Full year 2023 in line with expectations

Investment Program on schedule and within budget

Operational highlights:

- Improving safety performance on 12-month rolling statistics; full-year 2023 LTIF at 8.28 (6.50 in 2022)
- Output of 192 kton (169 kton in 2022); 141 monopiles and primary steel for 182 transition pieces (130 monopiles and primary steel for 126 transition pieces in 2022)
- Contribution to 2,622 MW offshore wind capacity (1,954 MW in 2022) with foundations for amongst others Dogger Bank and Hollandse Kust Noord
- Carbon footprint further reduced through higher compensation from the wind turbine on Sif's premises and ongoing electrification to replace gas
- Marshalling services for Siemens' Hollandse Kust Zuid completed
- Orderbook addition with Baltyk II+III (Equinor/Polenergia) and termination of Empire Wind 2 (Equinor)
- Good progress on the expansion of our manufacturing facilities to increase production to Ø11 meters and 500 kton production capacity

Financial highlights:

In € million	FY 2023	FY 2022	change YOY
Contribution[1]	149.0	130.5	+14.2%
Adjusted EBITDA[1]	42.2	41.8	+1.0%
Earnings after tax (profit attributable to the shareholders)	10.9	7.2	+51.4%
EPS in €	0.32	0.28	+14.3%
Year-end net working capital[1]	(133.4)	(81.5)	+63.7%
Year-end cash	131.4	89.8	46.3%
Adjusted ROACE[1] in %	110.7	43.6	+153.9%
Production in kton	192	169	+13.6%
Contribution to global offshore wind capacity in MW	2,622	1,954	+34.2%
LTIF in injuries per mln working hours	8.28	6.50	+27.4%

Orderbook in kton (status 14 March 2024)	For 2024	For 2025 & beyond	Total
Contracted	165	250	415
Exclusive negotiations		92	92
Total	165	342	507

- Outlook full-year 2024: factory-integration and start-up of the expanded production facilities in the second half of 2024 will result in lower production output of approximately 165 kton with expectation for adjusted EBITDA at a level of approximately €35 million. After start-up of the new plant, we foresee higher volumes with €135 million EBITDA for 2025 and at least €160 million from 2026.

1 Reference is made to section 'Definition and Explanation of use of non-IFRS financial measures' and 'Reconciliation of non-IFRS financial measures' for the definition and explanation of use, and reconciliation

Sif

CEO Fred van Beers:

After a period of uncertainty with increasing interest rates and raw material prices as fall-out from the continued wars in Ukraine and Gaza, it looks like a new equilibrium was found. And now that the dust seems to be settling from the turmoil in mainly the US and UK offshore wind markets, the conclusion is justified that the offshore wind market is sustainable despite termination and postponement of a few projects and despite a short slowdown in contracting activity. The US has already re-auctioned terminated projects, the UK will open cfd6 for tendering with strongly increased strike prices and the European Union has announced a 15-point action plan to support and accelerate the energy transition, including the Wind Power Pack.

In February 2023, we took the final decision to invest €328 million in the expansion of our production facilities in Rotterdam. On 1 April 2023, we started construction works after carrying out thorough preparations and concluding the financing of the plans. Now that we are halfway, the contours of the new plant are visible, we are within budget and progressing according to plan. The first monopiles are expected to come off the first new assembly line in July 2024 and we expect the factory to be running at full speed and capacity by January 2025. This means we have captured the momentum in the offshore wind industry and are preparing the Company for the next phase of growth.

We made good progress on the reduction of our CO2 footprint with more compensation from the wind turbine on Sif's premises and replacement of 19 of the 25 gas pre-heating stations with electric induction systems. The replacement of the remaining six pre-heating stations is scheduled for 2024. We will start replacement of diesel by HVO fuels for our inland shipping activities in 2024. Gross CO2 emission from own activities (scope 1, 2 and 3 business travel) was reduced from 10,422 to 6,665 mt. Less successful were our efforts to improve safety statistics in 2023. The high number of incidents in the first half of the year triggered two-day safety standstills at our factories in Roermond and the Maasvlakte in May 2023. This resulted in improved statistics for the second half of 2023 and the first months of 2024.

Our 2023 operational performance is in line with expectations, our orderbook for 2024 and beyond is satisfactory

We manufactured 141 monopiles and 182 transition pieces with total weight of 192 kton in 2023. We delivered foundations for potentially 2,622 MW of offshore wind (1,954 MW in 2022). Foundations were manufactured or are in production for Dogger Bank and Hollandse Kust Noord. Transition pieces were manufactured for Doggerbank, He Dreiht and Noirmoutier. EBITDA adjusted for expenses that relate to the research into, preparations for and expansion of our production facilities is reported in line with our guidance at €42.2 million with contribution at €149.0 million. Of total contribution, €6.5 million was generated by marshalling and logistics activities (compared to €11.1 million in 2022). The backdrop to contribution from marshalling activities relates to the expansion activities that required space, leaving no room for continuation of marshalling activities after completion of the Hollandse Kust Zuid marshalling project. It is our firm intention, however, to resume marshalling activities as soon as space becomes available. Adjusted EBIT for 2023 was €19.3 million compared to €17.6 million in 2022.

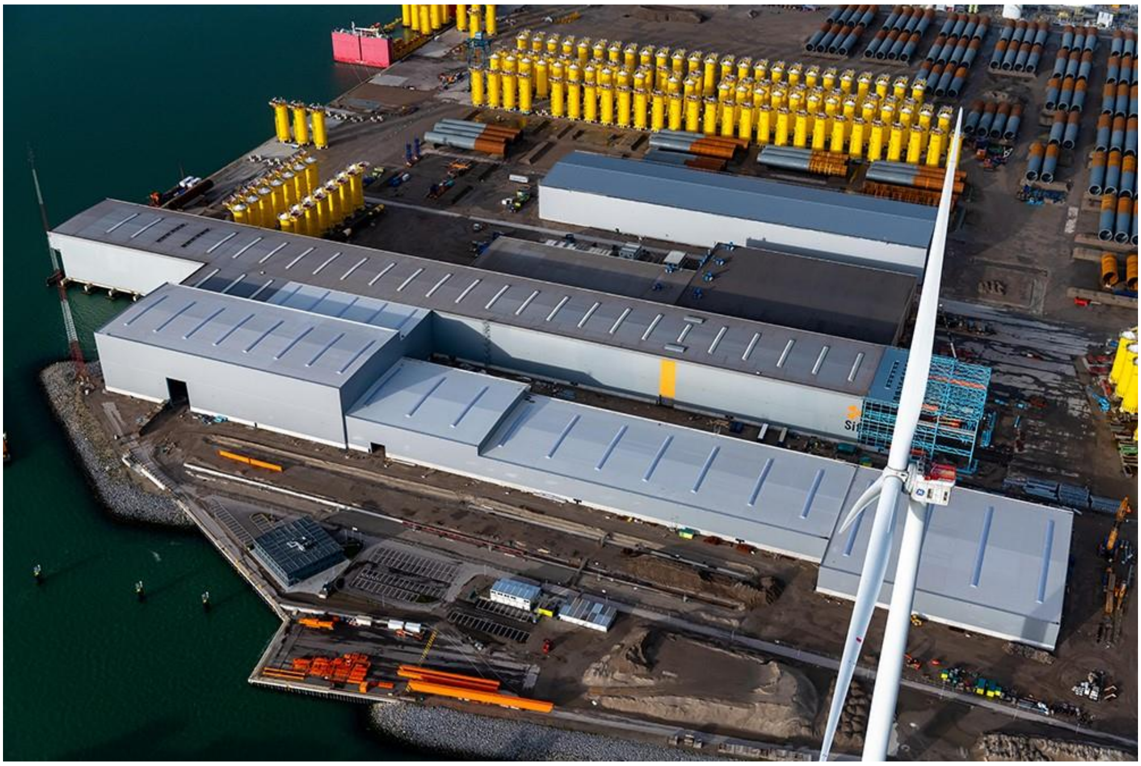
With 507 kton, our orderbook for 2024 and beyond is satisfactory despite the termination of Empire Wind 2. Approximately 175 kton moved from projects in exclusive negotiations to 190 kton firm contracts following the signings of Ecowende and Baltyk II+III.

We have focused strategic plans going forward

We operate in a sector that is driven by environmental and geopolitical impact. Offshore wind is utilized both to accelerate the energy transition and reduce CO2 emissions and to make us less dependent on a limited number of fossil fuel-producing countries and unpredictable geopolitical developments. Sif's purpose relates almost 100% to the energy transition. The world's awareness of the need for climate change and geopolitical independence will result in a solid and extremely fast-growing offshore wind market until at least 2030, with both the demand for foundations and the size of the foundations increasing. To manage risks that relate to the size of our products and projects and to assure healthy returns, we focus on a highly optimized monopile manufacturing process that respects the characteristics of the project business of our clients. We manufacture small series of unique heavyweight high-quality welded steel tubular structures.

To be successful in terms of a healthy and safe workplace, environmentally-friendly production and sound financial returns on investment, we:

- Optimize our manufacturing assets to match the market demand for more and bigger offshore wind foundations. For this purpose, we have committed to an investment of €328 million in a new production facility with a payback of three to a maximum of four years. We foresee €135 million EBITDA for 2025 and €160 million from 2026 (the picture below shows the construction progress per February 2024).
- Develop businesses that make us less dependent on monopile manufacturing alone. We believe the decommissioning of windfarms and recycling of scrap for green steel has the potential to become a second business for us in the mid-term to long-term that will generate solid and sound returns.
- Restart marshalling and logistics activities to facilitate 'close-to-destination' turn-key foundation and turbine installation services.



Expanding while executing our orderbook

Our focus for 2024 is on executing the production expansion project in time and within budget, while also delivering on our orderbook for this year that, with 165 kton, is well-filled to allow for integration activities of the existing plant with the new factory. We have organized our operations in such a way that we can carefully oversee this complex execution process without losing focus on our day-to-day business. Workforce availability and upscaling is a specific high focus area for us. Thanks to a dedicated internal and external partner recruitment set-up, we are confident that we can recruit, train and introduce the right number of people at the right time to assure a successful start-up of the facilities.

FY 2023 results development

All amounts and numbers in this press release are based on the Company's annual accounts that will be published in draft on 18 March 2024 and that will be presented to the Annual General Meeting of Shareholders for approval on 17 May 2024. All numbers include the effect of IFRS 16, unless expressly stated otherwise.

Contribution, EBITDA, Net Earnings

Currency effects do not affect Sif's financial results. Revenues and expenses are predominantly invoiced and paid in Euro, also for projects in non-Euro countries. The price of steel is a pass-through item. Fluctuations in steel prices therefore have an immediate effect on revenues, but not on earnings. The level of revenues is also subject to the structure of project execution; if Sif subcontracts part of its scope, revenues of the subcontractor are accounted for in Sif's revenues. If Sif teams up in partnership, revenues of the joint venture partner are generally not accounted for by Sif.

Because of the above, total contribution and contribution per ton are more adequate performance indicators for Sif than revenue. All Sif's activities take place in the Netherlands. Every monopile is uniquely designed and manufactured according to its location in a wind farm and all products are as a rule delivered 'free alongside ship' or 'free on board' in Rotterdam. Occasionally products are 'delivered at place'. This applies to primary steel for transition pieces or pin piles for jackets that are mostly delivered at fabrication yards of Smulders in Belgium (primary steel for transition pieces) or at yards of jacket manufacturers, mostly elsewhere in Europe.

In 2023, contribution (revenue minus the cost of raw materials, subcontracted work, other external charges and logistic and other project-related expenses) was 14.2% higher compared to 2022 at €149.0 million. The unconditional part of the Empire Wind 2 termination fee is accounted for in this contribution. Of total contribution, €6.5 million was generated by marshaling activities (€11.1 million in 2022) and €7.0 million was generated by engineering activities (€5.5 million in 2022). Contribution per ton throughput, adjusted for Marshalling, Engineering and fees for projects with no production volume, levelled at €669/ton (2022: €674/ton).

Deducting direct personnel expenses, overhead and production and general manufacturing expenses, this resulted in gross profit of €81.9 million (18.0% of total revenues) compared to €75.4 million (20.1% of total revenues) in 2022. Included in production and general manufacturing expenses are maintenance of machinery, gas consumption, energy consumption and support materials. The 25% higher direct personnel expenses relate to the higher volumes, but also to reduced efficiency owing to less trained and experienced production staff due to the tight labor markets. Production and general manufacturing expenses increased by 14.9% following the volume increase and higher associated maintenance costs. Adjusted EBITDA in 2023 arrived at €42.2 million compared to €41.8 million in 2022. Total EBITDA 2023 of €36.8 is impacted by one-off expenses of €5.4 million, which are directly related to the manufacturing expansion project (€5.4 million in 2022).

Profit attributable to the shareholders was €10.9 million in 2023 compared to €7.2 million in 2022. Earnings per share were diluted after the rights issue in July 2023 and arrived at €0.32 compared to €0.28 in 2022. Loan conditions and the dividend pay-out regime on cumulative preference shares that relate to the investment in the expansion of manufacturing facilities do not allow Sif to pay a dividend on ordinary shares if building activities continue and as long as dividends on cumulative preference shares are accumulated. This implies all earnings attributable to the shareholders for this period will be added to the reserves of the Company.

At the end of 2023, our workforce was comprised of 389 permanent and 262 flexible staff (651 total) compared to 370 permanent and 217 flexible staff (587 total) at the end of 2022. The average permanent workforce in 2023 was 386 compared to 365 in 2022 workforce.

Banking facilities

Sif had debt and guarantee facilities in 2023 with Invest-NL capital N.V (a bridge facility of €64.8 million), and with a banking consortium comprising ABN AMRO Bank N.V., Euler-Hermes, ING Bank N.V., Coöperatieve Rabobank U.A., Tokio Marine Europe SA, AKA Ausfuhrkredit-Gesellschaft mbH, DNB Bank ASA and DNB (UK) Ltd, with 5 June 2029 as the expiry date. Interest on the term loan is based on Euribor plus a 200-bps surcharge. Once the nature permit became irrevocable on 29 January 2024, the bridge facility of Invest-NL terminated, and the facility was transferred from Invest-NL to the banking consortium. Margins on the revolving credit facility depend on covenant levels. Discounts can be achieved when realizing certain safety and carbon footprint sustainability targets.

	Facility
Term loan facility	€81 million
Revolving credit facility	€50 million
Committed guarantee facility	€350 million
Leverage	Ranging from max. 4.00 in 2024 to max 2.5 from 31 December 2025 onwards
Solvency	Ranging from min. 25% in 2024 to min 35% from 31 December 2025 onwards

Net working capital, net debt, CAPEX and cash flows

In 2023, Sif invested €180.4 million in tangible and intangible fixed assets (€23.3 million in 2022). Of this amount of €180.4 million, €168.7 million relates to the expansion project P11. Sif has leased approximately 62 hectares of land in Rotterdam. As of 2019, IFRS 16 requires Sif to capitalize the right of use for land lease and to amortize this over a period in line with the estimated lease term.

Net working capital amounted to -/- €133.4 million at the end of 2023 compared to -/- €81.5 million at the end of 2022. Cash from operations depends on invoicing milestones agreed with customers, subcontractors and suppliers and does not affect revenue or earnings recognition. The balance of cash and cash equivalents at the end of 2023 amounted to €131.4 million compared to €89.8 million at the end of 2022. Even though Sif did not use financial instruments in the year 2023, Sif may use financial instruments to reduce risks related to currency, interest rate volatility or energy prices if required. Sif applies a non-speculative approach in this respect.

Net debt (ex-IFRS16) at the end of 2023 was -/- 111.5 million and €0.4 million under IFRS 16 reporting. The difference is largely determined by the lease of land at Maasvlakte 2 Rotterdam with the corresponding lease commitments being amortized on the balance sheet. Based on definitions in the lending documentation, solvency was reported at 43.8% versus a covenant level of 30%. Net leverage came in at 0.00 versus a covenant level of 3.50.

Orderbook and outlook

Discussions with Equinor regarding the settlement of the termination of Empire wind 2 are progressing well. Of the €50 million Advance Factory Payment from Empire Offshore Wind, €30.5 million relates to Empire Wind 2. At the time of termination, this Advance Factory Payment was converted into a perpetual loan.

The start of construction activities related to the expansion of our facilities in Rotterdam will leave limited to no space for marshaling activities for the duration of the construction period. The current orderbook for 2024 mostly relates to the Dogger Bank and Empire Wind projects. The factory-integration and start-up of the expanded production facilities in the second half of 2024 will result in lower production volume of approximately 165 kton with expectation for adjusted EBITDA at a level of approximately €35 million. After start-up of the new plant, we foresee higher volumes with €135 million EBITDA for 2025 and at least €160 million from 2026.

2024 will be an exciting year in which Sif will start the next phase of its history. Thanks to all the preparations conducted in the last four years and Sif’s dedicated workforce, we are so far realizing our plans fully on schedule. We therefore look forward with confidence to reporting on our progress when we present the highlights of the first half of 2024 later this year.

Financial calendar

17 May 2024	AGM and Trading Update Q1 2024 AGM record date 19 April 2024
30 August 2024	HY 2024 Earnings
8 November 2024	Trading Update Q3 2024

Presentation of 2023 results

Sif will host an audio webcast analyst meeting following publication of the full year 2023 results on 15 March 2024 at 10:30 AM CET. A link to the webcast is on the homepage of Sif's website. An on-demand version will be available from 20 March. The Annual General Meeting of Shareholders is scheduled for 17 May 2024. Shareholders of Sif are invited to participate in a guided project tour immediately after the AGM to see first-hand the progress being made on the expansion plans at Maasvlakte 2.

Contact information

Investor relations
Fons van Lith

telephone +31 (0)475 385 777
mobile +31 (0)6 5131 49 52
e-mail f.vanlith@sif-group.com

Disclaimer

Some of the statements contained in this release that are not historical facts are statements of future projections and other forward-looking statements. These statements are based on the management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from the statements. Historical results are no guarantee of future performance. Forward-looking statements are subject to various risks and uncertainties, which may cause Sif's actual results and business performance to differ materially and adversely from the forward-looking statements. Certain forward-looking statements can be identified by the use of forward-looking terminology such as “believes”, “may”, “will”, “should”, “would be”, “expects”, “anticipates” or similar expressions, or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans, or intentions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release as anticipated, believed, or expected. Sif neither intends nor assumes any obligation to update any industry information or forward-looking statements set forth in this release in order to reflect subsequent events or circumstances. The content of this trading update is for information purposes only and is not intended as investment advice, nor does it constitute an offer or solicitation for the purchase or sale of any financial instrument. Sif does not warrant or guarantee the completeness, accuracy, or fitness for any particular purposes of the information included in this release.

Consolidated statement of profit or loss for the year ended 31 December 2023 (unaudited)

AMOUNTS IN EUR '000	Notes		2023		2022
Revenue from contracts with customers			448,072		363,891
Operating lease income			6,227		10,652
Total revenue	6		454,299		374,543
Raw materials		(252,372)		(191,674)	
Subcontracted work and other external charges		(30,703)		(36,561)	
Logistic and other project related expenses		(22,235)		(15,797)	
Direct personnel expenses	7	(46,966)		(37,610)	
Production and general manufacturing expenses		(20,083)		(17,481)	
Indirect personnel expenses	7	(26,073)		(21,204)	
Depreciation and amortization	14,15,31	(22,897)		(24,226)	
Facilities, housing and maintenance		(5,456)		(4,947)	
Selling expenses	8	(892)		(628)	
General expenses	9	(12,718)		(12,305)	
Operating profit			13,904		12,110
Finance income		3,053		-	
Impairment (losses) / reversals on financial assets		(34)		(3)	
Finance costs	10	(3,287)		(2,010)	
Finance costs and impairment losses			(268)		(2,013)
Other income			5		90
Share of profit / (loss) of joint ventures	11,17		13		1
Profit before tax			13,654		10,188
Income tax expense	12		(2,434)		(2,670)
Profit after tax			**11,220**		**7,518**
Attributable to:					
Non-controlling interests	23		357		301
Equity holders of Sif Holding N.V.			10,863		7,217
Profit after tax			**11,220**		**7,518**
Earnings per share *	13				
Basic/diluted earnings per share (EUR)			0.32		0.28

* The 2022 earnings per share has been restated. Reference is made to note 13 for more information.

Consolidated statement of financial position as at 31 December 2023 (before appropriation of result) (unaudited)

AMOUNTS IN EUR '000	Notes	31-Dec-2023	31-Dec-2022
Assets			
Intangible assets	14	1,915	860
Property, plant and equipment	15	283,604	116,415
Right-of-use assets	31	108,342	104,466
Investment property	16	520	515
Investments in joint ventures	17	89	76
Total non-current assets		394,470	222,332
Inventories	18	517	427
Contract assets	19	28,712	18,315
Trade receivables	20	23,330	22,463
VAT receivable		7,758	-
Prepayments and other receivables		10,853	2,102
CIT receivable		2,991	1,832
Cash and cash equivalents	21	131,389	89,832
Total current assets		205,550	134,971
Total assets		**600,020**	**357,303**

AMOUNTS IN EUR '000	Notes	31-Dec-2023	31-Dec-2022
Equity			
Share capital	22	5,978	5,100
Share premium	22	49,711	1,059
Other capital reserves	22	80,500	-
Retained earnings		98,483	91,266
Result for the year		10,863	7,217
Equity attributable to shareholder		245,535	104,642
Non-controlling interests		1,479	1,122
Total equity		247,014	105,764
Liabilities			
Loans and borrowings - non-current	24	19,926	-
Lease Liabilities - non-current	24,31	102,875	99,006
Employee benefits - non-current	26	727	468
Deferred tax liabilities	12	1,814	688
Contract liabilities - non-current	19	71,768	-
Other non-current liabilities	28	409	810
Total non-current liabilities		197,519	100,972
Lease Liabilities - current	24,31	9,015	8,392
Provisions		-	228
Trade payables		87,324	92,333
Contract Liabilities - current	19	37,725	32,458
Employee benefits - current	26	4,029	3,310
Wage tax and social security		1,836	1,589
VAT payable		-	4,172
CIT payable		58	13
Other current liabilities	28	15,500	8,072
Total current liabilities		155,487	150,567
Total liabilities		353,006	251,539
Total equity and liabilities		**600,020**	**357,303**

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Consolidated cash flow statement for the year ended 31 December 2023 (unaudited)

AMOUNTS IN EUR '000	Notes	2023	2022
Cash flows from operating activities			
Profit before tax		13,654	10,188
Adjustments for:			
Depreciation and amortization of Property, Plant and Equipment and Intangible assets	14,15	12,132	14,116
Depreciation of right-of-use assets	31	10,765	10,110
Fair value adjustments on investment property	16	(5)	(90)
Unrealised changes in joint ventures	17	(13)	39
Fair value of share investment awards	22	87	-
Impairment (losses) / reversals on financial assets		(34)	3
Net finance costs		234	2,010
Changes in net working capital			
o Inventories	18	(90)	185
o Contract assets and liabilities	19	95,896	(10,626)
o Trade receivables	20	(833)	(4,539)
o Prepayments and other receivables		(6,143)	125
o Trade payables		(12,127)	26,544
Total changes in net working capital		76,703	11,689
VAT payable and receivable		(11,930)	4,222
Initial direct costs on operating lease contracts		-	(605)
Employee benefits		978	902
Provisions		(228)	228
Wage tax and social security		247	798
Other liabilities		4,514	2,326
Government grants received		632	380
Income taxes received / (paid)		(2,071)	(5,134)
Interest received / (paid)		818	(822)
Net cash from operating activities		**106,483**	**50,360**

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Consolidated cash flow statement for the year ended 31 December 2023 (unaudited) (continued)

AMOUNTS IN EUR '000		2023	2022
Cash flows from investing activities			
Purchase of intangible fixed assets	14	(1,055)	(760)
Purchase of property, plant and equipment	15	(168,803)	(19,523)
Net cash from (used in) investing activities		**(169,858)**	**(20,283)**
Cash flows from financing activities			
Proceeds from new borrowing	24	20,250	-
Transaction costs paid related to new finance facility	24	(3,647)	-
Proceeds from cumulative preference shares	22	50,000	-
Transaction costs paid on issue of cumulative preference shares	22	(68)	-
Proceeds from rights issue	22	50,454	-
Transaction costs paid on issue of ordinary shares	22	(1,294)	-
Payment of lease liabilities	31	(10,763)	(8,595)
Dividends paid	22	-	(4,851)
Net cash from (used in) financing activities		**104,932**	**(13,446)**
Net increase / (decrease) in cash and cash equivalents		41,557	16,631
Cash and cash equivalents at 1 January		89,832	73,201
Cash and cash equivalents at 31 December		**131,389**	**89,832**

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Key Figures 2019-2023

Key figures 2019 – 2023 (unaudited)

X € 1,000	2023	2022	2021	2020	2019	Reference *
Revenue	454,299	374,543	422,541	335,433	325,600	
Contribution	148,989	130,511	114,230	101,592	101,517	(a)
Contribution/ton	669	674	637	609	542	(a)
EBITDA	36,806	36,426	39,061	31,756	26,371	(b)
Adjusted EBITDA	42,168	41,792	39,760	31,756	26,371	(b)
Adjusted EBITDA (ex IFRS 16)	34,726	27,487	34,173	naf	naf	(b)
EBIT	13,909	12,200	17,349	11,408	9,164	(c)
Adjusted EBIT	19,271	17,566	18,048	11,408	9,164	(c)
Profit attributable to the shareholders	10,863	7,217	11,590	7,271	5,488	
Net cash from operating activities	106,483	50,360	91,230	34,336	30,853	
Net cash from investing activities	(169,858)	(20,283)	(11,493)	(4,927)	(14,485)	
Net increase/(decrease) in cash and cash equivalents	41,557	16,631	70,556	1,066	1,074	
Depreciation and amortization	(22,897)	(24,226)	(21,712)	(20,348)	(17,207)	
Net debt	427	17,566	32,482	52,119	80,291	(d)
Net debt (ex IFRS 16)	(111,463)	(89,832)	(73,201)	(2,645)	21,293	(d)
Net working capital	(133,405)	(81,484)	(65,840)	(2,859)	4,300	(e)

* Reference is made to section 'Definition and Explanation of use of non-IFRS financial measures' and 'Reconciliation of non-IFRS financial measures' in the Other Information section for the definition and explanation of use, reconciliation and restatements (if applicable)

Key figures 2019 – 2023 (unaudited)

	2023	2022	2021	2020	2019	Reference *
IN KTON						
Production	192	169	171	164	185	
PER SHARE X €						
Earnings	0.32	0.28	0.45	0.29	0.22	
Dividend	0.00	0.00	0.19	0.12	0.00	
Number of shares issued	29,889	25,501	25,501	25,501	25,501	
RATIOS %						
ROACE	22.3	28.3	43.2	18.9	8.3	(f)
ROACE (adjusted)	110.7	43.6	46.0	18.9	8.3	(g)
COVENANT RATIOS **						
Solvency	43.8	41.0	47.7	50.0	47.2	(h)
Leverage ***	0.00	0.00	0.00	0.00	1.04	(i)
NON-FINANCIAL KPI'S						
LTIF per mln exposure hours	8.28	6.50	4.98	2.48	2.75	
Sickness leave %	6.86	7.89	5.10	5.50	6.59	
Gross CO2 footprint in tons	6,665	10,422	7,378	3,538	4,392	
Net CO2 footprint in tons	6,665	10,422	7,378	3,538	4,392	
Participation in projects that will result in renewable energy capacity	2,622	1,954	1,873	1,298	naf	
Usage of gasses in (pre-)heating of welds - natural gas	0.67	0.83	naf	naf	naf	
Usage of gasses in (pre-)heating of welds - propane gas	0.45	0.57	naf	naf	naf	

naf = not accounted for

* Reference is made to section 'Definition and Explanation of use of non-IFRS financial measures' and 'Reconciliation of non-IFRS financial measures' in the Other Information section for the definition and explanation of use, reconciliation and restatements (if applicable)

** The definition of the covenant ratio's have changed in 2023 as compared to prior periods. Reference is made to section 'Definition and Explanation of use of non-IFRS financial measures' for more information.

*** In prior period annual report presented as "Total debt/EBITDA (ex IFRS16)"

Definition and Explanation of use of non-IFRS financial measures (unaudited)

(a) Contribution Contribution/ton	Total revenue from contracts with customers minus raw materials, subcontracted work and other external charges and logistic and other project-related expenses. Contribution is an important KPI since it excludes pass-through expenses. Together with production in Kton and EBIT it indicates the quality of Sif's performance in any reporting period. For the contribution/ton measure the contribution is adjusted for contribution related to Marshalling, Engineering and fees for projects with no production volume.
(b) EBITDA Adjusted EBITDA Adjusted EBITDA (ex IFRS 16)	Earnings before net finance costs, tax, depreciation and amortization. The company discloses EBITDA and Adjusted EBITDA (both including and excluding the effect of IFRS 16) as supplemental non-IFRS financial measures, as the company believes these are meaningful measures to evaluate the performance of the company's business activities over time. The company understands that these measures are used by analysts, rating agencies and investors in assessing the company's performance. The company also believes that the presentation of EBITDA and Adjusted EBITDA provide useful information to investors on the development of the company's business. The company also uses EBITDA and Adjusted EBITDA as key financial measures to assess operational performance. Adjusted EBITDA is adjusted for expenses that relate to the research into and preparations for the required adjustment and expansion of our production facilities. Adjusted EBITDA excluding IFRS 16 is provided to be able to be compared with non-IFRS reporting Companies, as the IFRS 16 impact on EBITDA is significant for Sif. Adjusted EBITDA is adjusted for expenses of lease contracts other than 'short-term leases' and 'low-value leases' and the impact of the difference in accounting treatment of lease incentives between IFRS 16 and the former lease standard IAS 17.

(c) EBIT Adjusted EBIT	Operating result plus other income. Adjusted EBIT is adjusted for expenses that relate to the research into and preparations for the required adjustment and expansion of our production facilities. EBIT is an important KPI since it mitigates the effect depreciation and amortization has on EBITA. Together with production in Kton and contribution it indicates the quality of Sif's performance in any reporting period.
(d) Net debt Net debt (ex IFRS 16)	Loans and borrowings minus cash and cash equivalents. Net debt is presented to express the financial strength of the Company. The Company understands that analysts, rating agencies and investors use this measure in assessing the company's performance. Net debt (ex IFRS 16) is presented to be compared with non-IFRS reporting Companies, as the IFRS 16 impact on loans and borrowings is significant for Sif.
(e) Net working capital	Inventories plus contract assets plus trade receivables plus current prepayments minus trade payables and contract liabilities) The company discloses net working capital as a supplemental non-IFRS financial measure, as the company believes it is a meaningful measure to evaluate the company's ability to maintain a solid balance between growth, profitability and liquidity. Net working capital is broadly analysed and reviewed by analysts and investors in assessing the company's performance. This measure serves as a metric for how efficiently a company is operating and how financially stable it is in the short term. It is an important measure of a company's ability to pay off short-term expenses or debts.
(f) ROACE (g) ROACE (adjusted)	Return on average capital employed, EBIT as a % of average equity plus loans and borrowings excluding lease-commitments minus cash. In the adjusted measure all values are adjusted for the effects that relate to the research into and preparations for the required adjustment and expansion of our production facilities. The company discloses the measure as supplemental non-IFRS financial measures, as the Company believes these are meaningful measures to evaluate the performance of the Company's business activities over time. The measure is therefore also included in the performance targets of management.

(h) Solvency	This measure is a bank covenant, and is presented to express the financial strength of the Company. The definition has changed after the refinancing in 2023. Definition of solvency in 2022: Total equity (ex IFRS 16) / total assets (ex IFRS 16) Due to an incorrect calculation of the solvency percentage in the annual report of 2022 the 2022 number has been restated. Definition of solvency in 2023: Consolidated Tangible Net Worth (ex IFRS 16) divided by Consolidated Balance Sheet Total (ex IFRS 16) Consolidated Tangible Net Worth = Equity attributable to shareholder minus dividend declared, Intangible assets and Upward revaluation of assets (other than financial instruments) after the 2023 Effective Date (5 June 2023) Consolidated Balance Sheet Total = Total assets minus Intangible assets

(i) Leverage	This measure is a bank covenant, and is presented to express the financial strength of the Company. The definition has changed after the refinancing in 2023. Definition of leverage in 2022: Total debt (ex lease liabilities) / EBITDA (ex IFRS 16) Total debt = loans and borrowings Definition of leverage in 2023: Total net debt (ex IFRS 16) divided by EBITDA ex exceptional items (ex IFRS 16) Total net debt (ex IFRS 16) = Borrowings (ex IFRS 16) minus Cash and Cash Equivalents Borrowings (ex IFRS 16) = Revolving credit facility plus term loans EBITDA ex exceptional items (ex IFRS 16) = EBITDA (ex IFRS 16) minus: - charge to profit represented by the expensing of stock options - the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring - disposals, revaluations, write downs or impairment of non-current assets or any reversal of any write down or impairment - any exceptional, one off, non-recurring or extraordinary items which represent gains or losses relating to the P11

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manufacturing expansion.

EBITDA (ex IFRS 16) = EBITDA adjusted for expenses of lease contracts other than 'short-term leases' and 'low-value leases' (including those expenses accounted for as project costs based on progress), the impact of the difference in accounting treatment of lease incentives between IFRS 16 and the former lease standard IAS 17 and expenses related to initial direct costs of operational lease contracts.

Reconciliation of non-IFRS financial measures (unaudited)

AMOUNTS IN EUR '000	2023	2022	Reference to consolidated financial statements
(a) Calculation of contribution			
Total revenue	454,299	374,543	Consolidated statement of profit and loss, note 6
Raw materials	(252,372)	(191,674)	Consolidated statement of profit and loss
Subcontracted work and other external charges	(30,703)	(36,561)	Consolidated statement of profit and loss
Logistic and other project related expenses	(22,235)	(15,797)	Consolidated statement of profit and loss
Contribution	148,989	130,511	
- Marshalling	(6,492)	(11,062)	Notes to the consolidated financial statements, note 6
- Engineering	(7,006)	(5,459)	
- Fees for projects with no production volume	(7,029)	-	
Adjusted contribution	128,462	113,990	
Production output (Kton)	192	169	
Contribution per Kton	669	674	
(b) Reconciliation operating profit to adjusted EBITDA ex IFRS 16			
Operating profit	13,904	12,110	Consolidated statement of profit and loss
- Other income	5	90	Consolidated statement of profit and loss
- Depreciation and amortization	22,897	24,226	Consolidated statement of profit and loss, note 14,15,31
EBITDA	36,806	36,426	
- Expenses that relate to the research into, preparations for and the execution of the required adjustment and expansion of our production facilities	5,362	5,366	
Adjusted EBITDA	42,168	41,792	
- Expenses of lease contracts other than 'short-term leases' and 'low-value leases'	(11,054)	(8,544)	
- Expenses related to initial direct costs of operational lease contacts	(540)	(2,160)	
- Expenses of lease contracts other than 'short-term leases' and 'low value leases' accounted for as project costs based on progress	4,112	(3,646)	
- Net impact of the difference in accounting treatment of lease incentives between IFRS 16 and the former lease standard IAS 17	40	45	
Adjusted EBITDA (ex IFRS 16)	34,726	27,487	

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AMOUNTS IN EUR '000	2023	2022	Reference to consolidated financial statements
(c) Reconciliation of operating profit to EBIT to adjusted EBIT			
Operating profit	13,904	12,110	Consolidated statement of profit and loss
- Other income	5	90	
EBIT	13,909	12,200	
- Expenses that relate to the research into, preparations for and the execution of the required adjustment and expansion of our production facilities	5,362	5,366	
Adjusted EBIT	19,271	17,566	
(d) Calculation of Net debt and Net debt (ex IFRS 16)			
Loans and borrowings	19,926	-	Consolidated statement of financial position, note 24
Lease liabilities - non-current	102,875	99,006	Consolidated statement of financial position, note 24, 31
Lease liabilities - current	9,015	8,392	Consolidated statement of financial position, note 24, 31
Cash and cash equivalents	(131,389)	(89,832)	Consolidated statement of financial position, note 21
Net debt	427	17,566	
Lease liabilities - non-current	(102,875)	(99,006)	Consolidated statement of financial position, note 24, 31
Lease liabilities - current	(9,015)	(8,392)	Consolidated statement of financial position, note 24, 31
Net debt (ex IFRS 16)	(111,463)	(89,832)	
(e) Calculation of Net working capital			
Inventories	517	427	Consolidated statement of financial position, note 18
Contract assets	28,712	18,315	Consolidated statement of financial position, note 19
Trade receivables	23,330	22,463	Consolidated statement of financial position, note 20
Prepayments and other receivables	10,853	2,102	Consolidated statement of financial position
Trade payables	(87,324)	(92,333)	Consolidated statement of financial position
Contract liabilities - current	(37,725)	(32,458)	Consolidated statement of financial position, note 19
Contract liabilities - non-current	(71,768)	-	Consolidated statement of financial position, note 19
Net working capital	(133,405)	(81,484)	

AMOUNTS IN EUR '000	2023 Average	Q1	Q2	Q3	Q4	Reference to consolidated financial statements
(f) Calculation of ROACE - EBIT / Average capital employed						
Total equity	181,779	158,432	160,834	160,834	247,014	Consolidated statement of financial position
Cash and cash equivalents	(124,403)	(138,234)	(103,558)	(124,429)	(131,389)	Consolidated statement of financial position, note 21
Loans and borrowings (excl lease liabilities)	4,982	-	-	-	19,926	Consolidated statement of financial position, note 24
Capital employed	62,358	20,198	57,276	36,405	135,551	
EBIT	13,909					(c)
ROACE	**22.3%**					

AMOUNTS IN EUR '000	2022 Average	Q1	Q2	Q3	Q4	Reference to consolidated financial statements
Total equity	104,152	105,183	102,993	102,668	105,764	Consolidated statement of financial position
Cash and cash equivalents	(61,077)	(35,731)	(57,569)	(61,175)	(89,832)	Consolidated statement of financial position, note 21
Loans and borrowings (excl lease liabilities)	-	-	-	-	-	Consolidated statement of financial position, note 24
Capital employed	43,075	69,452	45,424	41,493	15,932	
EBIT	12,200					(c)
ROACE	**28.3%**					

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AMOUNTS IN EUR '000	2023 Average	Q1	Q2	Q3	Q4	Reference to consolidated financial statements
(g) Calculation of ROACE (adjusted) - EBIT (adjusted) / Average capital employed (adjusted)						
Total equity	181,779	158,432	160,834	160,834	247,014	Consolidated statement of financial position
- Equity financing related to the required adjustment and expansion of our production facilities	(74,719)	(50,000)	(49,932)	(99,852)	(99,092)	
- Cumulative expenses that relate to the research into, preparations for and the execution of the required adjustment and expansion of our production facilities	8,671	6,514	7,976	9,465	10,728	
Total equity (adjusted)	115,731	114,946	118,878	70,447	158,650	
Cash and cash equivalents	(124,403)	(138,234)	(103,558)	(124,429)	(131,389)	Consolidated statement of financial position, note 21
- Cash-in related to financing of the required adjustment and expansion of our production facilities	130,665	50,000	82,000	169,954	220,704	
- Cumulative cash-in/(out) related to expenses and investments that relate to the research into, preparations for and execution of the required adjustment and expansion of our production facilities	(104,579)	(19,110)	(88,379)	(125,301)	(185,529)	
Cash and cash equivalents (adjusted)	(98,317)	(107,344)	(109,937)	(79,776)	(96,213)	
Loans and borrowings (excl lease liabilities)	4,982	-	-	-	19,926	Consolidated statement of financial position, note 24
- Loans and borrowings (excl lease liabilities) related to financing of the required adjustment and expansion of our production facilities	(4,982)	-	-	-	(19,926)	
Loans and borrowings (excl lease liabilities) (adjusted)	-	-	-	-	-	
Capital employed (adjusted)	17,414	7,602	8,941	(9,329)	62,437	
EBIT	13,909					(c)
- Cumulative expenses that relate to the research into, preparations for and the execution of the required adjustment and expansion of our production facilities	5,362					
EBIT (adjusted)	19,271					
ROACE (adjusted)	**110.7%**					

AMOUNTS IN EUR '000	2022 Average	Q1	Q2	Q3	Q4	Reference to consolidated financial statements
(g) Calculation of ROACE (adjusted) - EBIT (adjusted) / Average capital employed (adjusted)						
Total equity	104,152	105,183	102,993	102,668	105,764	Consolidated statement of financial position
- Cumulative expenses that relate to the research into, preparations for and the execution of the required adjustment and expansion of our production facilities	2,895	773	1,991	3,449	5,366	
Total equity (adjusted)	107,047	105,956	104,984	106,117	111,130	
Cash and cash equivalents	(61,077)	(35,731)	(57,569)	(61,175)	(89,832)	Consolidated statement of financial position, note 21
- Cumulative cash-in/(out) related to expenses and investments that relate to the research into, preparations for and execution of the required adjustment and expansion of our production facilities	(5,659)	(215)	(3,063)	(5,657)	(13,699)	
Cash and cash equivalents (adjusted)	(66,736)	(35,946)	(60,632)	(66,832)	(103,531)	
Loans and borrowings (excl lease liabilities)	-	-	-	-	-	Consolidated statement of financial position, note 24
Capital employed (adjusted)	40,311	70,010	44,352	39,285	7,599	
EBIT	12,200					(c)
- Cumulative expenses that relate to the research into, preparations for and the execution of the required adjustment and expansion of our production facilities	5,366					
EBIT (adjusted)	17,566					
ROACE (adjusted)	**43.6%**					

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AMOUNTS IN EUR '000	2023	2022	Reference to consolidated financial statements
(h) Calculation of Solvency			
Equity attributable to shareholder	245,535	105,764	Consolidated statement of financial position
Adjustments to exclude IFRS 16 impact:			
- Right-of-use assets	(108,342)	(104,466)	Consolidated statement of financial position, note 24, 31
- Lease liabilities - non-current	102,875	99,006	Consolidated statement of financial position, note 24, 31
- Lease liabilities - current	9,015	8,392	Consolidated statement of financial position, note 24, 31
- Lease incentives capitalised on the balance sheet	(2,036)	(2,200)	
- Equity effect of expenses of lease contracts other than 'short-term leases' and 'low value leases' accounted for as project costs based on progress	465	(3,646)	
- Deferred tax on above items	(940)	(896)	
Equity attributable to shareholder (ex IFRS 16)	246,572	101,954	
Intangible assets	(1,915)		
Upward revaluation of assets (other than financial instruments) after the 2023 Effective Date (5 June 2023)	(5)		
Advance factory payments converted into perpetual bond instruments	(30,500)		
Consolidated Tangible Net Worth (ex IFRS16)	**214,152**		
Total assets	600,020	357,303	Consolidated statement of financial position
Adjustments to exclude IFRS 16 impact:			
- Right-of-use assets	(108,342)	(104,466)	Consolidated statement of financial position, note 31
- Balance sheet impact of initial direct costs of operational lease contracts	-	540	Note 31
- Impact on contract assets of expenses of lease contracts other than 'short-term leases' and 'low value leases' accounted for as project costs based on progress	465	(3,646)	
- Deferred tax asset on Right-of-use assets and lease liabilities	(940)	(896)	
Total assets (ex IFRS 16)	491,203	248,835	
Intangible assets	(1,915)		
Outstanding AFPs (excl launching customers)	-		
Consolidated Balance Sheet Total (ex IFRS16)	**489,288**		
Solvency	**43.8%**	**41.0%**	

AMOUNTS IN EUR '000	2023	2022	Reference to consolidated financial statements
(n) Calculation of Leverage			
Loans and borrowings	19,926	-	Consolidated statement of financial position, note 24
Total debt (Borrowings) (ex IFRS 16)	19,926	-	
Cash and cash equivalents	(131,389)		
Total net debt	**(111,463)**		
EBITDA	36,806	36,426	(b)
Adjustments to exclude IFRS 16 impact:			
- Expenses of lease contracts other than 'short-term leases' and 'low-value leases'	(11,054)	(8,544)	
- Expenses related to initial direct costs of operational lease contacts	(540)	(2,160)	
- Expenses of lease contracts other than 'short-term leases' and 'low value leases' accounted for as project costs based on progress	4,112	(3,646)	
- Net impact of the difference in accounting treatment of lease incentives between IFRS 16 and the former lease standard IAS 17	40	45	
EBITDA (ex IFRS 16)	29,364	22,121	
- Charge to profit represented by the expensing of stock options	361		
- Disposals, revaluations, write downs or impairment of non-current assets or any reversal of any write down or impairment	(509)		
- Exceptional, one off, non-recurring or extraordinary items which represent gains or losses relating to the P11 manufacturing expansion	5,115		
EBITDA ex exceptional items (ex IFRS 16)	**34,331**		
Net Leverage	**0.00**	**0.00**	