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# **GENERAL MEETING OF SHAREHOLDERS**

12 May 2023

**AGM**

**André Goedée:** Right, good afternoon. Hot off the press, fantastic. Welcome to this annual shareholders meeting for SIF Holding NV. I'm André Goedée, for those who don't know, chair of the Supervisory Board at SIF, and I'll be chairing this meeting. This meeting is attended by myself, the members of the Supervisory Board, Caroline van den Bosch, who's in the audience, my neighbour Peter Gerretse, and Peter Wit, there in the front. Commissioner Peter Visser is abroad today, he saw the nice weather and said guys, I'm not coming. So he's unable to attend. Otherwise we have here the CEO of SIF Holding, Fred van Beers, and the CFO, Ben Meijer, Corporate Secretary Fons van Lith, voila. And our notary, Joyce Leemrijse, here in the front, who will be keeping a close eye to make sure everything is following the correct procedures and we aren't making any formality errors. Welcome. And Joyce Leemrijse is here representing Allen and Overy. Our accountant, René Frentz, is here today on behalf of EY. And chair of the SIF Works Council, Wouter Nadorp. And he's right there, hello Wouter.

Pursuant to Article 26 of the SIF Holding NV Articles of Association, I'll be chairing this meeting. In that capacity I am asking Fons van Lith to act as secretary for this meeting and to draft minutes of the actions taken and resolutions passed in this meeting. Fons?

In order to ensure an orderly meeting, I will share with you that the meeting was announced in a notice published on the SIF website on 30 March 2023. Shareholders were invited to attend the meeting or to vote by proxy with voting instructions. And I'm incredibly pleased that you're all here today and that you've made the effort to come all the way to the Maasvlakte. I hope you also took the tour, I'll touch on

that more later. But some of your fellow shareholders failed to attend today, even though they said they would be present. So I've been given a new total of the number of votes represented here today.

I will now invite the chair of the Remuneration Committee, Peter Gerretse, to provide an explanation of agenda point 3c., the remuneration report, and 5., the composition of the Supervisory Board.

On the day this meeting was convened, there were a total of 25,501,356 standard shares. That number is the same today. All of those shares are listed shares and are each entitled to 20 votes, to make it extra complicated. In addition to those shared, on the day the meeting was convened, there were 50,000 preferential shares. That number is also the same today. Those preferential shares are not listed and are each entitled to 1 vote. So be aware that there are 510,770,120 votes that can be cast. 388,763,380 votes were cast by proxy via the ABN Securities Portal, which is equivalent to 76.22% of the total share capital.

1,947 shares are present or represented at the meeting today, which are entitled to 38,940 votes. And that is 0.01% of the share capital represented here today. That sounds quite minimal, but nevertheless, we very much appreciate your attendance today. This interaction is quite a bit more positive than all those people who vote by proxy.

There will be an opportunity for questions and answers around each agenda point. At the end of the Q&A session, I will decide whether the agenda point was adopted or not. For each agenda point, we will indicate the share of proxies granted, votes cast, the number of votes for and against, and the number of abstentions. You're familiar with the process, most of you have been here before.

Votes are cast by acclamation, and I will ask if any of those present today would like to vote against or abstain from voting. The assumption then is that all other votes are cast in favour of the resolutions in question.

To be clear, I would like to emphasise that the meeting will vote and decide on all agenda points based on the agenda and the explanations of the points included in the meeting convocation, which was published on the company's website on 30 March 2023.

These documents serve as a guide for the content and scope of the voted resolution. This meeting is being broadcast via video webcast. An on-demand version of the webcast and a transcript of the meeting will be available within 72 hours after the close of this meeting on the company's website. Our goal is to publish the minutes of the meeting within 4 weeks from today on the SIF website. The resolutions passed at the meeting will be communicated in a press release immediately following the close of the meeting, and in an announcement on the SIF Holding NV website.

We will now move on to agenda point 2, following this introduction, and that concerns announcements. SIF Holding NV published a trading update on Q1 of 2023 this morning, you may have already seen it. The update was also posted on the SIF website. The CEO, Fred van Beers, and the CFO, Ben Meijer, will provide a brief explanation on the Q1 update as part of their presentation, under agenda point 3.

The slides from Fred van Beers and Ben Meijer's presentation will be published on the SIF website shortly after the meeting. The convocation for today's meeting also included an invitation to a factory visit. A bit late in the day, this, but anyway. Six people, and I don't know if that was actually the case, but six people registered in response to the invitation. I spoke to several of you.

**Male 1:** Plus 2.

**André Goedée:** Plus 2? Eight people registered in response to that invitation, and I'm sure you were impressed by what you saw. Because we have a mountain of monopiles in there, which shouldn't be the case, but given that the client is having some issues, they're piling up. And the board is working day and night on how to get them out of here, because the factory needs to keep producing. But anyway, you heard all about that this morning. And I'm sure you were also impressed by the dimensions of the monopiles outside on site here. I joined SIF eight years ago, and back then they were 6, 6.5 metres in diameter. If you were standing on a dyke, you could just see over them, but that's not possible today.

Having said that, we'll move on to agenda point 3., the board report and the 2022 financial statements. That includes 3a., a presentation from the Executive Board, so I'll turn it over to Fred van Beers in a moment, and a report from the Supervisory Board. Agenda points 3a. and b. will be addressed jointly. The 2022 annual report, which includes the 2022 financial statements, was published on 30 March 2023 on the SIF website, and was filed for review on the same day at the SIF Holding offices in Roermond. I assume you all dropped by to take a look at them.

The CEO, Fred van Beers, and the CFO, Ben Meijer, will take you through the highlights of 2022. The financial impact on the profit-and-loss statement and balance sheet will be discussed later on, when you'll be asked to approve the 2022 financial statements. Fred van Beers and Ben Meijer will also provide insight into the developments from the first three months, Q1 of 2023, as well as the progress of the expansion project. And if you took the tour, you'll have seen that we've already started on that and some things are already underway.

I would like to propose that we also address the update referred to under agenda point 4. in the presentation. After that, there will be an opportunity for questions. And I'd like to ask Fred and Ben to take over now and handle the management presentation.

**Fred van Beers:** Thank you, André. I'll start off, Ben and I won't be standing up here together. It would show a unified front, but it would also be a bit crowded. Let's see, Fons, is it working? Yes.

So what we'd briefly like to address is safety, as André mentioned, what we did in '22, and some quick insights into Q1 and the strategic plans, which is specifically the expansion of our production facility here, of course, as well as a short update on what we're doing in Asia and America.

Safety, André already rightly mentioned that we'll be taking you through the highlights of the previous year and the previous period. And I have to be honest, we don't see this as a highlight. The safety numbers aren't good. If you look at the annual trends, you'll see that the lost-time injuries overall have dropped a bit, but the frequency is too high. It's far too high. And if you look closely, they're both on the rise, to be honest. And sick leave was quite high last year, too.

And that's a real concern for us, because we've seen that the incidents that we had specifically in Q1 of this year often actually led to broken bones, who will all make a full recovery, but they're often the consequence of the fact that you're producing a very large product in Roermond in a factory space that is just too small. And it can be done safely there, but you have to pay extra close attention. And then combined with the fact that the people we're currently onboarding and training are coming in at a significantly lower knowledge level than what we've been used to in the past. So it requires a lot of extra attention on our side to bring them up to scratch.

All of that has led to our decision to stop production completely for two days at the factories in Roermond and the Maasvlakte, and to explicitly focus on going through every possible risk in the facilities. We did that last Monday and Tuesday in Roermond with nearly 500 people, 500 employees at once. We walked them through our perspective on safety, where the issues are, and how we can address them. And I can tell you that was a major success that exceeded our expectations. And it hasn't been long, but you can already see people are working at a different level in a much cleaner, tidier factory.

And we hope that will reduce the risk and the number of incidents dramatically. We'll be doing the same thing here on Monday and Tuesday in the Maasvlakte. We'll be taking everyone at once in a very focused way through thinking, doing, and acting safely, and involving them there. That's in that area.

And if we look at sick leave, that is declining, but we had significant problems with the combination of flu and Covid last year. I'm sure you'll remember that in the beginning of the year, the rule was still stay home if you test positive. In hindsight, we feel like that resulted in unnecessary downtime for people, but fine, that's the way it was. And so we've focused on that, we're seeing it drop back down, but it's still quite high and a point for attention, combined with the fact that there's a lot of work to be done in the organisation, which can also lead to sick absences.

Operationally, if we look at the highlights of the past year, 2022, those on the tour will already know, but we specifically spent a lot of time and space and capacity on marshalling and logistics for Siemens Gamesa. It was an incredibly successful project that we announced a few years ago as one of the major projects at the forefront of what we see as a constant business for SIF. We transported 140 towers, turbines, and blades out to sea for Hollands Kust Zuid Offshore Windfarm.

That's wrapping up in the first half of this year. We're working, or they're working on loadouts for the final series of turbines, about 15, off the top of my head. We would've liked to continue that, there was a lot of interest there, as well, but we had to make the strategic choice, or the difficult choice that given that we need a large share of our space here to expand the factory, we'll have to discontinue this portion of our marshalling and logistics work for the time being until we can take further steps with the port authority, hopefully this year, towards leasing an extra plot of land to see if we can restart our logistic work there. Because it's desperately needed in this country, with all the offshore wind aspirations there are today.

Beyond that, we've continued to work hard producing monopiles and transition pieces for Dogger Bank A and B. Those who were on the tour will have seen that all we have on site and in production at the factory at the moment are Dogger Bank A and B products. And that will be true in the coming year, too, the lion's share of our production will be for Dogger Bank B and C.

And finally, last year we delivered the TP-less monopiles for Hollands Kust Noord. They were run through production here at an incredible pace and almost snatched out of our hands and transported out to sea by Van Oord, which in that sense was a fairly... well not fairly, it was a successful project that we were able to complete. So we've been busy in the last year. And we still are.

Fortunately we also won and booked in several contracts. This won't be a surprise for anyone who listened to the capital markets day and has followed our previous releases, but the market is incredibly overheated. There's so much demand and it's crucial for us to take a close look at which projects we do and don't want in our order book. And that's primarily driven by stability first of all, stable clients. That's what we value the most. Bringing in great projects is fantastic, but if



they're with unstable clients who may cancel or have delays, which would mean idle time in the factory, that's much less desirable than bringing in a somewhat more conservative client that you can rely on. So that's what's constantly on our radar.

We booked the transition pieces for Noirmoutier in France and He Dreiht, a German project. We could've booked the monopiles for those projects if we'd had the capacity, but we didn't because we were all full. So that was a luxury, that choice that we had to make. We never like to say no, but that's what happened. And those transition pieces are now being built by SIF, in the combination with Smulders for the '23-'24 period, which fills out the rest of that order book, in addition to what we had with the existing monopile projects.

In addition, and this has been a key part of our expansion plan, we brought in the contract for Lot 6 on Hollandse Kust West, as well as Empire Wind, the Equinor-BP combination, for America. And as some of you know, we've had previous experience with an American project, Vineyard Wind. That was a short celebration, because it was quickly cancelled, or delayed I should say. I can assure you that this project is a guaranteed project, and the prep work for that is already well underway, once again in partnership with Equinor and BP. So two key projects that build a lot of confidence, but also actually prove that our expansion plans, and the profit based on them, are feasible. It was a crucial element in making the final investment decision on our expansion plan.

And those are projects that are running in the '24-'26 period, so you can see that that our order book is nicely filled out for multiple years to come. And at this point I'll hand it over to Ben, who will get into the next slides. They go more into the numbers, and that's more his thing.

**Ben Meijer:**

Thank you. Thank you, Fred, and good afternoon to you all. I'd like to start by showing you a few KPIs around ESG.

They're important KPIs and have been given a limited assurance verification by EY. And the first KPI is around gross CO2 emissions, that's the first graph. And what you can see there is that there was an increase in gross CO2 emissions starting in 2020. And that's caused primarily by Scope 2 emissions. And that's where the Haliade that you saw at our SIF site comes in, the windmill. It's being used to reduce those Scope 2 emissions. But in '21 and '22 it wasn't running as much due to technical problems. So it was running at full capacity in '20, but somewhat less in '21 and '22. So you can see that increase in this graph. Fortunately it's been running somewhat better in Q1 2023 and still is today.

The second KPI demonstrates our contribution to renewable energy in megawatts. And what you can see there, which I'll translate into gigawatts, is that in 2021, we generated 1.9 gigawatts with the foundations we've delivered. And that rose slightly to 2 gigawatts in 2022. I have a financial background, so gigawatt doesn't mean so much to me. But if you translate that into the number of households that it supports, it comes out to 2 million households. So with the foundations we built in '22, we indirectly provided power for 2 million households.

Fred already shared enough about the third KPI, LTIF. Performance isn't moving the right direction, steps have been taken, and it's a top priority for the management team and the rest of the organisation.

The next slide outlines a few key indicators, and the first is the order book. You can see the order book status as of year end from 2018-2022. And on the one hand, these are volumes that we've already contracted for, but there are also tenders... well, not tenders but projects where we have an exclusive negotiation position. And what you see here is that in 2022, we're at the highest level ever, starting in 2018. So the order book has been filled out incredibly well.

The order book has been split into launching customers for the new factory, that's the 348 kiloton Fred mentioned for Empire and Hollandse Kust West, and the rest is for existing business for '23 and '24. And what we're seeing for the coming years is that we're completely full for 2023. We're completely full for 2024. And a large portion of 2025 has already been filled.

And right now we're looking at a very active tender pipeline that the commercial department is working on at full capacity. So it's not included in these figures, but there's a large tender landscape behind this that we're working on now.

The second graph in key parameters is the contribution margin per tonne. And the contribution margin is a crucial parameter for us. Contribution margin is our sales minus raw materials costs minus costs for subcontracted work minus logistics costs. And looking at that parameter, contribution margin per tonne, you can see an increasing rise. And that's key for us, it tells us far more than turnover. For us, with turnover figures, when the price of steel rises, then your raw materials costs go up, and your turnover goes up. But this tells you much more about the underlying profitability and the market dynamics. And in recent years, year on year, we've seen that number gradually rising. The final parameter, workforce, very slightly increased in 2020, from 548 to 587, a slight increase. And what we've also seen here is that the flexible shell represents around 40% of the total. So if you have times that are quieter, which doesn't seem like it'll be the case in the coming years, you can scale back. And right now the challenge we're facing is that we'd really like to scale back that flexible shell even more and have more people on the permanent payroll.

Another thing we saw in '22 was that the labour conditions or the labour market slightly improved, with the emphasis on slightly. These are still very challenging circumstances in which to find good people.

The financial results, the first graph details the production volumes. 171 kilotons in 2021, and around the same level in 2022. And that's under expectations. We would've liked to produce more. And we're seeing the same negative impact from the labour force. So we needed more people and it was simply difficult to attract good, qualified staff. And that also had an impact on efficiency and productivity. So you bring people in, it takes quite a lot of time to train them, and then you may still realise that people aren't up to scratch and you need to part ways. So that's the impact that had on the productivity figures.

We've already discussed contribution margin per ton. And the third key parameter is the adjusted EBITDA, the adjusted operating profit. In this chart, you see two parameters. You see the regular operating profit and the adjusted operating profit, and for us, that adjusted operating profit is much more important. Because if you look at the regular operating profit, that is impacted by costs you incur, including for the expansion investment.

So because we're making that expansion investment, we have to incur all kinds of one-off costs for consultants, among other things. Well, in our adjusted EBITDA we've excluded those, so you get a better picture of SIF's underlying profitability. And we see here an increase from 39 million to 42 million, so slightly better than in 2021 and in line with the guidance we've issued. Working capital at the end of '21 and at the end of '22 was negative. Which then has a positive impact on your cash position.

What is important there is that per project, we make sure we're always cash flow positive, so the money from the clients has to come in first before we start making payments to steel suppliers for example, we very much stay on top of that. And what you see here at the end of '21 and at the end of '22, we were getting quite a bit of money in from customers in the

last week of December. Because normally should've come in the first week of January, but it's come in now, the last week of December.

That has a positive impact on the working capital positions that you see. Q1 2023 volumes paint a similar picture, 48 kilotons, in line with Q1 of last year. We do still have to deal with the challenges of the labour market. And it's still difficult to attract good staff. So what I would very much like to see in the first quarter is a bit more production volume.

In Q1 we also saw a negative impact, several machines that were temporarily out of commission, so we do have the people, but just can't produce. The contribution margin here, at €1 million, was up sharply, as was the contribution margin per ton.

That's up from €554 to €644 compared to last year. That's another great increase in contribution margin per ton. A key parameter and the main driver for the increase in adjusted EBITDA. So last year we had an adjusted operating profit of €9.6 million. That's increased to €10.8 million. Cash on the balance sheet, so working capital, is once again negative. Cash on the balance sheet, €138 million. At year-end that was almost €90 million, so it was a substantial increase in cash.

And what comes into play here is that we got €50 million in. As part of the financing of the expansion plans, we issued preferential shares to Equinor. And that €50 million came in on the last day of the quarter. The order book continued to increase in Q1, so it was already at a record high at the end of '22 and we added Baltic to that as a major project in Q1 of '23, 105 kilotons. So it's now above 700 kilotons, and the order book is nicely filled out.

Number of relevant operational developments. If we look at the supply chain and the order book, we can see here steel and flanges, which are two very important elements for us,

are secured so we can deliver the order book. On price risk, steel price risk. Flange price we take no risk on. Then we charge that on to the client, one-to-one. So if our supplier says the steel price is going up by 10% due to indexation, the price for our end client will also go up. We just aren't going to run any risk there.

We do see energy prices coming down somewhat, that's a positive impact. So if you look at '22 and you compare that with 2021, we saw the energy price having a negative impact on the results of about €5 million. Well, we see now that that increase has ended. And we're seeing energy prices come back down again.

My final comment on supply chain is that we've also just built a buffer stock of critical materials we need for the production process. So in case anything happens, because of the conflict between Russia and Ukraine or something else, that impacts that in any way, we have that buffer supply available.

Tenders, plenty of activity there, especially for our commercial department. Prioritisation is key, as Fred said. We're focusing on the right tenders, the right customers in terms of stability, reliable partners, but also just in terms of the profitability piece. So we've determined at multiple different stages where we want our focus to be. We brought in Baltic 2 and Baltic 3, as I mentioned, as the first order under the Capacity Reservation Agreement with Equinor. So we have that long-term agreement with Equinor that allows them to place orders for our new plant. But this is the first order to come in under that agreement.

Finally from clients, what we're seeing here is that Dillinger Hütte has been an extremely reliable partner for us in terms of steel. But we have noticed a push from the market, what they're saying is well, we think it's important to look at alternatives. And we also want to do that, and we're working hard on that. So we've noticed that push.

The final block, personnel and facilities. I think I've already said plenty on the labour market and the challenges there. Safety has also been discussed at length. And for those who took the tour, we have a new office on the Maasvlakte, it's the first building in the new set up, the new P11 set up. That location is now complete, that's gone quite well, and right now we are sitting in a new office here in Rotterdam.

And the last point I want to mention is that we're going full steam ahead. And if you look at the gross CO2 emissions, and particularly if you look at the Scope 1 emissions, it's very important that right now we're preheating with gas. We want to transition that to electricity. So that whole preheating process, by converting it to electricity, you can reduce your Scope 1 CO2 emissions even further. Now I'll hand it back over to Fred.

**Fred van Beers:** Thanks Ben. Okay, now I'll move on to an update on our strategic plans. And here we have a picture of us driving in the first pile, which was one of the last piles in reality, to be honest. And we're currently working on the last piles, but we had a modest ceremony on 4 May. But it was something we celebrated.

But what's more important, I think, is that this means we're also fully on schedule with construction. And we made the FID in February, and we want to get a plant off the ground as soon as possible. Well, we've already made a lot of preparations. We had a lot of agreements in place already so we could act quickly. And we're also very happy to say that we're completely confident in that schedule we communicated previously. And why did we do this?

Just to quickly recap what was said at the Capital Markets Day, but the fact is that the turbines are getting bigger, we're looking for deeper and deeper water, and the ground in which those monopiles are being driven becomes bit more unstable

when you move outside Europe. And that means what you see in the left image in the middle, that monopile in the middle as we are building it now, between 8 and 9 metres, is going to grow significantly to 9 to 11, 11.5 metres.

And that's quite a lot. That has a significant impact. And it means we need to invest. There's internal drive, of course, but you want to see that there's a sufficient market. And I think this picture, which we also shared previously, shows what's coming down the pipeline in the coming years, especially if we look in that light orange part. Multiple kilotons, and monopiles in the range of 9 to 11.5 metres.

That is the vast majority, around 80% of the demand, of the sharply rising demand. And that's the segment we'll be especially focused on with this new plant. Incidentally, I can tell you that these numbers are already outdated. They should be even higher given the latest announcements that, as you know, have been made from Ostend at the North Sea Conference. The targets set by the North Sea countries to have 60 gigawatts operational by 2030 have been adjusted to 120 gigawatts, so that represents double the demand by 2030.

If you look at that worldwide, not including China, because they're a closed market that's fairly difficult to break into, and see how Europe and the UK compare to America, you can also see that the vast majority of that growth really comes from the European North Sea and Baltic Sea.

And that's also why we want to focus mainly on that and really want to ensure that what we're doing here and how we're currently positioned, we really want to retain that before we embark on grand adventures outside European waters. Because the big risk there is that you may get wonderful funding and be received like royalty. But you have to have the people who can supervise and set this all up in a controlled way without neglecting your core market, your



core business. And that's something we think is very important.

You can also see that that is not really necessary if you look at the European market development. The very strong trend we're seeing here, and we have shown and continue to show this image several times, is the competition and the total supply chain for foundations versus market demand. The line is the market demand over the years and the boxes below show what the total capacity is if all companies active in this business are 100% successful in expanding or setting up production capacity for foundations, for monopiles.

Take a look at the index on the right there. So where it used to be essential three companies: SIF, Steelwind, and to a lesser extent Bladt, there are now close to 10, and new names are popping up all the time. The most recent and also the biggest newcomer, and getting bigger right now, is Dajin out of China. Not so much because they are competitive on price, but really just because the European supply chain is unable to meet the demand from the market, so people are more or less forced to go to China.

We're also seeing that for most companies, there is a backlog in terms of implementing growth plans or new construction plans. So that's also made us very focused on keeping to our schedule. Because if we see that others are having problems, we need to take a critical look at ourselves, too. Fortunately, so far this hasn't been a cause for concern, but we do see that the gap between supply and demand is only going to widen in the coming years.

So it's even more important to do what we discussed earlier, something Ben reiterated. We need to maintain a very careful focus on the right customers, the right level of reliability. Because that's a luxury we have at the moment. And that's something we're going to hold onto.

So where are we right now with in implementing that expansion? As previously mentioned, we are fully on track. If we start at the top left, left block, we're fully on track with construction and we don't see any obstacles looking towards the future.

And as we know, on 1 July 2024, next year in July, we're going to start up the plant so we can be full steam ahead with orders by 1 January '25. There's no reason to doubt that, as it stands now. We've signed all the major supplier contracts, so building the space is one thing, but the machines have to go in, as well.

And those machines that have to be right and they have to fit the building and with each other. It's important to have the contracts for that signed up. To make sure everyone is up and running. That's all been completed.

Continuous focus. I mentioned it before, safety and the environment. We have people especially for that. That's part of the design brief. Right now, for instance, it's all being built into a 3D model, so we can walk all the way through the factory to see whether all the racks, fences, fall protection, rooms, safety features, cranes, clash models, etc. are actually there. It all looks good.

The bottom left is the order book, at over 700 kilotons. Incredibly well filled out, which is very important, because ultimately it's great to have a factory. But it also has to run. It also has to produce, and it has to produce in a way that it can produce as efficiently as possible.

And that was our goal, which we have achieved, we believe, with this order book. The clients or partners, Equinor, Shell Eneco, have made their contributions as per plan in terms of the financing. So we have all those points you have to walk through with each other.

We worked together on that and the funding came in on time, which Ben also touched on, and that's reflected in the cash position. And a key part of all this is that the space we have reserved for ourselves, which is what we based the FID on, that 328 million investment, we can say with genuine confidence that we're well within that. And we do not expect to have to exceed that in any way. In other words, on all these six key blocks, if you look back at the Capital Market Day presentation, you will see the underlying promises we made at the time when we made the FID.

This is an update on where we stand and actually we can tell you that it's on green. Does that mean this is the end for SIF? No, certainly not. I briefly touched on it just now, but we are developing further and we're also looking to the future, after the expansion of this plant and beyond 2026.

And we see three important elements there. The first is expansion around being a total solution provider for monopiles. But ultimately, just making monopiles can be seen as risky, should anything happen to it. So you have to see if you can broaden your package a bit to include some more risk mitigation measures, should that be necessary. Doesn't seem to be at the moment, but still.

So that means we're taking a very close look at circularity. Because eventually, those monopiles that are being installed now will also have to be returned. And we're also seeing that with the rise in green steel production, that there's a much higher demand for scrap, for scrap steel.

That means there's also going to be a significant demand for bringing those monopiles back to the transfer. We are investigating that closely with a number of partners. That's a long-term plan. It will take some time, but better to start now and be well prepared than to have to jump in too late. And we're working on engineering with KCI, which is increasingly taking shape in value engineering on the designs.

Because we also believe that when times get tighter and we have to look more closely at the costs of foundations, we'll also have the engineering and service capabilities to be able to offer these to the market.

The second point is geographic. We have, as you know, a license agreement in place with GS Entech. That is going well. We've signed a license agreement and we're well on our way with our partner there. We also don't expect any other major developments, other than implementing that agreement. We've also been taking a look at America.

We also clearly see the potential, we also see opportunities, but we made the decision to put that on the back burner in terms of development. So we're not saying that we don't want to do something there one day, but we are saying the next 1.5 years will be full focused on the European market and making sure we successfully realise that plan we're building here.

And the third is long-term growth potential. That's in other innovative products around that monopile and around our production capacity. And whether it's the skybox, which makes offshore installation much simpler and therefore more cost-effective, or the alternative to a jacket, and as an intermediate solution between a monopile and a jacket, the tripod, all these products are now being developed and discussed with clients. So if it's an interesting product, we can move forward with it or made the decision to produce on our own, or if we see that monopiles are waning, we'll have an alternative product.

So an important conclusion, I think, is that things won't stop for us with this plant. We're also already looking closely at how SIF should move forward and how SIF can continue to develop in the long term. And that brings me back to the video. Unless everyone has already seen it, of the new

factory. But still, to give you all a brief impression of what we are actually building, I'll play that for you now.

[Video plays]

And that brings us to the end of this update. And I think we have some time for questions now.

**André Goedée:** Do you have any questions for the board? Mr. Stevens.

**Mr. Stevens:** Thank you, Mr. Chairman. Stevens, Stichting Rechtsbescherming Beleggers. A big problem is housing. So there are more people, but more people also bring housing problems. So one of the issues is that you struggle to find people with housing close to work. And you're also, at the shortest distance, 40 kilometres from civilisation. Is that a problem? How can that be solved in partnership with the municipality, perhaps with shuttle buses, there are so many possibilities. Absenteeism, is that also a consequence of the long commuting distance?

**Fred van Beers:** Thank you. Good question. I think there's a difference there between the different phases we're in. If we look at the staffing problem now, it's particularly in the Roermond site where we need to find people, and we don't have a housing problem there. If we look at filling the plant here and the people we're looking for here, housing is definitely an issue. We've also discussed that with a number of partners, to address that. Either through existing housing or by building housing near the factory. So if we look at absenteeism, that's not a problem at the moment, because we don't have that problem in terms of the commute.

**Mr. Stevens:** So absenteeism is lower than it was last year.

**Fred van Beers:** Yes, it is lower now than last year, still a bit too high I must say. But it is lower, a good bit lower.

**Mr. Stevens:** Then the accidents. I've worked in a production environment before and it teaches you that accidents are often down to the smallest details. We're dealing with bigger things here than the kinds I've ever worked with, but I can imagine that a lot of accidents also happen because of coincidence or mis-coordination or not being aligned with one another, or just plain unexpected things. How do you plan to prevent that in the future?

**Fred van Beers:** It is true that you often see that in individual cases. But if the trend is that we have a series of coincidental accidents, something's still going on there. So we're being too easy going if that's the reason. And what you actually see is that it's the other way around, because when the space people are operating in is more limited, the likelihood of an accidental accident increases.

So you have to maximise the space people can operate in. And how do you do that? By removing everything from the production space that isn't absolutely necessary at that point in the production process. And that's exactly what we are doing and have done. Because by doing that, you do create a bit more room to move. But you're also making things that people can trip over less accessible or signposting them more clearly, so that if they're manoeuvring in that limited space, they're less likely to have that accident.

**Mr. Stevens:** But is it also due to the high volume of work? You mentioned that yes, it is limited space. Is there also a correlation with being too quick to finish or is it just overall?

**Fred van Beers:** This is very important, for us, and we say it all the time, and this is a consideration for both the Supervisory Board and management, but also the layers below that: safety always comes before volume. And that is a fine balance to strike between producing efficiently and just doing your job. It shouldn't be an excuse not to continue working, but rushing and feeling the pressure of that production, that happens in

some places, people sometimes think that, but it's not actually the case. It's really down to being orderly and tidy. And paying attention to what you do. It's behaviour.

**Mr. Stevens:** We also just talked about it, but is there also a difference between young and old? Young people who quickly want to change things for the better and older people who say well, that's how I've always done it.

**Fred van Beers:** The interesting thing is that of the seven cases in the past quarter, four cases have been with very experienced, somewhat older employees who were there from day one, which means they're more casual and attached to certain habits. And so they do have accidents. We're also seeing the effect I mentioned earlier of the low basic level of new people coming in, which means you have to do much, much more intensive training beforehand to help them know and be aware of where the dangers are.

**Mr. Stevens:** Yes, but in that introductory time, when production is busy, you're more likely to put those people on the floor. But when it's not as busy, you can take more time with those people too for...

**Fred van Beers:** And so you have to guard against that. That is an important point that we also keep an eye on, to guard against that and strike a balance between putting people to work and putting them to work safely.

**Mr. Stevens:** Okay. Then you had the parameters. You've already said the tenders we won't go into. What are the parameters for assessing tenders?

**Fred van Beers:** One very important parameter is what I mentioned earlier, that we're working with a client who has done this before, who understands the business they're in. You see a lot of newcomers in this area.

And the second is, is a client willing to accept a penalty for delay or cancellation of the order. So what we do now is we only agree to jobs for clients who are willing to accept that penalty, which will increase if necessary to the total contribution on that job, the contribution value.

These are hefty penalties they may be liable for. So if they're willing to sign to that, you know two things: A) they understand the risk, and B) they'll also want to stay away from that because they see how much they'll have to pay if they don't start on time.

**Mr. Stevens:** But in negotiating those penalties, you get a price margin. So how are those negotiations going?

**Fred van Beers:** They're going well. Look, the question right now, frankly, is not so much price and margin. Of course that has to be right in the overall model for building a park like this. A key question is availability, so clients who are looking for partners that have capacity slots available and have reliable capacity slots available.

Because that client really does want those foundations to be on time and to be delivered, at the beginning of their installation phase for a complete wind farm. So, if you're already starting with a backlog of foundations, you'll have problems after that. So of course, prices have to be right, but it's not like that's the most important piece right now.

**Mr. Stevens:** Okay. So, it's already about looking at if those windmills ever come back, and you're going to pre-empt that a little bit now. How should we look at that? Will we be working with someone like an AMG or that kind of company or what will that construction be in the future?

**Fred van Beers:** We will certainly report more on that when we have that worked out. But I can assure you, we are indeed working on that with several partners, including recycling agencies. We



also have to look at the blades, the turbines, the towers, everything. And we're looking at several installation companies to see what our possible solutions are, directions we can think in to work that out. And we have started that now. It may well be that we will not know exactly how we want it to look in another three years. But we think it's important to be on time and to take that into account when planning our production space or the land we need.

**Mr. Stevens:** You mentioned renting additional land. Is the idea to rent neighbouring plots of land in addition or...

**Fred van Beers:** We would like that but they are not available.

**Mr. Stevens:** No?

**Fred van Beers:** No, so we have to look nearby. We're in consultation with the port authority on what will and won't work. But there's a lot of willingness by the port authority to facilitate us on that.

**Mr. Stevens:** Yes, but we can assume that for the demolition of the wind turbines that doesn't necessarily have to be next to the factory, it could easily be on another piece of... yes so you pretty much have that margin. Okay then.

**André Goedée:** How many more questions do you have?

**Mr. Stevens:** Yes, I have a few more bit let someone else ask first, perhaps.

**André Goedée:** No, go ahead and finish off your list. But then we'll have some idea of how long we need to take for that. Because otherwise I'd say limit it as much as possible, you'll always have the opportunity to talk to Mr. Van Beers after the meeting.

**Mr. Stevens:** Yes, but I also want to keep those questions to a minimum, so.

**André Goedée:** No go ahead, finish the list.

- Mr. Stevens:** Right, another thing that stood out to us about the figures was the accountants. You have two accountants. Maybe that's a question for later. What is the reason or intention there? Or do you have one accountant for the actual work and one accountant for ESG.
- Ben Meijer:** No, we have one accountant, it's EY. And EY provides accountancy work for both financial figures and limited assurance for the ESG parameters. So, we have one accountant, that's EY.
- Mr. Stevens:** Well, but it was signed by two accountants. They may be from the same company, but it's two accountants. Because the accountancy costs have gone up.
- Ben Meijer:** Yes, but they're different disciplines. So, you have the financial audit, from the EY side, focusing on the financial parameters. Then you have ESG, which is a different department at EY that focuses on ESG parameters.
- Mr. Stevens:** And that can't be done by one accountant in one department?
- Ben Meijer:** No, it can't be done in one department. Those are two different departments. So, it's one firm, EY, but there are two departments within EY involved in that.
- Mr. Stevens:** Okay, well that was the broad strokes. Has anyone looked into whether a convertible may have been appropriate, then later maybe look into going from convertible to share issue? Or did you stay straight off, we are going to do a rights issue?
- Ben Meijer:** No, this was part of the financing structure. It was important for us that all existing shareholders could take part. So, a standard rights issue seemed to us to be the best instrument.
- Mr. Stevens:** Yeah, but you can also have everyone participate in a convertible.

**Ben Meijer:** No, this seemed like the best option for us. Just regular shares, so that was not an option for us.

**Mr. Stevens:** Just straight.

**Ben Meijer:** Regular shares, the same mechanism as now, and every shareholder, even small shareholders, have the opportunity to invest pro rata.

**Mr. Stevens:** Okay, that was it for now, Mr. Chair.

**Mr. Koster:** Thank you for the explanation. My name is Koster from the Vereniging van Effectenbezitters. Thank you for the explanation and the tour earlier. It was a very interesting, informative experience. I have a few questions. We just heard that the contribution has gone up and your order book is full, as well. How much room do you see to raise prices? That's my first question. Would you like to answer or shall I go through my list.

**Fred van Beers:** It's always a good idea to answer, because if there are six questions, I'm sure I'll forget three of them. Of course, we try to take advantage of all the space we have. We did that not just this year, but all the years in the past, wherever possible, that's clear. And there's always interplay between the capacity our competitors have at that time, which also determines whether you can or can't continue forward, and to what extent you have an optimal fit with your production and slot availability, which drives the price up or down. And that's combined with what we discussed earlier, the option to agree penalties for delays, that's really crucial.

So that's always a dynamic. But we don't expect the contribution margin to drop in the coming years.

**Mr. Koster:** Okay, thank you. Then on to replacements, you just discussed that briefly. On page 20 of the annual report there's an

overview of the wind farms that you've delivered. I'd like to see a timeline there, for when they were built and perhaps you can give an estimate of when they'll reach the end of their economic life. So, then the shareholders could make a better estimate of the extent of replacement demand.

**Fred van Beers:** You mean from the wind farms.

**Mr. Koster:** Yes, that SIF delivered.

**Fred van Beers:** Well, generally for each wind farm that's indicated at the start of the campaign. But we've seen that it continues on. So there are two dynamics there. We've seen some farms tending towards earlier decommissioning because they're better off pushing further investments into larger turbines primarily, that's the driver, replacing them with larger turbines.

But we also see the opposite, that they continue using them for longer. The interesting thing is that there are no, or just one or two farms, that have actually reached their theoretical lifespan, because the farms are simply quite young.

But we do take into account a bandwidth of years within which owners of those farms could approach us.

**Mr. Koster:** Okay, thank you. Another question around the marshalling activities. We just toured your site and there are indeed stacks of monopiles, and that's a service you provide to clients. But now that the new factory is being built, it's my understanding that you'll need to scale that down. Is there a risk that those would go to another client?

**Fred van Beers:** No.

**Mr. Koster:** It's my understanding that you're in negotiations for a new piece of land. When do you expect to have more clarity on that?

- Fred van Beers:** Let me dispel that first point. There are two different things here: this move will not change the available storage space for monopiles and transition pieces. What will decrease is the available space for facilitating turbines, blades, and towers like we do for Siemens. And that's the piece that we'll have to temporarily discontinue, but that's not a core activity. We'll maintain that stock, or that storage space.
- Mr. Koster:** And then my last question with regard to safety. My understanding is that there was a gas explosion in Roermond last year. I saw on the website that an investigation was launched, but I searched briefly, I didn't check the entire internet, but perhaps you can share something about the specific cause of that explosion.
- Fred van Beers:** No, fine, thank you for the question. That was an incident that had a significant impact. That investigation has been completed. We have identified three possible causes, varying from a bad coupling to hairline cracks in the hose. And that was combined with downtime on the weekend that allowed gas to build up. Mitigating steps have been taken and implemented around all of those points, or incorporated into the regular checks and so on. So you'll see more gas measurement equipment in Roermond. So the root cause analysis has been completed. We've also concluded our discussions with the Labour Inspectorate. And all staff have also now been informed regarding the conclusions and implementation of mitigating steps, and have been able to verify those.
- Mr. Koster:** Thank you. And now that I have the mic, I do have one more question about P11. And last March at your offices in Roermond, you said the construction permits were nearly granted. Have they been granted? And the second question, nitrogen, has that now been completed?
- Fred van Beers:** The construction permit has been definitively granted. So we had a small celebration for that. And the environmental

permit for nitrogen, as I'm sure you saw in the FID, is a collaboration between the port authority, Province of Zuid-Holland, SIF, and Economic Affairs. The final discussions with the port authority are happening this week to properly shape that request. And the goal is to officially submit the permitting request by the end of next week or the following week, because of Ascension Day. And then that could take six months before the permit would actually be definitive. But then at least the eligibility of the application will be established, which is a key legal milestone on that issue.

**André Goedée:** Are those all of your questions?

**Mr. Koster:** For now.

**André Goedée:** For now, okay, we'll keep that in mind. Go ahead.

**Mr. Van Riet:** My name is Van Riet. You drove in 2 million pylons, but how many have... oh sorry, 2 million households could be powered, but has the electricity generated there actually been delivered to those 2 million households?

**Fred van Beers:** We haven't counted all of them. But all of the pylons that were produced were actually installed at sea. Of course they do need to be equipped with turbines. But ultimately, and that's what Ben meant, it can provide 2 million households with green energy.

And it's not like the monopiles installed at sea won't be fitted with turbines, that isn't going to happen.

**Mr. Van Riet:** Let's see, you transitioned from gas to electricity. That emits much less nitrogen and CO<sub>2</sub>. But are the contracts with electricity providers in place?

**Fred van Beers:** Yes. You mean the purchase contracts, right?

**Mr. Van Riet:** Yes.

- Fred van Beers:** Yes, we do that regularly. Ben's team also benchmarks that and we look into which contracts are best. And I'm sure you can imagine that with gas purchasing it's been quite dynamic recently. So we try to commit for portions of our demand at the right time, with the right risk distribution, so we can mitigate those price increases and decreases.
- Mr. Van Riet:** Is your plan to produce all of these piles on electricity in the future?
- Fred van Beers:** No, that's already hydraulic and electric anyway, but pre-heating for the weld seams, for the steel, we'd theoretically like to do that with 100% induction. I can't say for certain when we'll reach that 100% point, it could take two or three years. But for those who were on the tour... I don't think you were on the tour.
- Mr. Van Riet:** No.
- Fred van Beers:** Well, you would've seen that we currently already have quite a few induction pre-heating units in use.
- Mr. Van Riet:** You also mentioned that the production was halted, and you had enough staff, but the machines weren't sufficient to... or they were broken, if I understand it correctly.
- Fred van Beers:** Yes, we had a few machine breakdowns, and at that point we had a parts shortage that kept them out of operation for a longer period. And then at some point, you have to stop the entire process, because something isn't working somewhere in the process. And that pretty quickly has a negative effect on the production output.
- Mr. Van Riet:** But the people were available, so they were just sitting in the cafeteria, or am I wrong on that point?

**Fred van Beers:** No, there was enough alternative work to be done. But in the end they weren't working solely in production, that's true.

**Mr. Van Riet:** Thank you.

**André Goedée:** Are there any other questions? No? Right, thank you. Then I propose that we move on to the report from the Supervisory Board. That's available to you on pages under the heading Supervisory Board Report in the annual report.

The question is, do you have questions about that report? No questions. Then we can move on to an important point, point 3.7 on the agenda, the remuneration report. This is a resolute point and you will be asked to cast an advisory vote. But before you do so, I'd like to ask the chair of the remuneration committee, Peter Gerretse, to provide an explanation of the remuneration report. And that is available for you in the annual report on pages 84-87. Peter.

**Peter Gerretse:** Right, the button. The 2022 remuneration report was the subject of the accountancy statement and was published on 30 March of this year. And the remuneration report includes explanations of how the remuneration aligns with our remuneration policy and how it contributes to the company's long-term performance, as well as how financial and non-financial criteria are applied.

Last year, during the discussion in the AGM, the VB recommended publishing KPIs that were relevant to bonus payments to directors in advance. At the time, we explained that compared to our competitors, we are the only listed company, and that this would make quite a bit of sensitive competitive information public. At the time, we said that we would not be publishing the information in advance, but would provide an explanation at year end. And that position had not changed, we still do that.



I'd also like to provide an explanation with regard to the remuneration report, because several questions have been posed prior to this meeting, primarily about the extra payment to board members. I'll read the sentence as included in the remuneration report.

With regard to the decision to invest in expansion of the production facilities, the board members have agreed to participate in the announced claim issue, and to invest at least 60% of their base salary in SIF shares, with a four-year lock-up period. And this investment is closely linked to a one-time supplementary grant under the LTI scheme in the amount of an annual base salary.

And I'd like to explain a bit more here. Given the unique nature and strategic importance of the successful completion of our production facility, we have focused more on creating a more sustainable, performance-focused culture, and that includes compensating all employees.

And in that context, the remuneration report includes information on an additional cash bonus payment, which incidentally has not yet been paid, to board members.

And although the intention is to grant this payment this financial year, we have decided to provide some information on this now, for the sake of transparency. The supplementary bonus that we intend to pay out will be set by the Supervisory Board, pursuant to Article 5 of the Compensation Scheme. In our opinion, the board members have achieved outstanding performance in the last year with regard to the expansion and construction of the new production facility. The entire preparatory phase and obtaining FID was a massive job and a massive achievement.

This bonus is linked to that outstanding performance. But to bring the interests of the company and the stakeholders in line, the supplementary bonus will be conditional. And the

actual cash bonus payment will be dependent on three years in service. In other words, they have to still be in post, otherwise the bonus will not be paid out. And the bonus will be corrected with what's known as a total shareholder return modifier. That means that the bonus can be scaled up or down, depending on the total shareholder return.

We understand that the reference to the LTI scheme in the remuneration report was somewhat confusing. And for the record, we want to be clear that this extra cash bonus will not be paid out under our regular LT plan.

For the record, we would also like to share that we are considering the grant of an extra cash bonus at the end of '24, given the strategic importance of the investment. And the grant of that extra bonus at the end of '24 will be made on the condition that the new production facility is fully operational.

This bonus, one year's base salary, will also be linked to a separate three-year condition, in combination with the total shareholder return modifier. And those two nominal extra annual salary bonuses should be viewed in combination with the fact that the CEO and CFO have agreed to personally invest around 60% of their base salary in SIF shares, which is €250,000 for the CEO and €150,000 for the CFO.

We believe that works out to a balanced package for the coming years. This was the explanation of the remuneration report. And the first question is, are there questions about that?

**André Goedée:** Mr. Stevens.

**Constant Stevens:** Thank you, Mr. Chairman. Stevens, SRB. Am I understanding it correctly that all staff can participate in the capital expansion?

- Peter Gerretse:** No, the staff are not participating in the sense... what do you mean exactly? That they will also get something or participate?
- Constant Stevens:** Well, that wasn't clear to us. Reading between the lines, it seems like all staff can participate. But we couldn't find anywhere whether they'll get an extra payment or bonus or whatever.
- Peter Gerretse:** No, the majority of staff will not participate in any share schemes.
- Fred van Beers:** For the staff, we recently agreed with the Works Council on a profit-sharing scheme that, depending on results, will be paid out annually. But what Peter Gerretse is referring to is the multi-year implementation of the plan and the lock-in for us as the Executive Board.
- Peter Gerretse:** Just to add to that, there's a limited group of key figures that we absolutely want to keep in the company. And we're currently working on a similar scheme for them.
- Constant Stevens:** What level will that extend to? Below board level?
- Peter Gerretse:** That's under board level, but it concerns primarily specialists that could be anywhere in the organisation that are essential to this project. So it's not based on hierarchy, it's for people who are essential to the project.
- Ben Meijer:** Okay, thank you.
- Peter Gerretse:** Mr. Koster.
- Mr. koster:** Thank you, and thank you for the explanation. If I understand correctly, both directors will be given one year's salary under certain conditions in '23 and one year's salary at the end of '24 if the factory is fully operational.

- Peter Gerretse:** And delivers what it's meant to.
- Mr. Koster:** That's clear. Looking at the remuneration report, which provides some explanation of the previous year, I can see that the CEO was given an 8% payment for 'progress, production, expansion'. So that's a piece for '22, as well. And the same goes for the CFO, 'financials, business case for expansion plan'. So this year, 2022, they were also paid a bonus for the success of this plan.
- Peter Gerretse:** I can't find that, if you could...
- Mr. Koster:** Oh, I'm on page 85.
- Fred van Beers:** A small portion, a relatively small portion of the total bonus scheme, the regular annual bonus, was also linked to this plan. And what's being referred to now is that we've said, based on this performance, it's essential now that in the long-term...
- Peter Gerretse:** No, sorry, I didn't see that. One of the factors in the normal annual bonus was implementing this. So you're correct, a piece of that has already been paid out.
- Mr. Koster:** Well, our job is to ask critical questions, so I hope you don't mind my doing so. Because the investment decision was only made in March of this year, and the investment decision was delayed several times.
- Yet looking here, I see that the full, maximum score was given. And I'm curious to hear your considerations there, as chair of the remuneration committee.
- Peter Gerretse:** We looked at... and this was decided in the beginning of the year, so not straight off on 1 January, but somewhat later. And at that point, we already knew the FID would be taken. And we've looked at the entire process, starting 2020, which required extra work and an incredible amount of energy from

the board, with the eventual success that is essential for the future of the company. And that was the basis for scoring full marks on that point.

**Mr. Koster:** So is that based on the knowledge that the decision was made, not based on...

**Peter Gerretse:** Yes, based on the knowledge that the decision was almost certainly going to be made, and we were aware of all the things that had been achieved in the previous year. Because you have to keep in mind that this process has an incredible number of phases.

**Mr. Koster:** Okay.

**Peter Gerretse:** Are there other questions? Yes.

**Mr. Van Riet:** My name is Van Riet. My understanding from the CEO that the deadline for the factory has already been set.

**Peter Gerretse:** Well, the deadline for the factory being finished is... look, the factory needs to be finished at the end of '24 to be able to run at full capacity in 2025. So, the deadline is the end of '24. But it's not just that it's finished, but also within budget, that it delivers what we need, the financial performance, etc.

**Mr. Van Riet:** But that budget will certainly have already had an index incorporated.

**Peter Gerretse:** Well, I mean I'd be quite happy if we were able to deliver all of this within budget. Because that's not always the case.

**Mr. Van Riet:** Right, fine. In theory the bonus is already built in.

**Peter Gerretse:** Well, I don't think that's exactly fair. If you look at everything that still needs to happen, at the massive factory that has to be built here, it will already need to be ready in mid-'24 to start test production. It's a massive job. It's a massive job,

that's certain. And it will be a real achievement if we manage to get it all done by the end of '24.

**Mr. Van Riet:** The end of '24.

**Peter Gerretse:** The end of '24.

**Mr. Van Riet:** Right, I thought you said '23. My apologies.

**Peter Gerretse:** Yeah, '23 would be a real challenge. Are there any other questions? If there are no other questions or comments, you can now vote on the resolution regarding the 2022 remuneration report. And the results of the votes cast in advance with the company secretary or the notary are as follows.

A number of votes were cast in favour in advance via the web portal, 385,726,680. There were a number cast against, 3,220,620, and several abstentions, 14,080. And the question now is would anyone today like to vote against or abstain from voting on the remuneration report. If not, then I will assume everyone agrees and I can conclude that this resolution is adopted. And the results of the vote will be listed in the meeting minutes, and the remuneration report will be published as a separate document on the SIF website after this meeting is closed.

And we can now move on to the next point.

**André Goedée:** Thank you, Peter. And as a formality, the conclusion, Fons, is that this resolution was adopted. The financial statements are the next agenda point, which form part of the 2022 annual report. As I mentioned previously, it was published on 30 March 2023, including a statement of approval from the company's accountant. The accountant is here today and can answer any questions from shareholders when invited to do so. The CFO, Ben Meijer, will also have the opportunity to

answer questions, as he and his team were the ones who put together the financial statements.

The accountant will begin with a brief presentation on the financial audit at SIF, but before I hand over the mic to the accountant, I would like to share with you that the company has waived EY's duty of confidentiality regarding the AGM, that the accountant is required to correct all materially false statements and/or disclosures regarding the financial statements or the audit statement from the independent accountant, and that EY will, during the AGM and prior to the circulation of the minutes, request that any material errors be corrected. EY will discuss the audit process and procedures as they concern the financial statements. And the board will discuss the annual report, the financial statements, and the most relevant issues included by EY in the Executive Board report. Or indicated in the report by EY to the Executive Board.

I'll now turn it over to René Frentz, our external accountant.

**René Frentz:**

Thank you, and good afternoon to you all. I'd like to walk through our work and share the key conclusions with you. We have audited the financial statements, and were able to confirm that the financial statements paint a reliable picture, that the other information is consistent, and that it complies with relevant legislation.

As was mentioned, just like last year, we've issued a limited assurance for the ESG information, which was done by our dedicated sustainability experts.

We started our audit with risk analysis and determining materiality. As with every audit, we address the risk of management override of controls, and for SIF we identified that with regard to management estimates in the context of the turnover recognition. We always consider developments around cyber, sustainability, and going concern in the risk

analysis. We did not identify any significant risks with regard to these topics.

We conducted our audit according to plan. In our statement, we have reported the turnover recognition as a key audit matter. Based on our work, we have concluded that the estimates are acceptable and the turnover was justified correctly.

Throughout the audit, we followed the developments around the expansion plans. Given that the investment decision was made after year-end, it did not have a significant impact on our audit.

We closed out the audit and enjoyed a constructive, positive professional collaboration. We were able to issue statements with no problems, and if there are any questions about our audit, we would be happy to answer them. Thank you.

**André Goedée:** The accountant and the CFO will answer your questions where possible.

**Mr. Koster:** I have a few questions, firstly about the key audit matter, the valuation of contract assets and liabilities. Your key observation is that everything, loosely translated, is within an acceptable range. I'd like to challenge you to say a bit more on that. And by that, I mean do you qualify the management estimate as conservative, moderate, or even aggressive?

**René Frentz:** It's quite difficult to make a judgment of whether it's conservative or aggressive. In practice, management has to use the estimates to make the turnover recognition, and that includes rent estimates, expense estimates, even turnover estimates. And we assess those estimates on acceptability. Are these estimates as made my management acceptable? We do look at the total of all the estimates taken together.



And the conclusion that we have drawn is that it's acceptable within the range that we consider acceptable, but not whether it's conservative or aggressive.

**Mr. Koster:** Okay, thank you. Well, it can differ, some accountants are willing to speak to that. I was at Vastned, for instance, and the accountant there said that the management real estate estimate wasn't aggressive. But I can imagine that you don't want to go that far as to say...

**René Frentz:** As I said, I think overall it's balanced. It's not so much aggressive or conservative, and in our view, absolutely acceptable.

**Mr. Koster:** Then I have one more question, if the chair will allow it, regarding the concrete fraud risk you identified in your report, that's around project valuation. And that's a possible risk around breach in internal controls with the revenue recognition, that loss-making projects are covered by certain profit-making projects. Could you tell us more about how you structured that audit?

**René Frentz:** Yes, of course. I think here we're talking about the same management estimates. If we look at the business, the financial figures, the turnover recognition, and SIF's projects, those are the most significant for the financial recognition. In fact, if we look at the fraud risk, management would be able to make certain estimates, in your words, too aggressive or too conservative, or to create some play there.

In the audit, we have a number of things we do. Of course we inspect the contracts that have been signed, connections that have been made, and in general for the inquiries we do, we attend project meetings to make our own observations. But what's also crucial is back testing previous years. What does the reality have to say about the estimates management has made in the past? And our work as a whole allows us to draw overall conclusions about the turnover recognition.

**Mr. Koster:** Okay, and my last question is, in EY's opinion, does SIF have the fraud risks outlined here adequately managed?

**René Frentz:** Yes, that's our opinion.

**Mr. Koster:** Okay, thank you.

**André Goedée:** Mr. Stevens.

**Mr. Stevens:** Thank you, Mr. Chairman. The management report, could you talk a bit more about that? Whether regulations were complied with? And you briefly mentioned the cyber audit. We would like to know if you took any action to determine whether that cyber audit was watertight.

**René Frentz:** I'll start off with the management report, we call that other information. We determined that it complies with all legislation, that is one key aspect. The second aspect is consistency with the financial statements, and the knowledge we have in the context of the audit, that we aren't aware of any inconsistencies. I also think we mentioned sustainability. Our in-house sustainability experts were involved, in anticipation of new legislation in the pipeline, readiness is what that's called, and SIF is working very proactively there. So as far as we're concerned, we determined that it complies with all legislation.

In terms of the cyber audit, that's the check we do on the audited figures, and we conducted our procedures completely there and closed them out.

**Mr. Stevens:** But what are those procedures?

**René Frentz:** The procedures are quite extensive, we conduct a full audit. As I said, it starts with our risk estimate, where are the highest audit risks. As I mentioned, for SIF, there are two issues that were relevant, turnover recognition, fraud risks,

management override is one side. I think the other aspect is more P11, the expansion investments.

Looking there, we see that it had limited impact prior to 2022, and that it will be important starting primarily in 2023.

**Mr. Stevens:** But are they well prepared for the work, our question is if SIF is well prepared for 2023.

**René Frentz:** Is SIF prepared for 2023?

**Mr. Stevens:** Yes.

**René Frentz:** That's more of a question for SIF.

**Mr. Stevens:** With the cyber audit.

**René Frentz:** We don't have any concerns from the cyber audit perspective. Look, there are aspects that will emerge. Like I said, P11 will be a key theme in 2023. But if we look at the financial reporting, there are all kinds of aspects at play there, capitalising expenses, recognising expenses as expenses, commitments will be made. But those are issues that will be addressed in the audit in '23. And we presume that SIF will do the same independently, as well.

**Ben Meijer:** And I can confirm that. So from the SIF side, when it comes to P11, it's an extensive project. We have taken additional steps to maintain proper control there.

**Mr. Stevens:** Okay, thank you.

**André Goedée:** That was your last question? Are there any other questions? Before I move on to the conclusion, I would like to mention, and I'm sure you will have noticed, that the results for 2022 are being withheld, and that there will be no dividend distribution. This is in regard to the financing arrangement for P11. The loan agreement prohibits a dividend distribution for

as long as construction has not been completed. This does not apply to the dividends on the preferential shares that are entitled to dividends starting in the 2023 financial year.

This means that next year, a proposal to grant dividends on the preferential shares will be on the agenda. That dividend will be reserved and cumulatively distributed at some point in the future.

If there are no other questions, then pursuant to Article 30.5 of the company's articles of association, the general meeting of shareholders is now requested to adopt the financial statements. First, I will read the result of the voting instructions for the resolution to adopt the financial statements for 2022.

**Mr. Stevens:** The dividend is not on the agenda.

**André Goedée:** That will be on the agenda next year.

**Mr. Stevens:** Yes, but we're passing a dividend, and that is not an agenda point, either. And you just said that the lease and debt agreements stipulate that dividends cannot be distributed in a construction year. But nowhere does it say that stock dividends can't be distributed from the share premium reserve. Have you considered that? Because the share premium reserve belongs to us, and if we decide that a dividend, a stock dividend should be distributed, then there's not a bank that will say it can't be done.

**André Goedée:** I'll hand it over to the notary. Joyce.

**Joyce Leemrijse:** Right. The board has the option of reserving the entire dividend. And only if there is a portion of the profit left will that accrue to the shareholders. And the shareholders' meeting will decide on that. In this case, everything has been reserved in accordance with what was agreed in the P11 documentation. So there will be no dividend policy on the

agenda and there will be no resolutions regarding the dividend.

**Constant Stevens:** Well, our objection is directed at the fact that you are not distributing a dividend this year. There are companies or funds that can only invest in companies that distribute dividends. And you may very well distribute dividends next year, but those funds will follow for several years to see if the dividend will remain in place. Or are they going to be dividend-less in a few years again? And that pushes down the price.

**Ben Meijer:** Mr. Stevens, I think this is an overall consideration at SIF. So if we look at the future of SIF, this entire expansion investment is essential to the company. So the trend...

**Mr. Stevens:** We understand that.

**Ben Meijer:** And to secure the investment and the entire financing agreement, you have a financing mix that includes an equity piece and a bank financed piece. And to secure that, you agree with the bank that you aren't allowed to distribute dividend during the construction phase. And let's say there are funds that say this makes SIF less interesting for us, because there was a period of several years in which no dividend was distributed, that may be a consequence. And in addition to that, we also explained on the Capital Markets Day that as a result of this investment, we've seen the profit expectation shows that profits will see significant growth. It is an overall consideration for shareholders whether they are or aren't interested.

**Mr. Stevens:** And still, I'll stand by the point that you can distribute a stock dividend from the share premium reserve. And if the shareholders say we want a stock dividend from the share premium reserve, there's not a financier who will say that's not going to happen.

- Ben Meijer:** Well, I'd also like to make the comment that several weeks ago, there was an extraordinary meeting of shareholders...
- Mr. Stevens:** Unfortunately, I could not attend.
- Ben Meijer:** No, and a resolution was passed there that approved this new financing structure.
- Mr. Stevens:** And there was also a consideration on dividend distribution, or stock dividend...
- Ben Meijer:** Yes.
- Mr. Stevens:** Okay, fine, thank you.
- André Goedée:** Right, if there are no further questions on this topic, I will move on to the results of the vote. There were 388,739,300 votes in favour. There were no votes against, and there were 24,080 abstentions. The question now is if anyone here would like to vote against or would like to abstain? I'm looking at Mr. Stevens here. Good.
- That's not the case, so I can conclude that approval was therefore granted. We'll now move onto the discharge of liability for the Executive Board for 2022. This agenda point regards the resolution pursuant to Article 25.1 of the company's articles of association to discharge the members of the Executive Board of liability for the management actions taken for 2022. This discharge of liability regards the management of affairs to the extent as is evidenced by the 2022 annual report, and other documents and information provided to the shareholders. Are there questions on this point and the discharge of liability for the members of the Executive Board?
- If there are no questions, then I will open voting for the resolution to discharge the board from liability for the 2022 financial years, and I will read the results that were submitted

via the portal. That is 383, 749,300. The number of votes against is 2,980, and the number of votes in favour received is 11,100. Is there anyone here... sorry, abstentions, yes, thank you. Is there anyone here who would like to vote against or abstain from voting? Then the proposal is therefore adopted.

We'll now move on to agenda point 3f. regarding discharge of liability for the Supervisory Board for their supervision in 2022. This agenda point regards a procedural resolution pursuant to the same Article 25.1 of the company's articles of association to discharge the members of the Supervisory Board of liability for their role in the 2022 financial year. This discharge of liability concerns the supervision as exercised and the other duties, to the extent they are known, outlined in the 2022 annual report and the other documents and information provided to the shareholders.

Are there questions on this agenda point? If there are no questions, then I will read for you the votes case via the portal. There were votes cast in favour, 383,404,780. Votes against, 5,347,500. And abstentions, 11,100. Is there anyone here who would like to abstain from voting or would like to vote against? If not, this point and the resolution are adopted.

Now we'll move on to agenda point 4., the update on strategic plans for application... for adjustments to and expansion of the company production facilities to facilitate the production of larger, heavier foundations for offshore wind energy.

On 13 February 2023, SIF announced the definitive investment decision on the expansion plans, which has been discussed with you numerous times previously, including at the annual general meeting of shareholders last year.

In the previous agenda point, the SIF board has already updated you regarding the status, and if you joined the tour, you may have also been able to see concrete evidence of what

the means here on site next to FutureLand. Are there questions on this topic? Do you have any questions from the tour, or even if you didn't join the tour, do you have questions or are there points that aren't completely clear to you about SIF's plans? It's fantastic to see that you all have an excellent grasp of what is going to be happening at SIF in the near future. And if there are no other questions, we'll move on to agenda point 5., which is another procedural decision-making point. That is the composition of the Supervisory Board, resignations from two members, and the appointment of one new member of the Supervisory Board. I'm now happy to hand it over to Peter Gerretse.

**Peter Gerretse:** In accordance with the rotation schedule, André Goedée and Caroline van den Bosch are stepping down. And this was already communicated to this AGM at last year's meeting. Both André and Carolien are not available for reappointment, which means that there are two open positions in the Supervisory Board as the result of resignations at the end of this meeting.

In view of the end of Caroline van den Bosch's appointed term, the Works Council is entitled to an enhanced right of recommendation. The Works Council has recommended that Angelique Heckman be appointed. Are there shareholders who would like to recommend someone else be appointed?

If not, then the meeting... or the Supervisory Board announced the nomination of Angelique Heckman at their meeting on 30 March 2023 and in announcing the convocation of this meeting. Please see the explanation for Angelique's CV. Angelique is here today, and I'd like to invite her to introduce herself and share her reasons for becoming a Supervisory Board member. Oh, you're going to go... okay.

**Angelique Heckman:** Thank you, Peter, for the introduction and for the opportunity to say a few words today. I made some notes, but now that I see that we're doing this in Dutch instead of English, I'll provide a simultaneous translation here of what



I've written down. As you said, my CV has been circulated already, so I won't summarise that here, you can read it all there. But I would like to share something about my motivations and my background, and how that could be of benefit to SIF Group.

I've followed the SIF Group for quite a while, in the sense that I've watched what's happened here. And one of the things that really appealed to me, and I'm sure I'm not the only one here, is that it's a unique company with a unique position in the energy transition chain. And to me, that gives SIF an incredibly appealing purpose, a wonderful *raison d'être*, and one that I can commit to wholeheartedly and that I'd be very happy to be involved with. So that's number one.

And number two is the fact that the company really made an impression on me, given their long history and the many changes they've gone through. So SIF has always been able to continuously reinvent itself. And that was necessary, because it's my understanding that the dimensions have only grown larger and larger, literally. And SIF has still been able to keep up with that pace. And once again, there's another new change on the threshold, with even larger dimensions. And I'm sure that will bring new challenges for the company, which I can see in hearing how things are going. And it will once again mean a step up for the organisation. And I'd really like to make a contribution to that.

And so why a role as a Supervisory Board member? I feel like I would be involved in and committed to all of the topics that are relevant for the organisation. By given my own background, with 20 years of human resources experience and experience in change management, of course I'd very much like to bring my insights and experience that I've gained from other companies to help guide this major change journey with the organisation.

And I feel that this can be done by continuing to ask stimulating yet essential questions to the board, on one hand, so that's the challenge side, but also the support side, acting as a sounding board and sparring partner, using all the knowledge I've gained in my career.

Finally, I also have a particular interest in sustainability, including topics around the environment as well as social topics and health and safety. So if it were up to me, I'd certainly focus on that in my position as an Executive Board member. Of course yes, not the Executive Board, a small error there. No, I didn't have any plans to move that direction. No, the Supervisory Board.

But to put it briefly, it would be a great honour for me to come on as a Supervisory Board member, to witness but certainly also be part of and contribute ideas to the major changes taking place within SIF. Thank you.

**Peter Gerretse:** Angelique, thank you. The Works Council has recommended Angelique, and I'd like to invite the chair of the Works Council, Wouter Nadorp, to give us some comments on their recommendation.

**Wouter Nadorp:** Thank you, Peter. I'll also need to switch gears, because I was also prepared in English, but I'll read this from my phone. Let me start by expressing my thanks to Caroline van den Bosch for her partnership in recent years. Caroline van den Bosch was previously appointed at the recommendation of the Works Council, and we'd like to thank her for all of her efforts for SIF, and her particular focus on the human factor, which has always been greatly appreciated.

When it was clear that she was not available to be reappointed, the Works Council, the board, and the Supervisory Board came together to draft a job description. In the job description, we looked... in the job description... hang on.

**André Goedée:** Take your time.

**Wouter Nadorp:** In the job description for the Supervisory Board as a whole, the current labour market and the growth in total employees next year due to P11 both played a meaningful role. The recruitment of 150 to 200 new employees is going to be a challenging task. We started our search with this job description and ended up finding Angelique Heckman. During the interview with the Works Council, we had a wonderful conversation with Angelique, and we are happy to recommend her for nomination and reappointment... or appointment as a Supervisory Board member.

The Works Council is entitled to an enhanced right of recommendation and is happy with the nomination before you today that will later be brought to a vote. We believe her experience in areas including recruitment at large, listed multinationals and her interest in the human factor of a company make her a good candidate for Supervisory Board member at SIF Holding.

We have a lot of work to do at SIF. We look forward to a productive, long-term relationship.

**Peter Gerretse:** Thank you, Wouter. I'll now open voting. The provisional results of the voting instructions are as follows. A question, I'm sorry, go ahead. The mic...

**Mr. Koster:** Thank you, Mr. Chair. I just have a quick question. I know it's difficult to find staff for the factory, but apparently, it's also difficult to find people for the Supervisory Board, because we have two openings and only one is being filled today. We knew, or at least I knew back at the AGM, or the SGM in March that there were two openings. So I'd like to know why only one person is being nominated, on the recommendation of the WC. Could you address that?

- Peter Gerretse:** Yes, what can I say? You could say we perhaps started too late. No, we're searching for someone and that process is ongoing, but it's taking longer than we thought. But we hope to be able to announce the fifth member with the next few months.
- Mr. Koster:** Yes, but I have quite a critical response to that answer, because the company is facing major challenges with P11. And it's a bit strange for your answer to be, well, we were just too late.
- Peter Gerretse:** Well, listen, we're not so shorthanded on the Supervisory Board at the moment that things are going to immediately grind to a halt. That's not the case. And we're also in discussions about what we want the job description to look like, which also takes time. As you said, perhaps it could've been done earlier.
- Mr. Koster:** But I have a follow-up question.
- Peter Gerretse:** And also, to be honest, that's a good thing to mention, there was a candidate we were hoping for and that ultimately didn't work out. So that has also caused some delays.
- Mr. Koster:** Okay, that's disappointing to hear. As a follow-up question, the chair is resigning at the end of this meeting. I've reviewed the documents but I can't see who's going to be the new chair of the Supervisory Board. That's another thing I'd like to hear from you on.
- Peter Gerretse:** We'll touch on that later, right?
- André Goedée:** Yes, we'll be touching on that later, but I can already tell you that Peter Gerretse, here next to me, who is now the vice chair, will be taking over from me.

- Mr. Koster:** Okay, well that's interesting information. It's not price-sensitive, but these are things I would recommend that you share with shareholders ahead of time.
- Peter Gerretse:** Okay, then that's clear.
- Mr. Koster:** I also have a wish list here from the shareholder perspective. We may not have a candidate, but I think it would be a good idea to look for someone with experience with listed companies, not that I'm saying there's anything wrong with the other candidates. But the market is watching and they expect certain things. Project management, this is a massive project in the pipeline. I don't know... I've reviewed the CVs of the four people, but I don't know if there's any expertise there that's comparable to this project.
- Peter Gerretse:** Well, let me first of all say that when you say we should look for someone with experience at listed companies, that's part of the job description for the fifth member. And if you look you'll see there are people who understand large projects. I'd recommend you read through my CV. As the head of Van der Lande, I spent 15 years working on projects that were primarily at this scale and scope. So I certainly do have that knowledge.
- Mr. Koster:** Okay, that is somewhat reassuring, thank you. And I think political experience will also be important, given the interaction with Invest-NL.
- Peter Gerretse:** Absolutely. I should say that up to this point, Fred has done a great job there.
- Mr. Koster:** But that experience could also be applicable on the SB. I'd like to make that point.
- Peter Gerretse:** Okay, that's clear.
- Mr. Koster:** Those were all my questions.

**Peter Gerretse:** Okay, thank you.

**André Goedée:** The vote.

**Peter Gerretse:** No, another question.

**Mr. Stevens:** Thank you, Mr. Chairman. Stevens, SRB. We have some procedural questions. The first question is how did you get in touch with Ms. Heckman? Did you look for candidates for this role? Did you engage the services of an executive search agency? If so, what was their assignment? Did you have a list and how extensive was it? How did the process for selecting good candidates go? Was there a shortlist of candidates drafted? Was it discussed in a small committee? If so, who was on it? Did that lead to the selection of a limited number of candidates? Were there then conversations with those candidates, and how did those conversations go?

**Peter Gerretse:** Well, that's a whole... right, firstly we spoke to the Works Council. I mean, the Works Council is entitled to make the nomination, so perhaps that's a question for them. Initially we sat down with the Works Council to fine tune the job description. So we did that jointly. And then there are different ways to go about it, but it's not unusual to look in our network of people we know, do we see any candidates who would be very well-suited. And Angelique was one of those candidates.

And the checklist was primarily created by the Works Council, and they came to the conclusion that from the people we knew, Angelique was the best candidate. And that's why the WC nominated Angelique.

**Fred van Beers:** Not to be confused with the old boys network.

**Peter Gerretse:** No, no it wasn't like that.

**Mr. Stevens:** No, we understand that. But there wasn't a long list and no shortlist.

**Peter Gerretse:** No, we looked at our network, and if that's an option and you find a good candidate, that's a much quicker process. And in this case, we didn't have a reason to bring in a head hunter.

**Mr. Stevens:** Okay, thank you. And I had a few questions for Ms. Heckman. We'd like to know about the research Ms. Heckman conducted into the background the organisational aspects of SIF. How careful was the process that you went through, in your experience? How were your conversations with the Executive and Supervisory Boards? Was there attention paid to future perspectives, strategy, and the expectations that both boards have of you? How extensively was that discussed? And have you spoken to the accountant? She has already answered my other questions.

**Peter Gerretse:** If you could hand the mic to Ms. Heckman.

**Angelique Heckman:** I'll need to make sure I've got a good handle on all of the elements of your questions, but if not you can ask again. So in general, I'd like to say that my experience of the process I went through was that it was a very meticulous process. So as was previously mentioned, I was a candidate that came from the network. That may seem... okay, but I'm not wearing my glasses. But we'll do it like this. No, I think we can manage. But my experience was that it was a meticulous process. As they mentioned, they looked in their network, and as a candidate, that has up and downsides. Because it could create the feeling that we just have to make do with this woman.

So my experience was that during the process, I was asked quite a few critical questions. And it may not be clear from my CV, but I can assure you that I'm also quite critical. So there was a significant amount of information exchanged, and what that created was a tremendous amount of transparency

from all different groups that I spoke to. So of course I spoke to Fred van Beers, the CEO, as well as the members of the Supervisory Board, or at least the members that will still be active after this meeting. And I was able to ask all the questions I had, including questions about the major challenges, where the major concerns are. We discussed the directors and Supervisory Board liability, specifically with a view of the major project in the pipeline. And all in all, I considered whether this was a fit for me and whether I could really add value here.

And on the other side, I believe there was also careful consideration, certainly by the WC, with whom I, of course, also spoke during that process. They had their own unique criteria, which had a strong employee participation component. So in my view, it was a meticulous process, but also certainly a critical process, from both sides. I did not speak with the accountant.

**Peter Gerretse:** Yes? Okay, thank you. Are there any other questions? If not, I'll move on to the vote. And the results at this point are number of votes in favour, 388,731,880. There were 22,000 abstentions. Or I'm sorry, there were 22,000 against, and 11,500 against. And would anyone here like to vote against or abstain from voting? Then I can confirm that the proposal is adopted. Congratulations and welcome, Angelique.

**André Goedée:** Angelique, we'll talk later about how much you'll be paid. It's clear that after my resignation, the Supervisory Board will still have one opening. And the Supervisory Board, or the company, is currently looking for a candidate that fits the job description in terms of gender. As you know, the legislature has asked that when a Supervisory Board is made up of five members, at least two of them should be women. That's also why I'm stepping down, to make sure that these focus areas can be taken on by a female colleague.



And as you just heard, the Supervisory Board has named Peter Gerretse as my successor as chair of the Supervisory Board, beginning at the close of this meeting. Next year, Peter Gerretse will have served at SIF for a term of nearly eight years, and in accordance with the rotation schedule, he will be stepping down.

If there are no other questions regarding this point, 5a., then I'd like to move on to an approval that we need for the remuneration of the recently appointed Supervisory Board member. The current remuneration for Supervisory Board members is €45,000 per member per year, in accordance with the remuneration policy.

It has been proposed to grant Angelique Heckman compensation in the amount of €45,000 per calendar year. Do you have questions about that?

If there are no questions, then I'll open the vote and read out the results of the voting instructions. There were 388,719,300 votes in favour, Angelique, duly noted. There were 30,000 votes against. And there were 15,080 abstentions. No idea what their reasons were, but anyway. Is there anyone here who would like to vote against or abstain from voting? If not, then the proposal is therefore adopted. Angelique, congratulations.

**Peter Gerretse:** Again.

**André Goedée:** Again. And we'll move on to agenda point 6. That is the reappointment of the external accountant for the 2023 financial year. And the Supervisory Board proposes, at the recommendation of the audit committee, to fully appoint EY, Ernst & Young Accountants LLP, as the company's external accountant, and to charge EY with the audit of the annual report and financial statements for the year 2023. This proposal follows an evaluation of the services provided by and

performance of EY in other and previous audits that provided favourable results.

The proposal is to extend EY's current appointment by a year to ensure continuity and consistency in the services regarding the external audit, keeping in mind the effectiveness and efficiency of previous year audits, was the accountancy costs and reliability of staff. EY was appointed as the external accountant for SIF in 2007 and for SIF Holding NV during the IPO in 2016.

René Frentz was chiefly responsible for the audits on behalf of EY over the last three years, and Marc-Jan Molenaar of EY will be replacing him after this year, and he will be appointed as the accountant for 2023. Unfortunately Marc-Jan Molenaar could not be here today, as he is abroad. He apologises for his absence. So he will shortly be replacing René Frentz, who is here, as you already saw. And René, on behalf of the Supervisory and Executive Boards, I'd like to thank you very much for your partnership and contributions.

I have to say, over the last three years, we've greatly appreciated the constructive, professional partnership that we've had with you personally and with EY. And I'd like to wish you every success with your new responsibilities.

**René Frentz:** Thank you. You're welcome.

**André Goedée:** Thank you. Having said that, I'd like to read out the results of the vote. Mr. Stevens.

**Mr. Stevens:** Thank you, Mr. Chairman. Yes, you appointed the accountant for the year 2023. We're nearly five months into the year, and now you want to appoint the accountant. We do not agree with that, we would have preferred that the accountant be appointed for two years, and then follow that up annually at the general meeting of shareholders. So for instance, next

year for '24-'25, and then in... for... let me see. Yes, in '25 for '26 and on and on.

**André Goedée:** Ben, I think perhaps you can respond to that.

**Ben Meijer:** Thank you, Mr. Chairman. Mr. Stevens, I hear your comments, I'd like to table that briefly and come back to this later.

**Mr. Stevens:** What do you mean?

**Ben Meijer:** That I need to think about this and we need to discuss it, and we'll come back to you.

**Mr. Stevens:** Yes, but you're one of the few who still does this. Last week I was by Avantium, but we see very few companies that appoint the accountant in the same year as the GMS. It's usually done for the year following the GMS.

**Ben Meijer:** Well, I can't say anything about that, Mr. Stevens.

**Mr. Stevens:** Fine, then we'll move on for now. Thank you.

**André Goedée:** I think that's an answer, but that won't prevent Ben from considering his interpretation. Now we've decided to do it for 2023. EY, as you heard, has been the accountant for SIF since 2007. And you do want to appoint a new accountant now and then, to go through that process to evaluate and give the other major accountancy firms the opportunity to pitch, to look at the quality and the costs that go along with it and decide if you'd like to change accountants.

What we've done now in any case guarantees continuity for 2023, as I mentioned. But we would also like to go through that process, at some point, when the board has more of an opportunity to free up time for it. Because I'm sure you can imagine that what lies ahead for the board, given what's happening next door, the process to get us here, the entire

financing process, and all the negotiations with our largest shareholder, has and will cost an incredible amount of time. And given everything that has to happen afterwards, as well, the Executive Board has so much on their plate, including a factory that has to remain in production, you've heard about the safety issue, as well. There are so many priorities, that we've decided that it's not possible to ask the board to go through this process right now, to see if we may want to appoint a different accountant next year, or this year.

It's certainly going to be on the agenda next year. We're certainly going to work with the board, and that won't be me but the Supervisory Board in its composition starting from today. But it will certainly be on the agenda, to discuss with the board how to address in the near future the appointment of EY for another consecutive term or another accountant. I can share that with you, certainly, and I'll leave it up to Ben to share his own opinions on that.

**Mr. Stevens:** Okay, thank you.

**André Goedée:** With your permission, then, I'll move on to the results of the vote. Because there were votes cast in favour, 374,778,960. Votes against, 13,951,520, and as you can see, there were other shareholders who were more or less in agreement with you. But they also understood the reasoning behind this decision. And there were 32,900 abstentions. Is there anyone here who would still like to vote against or abstain from voting? If not, then this proposal is adopted, and EY can continue with their assessment of the results for 2023.

Now there are several procedural points. This is always a difficult section on the agenda, but I'll struggle through it, and here we have the authorisation of the Executive Board. I'd like to limit this meeting to one meeting and ask that we not split into multiple sub-meetings. But okay, have you concluded your discussions?

**Mr. Stevens:** Yes.

**André Goedée:** Great, thank you. Up next is the authorisation of the Executive Board to acquire and issue shares or rights to subscribe for shares in the company's capital, and to limit or exclude the preferential rights as defined in the articles of association. I would like to emphasise that these authorisations will supplement the authorisations granted during the extraordinary meeting of shareholders on 28 March 2023.

The next point is the power to acquire shares in the company's capital. This resolution grants the Executive Board the power to acquire shares in the company's capital in a way other than for no consideration, for a period of 18 months, starting today, with the approval of the Supervisory Board, via derivatives, stock exchange transactions, private transactions, block transactions, etc.

The Executive Board's power to acquire shares in the company's capital is limited to a maximum of 10% of SIF's paid-up, issued capital as of today, and at a price between the nominal value of the share and 110% of the average closing price from the last five trading days prior to the acquisition of shares in the company's capital.

The resolution replaces the board's power that was granted to the board on 12 May 2022. I will give you the opportunity to ask questions on this matter, should you have any. These are always formalities that garner very few questions. And if there are no questions, then I will let you know that the result of the voting instructions on the resolution to extend the authorisation for acquisition of shares in the capital of SIF Holding NV is as follows. Votes in favour, 388,687,860. Votes against, 64,620. And abstentions, 10,900. Is there anyone here today who would still like to cast a vote against or would like to abstain from voting? None. The proposal is therefore adopted.

We'll move on to the next point, and that is the authorisation for issuing and granting the right to subscribe for shares. This agenda point regards the decision to appoint the Executive Board as authorised to issue shares in SIF's capital, or to grant the right to subscribe shares in SIF's capital for a period of 18 months, starting today. A decision by the Executive Board requires approval from the Supervisory Board. And this power is limited to 10% of the paid-up, issued capital. Are there any questions on this matter?

If there are no questions, then I'd like to read out the result of the votes cast via the portal. Votes in favour, 388,723,000. Votes against, 29,480. And abstentions, 10,900. Is there anyone here today who would still like to cast a vote against or would like to abstain from voting? None. The proposal is therefore adopted.

And now the point regarding the power to limit or exclude shareholder's legal preferential rights. This agenda point regards the decision to appoint the Executive Board as authorised to limit or exclude shareholders' preferential rights. It has been proposed to extend this authorisation starting today for a period of 18 months, and for 10% of the paid-up, issued capital. A decision by the Executive Board on this matter also requires approval from the Supervisory Board. Are there questions on this point?

If there are no questions, I will read the ultimate number of votes cast via the portal. Votes in favour... may I finish? Votes in favour, 388,773,860. Votes against that were cast via the portal, 78,620. And abstentions, 10,900. Is there anyone here today who would still like to cast a vote against? Mr. Stevens? I heard your name, it was?

**Mr. Van Riet:** Van Riet.

**André Goedée:** Van Riet, of course. It's been noted by the notary and the secretary. It will be included in the minutes. But looking at the totals, I must still acknowledge that the proposal has been adopted.

### Questions and Answers

We're going to move on to the final point on the agenda, the question and answer portion. I'd like to offer you the opportunity to ask any questions you would've liked to ask regarding the points covered today, or other questions you feel have not been addressed today, or topics that weren't addressed today. Mr. Stevens.

**Mr. Stevens:** Thank you, Mr. Chairman. Stevens, SRB. Mr. Peter Gerretse is going to be the next chairman, but he's going to be stepping down next year. How are you going to address that? Is one of the other Supervisory Board members going to be the new chair next year, or has any thought been put into that? How do you think you're going to do that?

**Peter Gerretse:** That has been considered. Next year, I can still be reappointed for two years. And in theory, I'm prepared to be reappointed, in any case for as long as we're still working on the P11 project. It's up to you, next year, and not me, but I'm prepared to continue on until this project is completed.

**Mr. Stevens:** As chair.

**Peter Gerretse:** As chair, yes.

**Mr. Stevens:** Okay, thank you.

**Peter Gerretse:** But it depends on all of you next year.

**Mr. Stevens:** Thank you.

**Peter Gerretse:** But I'm available in any case. Mr. De Vries.

**André Goedée:** Van Riet.

**Peter Gerretse:** Van Riet, sorry.

**Mr. Van Riet:** Van Riet. The expansion. The CFO, or CEO mentioned the expansion in America. Am I understanding it correctly that you're going to launch a production company there, or what does that mean? Or is that just that I believe there will be windmills installed in the Gulf of Mexico?

**Fred van Beers:** No, we previously announced that we are conducting a study into the opportunities in taking a position in the American market, and that would be primarily the East Coast, the Northeast coast of America. We've completed most of that study, but we've decided not to make any decisions on that point for as long as our focus, as was mentioned multiple times today, needs to be trained on this location and the European market.

And whether that's production, sales, licensing or whatever else, we're not at all at a point where we can make statements or proposal on that.

**Mr. Van Riet:** I had another... the port manager has issued the land, were they difficult in terms of the SIF expansion. The port manager issued the land for construction site 2, and did they make that many difficulties in terms of issuing the land? Because it took quite a bit of time.

**Fred van Beers:** No, if you closely review the materials we've shared on this, you'll see that it was quite a complex process in a world that had been turned upside down because of the world, so construction prices had changed, that raised questions for financiers, and there was the fact that we'd said that we want our clients to make a significant contribution in this project. That meant that we made the FID later than planned.



But we didn't need any extra land from the port authority to implement this plan.

**Mr. Van Riet:** Okay. And I think it's truly wonderful that you've held this meeting in Dutch, because now we can all understand it. I'd like to propose that the COR representative also be made aware of that.

**André Goedée:** You know that we'll have to assess that every year depending on how many foreign listeners join the webcast. And we concluded that there were very few today, so we gave priority to our listeners here today, to do this in Dutch. But the standard practice, and this will continue in future years, is that the meeting is generally held in English. So you can go ahead and prepare yourself for that next year. And if it isn't in English and is in Dutch, that will be a surprise.

**Mr. Van Riet:** As long as everything you say or read out is also simultaneously projected on the screen, then at least I can follow it. Because there's so much industry jargon that I can't understand it in English.

**André Goedée:** We'll do our best, or at least my colleagues who will be taking over from me will do their best to facilitate that next year. But that is perhaps a good suggestion to project some guiding information while we discuss those topics. Thank you. I'll hand over to Peter Gerretse now.

**Peter Gerretse:** Yes, I'd like to take this opportunity during the questions to thank both of the departing Supervisory Board members for their efforts in the last seven years. It was a time in which quite a lot happened. André started first, Carolien started a bit later, in late 2015, early 2016. We were in the run-up to the first factory here on the Maasvlakte, with all its teething problems. That was quickly followed by an IPO in May 2016. And beyond that, things have never been particularly calm at SIF. There's always something, and that's because this market is developed at a rapid pace. And that's clear from the

fact that we're already ready for another massive expansion at this factory.

Carolien, thank you for all of your efforts, particularly on open, very constructive partnership on the Supervisory Board and on the remuneration committee, where you played a key role. And thank you for acting as a sparring partner for various members of management over the years. And of course, for maintaining an excellent relationship with the Works Council, as we've already heard. So thanks so much for that.

And André, as I said, you've been chair of the SB since 2015, as I mentioned, through intensive projects, IPOs and all kinds of other things, and particularly a very intensive process that brought us to an FID. I'm sure you can read in the report that we've had just over 30 meetings this year alone. And that shows you what a tremendous workload this was, not just for the Executive Board but for the Supervisory Board, as well. And in my view, you provided extremely clear, professional leadership there. And I specifically wanted to mention that the fact that everything went so well created an effective, productive collaboration between the Supervisory Board members and also with company management. And I will try to continue in that vein. But for now, thank you so much for your efforts, and I think you can be proud of the fact that you're leaving the company in an outstanding position for the future, with the new factory, and with an outstanding market perspective. So I think you're leaving at a time when we're really moving into the next phase. So thank you very much.

**André Goedée:**

I'd like to briefly respond. Thank you for those kind words. I started at SIF in 2015, because the entire energy industry was incredibly interesting for me, as was the capital assets industry. When I started, we were just on the eve of deciding to build the factory you see next door today. But SIF was a small company, a family company with a massive factory here

in Rotterdam and a large factory in Roermond. But it was still a small company.

What we've seen happen in recent years, including the IPO, is that SIF has walked the path from small company to a large, well-structured, professional, industrial production company. And now that I'm leaving shortly, and I have the utmost confidence that this is going to come to fruition, I'm leaving a large company with a mega-factory. And as Peter Gerretse said, it's the right time to go. Of course it's a cliché that you should leave on a high note. Well, if you ask me, this is it. It's not in my nature to walk away when something is still underway. I'd prefer to finish it off. But the legislature has laid down certain requirements, and we do have a rotation schedule.

So I'm stepping down to make room for what I hope is an incredibly solid extra director that can become the fifth member soon. I believe there are life cycles for companies, that's one thing. There are also life cycles for directors. And I think that every phase in a company's life cycle deserves a different type of director. And looking at everything that's in the pipeline right now in terms of regulations and burdensome rules and procedures to be imposed by the government in the Netherlands and Europe on companies like SIF, I think there certainly must be someone in the market with the qualities to fill that gap, in terms of the regulations, and can help with all the legal facets involved with such large contracts, and they'll be able to represent that much better on the Supervisory Board. And I firmly believe that this person will be found soon, to be a valuable colleague for Angelique on the Supervisory Board.

I'd like to thank my colleagues so much for the period that we worked through together, starting with the IPO in 2016. I'd like to thank the board. This board, and of course this is the second term, it's a different board than what we started with in 2016. But a Supervisory Board can only function

properly if the Executive Board provides the information the Supervisory Board can use as a foundation for their work. And the openness to provide the Supervisory Board with an open door and the opportunity to take a look at the shop floor and to gather information and have discussions with the Works Council, this Executive Board never put up any kind of obstacle, and they were always extraordinarily transparent about the way SIF was managed.

That makes the work of a Supervisory Board incredibly interesting, but also easy. So you can really think through solutions, how to help bring added value as the Supervisory Board and bring the board to the next decision. I can look back with an incredibly positive perspective on everything that's happened in recent years. And the fact that we made an investment decision in February that truly is a major step for this company and really helps the company to move in its development from that small company to an incredibly large company, a world player, no longer the small family business it was in 2016 or 2015, that is really something I'm incredibly proud of, that I was able to be part of that whole process.

I'm leaving with confidence, I'm leaving with pride, but also with a bit of a heavy heart, because I truly would like to be here to see how this continues. I'd like to thank you for your confidence in the company as shareholders. Those listening today, the same goes for you. Certainly, as a listed company, you'll have shareholders that have a certain amount of pride and an interest in the company, and the fact that you've come here today, that you are still interested in what's happening in that factory, please hang onto that. Support the company. Help them to realise their plans. A wonderful plan has been drafted, and I truly believe that when that factory is running in 2025, that SIF will achieve the results in the plan. Thank you.

**Fred van Beers:** Then I'll close by again saying thank you, but I did do that extensively last night. So I'm not going to repeat everything

I've already said. But after this meeting, we'll have a short reception. Agnes has also put together some traditional packets, which Fons will be handing out. But André and Carolien, you'll both get the ones with the nicest asparagus and the best wine. But I don't want to deprive anyone else, we also have gifts for all of you, a token of our thanks for coming today and for your critical contribution to this. They're ready for you downstairs. Thank you.

**André Goedée:** There's only one point left, that is the closure of the meeting. Thank you.

[END OF TRANSCRIPT]