PRESS RELEASE

SIT, performance significantly improved in Q1: consolidated revenues of Euro 92.7 million (+26% on Q1 2020), EBITDA +69% to Euro 15.1 million.

CEO Federico de' Stefani: "We have introduced a share-based incentive plan to strengthen the relationship between governance and management in order to create sustainable value for the entire organisation and ensure that we attract and retain key resources."

SIT for Q1 2021 reports:

- Consolidated revenues of Euro 92.7 million (+26.2% on Q1 2020);
- Heating Division sales of Euro 70.5 million (+25.0% on Q1 2020);
- Metering Division sales of Euro 21.3 million (+30.0% on Q1 2020), including Smart Gas Metering sales for Euro 16.4 million and Water Metering sales for Euro 4.8 million;
- Consolidated EBITDA of Euro 15.1 million (+69.0% on Q1 2020);
- Consolidated net profit of Euro 8.0 million (8.6% margin);
- Net financial position at March 31, 2021 of Euro 110.4 million (Euro 101.6 million in Q1 2020).

Q1 2021 Highlights:

- The Heating division reported sales growth in all geographical segments, supported by end-appliance replacement incentives and a gradual post-COVID return to normality in the supply chain;
- Smart Gas Metering sales remained in line with those for the same period in 2020;
- JANZ, a company operating in the Water Metering sector, joined the Group on December 31, 2020, and for Q1 2021 reported sales growth on the same period of 2020.
- In Q1 2021, a preliminary agreement was signed with the Tax Agency regarding the calculation of economic benefits from intangible assets (*"Patent Box" optional system*);
- SIT's Board of Directors approved the launch of a treasury share buy-back programme.

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Padua, May 12, 2021 -

The Board of Directors of SIT S.p.A., listed on the main market of the Italian Stock Exchange, in a meeting today presided over by Federico de' Stefani, the Chairman and Chief Executive Officer, approved the consolidated Q1 2021 results.

"Today we approved the quarterly results that saw our Divisions, Heating and Metering, achieving significant growth including the contribution of the Water metering business." stated **Federico de' Stefani**, CEO. *"The updated 2021 forecasts improve in both sales and EBITDA. At the same time, we are monitoring and actively managing volatility of raw materials and electronic components"*

"I am satisfied with the approval of the long-term share-based incentive plan whose beneficiaries are both the Management and the Advisory Board. The goal is to improve alignment between Management and the creation of value for all Stakeholders not only from a business perspective but also in terms of sustainability, strengthening the motivation of about 40 managers and ensuring a high level of attractiveness. and retention of key resources."

KEY FINANCIALS

(Euro.000)	Q1 21	%	Q1 20	%	Change %
Revenues from contracts with customers	92,679	100.0%	73,431	100.0%	26.2%
EBITDA	15,054	16.2%	8,909	12.1%	69.0%
EBIT	9,230	10.0%	3,287	4.5%	180.8%
Result before taxes (EBT)	7,724	8.3%	4,912	6.7%	57.3%
Net profit/(loss) of the period	7,986	8.6%	4,166	5.7%	91.7%
Cash flow from operating & investing activities	6,899		-19,373		

(Euro.000)	31/03/2021	31/12/2020	31/03/2020
Net Financial Position	110,353	115,750	101,575
Net trade working capital	53,449	49,817	57,882
Net trade working capital/Revenues (1)	14.2%	15.5%	19.6%

(1) Annualised

Q1 2021 consolidated revenues were Euro 92.7 million, up 26.2% on the same period of 2020. From Q1 2021, the results include the contribution of JANZ, the water metering company acquired in 2020, which reported sales of Euro 4.8 million in the first quarter of the year.

Q1 consolidated revenues are shown in the following table:

(Euro.000)	2021 Q1	%	2020 Q1	%	Change %
Heating	70,492	76.1%	56,387	76.8%	25.0%
Metering	21,260	22.9%	16,358	22.3%	30.0%
Total business revenues	91,752	99.0%	72,745	99.1%	26.1%

Other revenues	927	1.0%	686	0.9%	35.2%
Total revenues	**92,679**	**100.0%**	**73,431**	**100.0%**	**26.2%**

Heating Division sales amounted to Euro 70.5 million, compared to Euro 56.4 million in Q1 2020 (+25%).

The geographic distribution of Heating Division sales was as follows:

(Euro.000)	2021 Q1	%	2020 Q1	%	Change %
Italy	14,278	20.3%	11,570	20.5%	23.4%
Europe (excluding Italy)	32,775	46.5%	28,748	51.0%	14.0%
The Americas	17,427	24.7%	12,080	21.4%	44.3%
Asia/Pacific	6,011	8.5%	3,989	7.1%	50.7%
Total revenues	**70,492**	**100.0%**	**56,387**	**100.0%**	**25.0%**

All geographic segments saw an increase on the same period of 2020. Demand was boosted by incentives encouraging the replacement of less efficient appliances, above all in Europe, and by a return to normality in the supply chain following the COVID-19 pandemic.

Italy saw growth of 23.4% thanks to strong performance in the Fans for Direct Heating appliances sector (+39%, Euro 1.5 million) and in sales of Central Heating products.

In Europe, Q1 year-on-year growth was Euro 4.0 million (14.0%), with an increase of Euro 2.3 million (+38.5%) in Turkey. This was a result of high demand from manufacturers located in the country.

SIT saw growth of 44.3% on the American market (58.5% at like-for-like exchange rates). This significant growth came in the fireplaces sector of the Direct Heating division (Euro 2.9 million, 56%) and in the Storage Water Heating division (Euro 2.4 million, +54%), both as a result of the particularly cold winter and a normalisation of demand compared to the previous year.

Asia/Pacific reported an improvement, increasing Euro 2.0 million (50.7%) compared to Q1 2020, which was affected by the early effects of the pandemic. China, which represents 5.0% of divisional sales, saw an increase of 63.3% compared to the same period of 2020.

Smart Gas Metering Division sales were Euro 21.3 million, up Euro 16.4 million (30.0%) on the same period of the previous year, partly as a result of the acquisition of JANZ, a company operating in the Water Metering sector which joined the Group in late 2020.

In Q1 2021, sales in the Smart Gas Metering sector totalled Euro 16.4 million, in line with the first quarter of 2020. Water Metering sales amounted to Euro 4.8 million.

Q1 2021 EBITDA was therefore Euro 15.1 million (16.2% revenue margin), up 69.0% on Euro 8.9 million (12.1% margin) in the same period of 2020.

This result benefitted considerably from the Euro 6.7 million increase in volumes, also taking into account the contribution of JANZ, which returned a margin in excess of the Group average. The net impact of prices was positive (up Euro 1.8 million). This was, however, offset by increases in both fixed and variable operating costs for a total of Euro 2.0 million. EBITDA was impacted by exchange losses for Euro 0.7 million.

Q1 2021 EBIT was therefore Euro 9.2 million, up 180.8% on 3.3 million in Q1 2020 (10.0% and 4.5% respectively).

Pre-tax profit was Euro 7.7 million (8.3% revenue margin) compared to Euro 4.9 million (6.7% margin) in the same period of 2020.

Net profit for the period was Euro 8.0 million (8.6% revenue margin), and benefitted from tax income of Euro 1.8 million following the signing of a preliminary agreement with the Tax Agency regarding the calculation of the economic benefits from intangible assets (so-called "Patent Box" optional system).

Cash flows for the period improved, in addition to better earnings, from commercial working capital management (Euro -3.5 million) compared to Q1 2020 (Euro -23.5 million), which was affected by COVID-19. Operating cash flows amounted to Euro 6.9 million, compared to an absorption of Euro 19.4 million in Q1 2020.

Net debt amounted to Euro 110.4 million at March 31, 2021, compared to Euro 115.8 million at December 31, 2020 and Euro 101.6 million at March 31, 2020.

Outlook

At consolidated level, in 2021 the Group forecasts sales growth in the low double figures, with the water meters business included for the first time in the consolidation scope.

Consolidated EBITDA is expected to grow, while margins are forecast to slightly decrease compared to the previous year as a result of the expected increase in raw material costs.

Among the external factors that may affect upon the achievement of these forecasts, the Group highlights raw material and electronic component price volatility, with the Group paying close attention to this matter and engaged in constant dialogue with suppliers and customers.

Sustainability objectives for the year and for the three-year period have also been set out and integrated into the management operational activities and the Long-Term Incentive plan approved by the Shareholders' Meeting of April 29, 2020.

Share buy-back programme

In execution of the authorization granted by the Shareholders' Meeting of April 29, 2021, the Board of Directors of SIT today approved the launch of a share buy-back programme, the duration, value and maximum quantity of which were established by the authorization of the Shareholders' Meeting of April 29, 2021.

Within the scope of the purposes authorised by the Shareholders' Meeting of April 29, 2021, the Board of Directors approved implementation of the programme for the purchase and disposal of treasury shares for the following purposes:

- to fulfil the obligations arising from share option programmes or other allocations of shares to employees (including any classes which, in accordance with the applicable legislation, are treated as such), to members of the administrative or control bodies of the issuer or of an associated company that the Company wishes to incentivize and retain, and to the members of the Advisory Board;

- to carry out sales, exchanges, conferments or other utilisations of treasury shares for the acquisition of investments and/or buildings and/or the conclusion of contracts (also commercial) with strategic partners and/or for the completion of industrial projects or extraordinary financial operations, which are considered necessary within the Company or Group expansion plans; and

- to support the liquidity of the share, ensuring fluid trading and preventing price movements not in line with the market.

The purchases will be carried out, also through subsidiaries, in accordance with Article 132 of Legislative Decree 58/98 (CFA), Article 144-*bis* of the Issuers' Regulations and all applicable regulations, in addition to Consob permitted practices.

The maximum number of treasury shares that may be purchased may not exceed 10% of the Company's *pro tempore* share capital (also taking into account the treasury shares held by the Company and its subsidiaries).

The maximum number of treasury shares that may be purchased daily may not exceed 25% of the average daily number of shares traded on the market during the previous 20 days, in accordance with the applicable regulations.

With reference to the minimum and maximum price, no purchases of ordinary treasury shares may be made at a unit purchase price (i) at least 20% lower than the reference price that the share records in the session of the day prior to each individual purchase transaction and (ii) higher than the highest price between the price of the last independent transaction and the price of the highest current independent purchase offer on the same market, in accordance with the provisions of Article 3 of EU Delegated Regulation No. 2016/1052, it being understood that, in relation to disposals, this price limit may be waived in the case of exchanges or sales of treasury shares as part of the execution of industrial and/or commercial projects and/or in any case of interest to the Company, and in the case of sales of shares in execution of incentive plans.

The authorization granted by the aforementioned Shareholders Meeting motion will be effective for a period of 18 months from the date of the motion, i.e. until October 29, 2022.

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Declaration of the manager responsible for the preparation of the Company's accounts

The manager responsible for the preparation of the Company's accounts, Paul Fogolin, hereby declares, as per article 154-bis, paragraph 2, of the "Testo Unico della Finanza", that all information related to the Company's accounts contained in this press release are fairly representing the accounts and the books of the Company. This press release and the results presentation for 9M 2020 are available on the website www.sitcorporate.it in the Investor Relations section.

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The SIT Group, through its two divisions Heating and Metering, creates intelligent solutions for the control of environmental conditions and consumption measurement for a more sustainable world. A market-leading multinational company, listed on the MTA segment of Borsa Italiana, SIT aims to be the number one sustainable partner for energy and climate control solutions for its customers, focusing on experimentation and the use of alternative gases with low environmental profiles. The Group has production sites in Italy, Mexico, the Netherlands, Romania, China, Tunisia and Portugal, in addition to a commercial structure covering all global markets. SIT is also a member of the European Heating Industry and of the European Hydrogen Alliance - www.sitcorporate.it

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Annex 1

BALANCE SHEET

(Euro.000)	31/03/2021	31/12/2020
Goodwill	98,070	98,070
Other intangible assets	51,043	52,569
Property, plant & equipment	90,042	90,228
Investments in other companies	326	326
Non-current financial assets	2,297	2,282
Deferred tax assets	7,467	4,762
Non-current assets	**249,245**	**248,237**
Inventories	62,003	56,502
Trade receivables	60,020	65,518
Other current assets	13,745	14,234
Tax receivables	4,534	3,983
Other current financial assets	1,002	1,032
Cash and cash equivalents	42,311	42,328
Current assets	**183,615**	**183,597**
Total assets	**432,860**	**431,834**
Share capital	96,152	96,152
Total Reserves	56,939	43,844
Net profit/(loss)	7,986	13,225
Minority interest net equity	-	-
Shareholders' Equity	**161,077**	**153,221**
Medium/long-term loans and borrowings	92,039	91,934
Other non-current financial liabilities and derivative financial instruments	15,197	15,634
Provisions for risks and charges	4,993	4,740
Post-employment benefit provision	5,934	6,095
Other non-current liabilities	8	35
Deferred tax liabilities	14,091	14,653
Non-current liabilities	**132,262**	**133,091**
Short-term loans and borrowings	42,089	46,614
Other current financial liabilities and derivative financial instruments	4,341	4,928
Trade payables	68,574	72,203
Other current liabilities	19,436	18,638
Financial instruments for Warrants	2,142	1,045
Tax payables	2,939	2,094
Current liabilities	**139,521**	**145,522**
Total Liabilities	**271,783**	**278,613**
Total Shareholders' Equity and Liabilities	**432,860**	**431,834**

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Annex 2

INCOME STATEMENT

(Euro.000)	3M 2021	3M 2020
Revenues from sales and services	**92,679**	**73,431**
Raw materials, ancillaries, consumables and goods	50,022	41,635
Change in inventories	(5,277)	(2,800)
Service costs	11,537	9,000
Personnel expense	20,845	16,153
Depreciation, amortisation and write-downs	5,831	5,711
Provisions	193	176
Other charges (income)	298	269
EBIT	**9,230**	**3,287**
Investment income/(charges)	-	-
Financial income	64	420
Financial charges	(2,330)	(989)
Net exchange gains (losses)	760	2,194
Impairments on financial assets	-	-
Profit/(loss) before taxes	**7,724**	**4,912**
Income taxes	262	(746)
Net profit/(loss) for the period	**7,986**	**4,166**
Minority interest result	-	-
Group net profit/(loss)	**7,986**	**4,166**

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Annex 3

CASH FLOW STATEMENT

(Euro.000)	3M 2021	3M 2020
Net profit/(loss)	7,986	4,166
Amortisation & depreciation	5,824	5,623
Non-cash adjustments	114	(1,155)
Income taxes	(260)	747
Net financial charges/(income)	2,265	567
CASH FLOW FROM CURRENT ACTIVITIES (A)	**15,929**	**9,948**
Changes in assets and liabilities:		
Inventories	(5,346)	(2,732)
Trade receivables	5,624	(6,745)
Trade payables	(3,777)	(14,014)
Other assets and liabilities	(346)	(3,618)
Income taxes paid	(1,236)	(1,617)
CASH FLOW GENERATED (ABSORBED) FROM CHANGES IN WORKING CAPITAL (B)	**(5,081)**	**(28,726)**
CASH FLOW FROM OPERATING ACTIVITIES (A + B)	**10,848**	**(18,778)**
Investing activities:		
Investments in property, plant & equipment	(3,704)	(1,460)
Other changes in property, plant & equipment	(230)	(339)
Other changes in financial assets	(15)	1,204
CASH FLOW FROM INVESTING ACTIVITIES (C)	**(3,949)**	**(595)**
CASH FLOW FROM OPERATING & INVESTING ACTIVITIES (A + B + C)	**6,899**	**(19,373)**
Financing activities:		
Interest paid	(176)	(57)
Repayment of non-current financial payables	(5,054)	-
Increase (decrease) current financial payables	(657)	3,904
Increase (decrease) other financial payables	(521)	(436)
Own shares	(568)	(90)
Change in translation reserve	60	(3,020)
CASH FLOW FROM FINANCING ACTIVITIES (D)	**(6,916)**	**301**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	**(17)**	**(19,072)**
Cash & cash equivalents at beginning of the year	**42,328**	**34,065**
Increase/(decrease) in cash and cash equivalents	(17)	(19,072)
Cash & cash equivalents at end of the year	**42,311**	**14,993**