

## Highlights and Key Figures for Q3 2022:

Outlook confirmed, solid orderbook for 2023

### Highlights Q3 2022:

- > Two lost time safety- incidents in Q3 2022: YTD seven LTI (three in first nine months 2021);
- > Manufacturing the largest Transition pieces in history of Sif for Dogger Bank B and TP-less monopiles for Hollandse Kust Noord;
- > Strong contribution from Marshalling & Logistics and KCI the engineers activities;
- > Water levels in rivers back to normal; no material delays in logistics;
- > Kick-off implementation license agreement with GS Entec (Korea);
- > Long term framework agreement signed with Dillinger Hütte to secure future steel plate deliveries;
- > On track on replacement of gas-preheating by electrical preheating (induction) program;
- > Good progress on the plans for expansion of our production facilities for larger monopiles.

### Key figures:

- > Year to Date (YTD)<sup>1</sup> contribution increased to €93.3 million (€82.5 million first nine months 2021)
  - o €79.3 million from production of (components for) foundations (€77.9 million first 9 months 2021)
  - o €8.4 million from marshalling activities (€1.9 million first nine months 2021);
  - o €5.6 million from other activities, including engineering (€3.9 million first nine months 2021);
- > Adjusted EBITDA Year to Date increased to €28.9 million (€28.4 million first nine months 2021);
- > Net Working Capital at end of Q3 2022 -/€43.4 million (-/€58.4 million at end of Q3 2021 and -/€42.0 million at end of Q2 2022);
- > Total cash position at end of Q3 2022 €61.2 million (€62.4 million at end of Q3 2021 and €57.6 million at end of Q2 2022);
- > Throughput of 40 kilotons brings Year to Date production to 129 kilotons (124 kilotons same period 2021);
- > Order book 43 kilotons for Q4 2022, and 278 kilotons for 2023 and beyond.

In € million	YTD 2022	YTD 2021	Change YoY	Q3 2022	Q3 2021
Contribution	93.3	82.5	+13.1%	29.8	24.8
EBITDA adjusted	28.9	28.4	+1.8%	7.8	7.8
EBITDA reported	25.5	28.0	-8.9%	6.4	7.8
Kton production	129	124	+4.0%	40	36
<b>Order book in kilotons</b>	<b>For remainder 2022</b>		<b>For 2023 and 2024</b>		
Contracted	43		260		
Exclusive negotiation	0		18		
Total for the period	43		278		

<sup>1</sup> Year-to-date (YTD) refers to the period 1 January- 30 September

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

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“Good performance in Marshalling & Logistic services to a large extent compensated for the additional costs of energy. Also, KCI the engineers reported better contribution due to a strong recovery of engineering services for various energy market related projects.

The sheer size and design of the foundations for the projects currently at hand in combination with the dimensions and outfitting of our production facilities, has had its effects on efficiency. Extra safety measures and very limited maneuvering space in our facility in Roermond have their impact on manufacturing-flows. Thanks to the skills and craftsmanship of our employees, results in Q3 were satisfactory.

In total 32 monopiles were completed and 28 transition pieces. We expect total production for the year 2022 to arrive at approximately 172 kilotons. We are on schedule for delivery of the forecast adjusted EBITDA for the full year 2022 which we expect to be slightly higher than the realized adjusted EBITDA in 2021.

From a strategic perspective, Q3 2022 was a pivotal quarter. We have made good progress with plans to expand manufacturing capabilities and production capacity and expect to be able to give an update on the final investment decision in Q4 2022. For emerging markets in Asia, we announced a license cooperation with GS Entec to assist them with know-how in converting their Busan facility into a monopile production site and to train their employees to manufacture monopiles for the Asian market. Meanwhile the first GS Entec employees have visited Sif in Roermond and the cooperation took off expeditiously. For the market in the USA, talks with a potential joint venture partner are progressing. These developments illustrate that Sif not only prepares for the envisaged growth in Europe but also has a keen interest to play a key role as the leading monopile foundations manufacturer globally”.

## Q3 2022 Results

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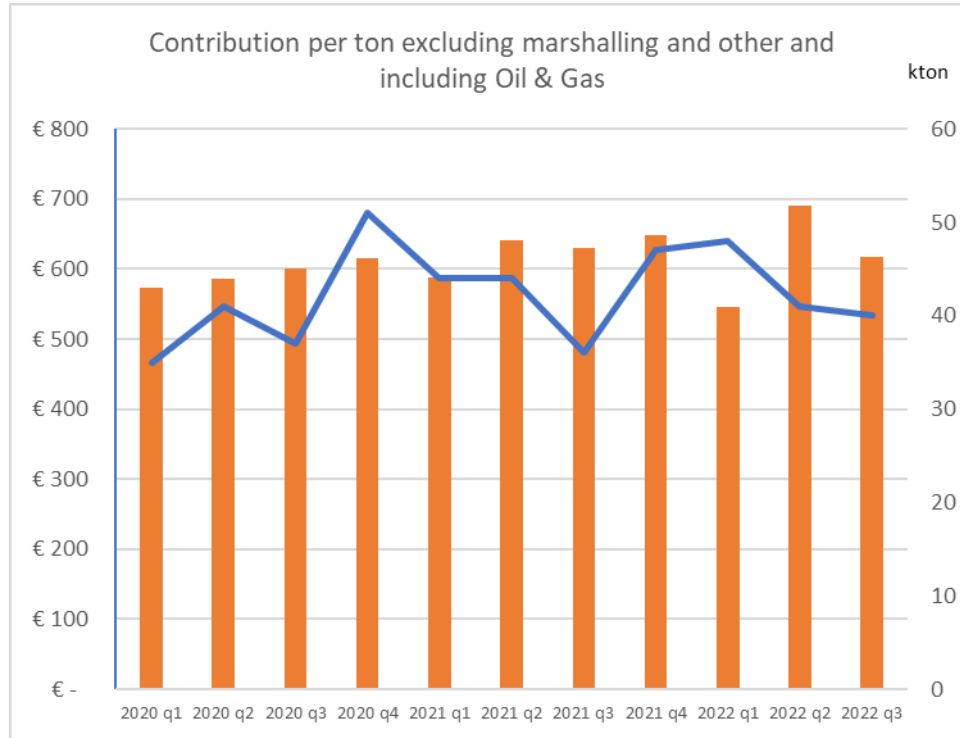
### Contribution

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Revenue for the first three quarters of 2022 came in at €283 million compared to €332 million in the first three quarters of 2021. The difference is mainly caused by the structuring of joint venture projects as either a joint- or subcontractor relationship and by pricing fluctuations of steel which is a pass-through cost for Sif. Contribution therefore is a better indicator for performance since it eliminates changes in steel prices and ignores legal structures for cooperation. For the first nine months of 2022 contribution added up to €93.3 million of which €8.4 relates to marshalling activities and €5.6 relates to other activities (amongst others design engineering) (€82.5 million of which €1.9 million for marshalling and €3.9 for other activities amongst others design engineering in first nine months 2021).

With production at 129 kilotons YTD, this implies a contribution margin YTD of €723 per ton (€665 per ton first nine months 2021), or €615 per ton if corrected for contribution from marshalling and other (excluding Oil & Gas) activities (€619 per ton same period 2021).

Over time, quarterly contribution per ton (orange bars) and production levels (blue line) developed as in the graph below whereby corrections are made for contribution from marshalling and other activities amongst which engineering.



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

Adjusted EBITDA in Q3 2022 was in line with the previous year and amounted to €7.8 million with higher contribution from Marshalling and Logistics being offset by increased costs of energy and lower labor efficiency. Non-recurring expenses relating to the strategic plans to expand manufacturing facilities amounted to €1.4 million in the third quarter, resulting in a reported EBITDA of €6.4 million (€7.8 million in Q3 2021). At the end of Q3 2022 Sif employed 618 FTE of which 370 permanent staff and 248 flexible workforces. These numbers include employees of KCI the engineers. At the end of Q3 2021 Sif employed 537 FTE of which 373 permanent and 164 flexible staff. Sickness YTD with 6.3% was substantially higher than sickness leave for the same period in the previous year (4.4%).

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

*Adjusted EBITDA is calculated as EBITDA corrected for incidental expenses or income*

## Net debt & financial position

Net working capital was -/€43.4 million (-/€58.4 million at end of Q3 2021 and -/€42.0 million at the end of Q2 2022). Total cash position slightly increased to €61.2 million at the end of Q3 2022 from €57.6 million at the end of Q2 2022. Banking covenants require solvency of 35% and maximum Leverage (Total debt/Ebitda LTM (last twelve months)) of 2.5 at the end of Q3 2022. Solvency and Leverage at the end of Q3 2022 with 49% (excl IFRS 16) and 0 respectively were well within covenants.

## Outlook

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278 kilotons have been booked for the period 2023-2024. Tendering activity is at high levels, mainly for projects post 2024, all with diameters in the nine to 11 meters range. The uncertain geopolitical and economic situation requires Sif, by closely working together with customers and suppliers, to transparently mitigate these uncertainties through adjusted pricing mechanisms for manufacturing and materials.

For the Full Year 2022 we anticipate total production of approximately 172 kilotons with amongst others Dogger Bank B transition pieces and Hollandse Kust Noord Monopiles in execution. We reiterate our outlook and expect to arrive at an adjusted EBITDA for 2022 which is slightly higher than that of 2021.

Sif is making good progress with plans to expand manufacturing capabilities and production capacity and expects to be able to give an update on the final investment decision in Q4 2022.

## 2023 Financial Calendar

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March 17, 2023	Release of full year 2022 results and 2022 Annual Report
May 12, 2023	Release of Q1 2023 Trading update
May 12, 2023	Annual General Meeting of Shareholders
August 25, 2023	Release of 2023 interim result

## Contact

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