-how and unpatented technology identified in connection with the business combination completed in May 2014, for an original amount of Euro 25,322 thousand. This amount corresponds to the allocation of a portion of the excess purchase price over the carrying amount of the consolidated net assets, based on a valuation report prepared by independent experts. As at 30 June 2026, the residual value relating to the Heating & Ventilation business is fully amortised.

The amount also includes the effects of the allocation of the excess purchase price paid for the acquisition of JANZ, which was subsequently allocated to Know-how, for an original amount of Euro 3,352 thousand. As at 30 June 2026, the residual value amounts to Euro 718 thousand and is being amortised over 7 years.

The item also includes software licences and costs incurred for the registration of new industrial patents or the extension of existing industrial patents to additional countries.

The changes during the period are mainly attributable to amortisation for the period, while additions relate to the filing of new patents and the implementation of new software.

Concessions, licenses, trademarks

The amount of Euro 12,825 thousand mainly relates to the “SIT” and “Metersit” trademarks, identified for an aggregate original amount of Euro 23,995 thousand in connection with the business combination involving SIT La Precisa S.p.A. completed on 2 May 2014. These values were determined with the support of a valuation report prepared by independent experts. As at 30 June 2026, the residual carrying amount is Euro 7,909 thousand relating to the Heating & Ventilation business and Euro 1,489 thousand relating to the Smart Gas Metering business.

The amount also includes the effects of the allocation of the excess purchase price paid for the acquisition of JANZ to trademarks, for an original amount of Euro 2,038 thousand. As at 30 June 2026, the residual value amounts to Euro 917 thousand, being amortised over 10 years.

The changes during the period are mainly attributable to amortisation for the period.

Other intangible assets

This item, amounting to Euro 13,420 thousand, includes the residual value of the customer relationship identified in connection with the Heating & Ventilation business as part of the acquisition of SIT La Precisa S.p.A. completed on 2 May 2014, whose fair value was originally determined at Euro 42,690 thousand.

This value was determined on the basis of a valuation report prepared by independent experts. As at 30 June 2026, the residual value of the customer relationship amounts to Euro 8,064 thousand.

The item also includes the effects of the allocation of the excess purchase price paid for the acquisition of JANZ, subsequently allocated to Customer Relationship for an original amount of Euro 7,206 thousand and to Backlog Order for an original amount of Euro 1,013 thousand. The estimated useful lives were determined to be 15 years and 4 years, respectively, with non-linear amortisation based on the contractual billing pattern. As at 30 June 2026, the residual value of the Customer Relationship amounts to Euro 4,564 thousand. The Backlog Order was fully amortised in 2024.

This item also includes costs incurred for the implementation of the SAP ERP system, as well as costs relating to the acquisition of the Piteco Evolution centralized treasury management software package.

Intangible assets under construction

This item includes among the increases development costs that were capitalized during the year in relation to two projects relating to the Metering segment (Smartio, Netherlands G4/G6) for an amount of Euro 681 thousand and to six projects relating to the Heating & Ventilation segment for Euro 538 thousand.

IMPAIRMENT TEST

Goodwill arising from a business combination, being an intangible asset with an indefinite useful life, is not amortised but is tested for impairment at least annually in order to identify any potential impairment loss.

As at 30 June 2026, in preparing the half-yearly condensed consolidated financial statements, the Company assessed, separately for each of the three cash-generating units (hereinafter also referred to as "CGUs") comprising the Group, namely Heating & Ventilation, Smart Gas Metering and Water Metering, whether any external or internal evidence or information existed that could constitute indicators of potential impairment and, in accordance with IAS 36, require the performance of an impairment test.

It should be recalled that on 18 December 2025 the Board of Directors approved the 2026 Budget, which was used as the first year of the multi-year business plan for the period 2026–2030, subsequently subject to an Independent Business Review ("IBR") by an independent expert and approved by the Board of Directors on 7 April 2026 (the "Plan"). The expert's assessment was positive, confirming the underlying strategic rationale and the feasibility of the Plan, while highlighting more ambitious growth assumptions in certain market segments. These observations formed the basis for the sensitivity analyses used in carrying out the impairment test during the preparation of the 2025 financial statements, which did not identify any impairment losses and confirmed that the carrying amount of invested capital was recoverable through its value in use.

As further described in the section on Going Concern, on 5 August 2026 the Board of Directors reviewed the 2026 Forecast. Overall, the Forecast confirmed the assumptions and results of the Budget. Therefore, also in light of the operational evidence from the following months, which continues to support the forecasts for the financial year, the data contained in the Plan are still considered a valid reference point for the Group, including at the level of each individual CGU.

In view of the above, no indicators of potential impairment, as defined by IAS 36, were identified. Accordingly, the Directors concluded that it was not necessary to perform an impairment test on the invested capital of the Group's CGUs.

Note n. 2: Property, plant and equipment

Changes in property, plant and equipment for the first half quarter 2026 are summarised in the table below:

(Euro,000)

	Historical cost as at Dec, 31, 25	Accum, Deprec, as at Dec, 31, 25	Balance as at Dec, 31, 25	Of which "Right-of-use" IFRS 16	Historical cost as at June 30, 26	Accum, Deprec, as at June 30, 26	Balance as at June 30, 26	Of which "Right-of-use" IFRS 16
Land & buildings	81,361	(34,750)	46,611	6,390	81,955	(36,798)	45,157	5,811
Property, plant and equipment	159,510	(141,599)	17,912	-	162,639	(144,890)	17,749	-
Industrial & commercial equipment	115,680	(106,253)	9,428	690	117,004	(108,407)	8,597	655
Other assets	12,581	(9,015)	3,566	1,539	11,900	(9,496)	2,404	604
Assets in progress and advances	6,891	-	6,891	-	5,593	-	5,593	-
Total property, plant and equipment	**376,023**	**(291,616)**	**84,407**	**8,619**	**379,091**	**(299,591)**	**79,501**	**7,070**

The following tables outline the changes in the historic cost and accumulated depreciation in the first half quarter 2026 by category.

Historical cost

(Euro,000)

	Historical cost as at Dec, 31, 25	Of which "Right-of-use" IFRS 16	Increases	Disposals	Other movements	Translation differences	Historical cost as at June 30, 26	Of which "Right-of-use" IFRS 16
Land & buildings	81,361	13,028	109	(24)	312	197	81,955	13,169
Property, plant and equipment	159,510	-	777	(6)	1,596	762	162,639	-
Industrial & commercial equipment	115,680	2,242	1,171	(532)	552	132	117,004	1,994
Other assets	12,581	3,155	106	(850)	-	63	11,900	2,423
Tangible Assets in progress and advances	6,891	-	1,064	-	(2,394)	32	5,593	-
Total Property, plant and equipment	**376,023**	**18,425**	**3,227**	**(1,412)**	**66**	**1,187**	**379,091**	**17,586**

Increases for the year mainly refer to plants, machinery and moulds necessary for the development and manufacturing of new products, in particular those relating to the implementation of the production line of the G40 project as well as the renewal of other existing ones and the improvement of efficiency and production technologies. The increases also include commitments for IFRS 16 relating to contracts that expired during the year and were renewed during the year. For further details, please refer to Note 36.

The decreases in the year are due to disposals and sales of property, plant and equipment, largely already depreciated.

The item "Other movements" includes investments that, as at 31 December 2025, were under construction and that, during 2026, became fixed assets subject to depreciation.

Accumulated depreciation

(Euro,000)

	Provision as at Dec. 31, 25	Of which "Right-of-use" IFRS 16	Deprec	Disposals	Other movements	Translation differences	Balance as at June 30, 26	Of which "Right-of-use" IFRS 16
Acc, Depr, Land & buildings	(34,750)	(6,638)	(1,809)	24	-	(262)	(36,798)	(7,357)
Acc, Depr, Property, plant and equipment	(141,599)	-	(2,668)	6	-	(629)	(144,890)	-
Acc, Depr, Industrial & commercial equipment	(106,253)	(1,553)	(2,560)	532	(0)	(126)	(108,407)	(1,339)
Acc, Depr, Other assets	(9,015)	(1,616)	(686)	270	(3)	(62)	(9,496)	(1,819)
Tangible Assets in progress and advances	-	-	-	-	-	-	-	-
Total accumulated depreciation Property, plant and equipment	**(291,616)**	**(9,806)**	**(7,723)**	**831**	**(3)**	**(1,079)**	**(299,591)**	**(10,516)**

Property, plant and equipment were depreciated at June 30, 2026 at the following rates:

	Rate
Land & buildings	44.90%
Plant & machinery	89.09%
Industrial and commercial equipment	92.65%
Other assets	79.80%
Leasing	59.80%

Note n. 3: Investments

The following table presents the changes recorded during the first half of 2026 in the item Investments.

(Euro.000)

Investments	Balance as at 31/12/2025	Increases in the period	Decreases in the period	Other changes	Balance as at 30/06/2026
Company					
Immobiliare Golf Montecchia	28	-	-	-	28
Fondazione ABO in liquidation	6	-	-	-	6
Italmed Llc.	378	-	-	-	378
Cyrus Intersoft Inc.	366	-	-	-	366
Infracom S.p.A.	521	-	-	-	521
Immobiliare Polesana (ex IMER)	1	-	-	-	1
Upsens srl	300	-	-	-	300
Hybitat srl	-	-	-	-	-
Aquametric Solutions SA	637	-	-	(170)	467
Conthidra S. L.	541	-	-	-	541
Other minor investments	1	-	-	-	1
Fondazione ABO in liq. write-down	(6)	-	-	-	(6)
Italmed Llc. . write-down prov.	(378)	-	-	-	(378)
Cyrus Intersoft Inc. write-down prov.	(366)	-	-	-	(366)
Infracom S.p.A. write-down prov.	(502)	-	-	-	(502)
Total equity investments	**1,527**	**-**	**-**	**(170)**	**1,357**

The item Other Changes, negative for Euro 170 thousand, reflect the result of the associate Aquametric Solutions, S.A., valuated with the equity method.

Note n. 4: Current and non-current financial assets

The breakdown of financial assets at June 30, 2026 is as follows:

(Euro,000)	30-june-26	31-dec-2025
Guarantee deposits	297	292
Long-term Financial receivables from Aquametric Solutions, S.A.	3,400	2,400
Long-term participatory financial instruments	2,108	1,648
Long-term derivative financial instruments	-	-
Non-current financial assets	**5,805**	**4,340**
Short-term deposits	1,790	1,917
Restricted deposit account - short term	-	1,000
Short-term financial receivables from Aquametric Solutions, S.A.	56	100
Financial receivables from third parties	7	1
Short-term derivative financial instruments	20	37
Other current financial assets	**1,873**	**3,055**

The main accounts are commented upon below.

Financial receivables from Aquametric Solutions, S.A. (Short and medium term)

During the first half of 2024, the subsidiary Metersit S.r.l. paid Euro 1,500 thousand to Aquametric Solutions, S.A., a company subject to the Joint Venture with GWF, aimed at the development of the new ultrasonic water meter called SmartIO. The contract provides for an annual repayment plan, expiring on 30 June, based on the amortization plan of the financed assets and the company's cash and cash equivalents; accrues interest at a market rate (3-month Euribor) plus an annual spread (1.9%).

Within the above-mentioned agreement, during the 2025 financial year an additional Euro 900 thousand was disbursed.

An additional Euro 1,000 thousand was disbursed during the first months of 2026.

Participatory financial instruments

The item, amounting to Euro 2,108 thousand, relates to participating financial instruments (PFIs) issued by Hybitat S.r.l. and subscribed by the Company. During the period, the Company subscribed to 4,600 participating financial instruments issued by Hybitat S.r.l. for a total consideration of Euro 460 thousand.

These financial instruments grant the holders an option right to subscribe to a capital increase with the objective of implementing the business plan and achieving the related milestones.

As at 30 June 2026, the Company had subscribed a total of 25,509 PFIs with an aggregate value of Euro 2,108 thousand, of which 6,409 PFIs were acquired from E-Novia.

Finally, it should be noted that the Company has committed to subscribe at least 7,000 PFIs in each calendar year through and including the 2027 financial year.

Short-term deposits

The amount relates entirely to the payment of a security deposit to a supplier to guarantee supplies of electronic components having particularly long lead times and whose delivery has been particularly unpredictable over the past 12 months.

The deposit in question, which as at 31 December 2025amounted to Euro 1,917 thousand (of which Euro 1,127 thousand relating to SIT S.p.A. and Euro 790 thousand relating to Metersit S.r.l.), was partially released during the 2026 financial year for Euro 127 thousand (entirely related to SIT S.p.A).

Restricted deposit account (short and medium term)

During 2020, the parent company SIT S.p.A. paid Euro 3,000 thousand on behalf of the subsidiary SIT Metering S.r.l. as a guarantee in connection with the acquisition of JANZ Contagem e Gestão de Fluídos S.A. During the first months of the 2026 financial year, the remaining balance of this deposit, amounting to Euro 1,000 thousand, was released in accordance with the contractual agreements.

Note n. 5: Deferred tax assets

Details of the temporary differences and the consequent deferred tax assets as at June 30, 2026 and December 31, 2025 are provided below, based on the breakdown by nature of the temporary differences:

Balance as of June 30, 2026

(Euro,000)	Changes IRES	Changes IRAP	IRES tax effect	IRAP tax effect
Employee provisions	1,689	249	445	10
Other risk and charges provisions	566	8,075	152	329
Costs deductible in future years	2,241	-	672	-
Write-down of inventories	1,362	2,695	395	110
Deprec, suspended on revaluations	-	171	-	7
Tax losses	23,010	-	5,713	-
Non-deductible interest	1,802	-	432	-
Write-down of tangible fixed asset	-	1,002	-	41
Other & overseas	3,448	-	938	-
Inter-company transactions	6,067	3,189	1,456	124
Cash flow hedge Reserve	191	-	46	-
Operative Leasing IFRS16	2,781	-	668	-
Total	**43,158**	**15,381**	**10,917**	**622**

Balance as of December 31, 2025

(Euro,000)	Changes IRES	Changes IRAP	IRES tax effect	IRAP tax effect
Employee provisions	704	346	209	14
Other risk and charges provisions	575	8,040	153	328
Costs deductible in future years	2,918	-	875	-
Write-down of inventories	1,402	2,356	415	97
Deprec, suspended on revaluations	-	171	-	7
Tax losses	23,477	-	5,913	-
Non-deductible interest	1,802	-	432	-
Write-down of tangible fixed asset	-	1,002	-	41
Other & overseas	1,567	-	471	-
Inter-company transactions	7,214	3,874	1,731	151
Cash flow hedge Reserve	490	-	118	-
Operative Leasing IFRS16	3,068	-	736	-
Total	**43,217**	**15,789**	**11,055**	**638**

The recognition of deferred tax assets was based on the Directors' assessment that it is probable that the Group entities will generate sufficient taxable profits in future periods to allow the recovery of such assets.

Current assets

Note n. 6: Inventories

Inventories, presented in the financial statements net of the obsolescence provision, are comprised as follows:

(Euro,000)	30-june-26	31-dec-25
Raw materials, ancillary and consumables	43,769	44,504
Work-in-progress and semi-finished goods	20,274	16,222
Finished products and goods	18,547	15,211
Advances to suppliers	89	211
Inventories	**82,679**	**76,149**

The movement in the inventory obsolescence provision during the first half of 2026 is presented below:

(Euro,000)	30-june-26
Obsolescence provision 31/12/2025	**4,328**
Utilisation in the period	(281)
Provision for the period	495
Exch, diff,	68
Obsolescence provision 30/06/2026	**4,610**

The provision reflects the reduced value of inventories due to obsolescence, slow movements or as a result of market values below acquisition or production cost.

Note n. 7: Trade receivables

Trade receivables and the related doubtful debt provisions are summarised below.

(Euro,000)	30-june-26	31-dec-25
Trade receivables	56,766	59,746
Trade receivables from holding company	-	-
Receivables from companies of the Group (associates and joint ventures)	3,939	3,348
Trade receivables from companies subject to control of holding company	-	-
Current trade receivables	**60,705**	**63,095**
Doubtful debt provision	(878)	(843)
Trade receivables	**59,827**	**62,251**

Trade receivables

These refer to the direct commercial relationships that the Group has with customers, net of non-recourse receivables assignment transactions of Euro 4,302 thousand, carried out by the Group and referring to transactions carried out by the Parent Company with its customers.

The amount is stated net of the doubtful debt provision which expresses reasonably expected losses both on the basis of prior non-collection and amounts overdue.

Receivables from other companies of the Group

This item refers to receivables from Conthidra S.L., and Aquametric Solutions, S.A., companies consolidated with equity method.

Doubtful debt provision

The doubtful debt provision amounts to Euro 878 thousand, with the movements in the first half 2026 reported in the following table:

(Euro,000)	30-june-26
Doubtful debt provision 31/12/2025	**843**
Utilisation in the period	-
Provision for the period	36
Exch. diff.	(1)
Doubtful debt provision 30/06/2026	**878**

Nota n. 8: Other current assets

The detail of this item is as follows:

(Euro,000)	30-june-26	31-dec-25
Tax receivables	5,506	3,938
Advances	1,698	1,415
Prepayments and accrued income	1,637	899
Other receivables	1,900	1,393
Other tax credits	493	907
Employee receivables	3	2
Social security institution receivables	87	117
Other current assets	**11,322**	**8,670**

TAX RECEIVABLES

The amount is detailed as follows:

(Euro,000)	30-june-26	31-dec-25
VAT receivables	3,815	3,063
Group VAT receivables	1,428	862
Withholding taxes	262	13
Total tax receivables	**5,506**	**3,938**

VAT RECEIVABLES

The VAT balance includes Euro 1,859 thousand relating to the subsidiary SIT Manufacturing N.A.S.A. de C.V, Euro 1,244 thousand relating to the subsidiary JANZ and Euro 436 thousand relating to the subsidiary SIT Manufacturing (Suzhou) Co. Ltd.

GROUP VAT RECEIVABLES

Findest S.p.A., as the parent company, and SIT S.p.A. and Metersit S.r.l., as subsidiaries, joined the Group VAT settlement procedure pursuant to Article 73, last paragraph, of Presidential Decree No. 633/1972, as resolved by their respective management bodies during 2019. The subsidiary SIT Metering S.r.l. and the parent company Technologies SAPA di F.D.S. S.S. joined the Group VAT procedure starting from the 2021

and 2023 financial years, respectively. As from the 2025 financial year, the subsidiary SIT MBT S.r.l. also became part of the Group VAT settlement procedure.

The amount of Euro 1,428 thousand relates to the net receivable due from Findest S.p.A. to SIT S.p.A., Metersit S.r.l. and SIT MBT S.r.l., amounting to Euro 142 thousand, Euro 760 thousand and Euro 526 thousand, respectively.

ADVANCES

The item, amounting to Euro 262 thousand, relates to advances to suppliers for services rendered to the Mexican subsidiary SIT Manufacturing N.A. S.A. de C.V..

PREPAYMENTS AND ACCRUED INCOME

As at 30 June 2026, accrued income and deferred income mainly refer to deferred income on rents, rents and insurance premiums as well as on fixed asset maintenance and repair fees.

Note n. 9: Tax receivables

The account concerns income tax receivables, as follows:

(Euro,000)	30-june-26	31-dec-25
IRES receivables	1,069	2,079
IRAP receivables	-	-
Receivable from holding company for tax consolidation	-	448
Current tax receivables	14	149
Tax receivables	**1,083**	**2,676**

The amount of Euro 1,069 thousand refers to the Mexican subsidiary towards the tax authority.

Note n. 10: Cash and cash equivalents

Cash and cash equivalents are presented below:

(Euro,000)	30-June-26	31-Dec-25
Cash in hand and similar	17	17
Bank and postal deposits	12,326	11,610
Cash and cash equivalents	**12,342**	**11,627**

Cash and cash equivalents relate to current accounts and cash in hand at the reporting date. The changes are reported in the Consolidated Cash Flow Statement, to which reference should be made.

Consolidated Shareholders' Equity

The changes are reported in the statement of changes in consolidated shareholders' equity, to which reference should be made. The following comments relate to the principal accounts and changes.

Note n. 11: Share capital

The share capital, subscribed and paid-in, amounted at June 30, 2026 to Euro 96,162 thousand, comprising 25,110,209 shares without express nominal value. The classes of shares issued by the company are reported below:

Shares	No. shares	% of share capital	Listing
Ordinary Shares	25,110,209	100.0%	Euronext

Note n. 12: Reserves

The composition of Reserves is as follows:

(Euro,000)	June 30, 2026	December 31, 2025
Share premium reserve	8,723	9,962
Capital payments reserve	16,615	16,615
Total capital reserves	**25,338**	**26,577**
Legal reserve	19,232	19,232
Treasury shares reserve	(3,724)	(5,185)
Cash flow hedge reserve	(137)	(149)
Actuarial reserve	(205)	(205)
Extraordinary reserve	107	107
Translation reserve	(4,492)	(5,933)
LTI reserve	-	222
Reserve to be valued at fair value of the put option on minority interests	(5,040)	(5,040)
Retained earnings/(accumulated losses)	(24,788)	(25,819)
Total profit reserves	**(19,047)**	**(22,770)**
Total reserves	**6,291**	**3,807**

SHARE PREMIUM RESERVE

The negative treasury share reserve, amounting to Euro 3,724 thousand, changed during the period by Euro 1,461 thousand as a result of the allocation of shares to employees following the completion of the third LTI cycle, which was finalized in June 2026.

LONG TERM INCENTIVE PLAN RESERVE

As at 30 June 2026, the Long-Term Incentive Plan (LTI) reserve amounted to zero, following the completion of the incentive plans (Performance Shares Plan, Restricted Shares Plan, and Share-Based Compensation Plan for the Advisory Board) approved by the Shareholders' Meeting on 29 April 2021. One of these plans

provided for three separate grant cycles carried out in 2021, 2022 and 2023 in favour of employees and key managers, to be settled in equity instruments. During the first half of 2026, the third and final cycle was completed with the conversion of the units into shares; accordingly, the reserve changed as follows:

- a decrease of Euro 19 thousand following the partial achievement of the targets established under the plan with respect to the second grant cycle;
- an increase of Euro 19 thousand relating to the accrual of the expense for the period, attributable to the third cycle;
- a decrease of Euro 1,461 thousand arising from the settlement of the treasury share reserve;
- Euro 1,239 thousand charged against the share premium reserve.

Please refer to Note n. 38 for further details regarding this plan.

CASH FLOW HEDGE RESERVE

The cash flow hedge reserve at December 31, 2025 was recorded as a negative value of Euro 149 thousand, net of the Euro 47 thousand tax effect.

During the first half of 2026, the reserve mainly changed as a result of the hedging contracts entered into in relation to the financing agreement renegotiated on the basis of the arrangements reached with the lending banks on 22 and 23 April. As at 30 June 2026, the reserve is recognised at a negative amount of Euro 137 thousand.

EXTRAORDINARY RESERVE

The extraordinary reserve as of June 30, 2026 amounted to Euro 107 thousand and remained unchanged compared to 31 December 2025.

RESERVE FOR THE FAIR VALUE OF THE MINORITY PUT OPTION

The item, amounting to Euro 5,040 thousand, refers to the valuation of the option to sell the minority quota relating to SIT Motors & Blowers Technology S.r.l.. For more details, please refer to Note n. 17.

RETAINED EARNINGS (ACCUMULATED LOSSES)

At June 30, 2026, the account is negative for Euro 24,788 thousand and changes for the positive amount of Euro 1,031 thousand relating to the profit of the previous financial year.

Non-current liabilities

Note n. 13: Medium/long-term loans and borrowings

The breakdown of the account at June 30, 2026 is illustrated below:

(Euro,000)	30-June-26	31-Dec-25
Non-current loans	43,777	57,021
Non-current loans – amortised cost and effect of amendment agreements	189	323
Medium/long-term loans and borrowings	**43,966**	**57,344**

As of June 30, 2026, Medium/long-term loans and borrowings represent the value of the non-current portion of the loan agreements entered into by the Company with certain financial institutions.

These contracts - which are not secured by collateral and allow early repayment without penalty - provide for the borrower to comply with a series of annual financial covenants to be calculated semi-annually at the consolidated level. In addition, as usual in similar transactions, they provide for a series of commitments and limitations such as the prohibition of taking on further debt beyond a certain amount and providing guarantees relating to it, as well as limits on the distribution of dividends and asset sales or business disposals. The extent of these limitations, as well as the pricing grid of net interest income, vary according to the level of consolidated financial leverage.

Below is a list of existing bank loans, where unless expressly indicated, the debtor is SIT S.p.A..

(Euro,000)

Denomination Initial date	Maturity	Nominal amount	Cov	Residual debt			Current rate (*)	Fair value		
				Total	Non Current	Current		Total	Non Current	Current
Pool SFA (1) 06/08/21	30/6/28	90,000	(**)	52,244	36,650	15,594	4.50%	52,540	36,771	15,769
CDP 11/03/21	31/12/28	15,000	(**)	10,159	7,127	3,032	4.60%	10,310	7,196	3,114
UCI / BEI 31/05/22	31/5/28	10,000	(**)	4,083	-	4,083	4.29%	4,117	-	4,117
Total				**66,486**	**43,777**	**22,709**		**66,967**	**43,966**	**23,001**

(1) Banking Pool composed of BNL, Unicredit, Banco BPM, Credit Agricole and, as of April 2025, Furstenberg SGR, which took over from Deutsch Bank.
(*) Interest rate given by market parameter plus contractual spread existing on the date
(**) Financial covenants to be calculated at the level of the consolidated financial statements on a half-yearly basis: (i) the ratio of net financial position to EBITDA (ii) the ratio of EBITDA to net financial expenses (iii) the ratio of net debt to equity, all quantities to be calculated on the basis of the last 12 months and according to the definitions provided for in the relevant contracts. There are also other contractual commitments and limitations on operations, such as the maximum level of annual investments and constraints on the possibility of distributing dividends in relation to the ratio between net financial position and EBITDA. As of June 30, 2026, the financial covenants of 3.9x, 5.0x and 1.5x respectively were respected.
Please note that the SFA Pool loan includes an ESG interest rate indexation clause based on a sustainability rating issued by the international corporate social responsibility rating agency EcoVadis. This clause

enabled a reduction of the interest margin by 10 basis points starting from the second half of 2026, following the achievement of the Gold certification for the 2025 financial year.
The following table summarises the maturity profile of the principal portions of the main financial liabilities based on contractual commitments (for the description of the Bond Loans, please refer to the paragraph "Bond loan – non-current portion):

Years	Bank Loans	Bonds	Others (*)	Total
2026-H2	9,465		610	10,075
2027	23,323	8,000	20	31,343
2028	33,698	8,000	32	41,730
2029		8,000	11	8,011
2030		8,000	-	8,000
2031		8,000	-	8,000
Total	**66,486**	**40,000**	**673**	**107,159**

(Amounts in Euro,000)

(*) The item Others includes financial liabilities deriving from M&A for the amount of Euro 500 thousand and to Simest for the residual amount.

Note 14: Other non-current financial liabilities and derivative financial instruments

A breakdown of this item at June 30, 2026 is provided below:

(Euro,000)	30-June-26	31-Dec-25
Other non-current financial liabilities	63	18
Bond loan – non-current portion	32,000	40,000
Non-current loans – Amortized cost	(29)	(24)
Non-current loans from Parent company – Amortized cost	5,547	5,423
Derivatives financial instruments (non-current portion)	54	232
Non-current financial lease debt - IFRS 16	5,618	6,811
Other non-current financial liabilities and derivative financial instruments	**43,252**	**52,460**

OTHER NON-CURRENT FINANCIAL LIABILITIES

The item amounted to Euro 63 thousand as at 30 June 2026 and relates to loans granted by SACE-Simest, pursuant to Decree-Law No. 18 of 17 March 2020, converted into Law No. 27 of 24 April 2020, to be used for participation in trade fairs and exhibitions in foreign countries and for personnel training. No guarantees are required in relation to these loans.

BOND LOAN - NON CURRENT POTION

The item refers to the bond loan subscribed by Pricoa in May 2021. The debt was valued using the amortised cost method over the duration of the contract, equal to 10 years with which 6 years of pre-amortization. The fixed semi-annual coupon is indexed from the fifth year onwards to a sustainability ("ESG") rating provided by the international agency EcoVadis.

Denomination Initial date	Maturity	Nominal amount	Cov	Residual debt			Current rate (*)	Fair value		
				Total	Non Current	Current		Total	Non Current	Current
Pricoa 19/05/21	31/5/31	40,000	(**)	40,000	32,000	8,000	3.65%	39,974	31,971	8,003
Total				**40,000**	**32,000**	**8,000**		**39,974**	**31,971**	**8,003**

(*) Interest rate given by market parameter plus contractual spread existing on the date.
(**) The financial covenants envisaged in the contract are (i) the ratio of net financial position to EBITDA and (ii) the ratio of EBITDA to net financial expenses and (iii) the ratio of debt to equity. There are also other contractual commitments and limitations on operations, such as the maximum level of annual investments and limitations on the sale of business units as well as the possibility of distributing dividends in relation to the ratio between net financial position and EBITDA. The financial covenants limit values for the recognition date as of June 30, 2026 are 3.9x, 5.0x and 1.5x, respectively, values that have been met.

NON-CURRENT LOANS FROM PARENT COMPANY – AMORTIZED COST

Within the context of the bank renegotiation completed on April 22 and 23 2024, aimed at ensuring greater cash availability for the Group, SIT entered into a new interest-bearing loan agreement with its parent company Sit Technologies S.a.p.a. for an amount of Euro 5,000 thousand, subordinated and junior to the claims of all existing financial creditors. The loan is scheduled to be repaid not earlier than 19 May 2031.

As at 30 June 2026, the outstanding amount of the loan is presented in the table below:

Denomination Initial date	Maturity	Nominal amount	Cov	Residual debt			Current rate (*)	Fair value		
				Total	Non Current	Current		Totale	Non Corrente	Corrente
Tech, SAPA 22/4/24	19/5/31	5,000	n/a	5,000	5,000	-	5.0%	5,000	5,000	-

DERIVATIVES FINANCIAL INSTRUMENTS (NON-CURRENT PORTION)

The value of derivative financial instruments (non-current portion) as at 30 June 2026 amounts to Euro 54 thousand and relates to IRS derivative contracts on the medium- to long-term portion of outstanding loans. The table below provides the breakdown by contract:

Denomination	Currency	Initial date	Maturity	Fix rate	Notional 30-June-26	Fair Value 30-June-26
IRS su SFA 2021	Euro	28/06/2024	30/06/2028	3.14%	26,122	(54)
Total					**26,122**	**(54)**

NON-CURRENT FINANCIAL LEASE DEBT - IFRS 16

The amount concerns the non-current financial payable for future charges from the existing lease contracts, recognised in application of IFRS 16. For further details, please refer to Note 36.

Note n. 15: Provisions for risks found

The changes to the account were as follows:

(Euro,000)

Risk found	Dec. 31, 2025	Provisions	Utilisations	Reclass.	Release	June 30, 2026
Agents indemnity provision	154	-	-	-	-	154
Other risks provision	7,691	423	(238)	-	(39)	7,837
Product warranty provision	1,226	39	-	-	-	1,265
Tax dispute provision	192	26	(81)	-	-	137
Total provisions for risks and charges	**9,264**	**487**	**(319)**	**-**	**(39)**	**9,393**

AGENTS INDEMNITY PROVISION

The account exclusively includes the potential liability for any indemnities due to agents in the event of end of service or for the termination of the contract not attributable to the agent, as established by Article 1751 of Civil Code and the Collective Economic Agreements.

OTHER RISKS PROVISION

Below is a breakdown of the main items that make up the fund:

- Euro 3,118 thousand, relating to the subsidiary Metersit S.r.l., representing the best estimate of future disposal costs for batteries incorporated in meters sold up to the reporting date. The provision for the period, amounting to Euro 155 thousand, reflects the discounting effect on future cash flows using a pre-tax discount rate. During the period, the provision was utilized for Euro 7 thousand;
- Euro 1,902 thousand, relating to the subsidiary Metersit S.r.l., for the coverage of specific claims. During the period, the provision was utilized for Euro 50 thousand and released for Euro 12 thousand;
- Euro 100 thousand, relating to the Parent Company, representing the best estimate of severance payments to be granted to departing employees. During the period, the provision was increased by Euro 23 thousand, utilized for Euro 112 thousand and released for Euro 27 thousand;
- Euro 887 thousand, covering risks associated with ongoing disputes involving customers and suppliers of the Parent Company, for which the likelihood of loss is considered probable. During the period, the provision was utilized for Euro 17 thousand in connection with a reimbursement recognized;
- Euro 1,102 thousand, relating to costs for the environmental remediation of a portion of land owned by the Company. During the period, Euro 7 thousand was provided and Euro 2 thousand was utilized;

- Euro 258 thousand, relating to the Mexican subsidiary, representing provisions made during the period for specific claims associated with probable risks whose amount cannot be reliably estimated, mainly relating to product quality issues arising from customer refund requests;
- Euro 31 thousand, mainly relating to the reorganization of the Dutch subsidiary Sit Controls B.V., initiated during the 2023 financial year and expected to be completed by the end of the current year. During the first half of 2026, the provision was utilized for Euro 12 thousand in connection with costs incurred for the departure of employees in the production area and staff functions, as well as training and outplacement costs agreed with local trade unions;
- Euro 247 thousand, relating to Plast Alfin S.u.a.r.l., for tax risks associated with withholding taxes on services, employees and seconded personnel;
- Euro 30 thousand, relating to risks associated with personnel of the German subsidiary.

PRODUCT WARRANTY PROVISION

The product warranty provision reflects a reasonable estimate of the charges which the Group may incur to comply with contractual guarantees on products sold until the reporting date. The provision mainly includes:

- Euro 190 thousand represents the estimated future charges relating to the subsidiary Janz on meters sold up to the date of the financial statements. During the first half year 2026 financial year, the provision was incremented for Euro 35 thousand;
- Euro 878 thousand relating to the best estimate of replacement costs of meters sold by the subsidiary Metersit S.r.l. up to the date of the financial statements, covered by warranty;
- Euro 140 thousand relating to products sold by the Parent Company, calculated on the basis of the assessment and analysis of returns. The value of the provision is in line with the previous year;
- Euro 34 thousand relating to the Chinese subsidiary;
- Euro 23 thousand relating to the Mexican subsidiary.

TAX DISPUTE PROVISION

During 2025, the subsidiary Metersit S.r.l. was subject to a tax audit relating to the 2020 tax period, following which a Tax Audit Report (in Italian *Processo Verbale di Constatazione – PVC*) was issued. During the first half of 2026, the matter was settled with the Italian Revenue Agency, and the provision recognised as at 31 December 2025 was utilised for Euro 36 thousand. Accordingly, the matter may be considered substantially resolved as at 30 June 2026.

In 2024, the Parent Company was subject to a tax audit, concluded during the first half of 2026, relating to specific tax periods. Following this audit, a first Tax Audit Report (PVC) was issued in 2025 and a second Tax Audit Report (PVC) was subsequently issued in 2026. Based on the information available and the expected procedural developments, the Group recognised a provision of Euro 156 thousand as at 31 December 2025. During the first half of 2026, Euro 45 thousand of this provision was utilised, and an additional Euro 26 thousand was provided.

Note n. 16: Post-employment benefit provision

The movements in the account in the periods to June 30, 2026 and to December 31, 2025 were as follows:

(Euro,000)	June 30, 2026	December 31, 2025
Net liabilities for employee benefits	3,775	3,733
Liabilities for retention or other	206	231
Net liabilities for employee defined benefits	**3,981**	**3,964**

The movements in post-employment benefits were as follows:

(Euro,000)	June 30, 2026	December 31, 2025
Post-employment benefit at beginning of year	3,733	4,066
Payments in the year	(147)	(478)
Current service cost	101	111
Interest cost	88	122
Actuarial gains	-	(87)
Post-employment benefit at end of year	**3,775**	**3,733**

Note n. 17: Other non-current liabilities

The item, amounting to Euro 5,127 thousand, refers for Euro 4,313 thousand to the liability deriving from the combined purchase and sale options (Put & Call) on the minority quotas relating to the non-employee quotaholder.

The remaining portion, equal to Euro 776 thousand, relates to the two minority quotaholders, who provide services to the company itself. The recognition was carried out as "Cash-settled share-based payment" instruments in accordance with the provisions of IFRS 2. The cost is recognised in the income statement proportionally for the duration of the vesting period.

Note n. 18: Deferred tax liabilities

A breakdown of temporary differences and the consequent deferred tax liabilities at June 30, 2026 and at December 31, 2025 is reported below, based on the type of temporary differences, applying respectively a tax rate of 24% for IRES and 4.08% for IRAP.

Balance at June 30, 2026

(Euro,000)	Changes IRES	Changes IRAP	IRES tax effect	IRAP tax effect
Tax on business combinations	22,885	17,462	5,492	701
Accelerated depreciation	375	-	90	-
Leasing	727	727	174	30
Leasing IFRS16	2,467	-	592	-
Other	1,696	538	476	21
Derivative financial instruments	11	-	3	-
Total	**28,162**	**18,726**	**6,828**	**752**

Balance at December 31, 2025

(Euro,000)	Changes IRES	Changes IRAP	IRES tax	IRAP tax
Tax on business combinations	25,920	19,988	6,221	801
Accelerated depreciation	375	-	90	-
Leasing	749	749	180	31
Leasing IFRS16	2,766	-	664	-
Other	1,117	-	335	-
Derivative financial instruments	295	-	71	-
Total	**31,221**	**20,737**	**7,560**	**832**

Current liabilities

Note n. 19: Short-term loans and borrowings

The item details are as follows:

(Euro.000)	30-June-26	31-Dec-25
Utilisation short-term lines	10,657	9,903
Current portion of loans	22,709	18,928
Current portion of loans - Amortised cost and effect of amending	292	336
Current financial charges	17	42
Short-term loans and borrowings	**33,675**	**29,209**

UTILISATION SHORT-TERM LINES

The item, amounting to Euro 10,657 thousand, refers to short-term uses of credit lines granted by banks for the disposal of working capital.

CURRENT PORTION OF LOANS

Reference should be made to the table in Note 13 – List of existing bank loans for details of the current portion of borrowings.

Note n. 20: Other current financial liabilities and derivative financial instruments

A breakdown follows:

(Euro,000)	30-June-26	31- Dec-25
Bond loan - current portion	8,170	185
Other current financial payables	609	1,169
Factoring payables	8,019	10,883
Derivative financial instruments - current portion	298	280
Current financial lease payables - IFRS 16	2,061	2,474
Other current financial liabilities and derivative financial instruments	**19,157**	**14,991**

BOND LOAN - CURRENT PORTION

The item, amounting to Euro 8,170 thousand, includes Euro 8,000 thousand relating to the current portion of the bond loan subscribed by Pricoa in May 2021. The item also includes Euro 166 thousand relating to accrued interest payable on the bond loan, as well as Euro 3 thousand relating to the effect of the amortised cost method.

For further information, please refer to Note 14.

OTHER CURRENT FINANCIAL PAYABLES

The amount, which stood at Euro 1,169 thousand as at 31 December 2025, decreased during the period as a result of the release of the final tranche of the security deposit paid in connection with the acquisition of the investment in JANZ – Contagem e Gestão de Fluídos, S.A., amounting to Euro 1,000 thousand, and increased following the disbursement received from the associate Hybitat, amounting to Euro 500 thousand, which is expected to be repaid by the end of the financial year.

DERIVATIVE FINANCIAL INSTRUMENTS - CURRENT PORTION

The item, amounting to Euro 298 thousand, relates in part to IRS derivative contracts on the short-term portion of outstanding borrowings. The table below provides a breakdown by contract:

Transaction type	Currency value	Beginning date	Maturity Date	Rate	Notional June 30, 26	Fair Value June 30, 26
IRS su SFA 2021	Euro	28/06/2024	30/06/2028	3.14%	26,122	(137)
Total					**26,122**	**(137)**

In addition, during the first half of 2026, the Parent Company entered into foreign currency derivative contracts that do not meet the hedging requirements set out in IFRS 9 for the application of hedge accounting. The table below provides a breakdown by currency:

Transaction type	Currency	Currency amount	Currency value	average spot exchange rate	average forward exchange rate	Maturity date / Fair value at the date		
						<3m	>3m; <6m	>6m; <9m
Forward purchase	AUD	2,950,000	EUR	1,6161	1,6299	(32)		
forward sales	CNY	15,000,000	EUR	8,2496	8,2390			(128)
forward sales	GBP	625,000	EUR	0,8629	0,8664	(1)		
Total						**(33)**	**-**	**(128)**

As required by IAS 7, the necessary disclosure is provided to permit the reader of the financial statements to assess the changes to liabilities deriving from financial liabilities, where such relates to cash flows or non-monetary changes. These include:

(Euro,000)	31-dec-25	Disbursements / IFRS 16 Early Terminations	Acquisitions	Reimbursements /settlements	Reclassifications	Fair value and other non-cash changes	30-June-26
Bank payables - non-current portion of loans	57,021	-	-	-	(13,244)	-	43,777
Bank payables - non-current portion amortised cost	323	-	-	-	(134)	-	189
Total bank payables - non-current portion loans	**57,344**	**-**	**-**	**-**	**(13,378)**	-	**43,966**
Shareholder loans - non-current portion of loans	5,000	-	-	-	-	-	5,000
Shareholder loan - amortised cost	-	-	-	-	-	-	-
Shareholder loan – accrued interest	423	-	-	-	-	124	547
Bond loan - non-current portion	40,000	-	-	-	(8,000)	-	32,000
Bond loan - amortised cost, non-current portion	(24)	-	-	-	(5)	-	(29)
Derivative financial instruments - non-current portion	232	-	-	-	-	(178)	54
IFRS16	6,811	346	-	-	(1,529)	(11)	5,617
Payables to other financiers	18	45	-	-	-	-	63
Total other non-current financial liabilities and derivative financial instruments	**52,460**	**391**	**-**	**-**	**(9,534)**	**(65)**	**43,252**
Total non-current financial liabilities	**109,804**	**391**	**-**	**-**	**(22,912)**	**(65)**	**87,218**
Bank payables - current portion of loans	18,929	-	-	(9,464)	13,244	-	22,709
Bank payables - current portion amortised cost	336	-	-	-	134	(178)	292
Current account and accrued interest expense	9,944	10,674	-	(9,944)	-	-	10,674
Total bank payables - current portion of loans	**29,209**	**10,674**	**-**	**(19,408)**	**13,378**	**(178)**	**33,675**
Shareholder loan - current portion of loans	-	-	-	-	-	-	-
Bond loan - current portion	-	-	-	-	8,000	-	8,000
Bond loan - amortised cost current portion	3	-	-	-	5	(5)	3
Bond loan - accrued interest expense	182	-	-	-	-	(16)	166
Derivative financial instruments - current portion	280	-	-	-	-	18	298
Factoring payables	10,883	8,020	-	(10,883)	-	-	8,020
IFRS16	2,474	(596)	-	(1,392)	1,529	47	2,061
Payables to other financiers	1,168	500	-	(1,058)	-	-	610
Total other current financial liabilities and derivative financial instruments	**14,991**	**7,924**	**-**	**(13,333)**	**9,534**	**44**	**19,159**
Total current financial liabilities	**44,200**	**18,598**	-	**(32,741)**	**22,912**	**(134)**	**52,834**

In relation to the hierarchical positioning of the fair value of the derivative instruments in place (IRS, currencies and commodities) those described above are classified as level 2. There were no transfers between Level 1 and Level 2 during the first half year 2026.

CURRENT FINANCIAL LEASE PAYABLES - IFRS 16

The amount concerns the current financial payable for future charges from the existing lease contracts, recognised in application of IFRS 16. For further information, reference should be made to Note 36.

Note n. 21: Trade payables

At June 30, 2026, trade payables were broken down as follows:

(Euro,000)	30-June-26	31-dec-25
Trade payables	72,661	64,753
Trade payables from companies of the Group	2,605	1,144
Trade payables to holding company	19	-
Trade payables	**75,285**	**65,898**

TRADE PAYABLES

These include payables in foreign currency and are therefore stated in the financial statements and in the above table net of the relative unrealised exchange differences, which correspond to exchange loss of Euro 297 thousand.

Note n. 22: Other current liabilities

A breakdown follows:

(Euro,000)	30-June-26	31-Dec-25
Other payables	5,584	4,403
Customer advances	859	577
Current remuneration payables	3,249	2,421
Deferred remuneration payables	4,844	3,836
Payables to social security institutions	1,976	2,878
Result bonuses	1,714	1,006
Accrued expenses	1,179	1,441
Substitute tax payables	1,288	2,963
VAT payables	143	185
Other current liabilities	**20,836**	**19,711**

OTHER PAYABLES

These principally includes the employee portions (canteen contribution, trade union contributions etc,) for subsequent payment to various entities and institutes.

CURRENT REMUNERATION PAYABLES

Current remuneration payables principally include employee payables for June 2026 salaries, paid in July 2026. The change compared to December 31, 2025 relates to the allocation of the thirteenth month's salary in June amounting to Euro 1,284 thousand.

DEFERRED REMUNERATION PAYABLES

Deferred remuneration refers to holidays and leaves matured but not taken, including the relative contributions, as well as to liabilities accrued under contractual agreements entered into with employees in connection with the ongoing reorganization.

RESULT BONUSES

The item relates to the estimate of premiums for 2026, which are expected to be paid in 2027.

SUBSTITUTE TAX PAYABLES

The account concerns payables for tax withholdings on salaries and wages and payables for withholdings overseas on royalties invoiced by the Parent Company to productive subsidiaries against the use of technical-productive and non-patented know-how, in addition to those of the SIT trademark, all held by the Parent Company.

Note n. 23: Tax payables

The amount of Euro 2,324 thousand is mainly attributable to the liability for current income taxes for the period.

COMMENTS ON THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF INCOME

Note n. 24: Revenue from sales and services

Revenue from sales and services breaks down as follows:

(Euro,000)	H1 2026	H1 2025
Revenues from product sales	149,928	153,175
Revenues from services	835	518
Revenues from sales and services	**150,763**	**153,692**

The breakdown of the Group's Revenue from sales of products and services by business category is as follows:

(Euro,000)	H1 2026	H1 2025
Heating & Ventilation	105,031	106,700
Smart Gas Metering	25,981	28,585
Water Metering	17,161	15,242
Total sales	**148,173**	**150,527**
Heating & Ventilation	2,061	2,402
Smart Gas Metering	134	469
Water Metering	395	294
Other revenues	**2,590**	**3,165**
Revenues from sales and services	**150,763**	**153,692**

(Euro,000)	H1 2026	H1 2025
Heating & Ventilation	107,093	109,102
Smart Gas Metering	26,114	29,054
Water Metering	17,556	15,536
Revenues from sales and services	**150,763**	**153,692**

Group revenues by region were as follows:

(Euro,000)	H1 2026	H1 2025
Italy	44,900	50,898
Foreign EU	66,504	60,873
Foreign Non-EU	39,359	41,921
Total revenues from sales and services	**150,763**	**153,692**

Note n. 25: Raw materials, ancillaries, consumables and goods

The breakdown of the item as at 30 June 2026, compared with the first half of 2025, is presented below:

(Euro,000)	H1 2026	H1 2025
Purchases of ancillary materials	1,473	1,470
Purchases of raw materials, semi-finished & packaging	68,322	70,712
Finished products purchases	8,896	8,156
Purchases of consumable materials	11	13
Purchases of goods	-	-
Maintenance and repair materials	769	684
Other purchases	854	730
Duties on purchases	922	864
Raw materials, ancillaries, consumables and goods	**81,248**	**82,628**
Changes in inventories of raw materials, ancillaries, consumables and	1,256	(605)
Change in inventories of finished & semi-finished products and goods	(7,082)	(7,955)
Change in inventories	**(5,825)**	**(8,560)**
Total cost of raw materials, ancillaries, consumables and goods	**75,422**	**74,068**

Note n. 26: Services

The composition of the account is as follows:

(Euro,000)	H1 2026	H1 2025
Rent, hire and leases	224	284
Outsourcing	4,000	4,124
Transport	3,809	4,404
Commissions	63	79
Legal, administrative and other	2,371	2,805
Insurance	412	494
Management services	272	308
Maintenance & repair expenses	2,172	2,134
Utilities	3,448	3,529
Personnel expense	1,002	827
Cleaning and security	653	685
Advertising, marketing, and sponsorship	474	424
Directors, statutory & independent auditor fees	1,233	1,236
Travel and accommodation	483	463
Bank charges & commissions	394	768
Other services	1,094	1,030
Listing charges	87	90
Royalties	2	2
Service costs	**22,193**	**23,687**

The change in service costs compared to the first half of 2025 amounted to a decrease of Euro 1,494 thousand, mainly attributable to lower transport costs of Euro 594 thousand, lower consultancy costs of Euro 435 thousand, and lower bank charges and commissions of Euro 374 thousand.

Note n. 27: Personnel expense

Personnel expenses are shown below:

(Euro,000)	H1 2026	H1 2025
Wages and salaries	24,297	26,204
Social security charges	6,327	6,583
Temporary personnel	2,733	1,989
Post-employment benefits	1,084	1,237
Other costs	748	1,124
Personnel expense	**35,189**	**37,138**

Note n. 28: Depreciation, amortisation and write-down

The breakdown is as follows:

Depreciation, amortisation and write-downs	H1 2026	H1 2025
Amortisation of intangible assets	4,031	4,324
Depreciation of property, plant and equipment	6,392	7,164
Depreciation of operating leases - IFRS 16	1,332	1,589
Total amortisation & depreciation	**11,755**	**13,077**
Write-down of goodwill	-	-
Write-down of property, plant and equipment	-	-
Total write-downs of fixed assets	**-**	**-**
Write-down of current receivables	37	87
Total write-downs	**37**	**87**
Depreciation, amortisation and write-downs	**11,792**	**13,164**

For further details on depreciation, amortisation and write-downs, reference should be made to the notes 1 and 2 on tangible and intangible assets.

Note n. 29: Provisions

The voice is composed as follows:

(Euro,000)	H1 2026	H1 2025
Provision for disputes	144	665
Others	35	(5)
Uses/releases provisions	(24)	(224)
Provisions for risks	**155**	**437**

For further details regarding the provisions, reference should be made to the comments already provided in Note 15 relating to provisions for risk fund.

Note n. 30: Other charges (income)

The account is broken down as follows:

(Euro,000)		
Other charges (income)	**H1 2026**	**H1 2025**
Miscellaneous recoveries	21	27
Prior year income	41	12
Gains on fixed assets	226	101
Grants	223	69
Other revenues	11	11
Other income	**522**	**220**
Misc. taxes & non-deductible costs	241	269
Losses on fixed assets	0	3
Associations	124	172
Prior year charges	22	10
Impairment on receivables	-	6
IMU Property tax	108	108
Misc. reimbursements	195	600
Other charges	470	472
Other charges	**1,159**	**1,640**
Other charges (income)	**637**	**1,421**

Within of Other charges (income), the item Gains on fixed represents the main impact recorded in the first half of 2026.

Note n. 31: Financial income

At June 30, 2026, Financial income amount to Euro 114 thousand and are composed as follows:

(Euro,000)	H1 2026	H1 2025
Interest income on bank accounts	9	24
Other interest income	92	77
Profits on derivative financial instruments	13	194
Financial income	**114**	**295**

PROFITS ON DERIVATIVE FINANCIAL INSTRUMENTS

In the first half year 2026, the amount equal to Euro 13 thousand relates to the mark to market of the derivative contracts on foreign currencies, which do not comply with the company's formal hedging policy.

Note n. 32: Financial charges

Financial charges consist of:

(Euro,000)	H1 2026	H1 2025
Interest charges to holding company	124	124
Interest and other bank charges	1,904	1,810
Interest charges to third parties	21	157
Interest on bond loans	710	779
Other financial charges	-	-
Fair value of financial instruments	159	4
Financial charges IFRS 16	191	193
Financial charges	**3,109**	**3,067**

INTEREST AND OTHER BANK CHARGES

The amount of Euro 1,904 thousand relates to finance costs on outstanding loans and other financial liabilities.

INTEREST ON BOND LOANS

The amount of Euro 710 thousand entirely concerns the interest charges on the bond loan. For further information, reference should be made to the Directors' Report and to Note 20.

FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 30 June 2026, the item amounted to Euro 159 thousand and relates to the fair value of outstanding foreign currency derivatives that do not qualify for hedge accounting.

FINANCIAL CHARGES IFRS 16

These are financial charges due to the discounting of liabilities relating to rights of use of assets on operating lease, as defined by IFRS 16. For further information, reference should be made to Note 36.

Note n. 33: Net exchange gains (losses)

Net exchange gains of Euro 587 thousand are comprised as follows:

(Euro,000)	H1 2026	H1 2025
Realised exchange gains	2,625	2,610
Realised exchange losses	(2,181)	(2,501)
Unrealised exchange gains	1,008	1,316
Unrealised exchange losses	(866)	(1,084)
Net exchange gains (losses)	**587**	**341**

Unrealised exchange gains refer to the positive differences on the conversion of the receivables and payables in foreign currencies at the period-end exchange rates. Unrealised exchange losses refer to the negative differences on the conversion of the receivables and payables in foreign currencies at the period-end exchange rates.

Note n. 34: Impairments on financial assets

The item, negative for Euro 312 thousand, reflects the share of profit or loss of associates accounted for using the equity method, relating to Hybitat S.r.l. (Euro 141 thousand) and Aquametric Solutions, S.A. (Euro 171 thousand).

Note n. 35: Income taxes

Income taxes in the first half of 2026 compared with the same period of the previous year are presented below:

(Euro,000)	H1 2026	H1 2025
Current income taxes	2,400	1,670
Deferred tax charges	(1,055)	(714)
Deferred tax income	477	791
Income from tax consolidation	(361)	-
Taxes for previous financial years	291	-
Other	68	296
Income taxes	**1,820**	**2,044**

Income taxes have been estimated taking into account the taxable income of the Group companies and the tax rates in force in the jurisdictions in which the Group operates.

Note n. 36: Leasing contracts

The tables below summarise the effects on the Group financial statements at June 30, 2026 concerning the valuation of the "Right-of-use" ("ROU") of assets from operating lease contracts, as required by IFRS 16 – Leases. For the indication of the balance sheet accounts which include these assets, reference should be made to Note 2.

Economic effects from assets consisting of the right-of-use (ROU) on the income statement for the period:

(Euro,000)

Economic effect from ROU assets	1H 2026
Operating lease contract charges	1,575
Contracts classified as short-term leases	5
Contracts classified as low-value assets	5
Total costs for services	**1,586**
Land & buildings	646
Industrial & commercial equipment	259
Other tangible assets	452
Total depreciation	**1,357**
Income from sub-leasing contracts	-
Sales and leaseback transactions	-
Total other charges/(income)	**-**
Interest charges on financial liabilities	(191)
Total financial charges	**(191)**

Effects on the balance sheet from right-of-use assets:

(Euro,000)	30/06/2026
Net investments accounted as ROU as at 1.1.2026	8,618
Increases in the year	346
Asset write-downs	(587)
Depreciation and amortisation of the year	(1,357)
Exch. diff.	46
Net investments accounted as ROU as at 30.06.2026	**7,067**
Payable for financial liabilities from ROU assets at 1.1.2026	9,286
Commitments in the year	346
Early settlements in the year	(596)
Cash outflows	(1,394)
Exch. diff.	35
Gross value of liabilities from ROU assets at 30.06.2026	**7,679**
Obligations for short-term lease contracts	3
Obligations for low-value asset contracts	11
Total obligations for lease contracts with recognition to costs of payments due	**14**

Effects on future cash flows from right-of-use assets:

(Euro,000)	30/06/2026
Within the year	2,061
Between 1 and 5 years	4,941
Over 5 years	677
Total liabilities deriving from operating lease contracts	**7,679**

Note n. 37: Earnings per share

The basic earnings per share is calculated by dividing the profit (loss) attributable to the ordinary shareholders of the Parent Company by the average weighted number of ordinary shares outstanding during the year.

The diluted earnings per share is calculated by dividing the profit (loss) attributable to the ordinary shareholders of the Parent Company by the average weighted number of ordinary shares outstanding during the year and the potential shares deriving from the exercise of all convertible bonds.

Information is shown below for the calculation of the basic and diluted earnings per share:

(Euro,000)

Total profit/(loss) attributed to the ordinary shareholders of the Parent Company	**30-June-26**	**30-June-25**
Profit (loss) attributed to the ordinary shareholders of the Parent Company	836	(697)
Total profit/(loss) attributed to the ordinary shareholders of the Parent Company	**836**	**(697)**

(Euro,000)

Earnings per share	**30-June-26**	**30-June-25**
Weighted average number of ordinary shares, excluding treasury shares, to calculate basic earnings per share	24,484,301	24,461,308
Weighted average number of ordinary shares due to dilution effect	24,484,301	24,461,308
Basic earnings per share	**0.0342**	**(0.0285)**
Diluted earnings per share	**0.0342**	**(0.0285)**

Note n. 38: Share-based payments

During the first half of 2026, the last incentive plan still outstanding as at 31 December 2025 was completed, resulting in the allocation of treasury shares held by the Company to the beneficiaries.

The table below shows the income statement effects arising from this type of instrument:

Costs deriving from share-based payment transactions	**H1 2026**	**H1 2025**
Costs from equity-settled share-based payment transactions	(3)	(417)
Costs from cash-settled share-based payment transactions	1,038	149
Total costs deriving from share-based payment transactions	**1,035**	**(268)**

EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

On April 2021, the Shareholders' Meeting approved 3 new incentive plans, with the following characteristics:

- 2021-2025 Performance Shares Plan: provides for the identification and nomination by the Board of Directors of executives and employees of the company and/or of the subsidiaries. The Plan has a multi-year duration and is structured into three cycles (so-called rolling cycles), each with a duration of three years. The third and final cycle was completed during the first half of 2026.

- 2021–2023 Restricted Shares Plan: completed during the 2024 financial year.
- Share-based compensation plan for the Advisory Board 2021–2023: completed in the 2024 financial year .

The following table illustrate the number and weighted average exercise prices (PMPE) of options during the period.

	1H 2026	
Performance Shares Plan 2023-2026 3^ cicle	**No. options**	**Weighted average price**
Outstanding at January 1	**156,857**	1.71
Assigned during the year	-	-
Cancelled during the year	-	-
Exercised during the year	(130,859)	1.71
Change in the year	(25,998)	1.71
Expired during the year	-	-
Outstanding at June 30	-	-
Exercisable at June 30	-	-

The third cycle of the Performance Shares Plan was completed during the first half of 2026, with 88.1% of the targets achieved, resulting in the conversion of the units in the same proportion. The income statement impact relating to the reversal of the previously accrued cost amounted to Euro 18 thousand.

The expected volatility reflects the assumptions that the historical volatility is indicative of future trends which may not coincide with the actual outcome.
The expected useful life of the options is based on historical data and is not necessarily indicative of possible exercise profiles.

CASH-SETTLED SHARE-BASED PAYMENTS

Following the signing of the agreements relating to SIT Motors & Blowers Technology S.r.l., the instruments granted to the two minority quotaholders, who provide working activities to the subsidiary, are recorded as "Cash-settled share-based payment" instruments in accordance with the definition of IFRS 2 (for further information on the transaction, please refer to Note 17). The cost is recognised in the income statement pro rata temporis over the vesting period.
The following table lists the information with which the model used was fed:

Assumptions for the measurement of the plan fair value	**2026**
Discount factor	5.660%
Expected useful life of the options (in years)	3.42

OTHER INFORMATION

Disclosures by operating segment

Income Statement

H1 2026

(Euro,000)	Heating & Ventilation	Gas Metering	Water Metering	Not allocated	Eliminations	Consolidated
Revenue from sales and services	108,122	26,503	17,556	97	(1,514)	150,763
Operating costs	107,005	24,200	15,667	29	(1,514)	145,387
EBIT	1,117	2,302	1,890	68	-	5,376

H1 2025

(Euro,000)	Heating & Ventilation	Gas Metering	Water Metering	Not allocated	Eliminations	Consolidated
Revenue from sales and services	110,884	29,639	15,536	90	(2,456)	153,692
Operating costs	110,550	27,861	13,930	29	(2,456)	149,914
EBIT	333	1,779	1,606	60	-	3,778

Balance Sheet

June 30, 2026

(Euro,000)	Heating & Ventilation	Gas Metering	Water Metering	Not allocated	Eliminations	Consolidated
Assets	271,105	72,909	47,965	58,840	(81,782)	369,037
Liabilities	203,209	39,878	40,726	33,893	(53,129)	264,577
Shareholders' Equity	67,896	33,031	7,239	25,551	(29,256)	104,460

June 30, 2025

(Euro,000)	Heating & Ventilation	Gas Metering	Water Metering	Not allocated	Eliminations	Consolidated
Assets	279,744	77,607	46,898	59,055	(81,275)	382,030
Liabilities	220,103	40,064	42,669	32,657	(51,904)	283,588
Shareholders' Equity	59,641	37,543	4,229	26,398	(29,370)	98,442

Related party transactions

SIT has prepared procedures for related party transactions in accordance with Article 4 of the CONSOB Regulation concerning related party transactions. This Regulation was adopted by Consob with Resolution No. 17221 of March 12, 2010, as subsequently amended and updated and, most recently, with Consob Resolution No. 21623 and 21624 of December 10, 2020. The Procedures for Transactions with Related Parties was published on the Company's website www.sitcorporate.it (Corporate Governance, Governance Documents section). Reference should be made to the Directors' Report for further information.

Transactions with the parent company and other related parties

In addition to intragroup transactions, SIT's principal transactions were conducted with its parent company, Technologies SAPA di F.D.S. S.S., and with other related parties, namely Findest S.p.A., Aquametric Solutions S.A. and Hybitat S.r.l., the latter being a company over which SIT S.p.A. exercises significant influence as a result of its commitment to subscribe for participating financial instruments. As at 30 June 2026, SIT had subscribed a total of 25,509 participating financial instruments (PFIs) for an aggregate amount of Euro 2,108 thousand. Such subscriptions include 6,409 PFIs acquired by SIT from E-Novia during the 2025 financial year for a consideration of Euro 198 thousand.

At the balance sheet date, the balances of transactions with the parent company and other related parties are shown in the following table:

(Euro,000)

30-June-26	Revenues	Costs	Financial income	Financial charges	Financial receivables	Financial payables	Other receivables	Other payables
Technologies SAPA di F.D.S. S.S.	5	-	-	124	-	5,547	46	-
Transactions with parent company	**5**	**-**	**-**	**124**	**-**	**5,547**	**46**	**-**
Findest S.p.A.	7	23	-	-	-	-	2,030	300
Hybitat S.r.l	116	-	-	7	2,108	500	199	7
Aquametric Solutions S.A.	186	2,022	56	-	3,400	-	1,265	2,576
Conthidra, S.L.	3,166	28	-	-	-	-	2,124	28
Transactions with other related parties	**3,475**	**2,073**	**56**	**7**	**5,508**	**500**	**5,618**	**2,911**

The following table presents the related-party transactions entered into during the first half of 2025:

(Euro.000)

30-June-25	Revenues	Costs	Financial income	Financial charges	Financial receivables	Financial payables	Other receivables	Other payables
Technologies SAPA di F.D.S. S.S.	5	-	-	124	-	5,297	40	-
Transactions with parent company	**5**	**-**	**-**	**124**	**-**	**5,297**	**40**	**-**
Findest S.p.A.	12	-	-	-	-	-	1,118	-
Hybitat S.r.l	7	-	-	-	1,150	-	123	-
Aquametric Solutions S.A.	144	3,508	59	-	2,100	-	1,007	1,390
Conthidra, S.L.	1,459	-	-	-	-	-	852	-
Transactions with other related parties	**1,622**	**3,508**	**59**	**-**	**3,250**	**-**	**3,100**	**1,390**

The SIT Group's operating revenues towards Technologies SAPA di F.D.S. S.S., Findest S.p.A. and Hybitat S.r.l. relate to consulting and assistance services in the financial, administrative, tax and management control areas provided by the Company under service agreements.

With regard to the Group's transactions with Aquametric Solutions S.A., these mainly relate to revenues from the design, production and sale of residential water meters. The company was also charged financial interest on the aforementioned loan, and property, plant and equipment used in the production of water meters were sold.

It should be noted that SIT S.p.A., Findest S.p.A. and Metersit S.r.l. have opted, for the three-year period 2025–2027, for the National Tax Consolidation regime governed by Legislative Decree No. 344 of 12 December 2003, and in particular by Articles 117 to 129 of the Italian Income Tax Code (TUIR), with Findest S.p.A. acting as the consolidating entity and the other companies as consolidated entities, as resolved by their respective management bodies. The subsidiary SIT Metering S.r.l. has joined the National Tax Consolidation regime for the three-year period 2026–2028, and the parent company Technologies SAPA di F.D.S. S.S. for the three-year period 2024–2026, both acting as consolidated entities.

Finally, it should be noted that since the 2020 tax year, Findest S.p.A., as the parent company, and SIT S.p.A. and Metersit S.r.l., as subsidiaries, have opted for the Group VAT settlement procedure pursuant to Article 73, last paragraph, of Presidential Decree No. 633/1972, as resolved by their respective management bodies. The subsidiaries SIT Metering S.r.l., SIT MBT S.r.l. and the parent company Technologies SAPA di F.D.S. S.S. joined the Group VAT procedure starting from the 2021, 2025 and 2023 financial years, respectively.
As at 30 June 2026, the Group reports a receivable balance of Euro 2,030 thousand from the parent company Findest S.p.A..

Guarantees, commitments and off-balance sheet contingent liabilities

The off-balance sheet commitments of the Parent Company at June 30, 2026 were as follows.

(Euro,000)	30-Jun-26	30-Jun-25
Other unsecured guarantees	44,772	45,650
Secured guarantees	-	-
Total guarantees	**44,772**	**45,650**

OTHER UNSECURED GUARANTEES

Other unsecured guarantees issued by the Parent Company to third parties were as follows:

(Euro,000)	30-giu-26	30-giu-25
In the interest of subsidiaries	44,536	45,469
In own interest	235	181
Total other unsecured guarantees	**44,772**	**45,650**

With regards to unsecured guarantees issued in the interest of subsidiaries, these were issued in the interest of Metersit S.r.l., in favour of its client as part of Smart Gas Meter installation tenders for Euro 35,095 thousand. They concern for Euro 6,382 thousand co-obligations with the subsidiary MeterSit S.r.l., for Euro 1,500 thousand to guarantees issued in favour of SIT MBT S.r.l.; Euro 1,560 thousand relates to

guarantees issued in favour of Hybitat S.r.l.; while the remaining amount relates to guarantees issued exclusively on behalf of the Parent Company.

Guarantees given on own account refer primarily to the surety guarantee granted to secure the lease agreement signed for the Rovigo property.

SECURED GUARANTEES

At the reporting date the company did not provide any secured guarantees.

Off-balance sheet transactions

SIT S.p.A. has in place with its customers, suppliers, workers and trade associations, other commercial and financial partners numerous contractual agreements that provide for reciprocal commitments of various types and of various durations, whose effects are recognised to the balance sheet to the extent of their compliance with the accounting standards applied, particularly with regards with the accruals principle, while future effects are obviously not recorded to the balance sheet where complying with that established by the accounting standards.

However, the aforementioned agreements are all part of what can be defined as "normal industrial, commercial and financial management", considering the size and organizational complexity of SIT S.p.A.. By way of example and not limited to, we can mention: multi-year framework agreements with customers and suppliers, agreements with customers for the joint development of new products, consignment stock contracts both for purchase and sale, agency and distribution agreements, outsourcing agreements for assembly, warehousing, logistics management and other services.

Financial instruments recognised at Fair Value

IFRS 13 defines the following three hierarchical fair value levels to which reference should be made for the measurement of financial instruments recorded in the balance sheet:

- Level 1: listed prices on active markets for identical assets or liabilities;
- Level 2: technical valuations (based on direct and indirect observable market data)
- Level 3: technical valuations (not based on observable market data)

With regards to the financial instruments recognised to the financial statements at Fair Value as at June 30, 2026, the following table outlines the type of instrument, its value at the reporting date and the fair value hierarchy utilised:

(Euro,000)

Transaction type	Value at H1 2026	Valuation criterion	Level 1	Level 2	Level 3
Interest Rate Swap	(180)	*Fair Value*		(180)	
Forex Forward	(152)	*Fair Value*		(152)	
Commodity Swap	-	*Fair Value*		-	

In H1 2026, there were no transfers between the various levels of fair values indicated in IFRS 13.

A similar table is reported for financial instruments recognised to the financial statements at Fair Value as at June 30, 2025:

Transaction type	Value at H1 2025	Valuation criterion	Level 1	Level 2	Level 3
Interest Rate Swap	(759)	*Fair Value*		(759)	
Forex Forward	130	*Fair Value*		130	
Commodity Swap	-	*Fair Value*		-	

For further details on identified risks, reference should be made to the Directors' Report.

Events subsequent to the end of the year

With reference to the events that occurred after the end of the half-year, please refer to the section "Subsequent events and outlook".

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Padua, August 5, 2026

The Chairperson of the Board of Directors

(MR. Federico de' Stefani)

DECLARATION ON THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS PER ARTICLE 81-TER OF CONSOB REGULATION NO. 11971

Declaration on the Consolidated Financial Statements pursuant to Article 81-ter of Consob Regulation No. 11971 of May 14, 1999 and subsequent amendments and supplements

The undersigned Federico de' Stefani, Executive Chairman, and Paul Fogolin, Executive Officer for Financial Reporting, of Sit S.p.A., declare, and also in consideration of Article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of February 24, 1998:

- The adequacy considering the company`s characteristics and
- The effective application of the administrative and accounting procedures for the compilation of the consolidated financial statements for the period January - June 2026.

In addition, we declare that the consolidated financial statements:

- corresponds to the underlying accounting documents and records;
- were prepared in accordance with International Financial Reporting Standards adopted by the European Union through Regulation (EC) No. 1606/2002 of the European Parliament and the Council of July 19, 2002 and also in accordance with Article 9 of Legislative Decree 38/2005 and provide a true and fair representation of the balance sheet, financial position and results of the company and of the consolidated companies;
- the Directors' Report includes a reliable analysis on the performance and operating result, as well as the situation of the issuer and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

Padua, August 5, 2026

Executive Chairman	Executive Officer for Financial Reporting
Federico de' Stefani	Paul Fogolin

AUDITORS' REPORT ON THE CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS

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REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
SIT S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of SIT S.p.A. and subsidiaries (the "SIT Group"), which comprise the consolidated balance sheet as of June 30, 2026 and the consolidated statement of income, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six month period then ended, and the related explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of SIT Group as at June 30, 2026 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Filippo Fabris
Partner

Padova, Italy
August 7, 2026

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.