



AGM 12 May 2023



Sif

**OFFSHORE
FOUNDATIONS**

Strictly private and confidential

> **SHAPING TOMORROW. PERFORMING TODAY.**



Sif

Agenda AGM

1. Opening
2. Announcements
3. The Annual Report for the 2022 financial year:
 - a) Presentation and discussion of the Board Report
 - b) Discussion of the Supervisory Board Report
 - c) Remuneration Report (advisory vote)
 - d) Approval of the 2022 financial statements (vote)
 - e) Discharge of the Executive Board (vote)
 - f) Discharge of the Supervisory Board (vote)
4. Update on strategic expansion plans
5. Appointment of Supervisory Board member
 - a) Notification of vacancy
 - b) Opportunity to recommend for appointment
 - c) Proposal to appoint Angelique Heckman (vote)
 - d) Notification of the end of an appointment term
 - e) Approval of the remuneration (vote)
6. Re-appointment of the auditor for 2023 (vote)
7. Authorization of the Executive Board
 - a) Authorization to acquire shares (vote)
 - b) Authorization to issue shares and grant rights to subscribe for shares (vote)
 - c) Authorization to restrict or exclude pre-emptive rights (vote)
8. Any other business and closing



Agenda items 3 and 4: Annual report and update on strategic expansion plans

Sections

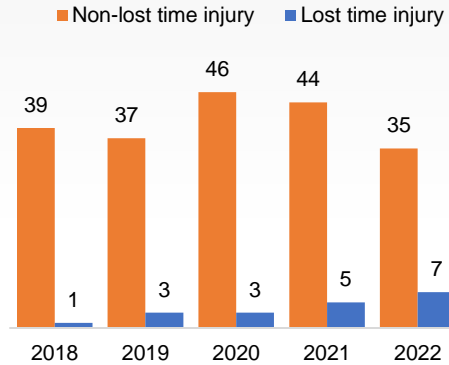
- I Safety
- II Our Performance in 2022
- III Progress Q1 2023
- IV Update on strategic plans

Today's venue and program

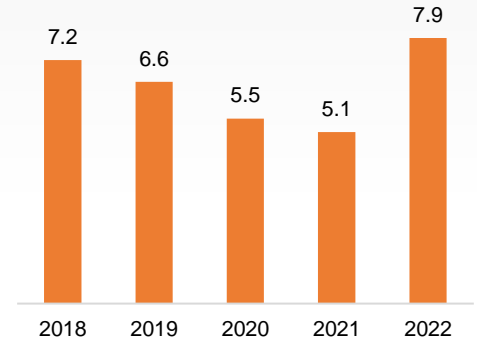


- No planned evacuation drills
- Follow the signs to the meeting point

Safety statistics (#)



Sickness leave (%)



Main focus is on the wellbeing of our employees, this is at the heart of our company

- Production stand still in May to increase awareness of safe working conditions to cope with increased dimensions and reduced maneuverability in facilities
- Additional training of often unexperienced new hires and temporary workforce
- Better reporting discipline, decreasing number of incidents

Sickness leave negatively impacted by flu wave

2022 in Retrospect: Operational Highlights

Marshaling services for Siemens Gamesa project Hollandse Kust Zuid



Monopiles and Transition pieces for Dogger Bank A&B



TP-less Monopiles for Hollandse Kust Noord



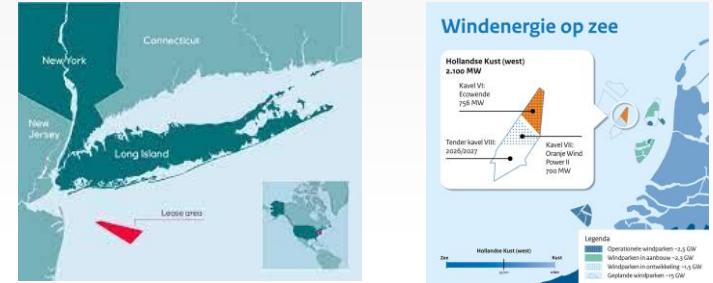
Contract wins 2022 include

Transition Pieces Noirmoutier and He Dreiht



- Sif has won the contracts for the transition pieces for He Dreiht (Germany) and Noirmoutier (France)
- Manufactured during 2023 – 2024
- A total of 126 transition pieces, representing 54 Kton

Hollandse Kust West VI and Empire Wind

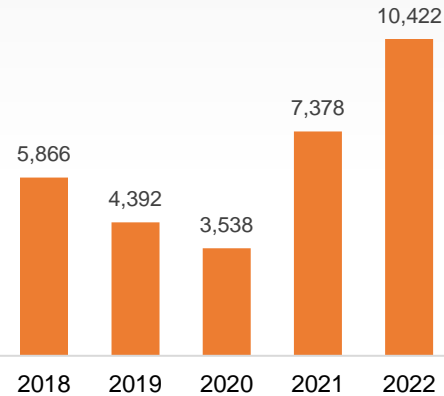


- Sif has won the contracts for the foundations of Hollandse Kust West plot VI (the Netherlands) and Empire Wind (USA)
- Manufactured during 2024-2026
- A total of 184 foundations representing 348 Kton



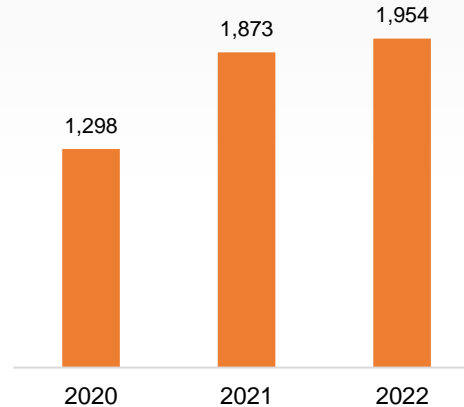
2022 in Retrospect: Social and Environmental Results (limited assurance EY)

Gross CO2 (tonnes)



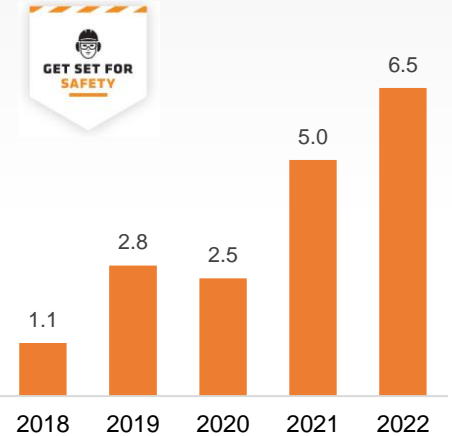
- Reporting brought more into line with Greenhouse Gas Protocol
- Gross scope 2 emissions are (partly) compensated by the energy generated on Sif's premises via the Haliade
- Compensation negatively impacted by more downtime in 2021 and 2022

Contribution to renewable energy (MW)



- Participation in projects that will result in renewable energy capacity

LTIF (per mln hours worked)

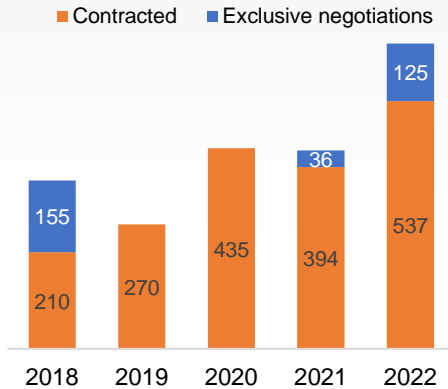


- LTIF, Lost Time Injury Frequency, amounted to 6.5 in 2022, considerably above Sif's target level of 1.5
- Key focus and actions identified to improve LTIF



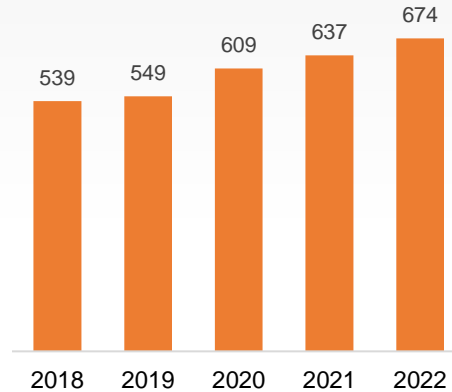
Positive Market Development on Key Indicators

Orderbook (Kton)



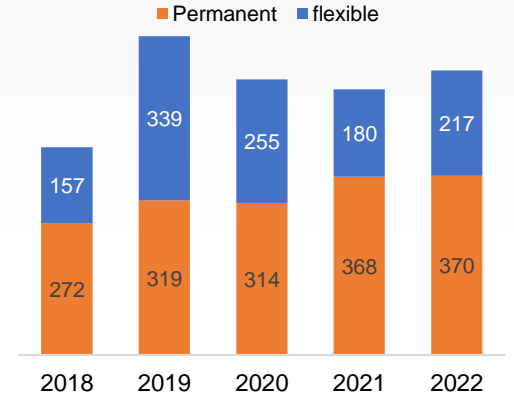
- At the end of 2022, Sif's orderbook contained 662 Kton (+54% on 2021) signed orders and exclusive positions, which extends well into 2026

Contribution € per ton⁽¹⁾



- Contribution per ton is a leading financial indicator because it excludes:
 - Steel price fluctuations
 - Level of subcontracting
- Contribution per ton increased by 5.8% on 2021

Workforce



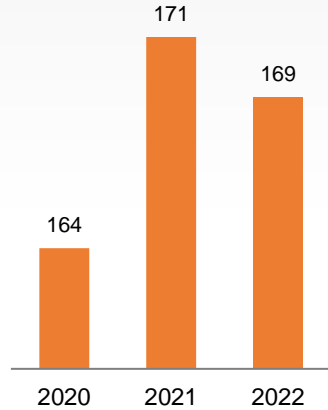
- At the end of 2022, Sif's total workforce consisted of 587 FTEs compared to 548 FTEs in 2021
- Of the flexible workforce, 99% are factory workers
- Labour markets were and remain tight.

Notes: 1. Excl. marshalling and engineering revenues.

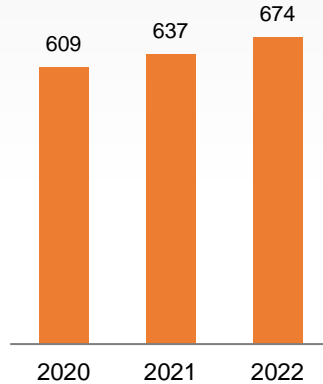


Financial Results 2022 in Line with Guidance

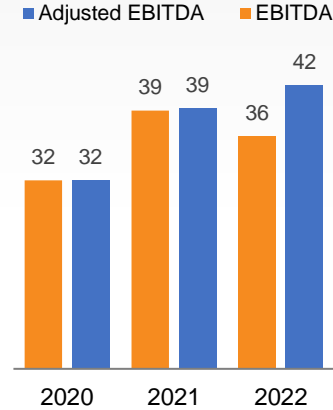
Production Kton



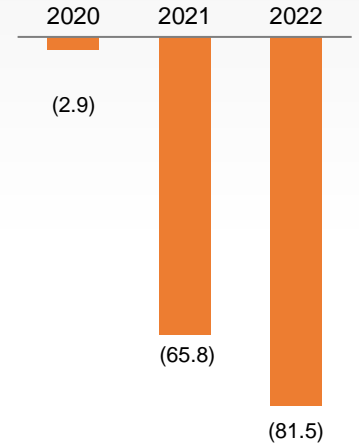
Contribution € per ton



(Adj.) EBITDA (EURm)



Working Capital (EURm)

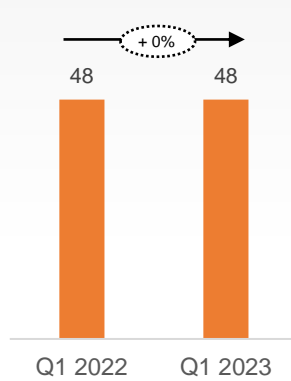


- Gradually increasing contribution margin underpins improving market conditions
- Contribution margin cleaned for marshalling and engineering

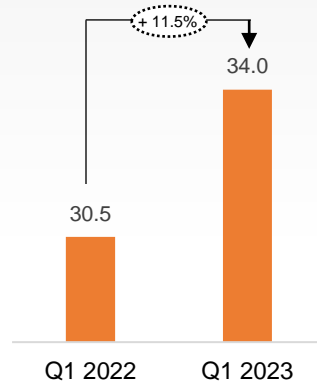


Progress Q1 2023

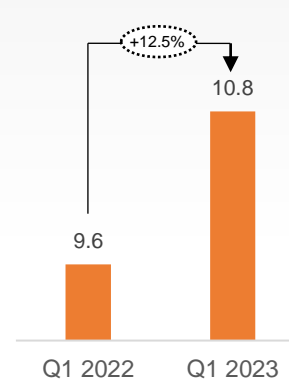
Production (Kton)



Contribution (EURm)



Adj. EBITDA (EURm)



2023 Outlook

- Adjusted EBITDA for 2023 is expected to be at the same level as the 2022 adjusted EBITDA

- Contribution per ton at €644 in Q1 2023 compared to €554 in Q1 2022 due better commercial conditions
- Working capital at end of Q1 2023 at (€85.7) million; (€81.5) million at YE 2022
- Cash on balance €138.2 million; €89.8 million at YE 2022
- Orderbook 170 Kton for rest 2023 and 549 Kton for 2024 and beyond

Operational situation today



Supply chain challenges

- Steel and flange availability for our orderbook is secured; price changes are passed through so no price risk for Sif involved
- Energy prices coming down
- Extra buffer of production materials to mitigate shortage risks



Tender processes

- No decrease in the number of tenders; more the opposite
- Capacity agreement Equinor pays off with reservation for Baltyk II&III
- Relation DH and Sif is on a competitive edge but push from customers on alternative suppliers from Asia is increasing due to price gaps



Personnel and facilities

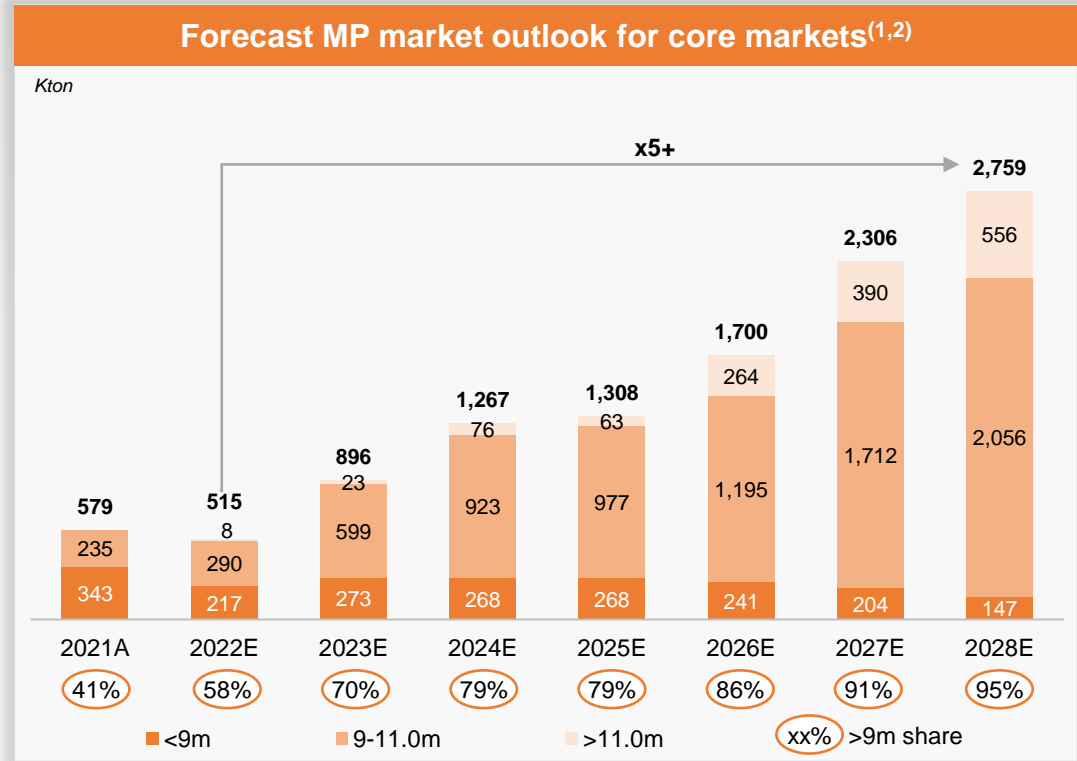
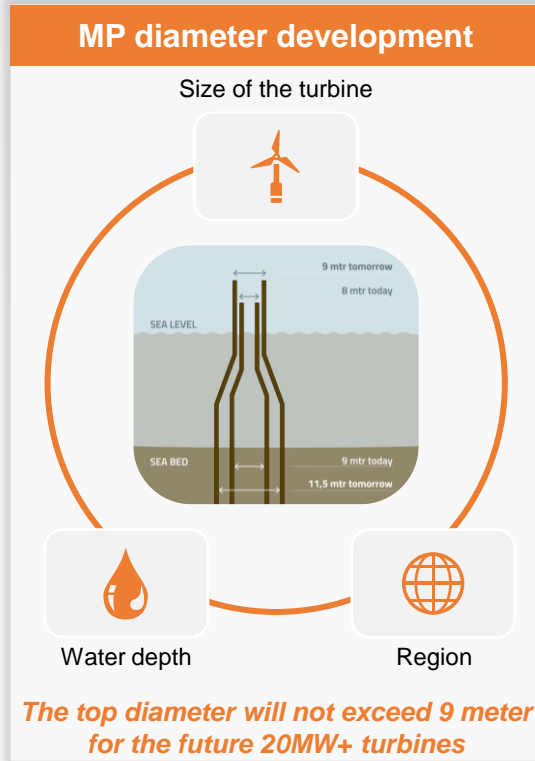
- Availability of skilled workers has not further deteriorated but still stretched labor market
- Priority on safety culture
- Relocation office for extension completed
- Replacement of gas pre-heating with induction on schedule resulting in decreased carbon footprint



Update on strategic plans: first pile P11

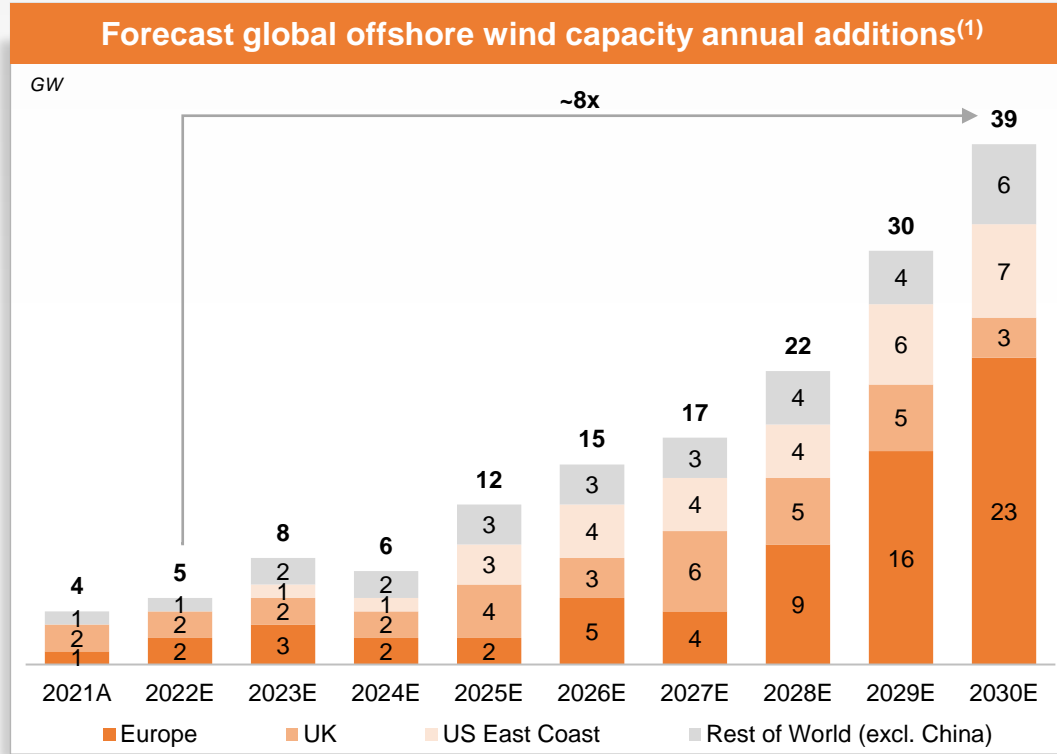


Shift to next generation 3XL monopile foundation



Source: Company information, International strategy consultant.
 Notes: 1. Displayed years corresponds to year of production. 2. US East Coast and Europe including UK.

Accelerating momentum in offshore wind market



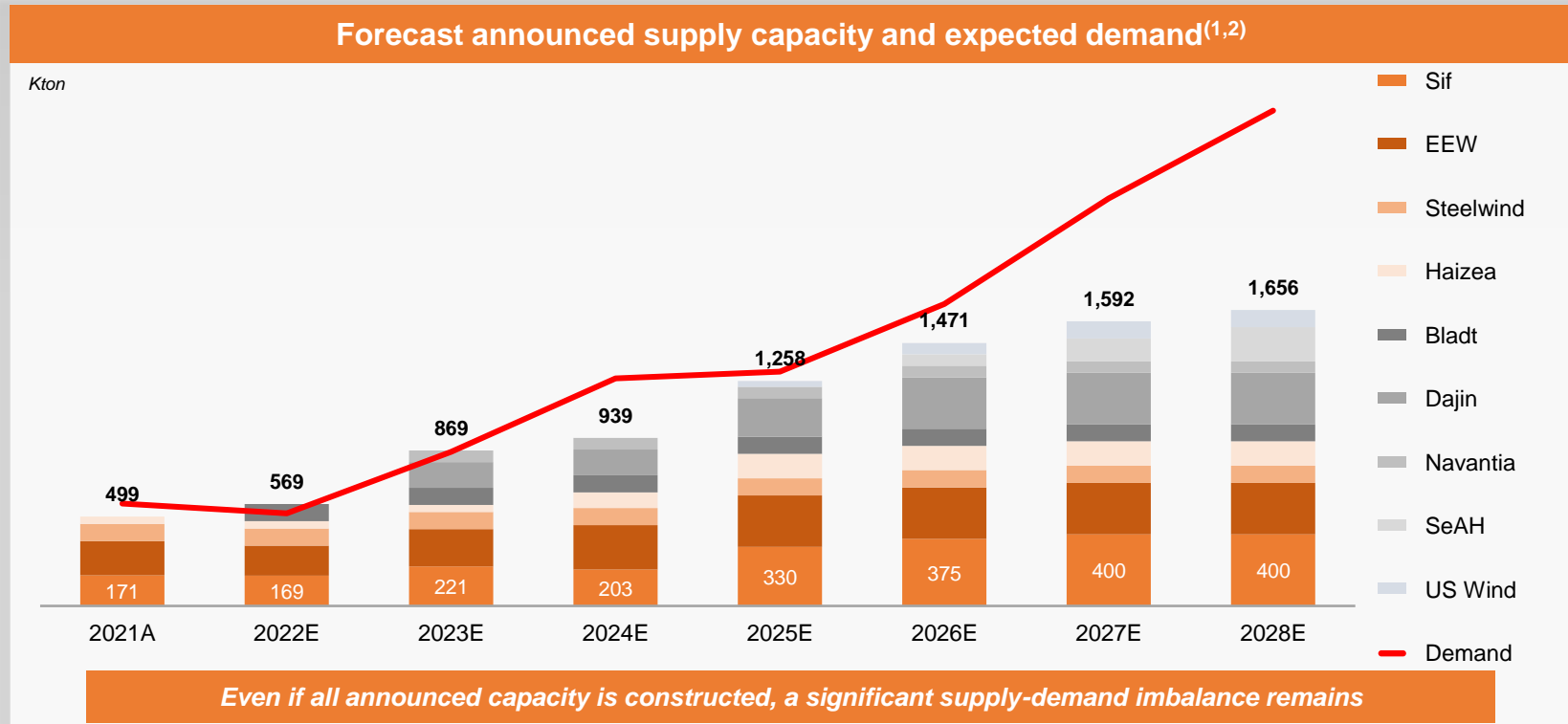
Policies and targets

- European Green Deal, targeting to increase 2030 installed OSW capacity
- EU's Fit-for-55, reducing greenhouse gas by 55%
- REPowerEU, accelerating clean energy transition
- Cooperation framework between NSEC countries to target 260 GW of OSW by 2050
- Net Zero Act supports local European OSW solution providers
- US Inflation Reduction Act and government initiatives, boosting OSW





Significant supply-demand imbalance



Source: Company information, International strategy consultant.

Notes: 1. Capacity displayed assuming max. 80% utilization; For Sif the actual and expected production volumes are included; For new facilities a 2 year ramp up period is expected with 33% in year 1, 66% in year 2 and 100% in year 3; For expansion of existing facilities, a 1 year ramp up period is expected with 50% in year 1 and 100% in year 2. 2. US East Coast and Europe including UK.

Expansion plan on schedule to reach \geq €160m EBITDA by 2026

Expansion plan update



Execution building the manufacturing plant on schedule



All key suppliers contract signed



Highest safety and environmental standards included



Order book filled with 719 Kton supporting the business plan



Equinor, Shell/Eneco financial contribution coming in as planned



No budgetary issues

Strong focus on project execution in order to deliver on time and within budget

Significant growth potential post 2026

Substantial and tangible strategic options

Total Solutions Platform



- Expansion of solutions to include offering to fully circular offshore wind parks
- Additional high-value engineering offering and marshaling & logistics services

Geographical Expansion



- Expansion to the US to benefit from undersupplied market (partnering)
- Deepen relationship and license agreement with GS Entec

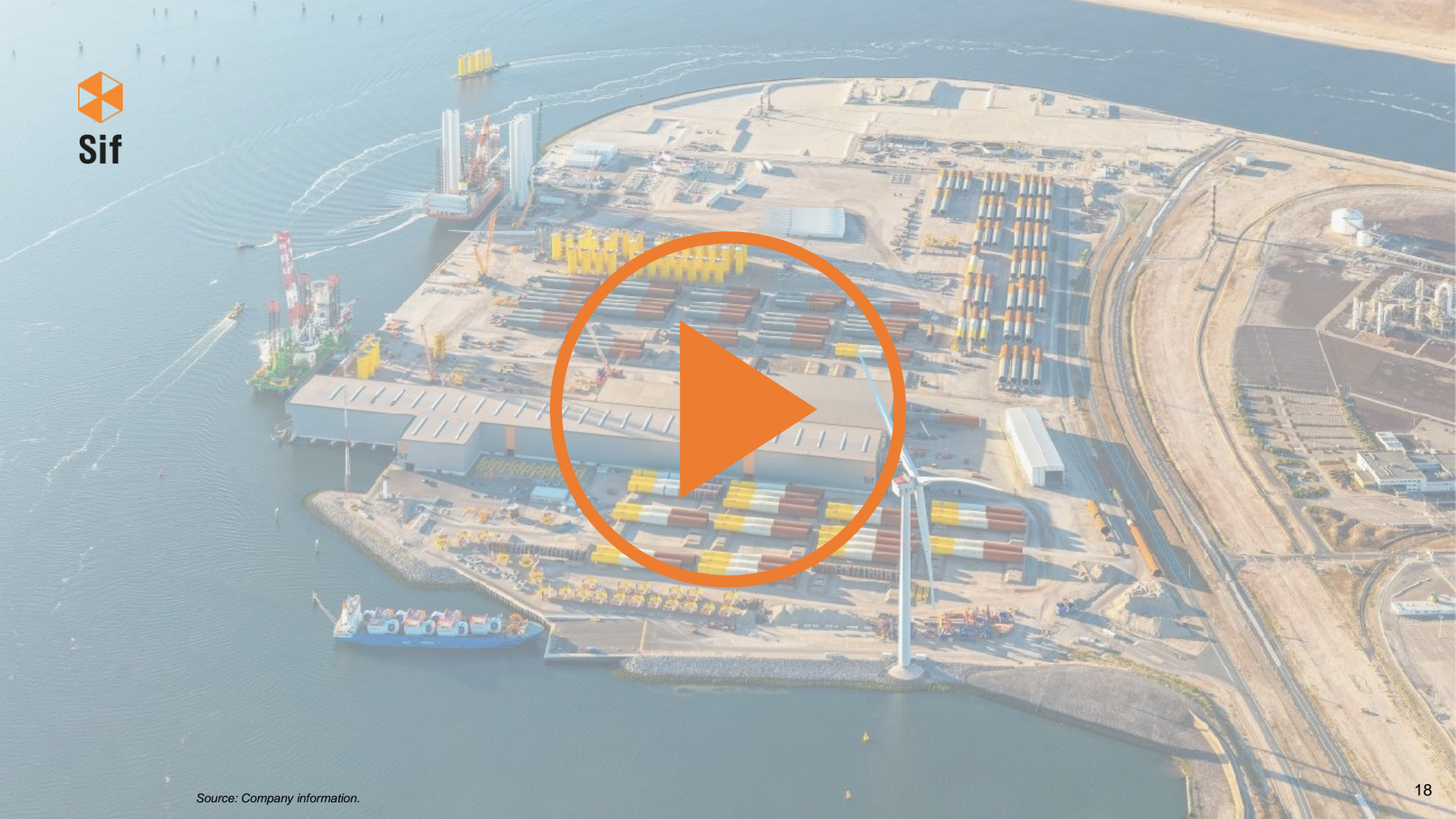
Capabilities Scale-up



- Expansion to manufacture MPs with a larger diameter in case of market need and appropriate return requirements
- Scale-up of transition piece manufacturing volumes
- Alternative foundations (e.g. tripod) and skybox commercialization



Sif





**Thank you for your attention;
happy to take your questions!**



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