Interim results 2023

Sif Holding N.V.

Highlights first half year 2023

People Planet Profit

People / Planet		Profit	
Safety	7.88 LTIF	Contribution	€71.4 mln
Gross CO2 emission	1,635 mt	Adjusted EBITDA	€21.4 mln
Participation in projects resulting in	1,344 MW renewable energy capacity	Earnings per share	€0.17

(*) reference is made to the section Reporting Criteria of the annual report for further details

Operational Highlights and Key Figures for first Half Year 2023

Operational Highlights Year to Date:

Health and Safety first:

- Three incidents in the second quarter increase LTI to seven and LTIF to 7.88 for first half 2023 (five LTI and LTIF of 8.97 in first half 2022);
- Sick leave with 6.7% improved on the 7.2% of first half of the previous year.

People:

- Hiring of 200 FTE for expanded facilities progressing. Permanent staff 30 June 2023 at 382 FTE (with 305 temporary staff) compared to 368 FTE end of June 2022 (with 220 temporary staff);
- New appointment of Angelique Heckman to Supervisory Board and nomination of Annabelle Vos for appointment to Supervisory Board in September 2023;
- New appointments to Management Team of Monique van den Boogaard (director projects) and Robert Verkroost (director HR).

Strategic developments:

- Solid execution of the financing package for the expansion plan including Equinor as new shareholder for cumulative preference shares and successful rights issue with 98.9% take-up (completed in July 2023);
- Construction of expanded manufacturing plant at Maasvlakte 2 started according to plan in April 2023 and is progressing expeditiously, reaching its highest point on 17 August last. Almost 90% of construction and equipment expenses locked-in at firm rates;
- Phasing out of marshalling and logistics resulting in lower contribution levels in Q2 and to almost zero from Q3 2023.

New projects:

- Capacity reservation agreement for Baltyk 2+3. Production of 90 monopiles (105 Kton) for delivery in 2025 and 2026 (already reported in Q1 release);
- Shift from exclusive negotiation to firm contract for production of 54 transition pieces (20 Kton) for delivery in 2025;
- New preferred supplier agreement for the delivery of monopiles (approx. 80 Kton) in 2026.

Sustainable products and production:

- Sif participated in projects resulting in 1,344 MW renewable energy capacity (803 MW in first half 2022);
- Decreased CO_2 footprint from 6,327* metric ton in first half 2022 to 1,635 metric ton in first half 2023.

*Prior period numbers are restated in line with the restatements as disclosed in the 2022 Annual report.

Operations:

- Final deliveries and ongoing load-out for Dogger bank A;
- Production of monopiles for Dogger bank B;
- Production of transition pieces for He Dreiht and Noirmoutier;
- Stable income from engineering activities;
- Marshalling & Logistics for Siemens' Hollandse Kust Zuid project almost completed.

Total throughput of approximately 94 Kton steel or 52 monopiles and 66 transition pieces (89 Kton or 74 monopiles and 55 transition pieces in HY1 2022). Of total production, 98.5% was for offshore wind projects.

Key figures:

Revenue of €218.1 million in the first half of 2023 (HY 2022: €191.3 million);

Contribution of €71.4 million (HY 2022: €63.5 million):
- €60.8 million monopiles & transition pieces for offshore wind (HY 2022: €54.5 million);
- €10.6 million marshalling and other which includes KCI for €3.0 million (HY 2022: €9.0 million and €2.7 million);

Adjusted EBITDA of €21.4 million slightly higher than in first half year 2022 (€21.1 million);

Diluted earnings per share of €0.17 (€0.18 first half 2022) allowing for allocation of €0.7 million dividend to cumulative preference shares that were issued on 30 March 2023;

Operating working capital stands at -/- €74.8 million (YE 2022: -/- €81.5 million);

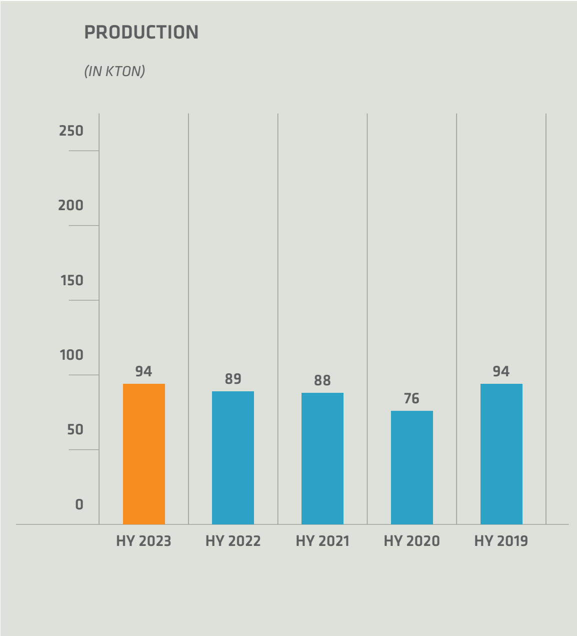
No external debt excluding lease liabilities (YE 2022: nihil). Total cash position amounts to €103.6 million (YE 2022: €89.8 million);

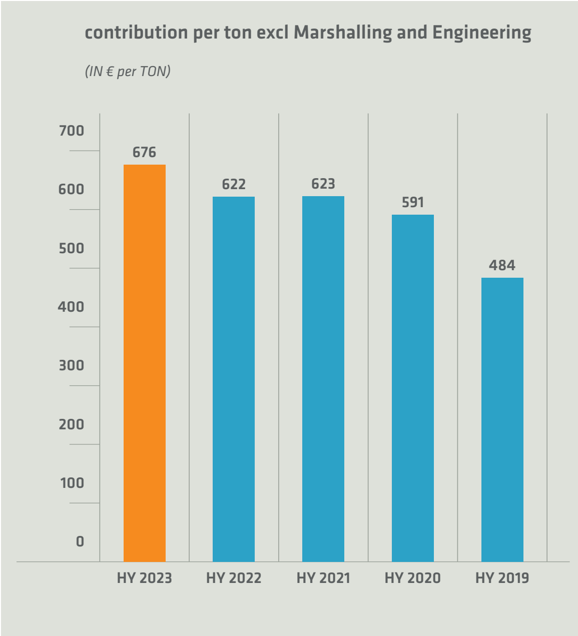
Order book per 25 August 2023: 754 Kton for remainder of 2023 and beyond:
- 464 Kton signed contracts;
- 290 Kton exclusive negotiations;

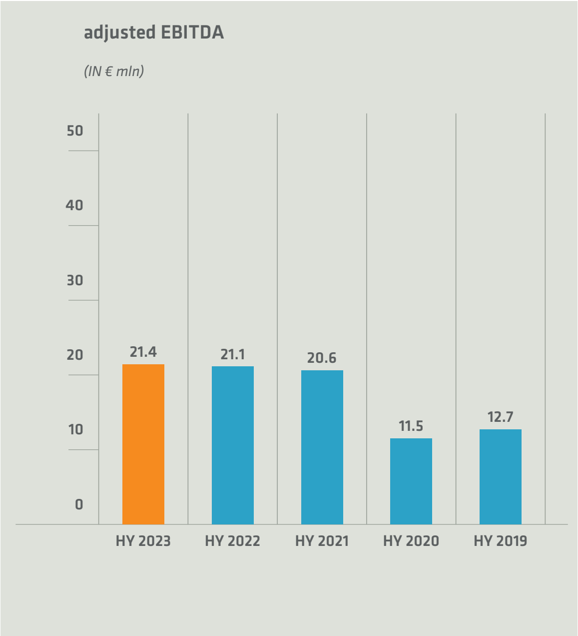
Outlook full year confirmed with adjusted EBITDA for 2023 expected to end at the level of 2022.

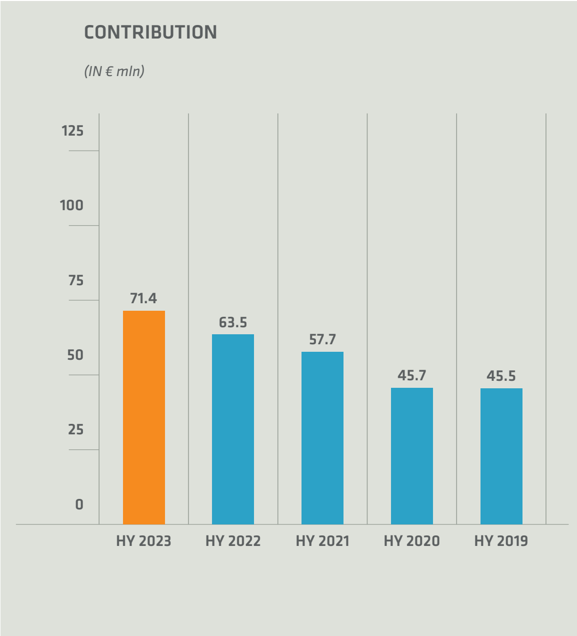
expansion of production facilities on schedule, reaching highest point in August 2023

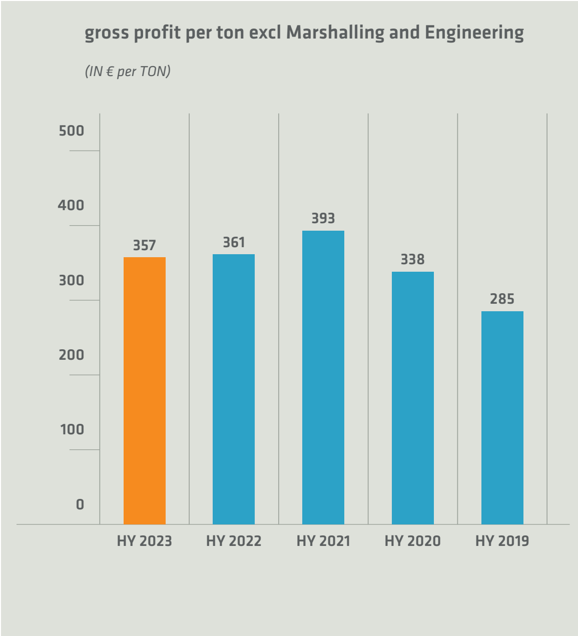
recruitment campaign

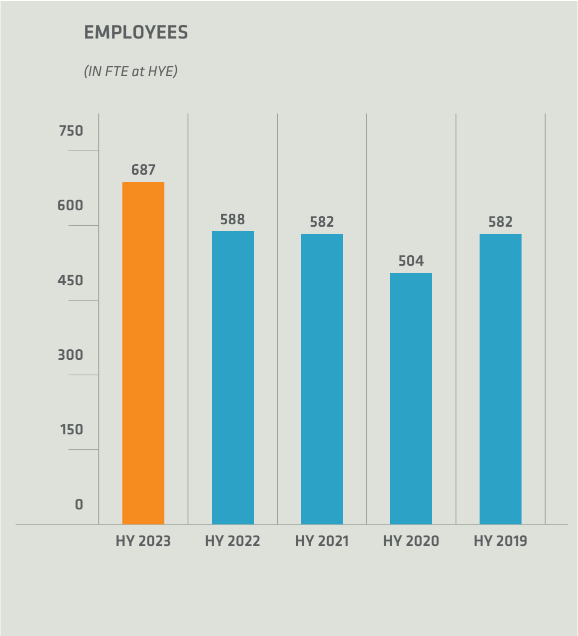

PRODUCTION
(IN KTON)
250
200
150
100
50
0
94
89
88
76
94
HY 2023
HY 2022
HY 2021
HY 2020
HY 2019


contribution per ton excl Marshalling and Engineering
(IN € per TON)
700
600
500
400
300
200
100
0
676
622
623
591
484
HY 2023
HY 2022
HY 2021
HY 2020
HY 2019


adjusted EBITDA
(IN € mln)
50
40
30
20
10
0
21.4
21.1
20.6
11.5
12.7
HY 2023
HY 2022
HY 2021
HY 2020
HY 2019


CONTRIBUTION
(IN € mln)
125
100
75
50
25
0
71.4
63.5
57.7
45.7
45.5
HY 2023
HY 2022
HY 2021
HY 2020
HY 2019


gross profit per ton excl Marshalling and Engineering
(IN € per TON)
500
400
300
200
100
0
357
361
393
338
285
HY 2023
HY 2022
HY 2021
HY 2020
HY 2019


EMPLOYEES
(IN FTE at HYE)
750
600
450
300
150
0
687
588
582
504
582
HY 2023
HY 2022
HY 2021
HY 2020
HY 2019

Report of the Executive Board

Message from CEO Fred van Beers

Projects and execution

With monopiles for Dogger bank B & C and transition pieces for Dogger bank C, He Dreiht and Noirmoutier, our production lines are fully utilized for the second half of the year. Adding our offshore structure lines for production of smaller diameter tubulars (pin piles and jacket legs) for Aibel, Fenris and Jackdaw which are also in full operation, we expect that this year's production volume will end at approximately 208 Kton. With contribution corrected for contribution from engineering (€3.0 million) and marshalling (€4.9 million) at €63.5 million, the contribution per ton for H1 2023 was €676 (HY 2022: €622). This confirms that the improving market conditions that we have observed from 2021 are materializing. Predicted output volumes at higher contribution margins offset the significantly reduced contribution from marshalling and logistics services during the second half of the year, and we reconfirm our outlook that adjusted EBITDA for the full year 2023 is expected to come in at the level of 2022.

In Asia, we booked our first revenues under the license agreement with GS Entec from Korea with whom we agreed on a 10-year mutual exclusive license for the Asian region to use technology developed and applied by Sif, for the purpose of manufacturing monopiles foundations and primary steel for transition pieces.

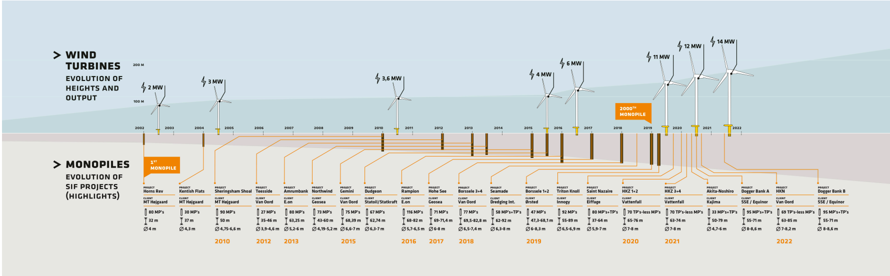
Looking at our non-financial KPI's, with 94 Kton output in the first half of 2023, we participate in projects resulting in 1,344 MW renewable energy capacity (803 MW first half 2022). With this, we make a solid contribution to the energy transition. LTIF was slightly lower if compared to the same period in 2022 but still way from our targets. The 2 days safety standdowns that we organized in May have paid off as safety behavior and performance have improved after those events. We have substituted diesel we consumed in our manufacturing process by hydrotreated vegetable oil (HVO), reducing our carbon emission by approx. 250 tonnes. The transition from our internal protocol for measurement of our footprint to GreenHouseGas protocol makes it difficult at this moment to state realistic targets for the short and midterm. The new facilities will contribute positively to all KPI's and from that perspective, we cannot wait to put the new production lines into use.

Order book extended

For 2024 our order book is well filled with projects like Dogger bank C, Empire Wind and non-disclosed projects for which Sif is either contracted or the exclusively preferred supplier. Together with smaller projects like jacket legs and pin piles, production for the full year 2024 is expected to arrive at approximately 200 Kton. Part of the 2024 volume will be manufactured on production lines of the expanded manufacturing facilities that will be integrated with the existing facilities at Maasvlakte 2, Rotterdam. For the Empire projects, we have received no notifications of possible cancellations or delays from Empire senior management and all preparational works for the project are proceeding according to the agreed schedule. Meanwhile, we are expanding our order book for the longer term. We booked our first project for the Baltic Sea which is the first project that Equinor booked under the capacity framework agreement. Equinor are developing Baltyk 2+3 in joint venture with Polenergia and I am grateful for the trust the joint venture expressed in our new factory. In addition, we very recently were selected as the preferred partner on an exclusive basis for a projects reflecting approximately 80 Kton production volume. This brings our order book for the period to 754 Kton, stretching it well into 2026.

Expansion project on schedule

It is exciting to see that construction works for extension of the manufacturing facilities progress swiftly as planned while we continue to deliver on our order book. We have finished all the piling work and are well underway with the steel construction works, reaching highest point a few days ago. Prices of construction and equipment are fixed for almost 90% and we are both financially and planning wise within budget. As such we can reconfirm our expectation that the expansion is expected to be realized on time and within budget and that our clients will be able to collect their foundations on time and in accordance with the quality they are used to from Sif.



Challenging market outlook

Developments that are linked to the war in Ukraine, the structural lack of profitability throughout the supply chain and rising interest rates and inflation, have jeopardized the calculated returns on investments in offshore wind farms for developers and owners in certain areas such as the UK and the USA. Pre-war agreed Power Purchase Agreements (PPA's) or Contracts for Difference awards (CfD's) do not cover the substantially increased costs of developing and building the windfarm. Increased financing expenses and increased prices for turbines, foundations, cables and installation vessels, also driven by ever increasing product sizes, are the reason for delayed FID's for certain windfarms and have led to re-opening of price negotiations. At Sif, we are in close dialogue with all our customers to identify in early stages if any of our orderbook projects could be subject to a delay or cancellation in which case our agreed delay/cancellation clauses will be activated. At this date we have not had any indication from clients of such a delay/cancellation.

In this turbulent market environment where governmental ambitions for offshore wind have reached an all-time high but where the number of FID's on offshore wind farms does not hold track, Sif remains keen to support all initiatives that pursue a strong and stable long-term European offshore wind industry in which level playing field on financial and non-financial criteria, limited or no negative bidding mechanisms in tenders and curbing of the impetuous growth in dimensions of offshore wind equipment are key elements to assure success."

Results for HY 2023

Revenue, Contribution

The production in the first half of 2023 was mainly composed of activities for Dogger bank A & B and for He Dreiht and Noirmoutier. Total production for the first half of 2023 ended at 94 Kton (89 Kton in HY1 2022). We manufactured 52 monopiles and 66 transition pieces in the first half of 2023, compared to 74 and 55 respectively in 2022. Revenue of €218.1 million in the first half of 2023 was higher than in the first half of 2022, mainly due to higher costs of raw materials (€122.9 million, HY 2022: €98.7 million). Raw materials are a pass-through cost and therefore do not affect contribution and gross profit. For a year-on-year comparison of results, contribution offers a better indicator. Contribution in the first half of 2023 improved on the contribution in the first half of 2022 by 12.5% and came in at €71.4 million (€63.5 million first half 2022). The marshalling and logistics project for Siemens neared completion in the second quarter. From the third quarter, the space we used for the marshalling and logistics activities will be needed for the expansion of manufacturing facilities and consequently marshalling and logistics activities will phase out. Contribution, adjusted for contribution from marshalling and engineering, of €676 per tonne improved on the contribution per tonne in the same period 2022 when it was €622.

Gross profit, (adjusted) EBITDA, net profit

Gross profit increased by 3.2% to €39.2 million. Gross profit per tonne was affected by higher direct personnel costs relating to a higher temporary workforce to cope with sickness-leave and lower efficiency because of the tight labour market and challenge to find experienced workforce. EBITDA was reported at €18.8 million (HY 2022: €19.1 million). Adjusted for €2.6 million (HY 2022: €2.0 million) non-recurring expenses relating to the strategic plans to expand manufacturing facilities, this resulted in adjusted EBITDA of €21.4 million (€228 per tonne) compared to €21.1 million (€237 per tonne) for the first half of 2022. Depreciation in the first half of 2023 with €11.7 million was equal to depreciation in the same period in 2022. For the first half of 2023, €0.7 million is booked as a dividend on the 50,000 cumulative preference shares that were issued on 30 March 2023. This resulted in net profit of €5.2 million (or €0.17 per share) compared to €4.7 million (or €0.18 per share) for the same period in 2022.

Cash and Cash Equivalents and bank covenants

On balance sheet date, Sif had no external debt (excluding lease liabilities). This is in line with 31 December 2022. The cash position amounted to €103.6 million (€89.8 million at the end of 2022). The increase is mainly caused by advanced factory payments from one of the launching customers (€32 million) and the pay-up of equity (€50 million) by Equinor in March 2023. This increase is partly offset by the cash-out related to the investments in the manufacturing expansion. The net leverage ratio at the end of June 2023 was 0. The net leverage covenant at 30 June 2023 is 2.5, which will increase to 3.0 at 30 September 2023, 3.5 at 31 December 2023 and 4.0 during 2024. Solvency covenant is 35% until 30 September 2023, 30% for the remainder of 2023 and 25% during 2024. With 50.8% solvency at the end of June 2023, Sif complies with its covenants.

Net working capital

Net working capital was -/- €74.8 million (-/- €81.5 million at the end of 2022). The working capital position includes the advanced payments on projects from clients.

finalizing marshalling project for Siemens

Loadout of monopiles for Dogger bank

Non-financial KPI's

Sif participated in projects, potentially resulting in 1,344 MW renewable energy capacity (803 MW in first half 2022). The increase reflects the increase in capacity of turbines for which we manufactured the foundations as well as the product-mix in monopiles, transition pieces and TP-less monopiles. Of total production, 98.5% was for offshore wind projects.

With safety as a priority, statistics are lagging and need to improve. To contribute to an improvement, a two day safety standstill for all employees was scheduled to increase safety awareness, in addition to other structural measures to increase working time without safety incidents.

Our carbon footprint decreased from 6,327* metric ton in first half 2022 to 1,635 metric ton in first half 2023. This includes scope 1, scope 2 and scope 3 business travel emissions. The reduction on 2022 was mainly realized by:

> Increased uptime for the Haliade X wind turbine;
> The replacement of diesel by hydrotreated vegetable oil for on-land transportation; and
> The use of guarantees of origin from electricity generated by the Haliade X turbine on Maasvlakte 2.

*Prior period numbers are restated in line with the restatements as disclosed in the 2022 Annual report.

Order book tons and Outlook

Today's order book for the remainder of 2023 will result in an estimated 2023 full year production of 208 Kton. This implies an expected production of approximately 114 Kton for the second half of 2023 where we will mainly manufacture for the Dogger Bank B and C project as well as He Dreiht and Noirmoutier.

The order book for 2023 and beyond has 464 Kton contracted work and 290 Kton under exclusive negotiations. This covers our manufacturing capacity for 2023, 2024, main part of 2025 and even some of 2026.

We fixed energy prices for the year 2023 and for that reason price decreases in energy will only limitedly affect results. A new framework agreement with steel supplier Dillinger Hütte has been agreed to secure supplies for the near future. We expect a level of adjusted EBITDA for the full year 2023 at the same level as in 2022 (€41.8 million).

As indicated, the investment in expansion of manufacturing facilities is expected to generate returns from the second half of 2024. Production in 2025 is expected to amount to approximately 330 Kton with expected EBITDA of €135 million, for 2026 production is expected to reach 375 Kton with at least €160 million EBITDA.

artist impression of expanded facilities

Statement by the Management Board

The Management Board of Sif Holding NV ("Sif") hereby declares that, to the best of its knowledge, the unaudited interim condensed financial statements for the period ending 30 June 2023, which have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, give a true and fair view of the assets, liabilities, financial position and profit and loss of Sif and its consolidated companies included in the consolidation as a whole, and that the report by the Management Board included in this interim report 2023 gives a fair view of the information required in accordance with Section 25d, subsections 8 and 9 of Book 5 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

Roermond, 24 August 2023
Fred van Beers (CEO)
Ben Meijer (CFO)

Definition and Explanation of use of non-IFRS financial measures

(a) Contribution	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 it indicates the quality of Sif's performance in any reporting period.
(b) EBITDA Adjusted EBITDA	Earnings before net finance costs, tax, depreciation and amortization. The company discloses EBITDA and Adjusted EBITDA 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, preparations for and the execution of the required adjustment and expansion of our production facilities and business acquisitions.
(c) Net working capital	Inventories plus current contract assets plus trade receivables plus current prepayments minus trade payables and current 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.
(d) Solvency	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 This measure is a bank covenant, and is presented to express the financial strength of the Company.

(e) Net leverage	Total net debt (ex IFRS 16) divided by EBITDA ex exceptional items (ex IFRS 16) LTM (last twelve months), being quarter three and four of 2022 and quarter one and two of 2023 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 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. This measure is a bank covenant, and is presented to express the financial strength of the Company.

Reconciliation of non-IFRS financial measures

	AMOUNTS IN EUR '000	HY 2023	HY 2022	Reference to consolidated financial statements
(a)	**Calculation of contribution**			
	Total revenue	218,111	191,294	Consolidated statement of profit and loss, note 5
	Raw materials	(122,906)	(98,670)	Consolidated statement of profit and loss, note 5
	Subcontracted work and other external charges	(15,607)	(17,717)	Consolidated statement of profit and loss, note 5
	Logistic and other project related expenses	(8,205)	(11,428)	Consolidated statement of profit and loss, note 5
	Contribution	71,393	63,479	
(b)	**Reconciliation operating profit to EBITDA to adjusted EBITDA**			
	Operating profit	7,142	7,473	Consolidated statement of profit and loss
	- Other income	-	-	Consolidated statement of profit and loss
	- Depreciation and amortization	11,663	11,663	Consolidated statement of profit and loss
	EBITDA	18,805	19,136	
	- Expenses that relate to the research into, preparations for and the execution of the required adjustment and expansion of our production facilities and business acquisitions	2,620	1,991	
	Adjusted EBITDA	21,425	21,127	

	AMOUNTS IN EUR '000	30-Jun-23	31-Dec-22	Reference to consolidated financial statements
(c)	**Calculation of Net working capital**			
	Inventories	464	427	Consolidated statement of financial position
	Contract assets	9,464	18,315	Consolidated statement of financial position, note 7
	Trade receivables	3,575	22,463	Consolidated statement of financial position
	Prepayments	9,792	2,102	Consolidated statement of financial position
	Trade payables	(55,405)	(92,333)	Consolidated statement of financial position
	Contract liabilities - current	(42,687)	(32,458)	Consolidated statement of financial position, note 7
	Net working capital	(74,797)	(81,484)	

(d)	AMOUNTS IN EUR '000	30-Jun-23	31-Dec-22	Reference to consolidated financial statements
	Calculation of Solvency			
	Equity attributable to shareholder	159,591	104,642	Consolidated statement of changes in equity
	Adjustments to exclude IFRS 16 impact:			
	- Right-of-use assets	(103,834)	(104,466)	Consolidated statement of financial position
	- Lease liabilities - non-current	99,750	99,006	Consolidated statement of financial position
	- Lease liabilities - current	7,817	8,392	Consolidated statement of financial position
	- Lease incentives capitalised on the balance sheet	(2,221)	(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	(2,422)	(3,646)	
	- Deferred tax on above items	986	896	
	Equity attributable to shareholder (ex IFRS 16)	159,667	102,624	
	Dividend declared	-	-	Consolidated financial statements, note 12
	Intangible assets	(1,136)	(860)	Consolidated statement of financial position
	Upward revaluation of assets (other than financial instruments) after the 2023 Effective Date (5 June 2023)	-	-	
	Consolidated Tangible Net Worth (ex IFRS16)	**158,531**	**101,764**	
	Total assets	418,171	357,303	Consolidated statement of financial position
	Adjustments to exclude IFRS 16 impact:			
	- Right-of-use assets	(103,834)	(104,466)	Consolidated statement of financial position
	- Balance sheet impact of initial direct costs of operational lease contracts	-	540	
	- 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	(2,422)	(3,646)	
	- Deferred tax asset on Right-of-use assets and lease liabilities	986	896	
	Total assets (ex IFRS 16)	312,901	250,627	
	Intangible assets	(1,136)	(860)	Consolidated statement of financial position
	Consolidated Balance Sheet Total (ex IFRS16)	**311,765**	**249,767**	
	Solvency	50.8%	40.7%	

AMOUNTS IN EUR '000		30-Jun-23	31-Dec-22	Reference to consolidated financial statements
(e)	**Calculation of Net Leverage**			
	Revolving credit facility	-	-	Consolidated statement of financial position
	Term loans	-	-	Consolidated statement of financial position
	Borrowings (ex IFRS 16)	-	-	
	Cash and cash equivalents	(103,558)	(89,832)	Consolidated statement of financial position
	Total net debt	**(103,558)**	**(89,832)**	
	EBITDA	18,805	36,426	(b)
	Adjustments to exclude IFRS 16 impact:			
	- Expenses of lease contracts other than 'short-term leases' and 'low-value leases'	(4,729)	(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	1,224	(3,646)	
	- Net impact of the difference in accounting treatment of lease incentives between IFRS 16 and the former lease standard IAS 17	(21)	45	
	EBITDA (ex IFRS 16)	14,739	22,121	
	- Charge to profit represented by the expensing of stock options	(33)	52	
	- 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	(509)	90	
	- Exceptional, one off, non-recurring or extraordinary items which represent gains or losses relating to the P11 manufacturing expansion	2,419	5,246	
	EBITDA ex exceptional items (ex IFRS 16)	16,616	27,509	
	EBITDA ex exceptional items (ex IFRS 16) LTM	**26,199**	**27,509**	
	Net Leverage	0.00	0.00	

Glossary

Executive Board	Board of Executive directors responsible for the day-to-day business at Sif. In 2023 comprised of CEO and CFO.
Kton/ton	(kilo)ton: A weight measurement used in the steel industry. One (kilo)ton equals one million/ thousand kilograms.
LTI	Lost Time Injury. Incident resulting in Lost Time including possibly required medical treatment.
LTIF	Lost Time Injury Frequency.
Orderbook	The total of signed contracts and contracts under exclusive negotiations.
Sif Group	The group of companies that establish the Sif Group: Also referred to as 'Company' or 'Sif.'
Sif Holding N.V.	The entity whose shares are listed on the stock exchange.

Financial Calendar

Trading Update Q3 2023 3 November 2023

Presentation of 2023 Interim Results

Following this release, the CEO and CFO of Sif will present the 2023 interim results during audio webcast of a live-analyst meeting/conference call on August 25, 2023 at 10:00 AM CET. A transcript of the meeting will be available on the Sif website shortly after the meeting. The meeting can be followed (audio and slides only) via the link on the Company's website www.sif-group.com


Sif
Sif

Consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June

AMOUNTS IN EUR '000	Notes	2023		2022	
			Unaudited		Unaudited
Revenue from contracts with customers			213,065		185,709
Operating lease income			5,046		5,585
Total revenue	5		218,111		191,294
Raw materials		(122,906)		(98,670)	
Subcontracted work and other external charges		(15,607)		(17,717)	
Logistic and other project related expenses		(8,205)		(11,428)	
Direct personnel expenses		(22,735)		(17,650)	
Production and general manufacturing expenses		(9,460)		(7,860)	
Indirect personnel expenses		(12,338)		(11,299)	
Depreciation and amortization		(11,663)		(11,663)	
Facilities, housing and maintenance		(2,623)		(2,339)	
Selling expenses		(428)		(279)	
General expenses		(5,004)		(4,916)	
Operating profit			7,142		7,473
Impairment (losses) / reversals on financial assets		10		(2)	
Finance income		1,033		-	
Finance costs		(1,151)		(1,074)	
Finance costs and impairment losses			(108)		(1,076)
Share of profit / (loss) of joint ventures			-		(21)
Profit before tax			7,034		6,376
Income tax expense			(1,848)		(1,633)
Profit after tax			**5,186**		**4,743**
Attributable to:					
Non-controlling interests			169		163
Equity holders of Sif Holding N.V.			5,017		4,580
Profit after tax			**5,186**		**4,743**
Earnings per ordinary share					
Number of ordinary shares outstanding			25,501,356		25,501,356
Basic and diluted earnings per ordinary share (EUR)			0.17		0.18

Consolidated statement of financial position as at 30 June

AMOUNTS IN EUR '000	Notes	30-Jun-2023 Unaudited	31-Dec-2022 Audited
Assets			
Intangible assets		1,136	860
Property, plant and equipment	6	184,179	116,415
Right-of-use assets		103,834	104,466
Investment property		515	515
Investments in joint ventures		76	76
Total non-current assets		289,740	222,332
Inventories		464	427
Contract assets	7	9,464	18,315
Trade receivables	8	3,575	22,463
Prepayments		9,792	2,102
CIT receivable		1,578	1,832
Cash and cash equivalents		103,558	89,832
Total current assets		128,431	134,971
Total assets		**418,171**	**357,303**

AMOUNTS IN EUR '000	Notes	30-Jun-2023 Unaudited	31-Dec-2022 Audited
Equity			
Share capital		5,100	5,100
Share premium		991	1,059
Other capital reserves		50,000	-
Retained earnings		98,483	91,266
Result for the year		5,017	7,217
Equity attributable to shareholder	9	159,591	104,642
Non-controlling interests		1,291	1,122
Total equity		160,882	105,764
Liabilities			
Lease Liabilities - non-current		99,750	99,006
Contract liabilities - non-current	7	32,314	-
Employee benefits - non-current		445	468
Deferred tax liabilities		1,058	688
Other non-current liabilities		810	810
Total non-current liabilities		134,377	100,972
Lease Liabilities - current		7,817	8,392
Provisions		191	228
Trade payables		55,405	92,333
Contract Liabilities - current	7	42,687	32,458
Employee benefits - current		2,778	3,310
Wage tax and social security		2,851	1,589
VAT payable		826	4,172
CIT payable		-	13
Other current liabilities		10,357	8,072
Total current liabilities		122,912	150,567
Total liabilities		257,289	251,539
Total equity and liabilities		**418,171**	**357,303**

Consolidated statement of changes in equity for the six months ended 30 June

AMOUNTS IN EUR '000	Share capital	Share premium	Other capital reserves	Retained earnings	Result for the year	Total	Non-controlling interests	Total equity
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Balance as at 1 January 2023	5,100	1,059	-	91,266	7,217	104,642	1,122	105,764
Appropriation of result	-	-	-	7,217	(7,217)	-	-	-
Total comprehensive income								
Profit for the year	-	-	-	-	5,017	5,017	169	5,186
Total comprehensive income	-	-	-	-	5,017	5,017	169	5,186
Transactions with owners of the Company								
Issuance of cumulative preference shares	-	-	50,000	-	-	50,000	-	50,000
Transaction costs related to issuance cumulative preference shares	-	(68)	-	-	-	(68)	-	(68)
Total transactions with owners of the Company	-	(68)	50,000	-	-	49,932	-	49,932
Balance as at 30 June 2023	**5,100**	**991**	**50,000**	**98,483**	**5,017**	**159,591**	**1,291**	**160,882**
Balance as at 1 January 2022	5,100	1,059	-	84,527	11,590	102,276	821	103,097
Appropriation of result	-	-	-	11,590	(11,590)	-	-	-
Total comprehensive income								
Profit for the year	-	-	-	-	7,217	7,217	301	7,518
Total comprehensive income	-	-	-	-	7,217	7,217	301	7,518
Transactions with owners of the Company								
Dividend distributions	-	-	-	(4,851)	-	(4,851)	-	(4,851)
Total transactions with owners of the Company	-	-	-	(4,851)	-	(4,851)	-	(4,851)
Balance at 31 December 2022	**5,100**	**1,059**	**-**	**91,266**	**7,217**	**104,642**	**1,122**	**105,764**

Consolidated cash flow statement for the six months ended 30 June

AMOUNTS IN EUR '000	2023 Unaudited	2022 Unaudited
Cash flows from operating activities		
Profit before tax	7,034	6,376
Adjustments for:		
Depreciation and amortization of Property, Plant and Equipment and Intangible assets	6,581	7,058
Depreciation of right-of-use assets	5,082	4,605
Unrealised changes in joint ventures	-	21
Impairment (losses) / reversals on financial assets	10	-
Net finance costs	118	1,074
Changes in net working capital		
o Inventories	(37)	(19)
o Contract assets and liabilities	51,080	(19,914)
o Trade receivables	18,878	(1,165)
o Prepayments	(7,963)	160
o Trade payables	(37,240)	(3,014)
Total changes in net working capital	24,718	(23,952)
VAT payable and receivable	(3,346)	1,222
Initial direct costs on operating lease contracts	-	(605)
Employee benefits	(555)	(36)
Provisions	(37)	-
Wage tax and social security	1,262	894
Other liabilities	2,683	3,607
Government grants received	1,000	516
Income taxes received / (paid)	(1,237)	(1,349)
Interest received / (paid)	610	(458)
Net cash from operating activities	**43,923**	**(1,027)**

Consolidated cash flow statement for the six months ended 30 June (continued)

AMOUNTS IN EUR '000	2023 Unaudited	2022 Unaudited
Cash flows from investing activities		
Purchase of intangible fixed assets	(276)	-
Purchase of property, plant and equipment	(75,542)	(5,869)
Net cash from (used in) investing activities	**(75,818)**	**(5,869)**
Cash flows from financing activities		
Payment of lease liabilities	(4,311)	(3,890)
Proceeds from cumulative preference shares	49,932	-
Dividends paid	-	(4,846)
Net cash from (used in) financing activities	**45,621**	**(8,736)**
Net increase / (decrease) in cash and cash equivalents	13,726	(15,632)
Cash and cash equivalents at 1 January	89,832	73,201
Cash and cash equivalents at 31 December	**103,558**	**57,569**

Notes to the interim condensed consolidated financial statements for the six months ended 30 June

1 Reporting entity

Sif Holding N.V. (the 'Company') is a company domiciled in the Netherlands. The Company's registered office is at Mijnheerkensweg 33, Roermond. These interim condensed consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies').

The Group is primarily involved in the manufacturing of metal structures, parts of metal structures, pipes, pipe structures, components for the offshore industry and foundation piles for offshore wind farms.

2 Basis of preparation

These interim condensed consolidated financial statements for the period ended 30 June 2023 have been prepared in accordance with International Financial Reporting Standards IAS 34 (Interim Financial Reporting) as adopted by the European Union (EU-IFRS).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2022.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for investment property that have been measured at fair value. The Group's consolidated financial statements are presented in EUR ('000), which is also the Company's functional currency, if not stated otherwise. All values are rounded to the nearest thousands (EUR '000) on individual line items which can result in minor rounding differences in sub-totals and totals, except when otherwise indicated. The interim condensed consolidated financial statements have not been audited.

Manufacturing facility expansion plans

As per 13 Febuary 2023, the Executive Board of the Group has taken the Final Investment Decision ('FID') for the manufacturing facility expansion (hereafter 'expansion'). The Group is financing the expansion, which is estimated to amount to approximately EUR 328 million (including appropriate contingencies), through a combination of equity and debt, as well as advance factory payment by two launching customers, with the remainder being funded through cash and cash equivalents:

- EUR 100 million of advance factory payments from Launching Customers;
- EUR 50 million of newly issued cumulative preference shares;
- EUR 50 million to be raised through a rights offering;
- EUR 81 million Term-loans, as part of a EUR 481 million finance facility which in addition includes a guarantee facility of EUR 350 million and revolving credit facility of EUR 50 million; and
- EUR 40 million in operational leases;
- EUR 7 million cash and cash equivalents.

(together, the 'Funding Package').

The effective date of the finance facility is 5 June 2023 and has a term of 6 years. The interest rate consists of EURIBOR + margin, which is depended on the level of net leverage. As per 30 June 2023, advance factory payments for an amount of EUR 32 million have been received by the Group, which are classified as non-current contract liability in the balance sheet. In addition, the cumulative prefenece shares are issued, for which the proceeds are classified as other capital reserve in equity. No drawdowns of the term-loans or revolving credit facility have been made.

Going concern
In determining the appropriate basis of preparation of the consolidated financial statements, management is required to consider whether the Group can continue in operational existence for the foreseeable future.

The future financial performance of the Group is dependent upon the wider economic environment in which it operates. The factors that particularly affect the performance of the Group include political decision making and global economic conditions. The war in Ukraine has heightened the inherent uncertainty in the Group's assessment of these factors. However, the outlook remains positive: the orderbook is well filled with 2023 and 2024 fully booked and large orders being booked or under exclusive negotiations for 2025 and 2026 and the financing arrangements are renewed until June 2029. Furthermore, the market for offshore generated sustainable energy is expected to continue growing for the coming years, which results in sufficient opportunities on the longer term. This is confirmed by the market study which was the basis for the FID taken by Group for the manufacturing facility expansion (refer to the previous paragraph for more information).

The Group assessed where climate related matters could have a significant impact on the going concern situation. As due to emission-reduction legislation the demand for renewable energy is increasing, which increases the future offshore wind market and therewith for the demand for the products of the Group. Therefore, management assesses that the current climate related matters have a positive impact on the future volume of projects in the offshore wind market, and therefore lower the risk in relation to going concern of the Group.

Accordingly, management considers there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. Therefore, the Group continues to adopt the going concern basis in the preparation of the consolidated financial statements.

Management estimates and judgements
The preparation of the Group's interim condensed consolidated financial statements requires management to make estimates and assumptions. To make these estimates and assumptions, the Group uses factors such as experience and expectations about future events that are reasonably expected to occur given the information that is currently available. These estimates and assumptions are reviewed on an ongoing basis.

Revisions of accounting estimates and assumptions, or differences between accounting estimates and assumptions and the actual outcomes, may result in adjustments to the carrying amounts of assets and liabilities, which would be recognised prospectively.

Contract assets and liabilities
Revenues from contracts with customers and direct costs are recognized in the statement of profit or loss in proportion to the satisfaction of each performance obligation. In the Wind segment and some projects in the Other segment the satisfaction is assessed based on the actual hours incurred compared with the estimated hours needed to complete the full performance obligation. In addition, management estimates at each reporting date the total expected costs to be incurred for each individual performance obligation and adjustments are made where appropriate.

Leases – determination of lease term of contracts with options
The Group rents warehouse/factory equipment and several housing units in order to carry out its activities. As of September 2015, the Group entered into a lease agreement with Havenbedrijf Rotterdam N.V. for the lease of two plots in the Rotterdam harbor. The lease of plot A started at 1 September 2015 and will end on 1 July 2041 (cancellable as per 1 July 2031). The lease of plot B started at 1 July 2017 and will end on 1 July 2041 (cancellable as per 1 July 2031). As of July 2019, the Group entered into a lease agreement with Havenbedrijf Rotterdam N.V. for plot C. The lease for plot C started on 30 July 2019 and will end on 1 July 2041 (also cancellable as per 1 July 2031).

Extension options or cancellation options are included in the lease term when the group has such an economic incentive that exercising the option is reasonably certain. The group considers available evidence at the time of the assessment, including potential favourable terms upon extension, potential termination penalties, the relative costs associated with potential relocation or termination of the lease and the extent of leasehold improvements undertaken. Additionally, the size and the relative importance of the leased premises as well as the availability of easily substitutable assets is taken into consideration when assessing whether the group has an economic incentive to extend a lease for which it holds an option to do so.

The Group applies judgement in evaluating whether it is reasonably certain it will or will not exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or the termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

During 2021, as a result of the progress of expansion plans, the Group concluded that it is reasonably certain that the option to early terminate the lease contacts at 1 July 2031 will not be exercised. Consequently the lease terms of the lease contracts of the plots were extended to 30 June 2041 in the course of 2021.

As the Final Investment Decision (FID) of the expansion plans has been taken, management concluded that there is no reason to adjust the lease term of the leases.

3 Significant accounting policies

Cumulative preference shares

Cumulative preference shares are separated into liability and equity components based on the terms of the contract.

A financial liability is any liability that is:

> a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

> a contract that will or may be settled in the entity's own equity instruments and is a non–derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments, or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

On issuance of the cumulative preference shares, the fair value of the liability component is classified as a financial liability measured at amortised cost (net of transaction costs) until redemption. The remainder of the proceeds (if any) is classified as equity.

Transaction costs are apportioned between the liability and equity components of the cumulative preference shares, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Cumulative preference shares redeemable in cash only at the option of the Group does not satisfy the definition of a financial liability in IAS 32, as the Group does not have a present or future obligation to transfer financial assets to the shareholders. In this case, redemption of the shares is solely at the discretion of the Group. Non–redeemable instruments (or instruments redeemable only at the Group's option) can include a term that unless a full discretionary coupon or dividend is paid to holders of the instrument, no dividend can be paid to ordinary shareholders. This restriction on dividend payments to ordinary shareholders is colloquially referred to as a 'dividend blocker' clause. As payments of annual coupons or dividends are at the discretion of the Group and the instrument is non–redeemable, the Group has an unconditional right to avoid delivering cash or another financial asset. This is not negated by the fact that the issuer cannot pay dividends to ordinary shareholders if no coupon or dividend is paid to the holder of the instruments. The instrument is therefore classified as equity in its entirety.

In case the instrument is classified as equity, the proceeds are classified as other capital reserve in equity. Paragraph 35 of IAS 32 Financial Instruments: Presentation requires transaction costs of an equity transaction to be accounted for as a deduction from equity, but does not specify where in equity it should be recognised. The Group has chosen to recognise the charge as a reduction of share premium.

4 New and amended standards and interpretations

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies, effective 1 January 2023

The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose ‘significant’ accounting policies with a requirement to disclose ‘material’ accounting policies.

Guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures.

These amendments had no impact on the Group’s consolidated financial statements.

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective 1 January 2023

The amendments introduce a new definition of accounting estimates. Accounting estimates are defined as “monetary amounts in financial statements that are subject to measurement uncertainty”.

The amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

These amendments had no impact on the Group’s consolidated financial statements.

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective 1 January 2023

The Amendments narrow the scope of the initial recognition exception under IAS 12 Income Taxes, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The Amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendments apply prospectively to transactions that occur on or after the beginning of the earliest comparative period presented.

These amendments had no impact on the Group’s consolidated financial statements.

5 Operating segments

The following table presents revenue and profit information for the Group's operating segments for the six months ended 30 June 2023 and 2022, respectively.

AMOUNTS IN EUR '000	2023				2022			
	Wind	Marshalling	Other	Total	Wind	Marshalling	Other	Total
- Revenue from contracts with customers	206,261	1,315	5,489	213,065	181,547	1,136	3,026	185,709
- Operational lease income	-	4,299	747	5,046	-	4,782	803	5,585
Total revenue	206,261	5,614	6,236	218,111	181,547	5,918	3,829	191,294
- Raw materials	(122,805)	(1)	(100)	(122,906)	(98,620)	(49)	(1)	(98,670)
- Subcontracted work and other external charges	(15,418)	-	(189)	(15,607)	(17,689)	(28)	-	(17,717)
- Logistic and other project related expenses	(7,270)	(681)	(254)	(8,205)	(10,760)	(439)	(229)	(11,428)
Segment contribution	60,768	4,932	5,693	71,393	54,478	5,402	3,599	63,479
- Direct personnel expenses	(19,243)	(1)	(3,491)	(22,735)	(15,354)	(13)	(2,284)	(17,650)
- Production and general manufacturing expenses	(9,316)	-	(144)	(9,460)	(7,860)	-	-	(7,860)
Gross profit	32,209	4,931	2,058	39,198	31,265	5,389	1,315	37,969
Indirect personnel expenses				(12,338)				(11,299)
Depreciation and impairment				(11,663)				(11,663)
Facilities, housing & maintenance				(2,623)				(2,339)
Selling expenses				(428)				(279)
General expenses				(5,004)				(4,916)
Net finance costs				(108)				(1,076)
Joint ventures				0				(21)
Total profit before tax				**7,034**				**6,376**

The depreciation and impairment expenses includes an amount of EUR 1.3 million (2022: EUR 1.9 million), which is related to the capitalised ground lease expenses for the logistical area (EUR 0.8 million, 2022: EUR 0.8 million) and initial direct costs for an operational lease contract (EUR 0.5 million, 2022: EUR 1.1 million) in the Marshalling segment (under IFRS 16).

Definitions for applied segments

For management purposes, the Group is organised into divisions based on its products and services and has three operating segments:

- Wind, which produces and delivers monopiles, transition pieces or other foundation components for the off-shore wind industry;
- Marshalling, which includes renting-out of logistical area and facilities and the delivery of logistical services to customers, mainly in the off-shore wind industry
- Other.

These divisions offer different products and services, and require different technology and target different markets.

Reconciliations of information on reportable segments to IFRS measures

The Group's revenues do not have a seasonal pattern. Finance income, finance costs, taxes and fair value gains and losses on certain financial assets and liabilities are not allocated to individual segments as these are managed on an overall group basis. Total assets, which are all located in the Netherlands, are not allocated to individual segments as these are managed on an overall group basis.

6 Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired assets with a cost of EUR 74.0 million (the six months ended 30 June 2022 EUR 4.0 million). All acquisitions are related to assets under construction (the six months ended 30 June 2022 EUR 4.0 million) and relate for an amount of EUR 71.2 million to the expansion plans (the six months ended 30 June 2022 EUR 2.0 million). As per 30 June 2023, borrowing costs are capitalised for an amount of EUR 0.3 million (31 December 2022: nihil).

7 Contract assets and liabilities

AMOUNTS IN EUR '000	30-Jun-2023	31-Dec-2022
Contract assets	9,464	18,315
Contract liabilities	(75,001)	(32,458)
	(65,537)	**(14,143)**
Expenses incurred including realized profit to date	1,436,988	1,223,926
Invoiced terms	(1,502,525)	(1,238,069)
	(65,537)	**(14,143)**

Management periodically reviews the valuation of contract assets and liabilities based on project agreements, project results to date and estimates of project expenses to be incurred. Each period end management assesses the status of the projects and takes into consideration all aspects in order to finalize the projects in line with contractual agreements and relating contingencies, such as potential upward or downward adjustment in the projected estimates, and accounts for them accordingly. Due to changes in estimates, fluctuations in the anticipated project result can occur over the contract term.

The contract assets concern all projects in progress for which the incurred expenses, including realized profit and project losses to date (if any), exceed the terms invoiced to customers. The impairment costs due to expected credit loss (IFRS 9) are not material.

Contract liabilities concern the balances of all projects in progress for which the invoiced terms exceed expenses incurred plus recorded profit minus project losses, if any. The non-current contract liabilities consists of an amount of EUR 32 million of Advance Factory Payment ("AFP") received from launching customers. This AFP is part of the funding package for the expansion plans, and will be settled in a future construction contract. Despite the fact that no construction contract is in place with launching customer, taking into account all relevant facts and circumstances, the Group assesses that launching customer is acting in its capacity as a customer (rather than a financier). As a result, the AFP is accounted for as a contract liability in accordance with IFRS 15.

The contract liability is classified non-current, as the related performance obligation is expected to be satisfied after more than one year after reporting date. There is a significant financing component included in the contract, considering the length of time between the customers' payment and the satisfaction of the related performance obligation. As such, the transaction price for the contract is discounted, using the interest rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. As per 30 June 2023, the impact amounts to EUR 0.3 million.

In addition, the estimated bond costs for completed contracts which are expected to be incurred within 12 months after balance sheet date are recorded as part of the contract liabilities, which amount to EUR 0.7 million at 30 June 2023 (31 December 2022: EUR 0.4 million). The revenues recognized in the reporting period that was included in the contract liability balance at the beginning of the period amounts EUR 32.1 million (six months ended 30 June 2022: EUR 37.0 million). Revenue recognized in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods amounts to EUR 3.5 million (six months ended 30 June 2022: EUR 1.1 million).

The classification of a project as contract asset or liability can vary over time, depending on the timing of significant (progress) payments by customers and material purchases of the Group.

Except for the AFP which is considered to be non-current, both the contract assets and liabilities predominantly have durations shorter than 12 months and are therefore considered to be current.

8 Trade Receivables

At 30 June 2023 no amount of the total open balance refers to related parties.

9 Equity attributable to shareholder

Other capital reserves

As part of the funding package for the financing of the expansion plans, the Group entered into a placement agreement with Equinor Renewables B.V. and Equinor New Energy AS for the issue of 50,000 Preference Shares to Equinor Renewables B.V. against payment of a subscription price of €1,000 per Preference Share (€50 million in gross proceeds). The incremental transaction costs related to the issuance (EUR 68 thousand) are deducted from the gross proceeds in other capital reserves.

The holder of Preference Shares will be entitled to receive, out of funds legally available for distribution, with first priority over Ordinary Shares, cumulative dividends at a fixed annual coupon rate of 5% until 30 June 2025, which rate will be annually increased as of 1 July 2025 as follows:

- an increase of 0.5% per annum as of 1 July 2025;
- an increase of 0.75% per annum as of 1 July 2026; and
- an increase of 0.75% per annum as of 1 July 2027.
- an increase of 1.0% per annum as of 1 July 2028.

The Executive Board has the discretion any given year to either pay out the coupon amount or add such amount to the retained earnings of the Preference Shares. Furthermore, at the option of the Group, the Preference Shares may be redeemed, in whole or in part, at a price equal to the initial stated amount, plus any accrued but unpaid dividends as of the date of such redemption. This option shall only be exercisable by the Company from 1 January 2025.

From 1 July 2028, the holder of the Preference Shares has the right to convert the Preference Shares to Ordinary Shares by resolution of the Executive Board that has been approved by the Supervisory Board. The conversion will be in respect of the initial stated amount and any accrued but unpaid dividends, at a fixed conversion ratio calculated as the subscription price paid for the Preference Share, plus any dividend which accrued thereon but remains unpaid, divided by a conversion price of €12 per Ordinary Share.

10 List of subsidiaries

Included in the interim condensed consolidated financial statements are the following subsidiaries:

Name	Location	Share in issued capital %
Sif Property B.V.	Roermond	100
Sif Netherlands B.V.	Roermond	100
Twinpark Sif BV	Roermond	60
Zonnepanelen Maasvlakte B.V.	Rotterdam	100
KCI The Engineers B.V.	Schiedam	100

11 Off-balance sheet commitments

Commitments for the purchase of property, plant and equipment and raw materials

At 30 June 2023, the Group's commitments for the purchase of property, plant and equipment amounts to EUR 185.9 million (per 31 December 2022: EUR 6.4 million), which includes EUR 183.8 million related to the expansion plans of the production facilities (per 31 December 2022: EUR 3.3 million). The commitments for raw materials amounts to EUR 202.4 million (per 31 December 2022: EUR 152.4 million) and commitments for subcontracting amounts to EUR 10.7 million (per 31 December 2022: EUR 6.5 million).

Guarantee facilities

At 30 June 2023 guarantee facilities of the Group can be specified as follows:

Name	Type	30 June 2023		31 December 2022	
AMOUNTS IN EUR '000		Total facility	Used	Total facility	Used
Euler Hermes S.A. / Tokio Marine Europe S.A.	General	150,000	81,699	130,000	80,091
Coöperatieve Rabobank U.A.	General	50,000	13,668	40,000	11,255
ING Bank N.V.	General	50,000	33,190	40,000	33,190
ABN AMRO Bank N.V.	General	50,000	27,532	40,000	27,532
DNB (UK) Limited	General	50,000	-	-	-
Total		**350,000**	**156,089**	**250,000**	**152,068**

With an effective date of 5 June 2023, the existing finance facility of the Group has been refinanced (and expanded) for the purpose of the financing of the expansion plans. The guarantee facility included in the revolving facility commitment has been expanded from €250 million to €350 million. The refinancing is treated as the derecognition of the original facility and recognition of the new facility, as new lenders are added and the terms of the facility are substantially modified.

The Group is jointly and severally liable for all amounts to which Euler Hermes S.A., Tokio Marine Europe S.A., ING Bank N.V., ABN Amro Bank N.V., Coöperatieve Rabobank U.A. and DNB (UK) Limited have a right to claim in relation to the above mentioned guarantees.

12 Dividend

In 2023 the Group did not pay out a dividend related to financial year 2022 (in 2022 over 2021: EUR 4.8 million).

13 Events after the reporting period

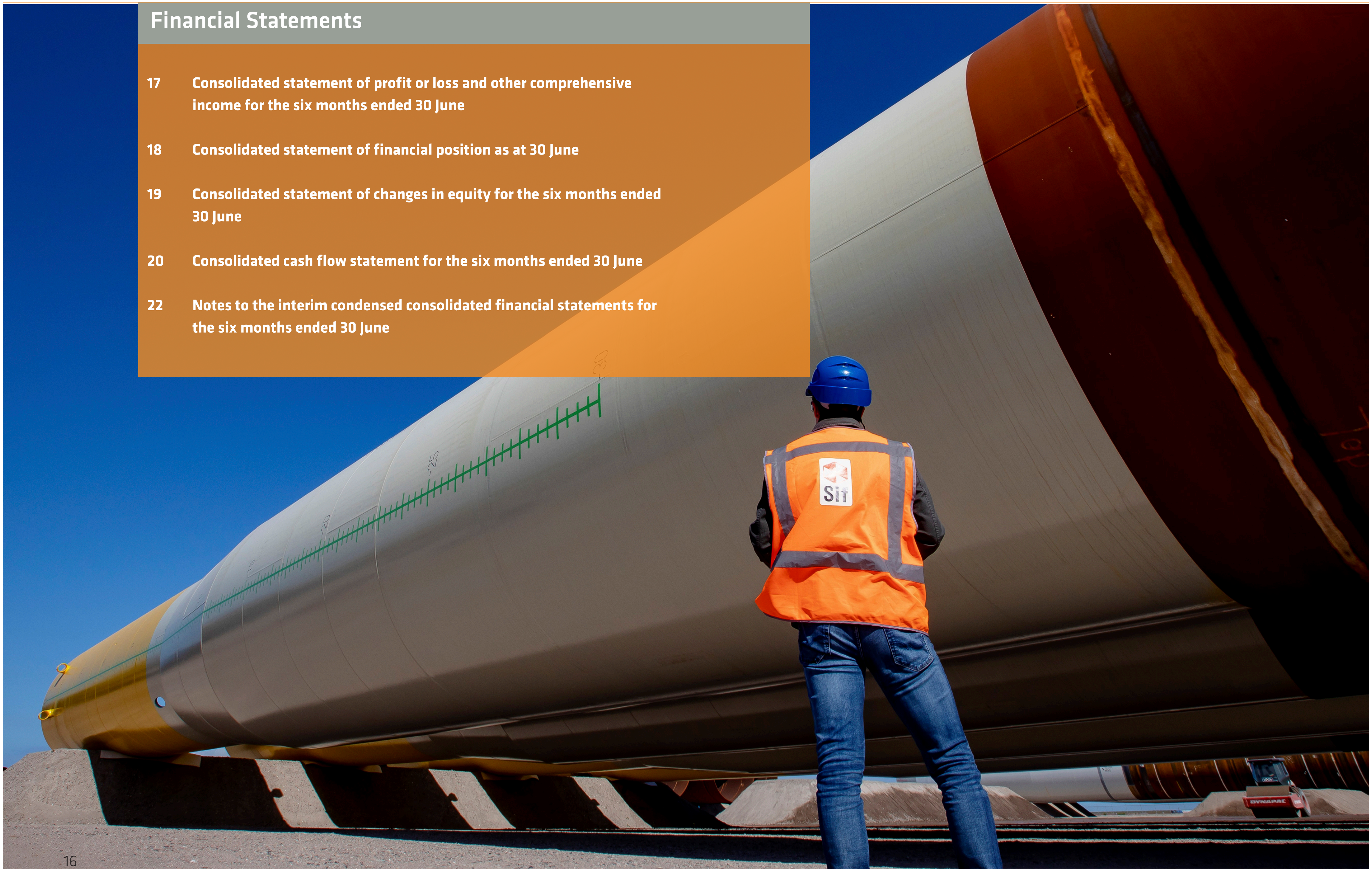
As part of the funding package of the expansion plans, the Company has raised EUR 50 million through a rights offering. The Company has offered 4,353,890 Offer Shares at the issue price of EUR 11.50 per share, on the basis of 7 Offer Shares for 41 existing Ordinary Shares, and for a total amount of EUR 50 million. The nominal value of the shares is EUR 0,20 each.

On 16 June 2023 the Rights Offering Prospectus has been published to the market. By the end of the exercise period (4 July 2023) 98,9% of the Offer Shares (4,305,420 shares) were subscribed, and the remaining 48,470 Offer shares were subsequently subscribed by the underwriter Grachtenheer 10 B.V. The settlement of the Offer Shares has taken place on 7 July 2023, after which the EUR 50 million proceeds have been received in bank.

Roermond, 24 August 2023
The Board of Executive Directors:

G.G.P.M. van Beers
B.J. Meijer

Financial Statements



Contact

Sif Holding N.V.

Corporate seat	Roermond
Address	Mijnheerkensweg 33 6040 AM Roermond The Netherlands
Telephone	+31 475 385777
E-mail	info@sif-group.com
Chamber of Commerce	Roermond No. 13027369
Shareholder, clearing and settlement agent	Euroclear Nederland Herengracht 459-469 1017 BS Amsterdam The Netherlands
Listing and payment agent	ABN AMRO Bank NV Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands

Sif

Sif Holding N.V.
Mijnheerkensweg 33
6040 AM Roermond
The Netherlands
Telephone: +31 475 385777
E- mail: info@sif-group.com