Trading Update
4 November 2020
Roermond, the Netherlands

Highlights and Key Figures for Q3 2020

Highlights Q3:

- **No lost time safety- incidents; LTI ytd still 1 with one year rolling LTIF at 0.81 (2.39 Full year 2019);**
- **YTD 8 Sif employees COVID19 infected, none infected at working place. Impact of second wave COVID19 on Sif operations yet unclear but national trend is a concern;**
- **Offshore Wind Projects funnel building up with projects in Europe (Green deal), Japan (neutral Carbon Dioxide emission by 2050 latest) and USA (subject to election outcome);**
- **Oil & gas lines idle from the start of Q3;**
- **Fine-tuning production lines for start-up of Hollandse Kust Zuid project in Q4 2020 as planned;**
- **Gearing up to 24/5 + 2 (2 shifts on Saturday) working weeks from final quarter 2020 onwards.**

Key figures:

- **Year-to-Date (YTD)[1] contribution increased to €68.5 million (€66.6 million YTD 2019)**
  - **€67.5 million from production of (components for) foundations (€65.2 million first 9 months 2019)**
  - **€1.0 million from marshalling activities;**
- **EBITDA Year to Date increased to €17.3 million (€14.6 million YTD 2019);**
- **Operating Working Capital at end of Q3 2020 -€70.9 million (-€8.2 million at end of Q3 2019 and -€64.5 million at end of Q2 2020);**
- **Net Cash excluding IFRS 16 at end of Q3 2020 €49.5 million (Net debt €19.2 million at end of Q3 2019 and net cash €38.3 million at end of Q2 2020);**
- **Throughput of 37 Kton brings Year to Date production to 113 Kton (140 Kton YTD Q3 2019);**
- **Order book 52 Kton for Q4 2020, 182 Kton for 2021 and 120 Kton for 2022 and beyond.**

In € million	YTD 2020	YTD 2019	Change YoY	Q3 2020	Q3 2019
Contribution	68.5	66.6	2.9%	22.8	21.1
EBITDA	17.3	14.6	18.5%	5.8	1.8
Kton production	113.0	140.0	-19.3%	37.0	46.0
Order book in Kton at 7 November 2019	For remainder 2020		For 2021		For 2022 and beyond
Contracted	52		100		0
Exclusive negotiation	0		82		120
Total for the year	52		182		120

Comment from Fred van Beers, CEO of Sif-Group:

The project Saint Nazaire in France (81 Kton, 80 foundations) and our first Japanese project Akita Noshira (26 Kton, 33 foundations) were completed or nearing completion in the third quarter of 2020. These projects largely account for year-to-date's production. During the third quarter we also prepared for manufacturing Hollandse Kust Zuid. This 112 Kton project is due for delivery in 2021 and we will commence manufacturing the first of 140 monopiles during the final quarter of this year. Against the background of preparations for new projects, the holiday-period and adjusted working circumstances that relate to the COVID19 pandemic, the achievements of the past quarter indicate that we are more in control of our manufacturing process. Zero lost time incidents, little repair-work, normalized absenteeism and sickness leave and production of in average 4 monopiles per week at the close of the third quarter underpin the progress made in operations. The second

[1] Year-to-date (YTD) refers to the period 1 January- 30 September

COVID19 wave that broke out at the end of the third quarter is reason for concern and pro-active measures within our control are taken to minimize the possible impact on production and output in the last quarter of 2020 and beyond.

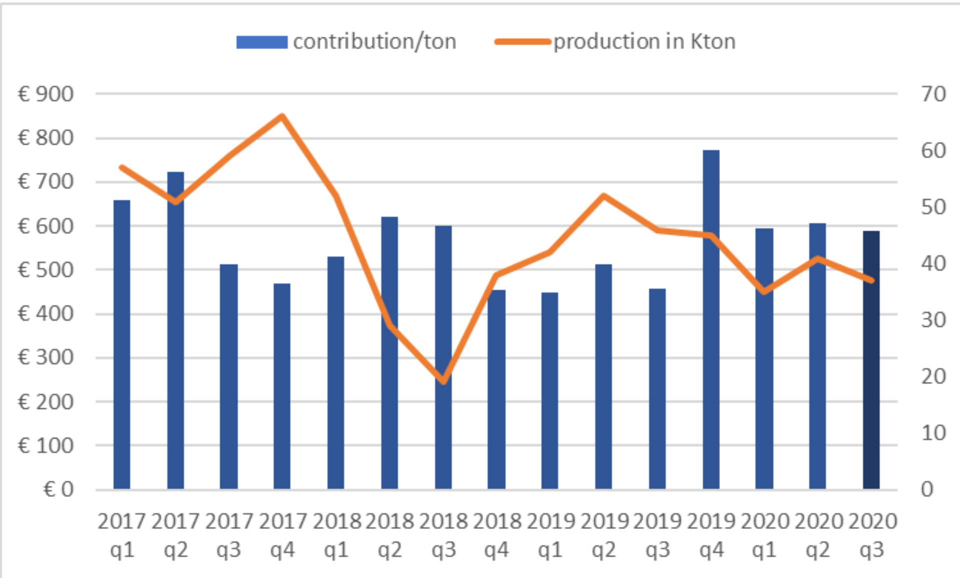
With surging demand for offshore wind, a flawless production process is key to optimizing our capacity utilization. Focus on safety and intensified involvement of the shopfloor should avoid rework and will contribute to optimization of the production efficiency. The preparations we have made for the final quarter of 2020 include a controlled step-up to a 24/5 + 2 (2 shifts on Saturdays) working week as of 1 October 2020. This will result in an estimated production output of between 165 and 170 Kton (4 to 5 MP's a week) and an EBITDA contribution at a level equal to that of 2019. This is of course all subject to potential negative effects of COVID19 or COVID19 related measures.

In parallel we are finalizing negotiations for projects that are in our orderbook as 'exclusive negotiations' and we are tendering for projects that are currently in the market for prequalification or at the doorstep of entering the 'exclusive negotiations' phase. Further news on orderbook additions is expected before the end of the year. For 2021 we booked 182 Kton and a further 120 Kton for 2022 and beyond, giving us approximately 90% capacity utilization in 2021.

Q3 2020 Results

Contribution

Revenue for the first 3 quarters of 2020 came in at €231 million compared to €247 million in the first 3 quarters of 2019. Contribution is a better indication for performance since it eliminates changes in steel prices. Changes to steel prices are a pass-through cost for Sif. For the first 9 months of 2020 contribution added up to €68.5 million of which €1.0 million relates to marshalling activities. With production at 113 Kton this implies a contribution margin YTD of €606 per ton and €616 per ton for the quarter. Over time, quarterly contribution per ton and production levels developed as in the graph below whereby q3 2020 (dark blue bar) is corrected for contribution from marshalling activities.



Contribution is calculated as revenues minus cost of raw materials, subcontracted work, logistics and other external project-related charges, and is a key financial indicator for Sif.

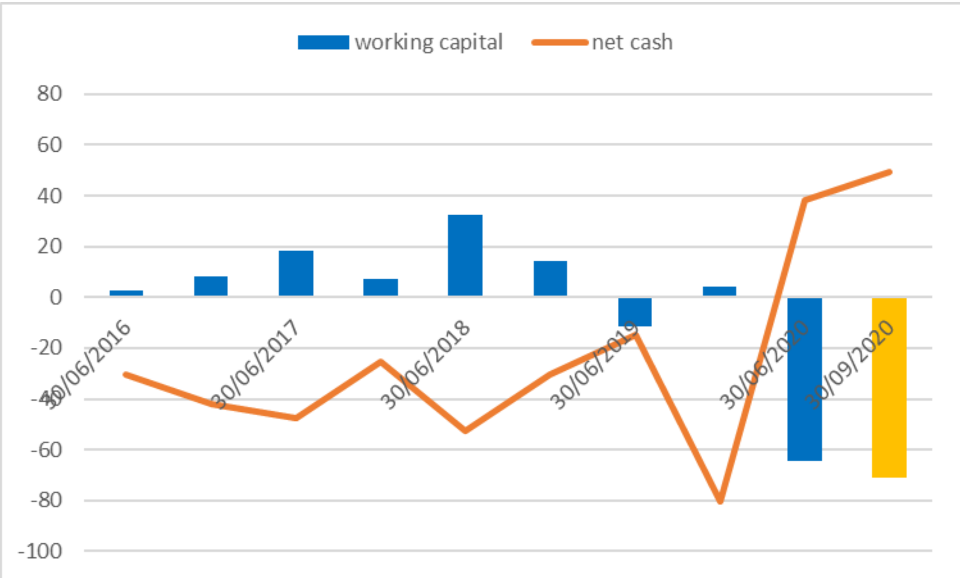
EBITDA

EBITDA in Q3 2020 amounted to €5.8 million compared to €1.8 million in Q3 2019.
The dynamic of completion of projects impacts EBITDA. Decreasing absence rates relating to (COVID19) travel restrictions or sickness impacted YTD 2020 EBITDA if compared to the same period in 2019. At the end of Q3 2020 Sif employed 543 FTE of which 316 permanent staff and 227 flexible workforces. At the end of Q3 2019 Sif employed 644 FTE of which 308 permanent and 336 flexible staff.

Adjusted EBITDA is calculated as profit before finance expenses, tax, depreciation and amortization.

Net debt & financial position

Net working capital with -€70.9 million was in line with the previous reporting period (-€64.5 million). Net cash excluding IFRS 16- effects increased from €38.3 million at the end of Q2 2020 to €49.5 million at the end of Q3 2020. The company remained within the agreement with the banks. Banking covenants require solvency in 2020 of 35% and Ebitda LTM (last twelve months) end of Q3 of at least € 0. Solvency at the end of Q3 with 47% (excl IFRS 16) was well within covenants.



Outlook

For the Full Year 2020 we anticipate total production of between 165 and 170 KTon with Hollandse Kust Zuid in execution. EBITDA for 2020 is expected to arrive at a level equal to that of 2019 when production was 185 Kton. This is of course all subject to potential negative effects of COVID19 or COVID19 related measures.

182 KTon has been booked for 2021 and 120 Kton for 2022 and beyond with tendering activity at high levels. Sif is well- positioned to benefit from the upswing that is projected for the 2021- 2027 period by industry analysts such as Windeurope and WoodMackenzie. For this period, projects in Europe like Hollandse Kust Noord (70 foundations), Dogger Bank A (95 foundations), Dogger Bank B (95 foundations) Sofia (130 foundations), Courseuilles (75 foundations) and Dogger Bank C (110 foundations) are now in various stages of tendering. The outlook for O&G remains unchanged at a close to zero level.

2020- 2021 Financial Calendar

November 6, 2020	Q3 Trading Update*
March 12, 2021	Release of full year 2020 results and 2020 Annual Report
May 12, 2021	Release of Q1 2021 Trading update
May 12, 2021	Annual General Meeting of Shareholders
August 27, 2021	Release of 2021 interim result
November 5, 2021	Release of Q3 2021 Trading update

*this Q3 2020 trading update is released earlier due to a suspected data hack of a restricted user-group as a result of which the confidentiality of this trading update could no longer be guaranteed. In the meantime, the issue has been resolved.

Contact

Fons van Lith, Investor Relations
Telephone: +31 (0)651314952
Email: f.vanlith@sif-group.com

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