



Sif OFFSHORE
FOUNDATIONS

Sif Holding N.V.

(a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands, with its statutory seat (*statutaire zetel*) in Roermond, the Netherlands)

7 for 41 rights offering of up to 4,353,890 new Ordinary Shares at an Issue Price of €11.50 per Ordinary Share

Admission to listing and trading of the Rights and the Offer Shares on Euronext Amsterdam

Sif Holding N.V. (the **Company**) is offering up to 4,353,890 new ordinary shares in its capital with a nominal value of €0.20 each (the **Offer Shares**). The Offer Shares will constitute approximately 17% of the issued and outstanding Ordinary Shares. The Offer Shares are initially being offered to eligible holders of ordinary shares in the capital of the Company (**Ordinary Shareholders**), with a nominal value of €0.20 each (**Ordinary Shares**) pro rata to their shareholdings (the **Offering**), subject to applicable securities laws and regulations and on the terms set out in this document (the **Prospectus**). For this purpose, and subject to applicable laws and regulations and on terms set out in this Prospectus, Ordinary Shareholders as of the Record Date (as defined below) are being granted transferable subscription rights (the **Rights**, and together with the Offer Shares, the **Offer Securities**) that will enable the holders thereof to subscribe in cash for Offer Shares at an issue price of €11.50 for each Offer Share (the **Issue Price**), provided they are Eligible Persons (as defined below). Ordinary Shareholders as of the Record Date and subsequent transferees of the Rights, in each case who are able to give the representations and warranties set out in "*Selling and Transfer Restrictions*", are Eligible Persons with respect to the Offering. The Rights and the Offering are governed by and shall be construed in accordance with Dutch law. The Offer Securities will be created in accordance with Dutch law and the articles of association of the Company (the **Articles of Association**).

Each Ordinary Share held immediately after the close of trading in the Ordinary Shares on Euronext Amsterdam, a regulated market within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU Text with EEA relevance (**MiFID II**) operated by Euronext Amsterdam N.V. (**Euronext Amsterdam**) at 17:40 Central European Time (CET) on Tuesday 20 June 2023 (the **Record Date**) will entitle the relevant Ordinary Shareholder to 1 Right. Subject to applicable securities laws and regulations and to the terms set out in this Prospectus, Eligible Persons will be entitled to subscribe in cash for 7 Offer Shares for 41 Rights held against payment of the Issue Price for each Offer Share by exercising their Rights from 09:00 CET on 19 June 2023 until 17:40 CET on 4 July 2023 for retail investors and institutional investors (the **Exercise Period**). Rights may be exercised only in integral multiples of the subscription ratio. No fractional Offer Shares will be issued. Exercised Rights cannot be revoked or modified, except in certain circumstances as set out in "*The Offering*". The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of the Ordinary Shareholders in respect of the Offering have been excluded.

Ordinary Shareholders who transfer, or who do not or are not permitted to exercise, any of their Rights granted under the Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 14.6% as a result of the issue of the Offer Shares. The latest date for acceptance under the Offering is expected to be 17:40 CET on 4 July 2023, with admission and commencement of trading in the Offer Shares expected to take place at 09:00 CET on 7 July 2023.

On 15 June 2023, the closing price of the Ordinary Shares on Euronext Amsterdam was €14.54 per Ordinary Share (**Closing Price**). The Issue Price represents a discount of €3.04 per Ordinary Share, i.e. 18.4% to the theoretical ex-rights price of €14.10 per Ordinary Share, based on the Closing Price and 25,501,356 Ordinary Shares issued and outstanding at that date.

Grachtenheer 10 B.V., having its registered office at Sarphatikade 12, 1017WV Amsterdam, the Company's major shareholder and the underwriter for the Offering (**Grachtenheer** or the **Underwriter**), shall (i) subject to the satisfaction of conditions contained in the commitment letter dated 13 February 2023, subscribe for Offer Shares in the Offering by exercising at least the Rights (as defined below) that are allotted to it based on its proportionate shareholding and (ii), subject to the satisfaction of conditions contained in and on the terms of the underwriting agreement for the Offering entered into between the Company and the Underwriter dated 15 June 2023 (the

Underwriting Agreement), subscribe and, at a price of €11.50 per Offer Share, pay for any Offer Shares not subscribed for by holders of Rights other than Grachtenheer, whether or not the Rights corresponding to such Offer Shares have been exercised, (the **Underwritten Shares**) up to an amount of €50,000,000 in total taken together with the Offer Shares already subscribed for and purchased by exercising the Rights that were granted to Grachtenheer based on its proportionate shareholding at the Record Date. As a consequence of the foregoing, there will be no rump offering, which means that if an Ordinary Shareholder does not sell its unexercised Rights, it will not receive any compensation for the dilution of its percentage ownership of its share capital which will result from the Offering. The Company has been informed by Grachtenheer that Grachtenheer has agreed to sell 50% of the Ordinary Shares to be acquired by Grachtenheer in the Offering and through its underwriting of the Offering to certain third party investors on or shortly after the Settlement Date (the **Grachtenheer Sell-Down**). Immediately following completion of the Grachtenheer Sell-Down:

- if Grachtenheer has subscribed only for such number of Offer Shares in the Offering proportionate to its holding of Ordinary Shares immediately prior to Settlement, Grachtenheer will hold approximately 45.5% of the Company's issued share capital; and
- if Grachtenheer has subscribed, pursuant to its underwriting of the Offering, for Offer Shares in a total amount of €50,000,000, Grachtenheer will hold approximately 49.2% of the Company's issued share capital.

Application has been made for the admission to listing and trading of the Rights and will be made for the Offer Shares on Euronext Amsterdam. The Company expects that the Rights will be admitted to listing and trading on Euronext Amsterdam and that trading will commence at 09:00 CET on 19 June 2023 and will end at 17:40 CET on 30 June 2023, barring unforeseen circumstances. The Rights will be traded under the symbol "SIFRI" and ISIN code NL0015001EL6. The Company expects that the Offer Shares will be admitted to listing and trading on Euronext Amsterdam and that trading will commence at 09:00 CET on 7 July 2023 (the **Admission Date**) under the current symbol "SIFG", barring unforeseen circumstances.

Subject to acceleration or extension of the timetable for the Offering, issue of, payment for and delivery of the Offer Shares (**Settlement**), is expected to take place on 7 July 2023 (the **Settlement Date**). Any transactions in Rights and Offer Shares prior to Settlement are at the sole risk of the parties concerned. The Company, ABN AMRO Bank N.V. (**ABN AMRO**), as subscription, listing and paying agent (the **Subscription, Listing and Paying Agent**), the Underwriter and Euronext Amsterdam N.V. do not accept responsibility or liability towards any person as a result of the withdrawal of the Offering or the (related) annulment of any transactions in Rights or Offer Shares.

The Offer Securities will be delivered in book-entry form through the book-entry system of the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) trading as Euroclear Nederland (**Euroclear Nederland**).

Investing in the Offer Securities involves certain risks. Prospective investors should read the entire Prospectus and, in particular, "Risk Factors" for a description of certain risks that should be carefully considered by potential investors prior to an investment in the Offer Securities.

The Company is not taking any action to permit a public offering of the Offer Securities in any jurisdiction outside of the Netherlands. The Offer Securities are being offered by the Company only in those jurisdictions in which, and only to those persons to whom, offers of the Rights and offers of the Offer Shares (pursuant to the exercise of the Rights or otherwise) may lawfully be made.

Distribution of the Prospectus, and the transfer of the Offer Securities, into jurisdictions other than the Netherlands may be subject to specific regulations or restrictions. Persons in possession of the Prospectus must therefore inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. In particular, subject to certain exceptions, the Prospectus must not be distributed, forwarded to or transmitted in or to jurisdictions outside of the Netherlands where the Offer Securities may not be offered pursuant to applicable laws and regulations, including, without limitation, the United States, Australia, Japan and Canada (the **Ineligible Jurisdictions**). The Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, Offer Securities or to take up any Rights in any Ineligible Jurisdiction. The Company, the Underwriter and the Subscription, Listing and Paying Agent disclaim all responsibility for any violation of such restrictions by any person. Ordinary Shareholders who have a registered address in, or who are resident or located in, jurisdictions other than the Netherlands and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward the Prospectus to a jurisdiction outside of the Netherlands, should carefully read "*Selling and Transfer Restrictions*".

The Offer Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the **U.S. Securities Act**) or under any securities laws or regulations of any state or other jurisdiction of

the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable state and other securities laws and regulations of the United States. There will be no public offer of the Offer Securities in the United States. The Offer Securities are being offered and sold outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S of the U.S. Securities Act (**Regulation S**). In the United States, the Offering is being made only to "qualified institutional buyers" (**QIBs**) as defined in Rule 144A of the U.S. Securities Act (**Rule 144A**) pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Purchasers are hereby notified that the Company and other sellers of the Offer Securities are relying on an exemption from the registration requirements of Section 5 of the U.S. Securities Act, which may include Section 4(a)(2) or Regulation S thereunder. Investors who are located in the United States will be required to execute and deliver the investor letter set forth in Annex A to this Prospectus prior to taking up Rights in the Offering or subscribing for Offer Shares in the Offering. The Offer Securities are subject to certain restrictions on sales, offers, subscription and transfer. See "*Selling and Transfer Restrictions*" and "*Selling and Transfer Restrictions - United States*".

This Prospectus constitutes a prospectus for the purposes of, and has been prepared in accordance with, Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union (the **Prospectus Regulation**). This Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**), as the competent authority under the Prospectus Regulation. The AFM has only approved this Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Offer Securities.

The validity of this Prospectus shall expire on the Admission Date or 12 months after its approval by the AFM, whichever occurs earlier. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies (see section "*Important Information - Supplements*") shall cease to apply upon the expiry of the validity period of this Prospectus.

Underwriter

Grachtenheer 10 B.V.

Subscription, Listing and Paying Agent

ABN AMRO Bank N.V.

This Prospectus is dated 16 June 2023

TABLE OF CONTENTS

| Heading | Page |
|---|------|
| Summary..... | 5 |
| Risk Factors..... | 12 |
| Important Information..... | 41 |
| Reasons for the Offering and Use of Proceeds..... | 49 |
| Dividends and Dividend Policy..... | 50 |
| Business..... | 53 |
| Capitalisation and Indebtedness..... | 81 |
| Selected Consolidated Financial Information..... | 83 |
| Operating and Financial Review..... | 91 |
| Corporate Governance, Management and Employees..... | 126 |
| Major Shareholders and Related Party Transactions..... | 145 |
| Description of Share Capital and Corporate Structure..... | 149 |
| The Offering..... | 165 |
| Plan of Distribution..... | 171 |
| Selling and Transfer Restrictions..... | 173 |
| Taxation..... | 178 |
| General Information..... | 184 |
| Defined Terms..... | 186 |

SUMMARY

Introductions and warnings

This summary should be read as an introduction to this document (the **Prospectus**) relating to: (i) the offer of up to 4,353,890 new ordinary shares in the capital of Sif Holding N.V. (the **Company**) with a nominal value of €0.20 each (the **Offer Shares**, ISIN: NL0011660485) to eligible holders of ordinary shares in the capital of the Company (**Ordinary Shareholders**), pro rata to their shareholdings (the **Offering**), for which purpose Ordinary Shareholders are being granted transferable subscription rights (the **Rights**, and together with the Offer Shares, the **Offer Securities**) that will enable the holders thereof to subscribe in cash for Offer Shares at an issue price of €11.50 for each Offer Share (the **Issue Price**) by exercising their Rights from 09:00 Central European Time (**CET**) on 19 June 2023 until 17:40 CET on 4 July 2023 CET; and (ii) the admission to listing and trading of the Offer Shares and the Rights on Euronext Amsterdam (**Euronext Amsterdam**), a regulated market operated by Euronext Amsterdam N.V. (the **Admission**). The Company is the issuer and offeror of the Offer Securities and is a public limited liability company (*naamloze vennootschap*), incorporated and operating under the laws of the Netherlands, with its statutory seat in Roermond, the Netherlands. The Company is registered with the Dutch commercial trade register under number 130160260000 and its Legal Entity Identifier (**LEI**) is 724500J0BPD5CLHCK040. The Company's address is Mijnheerkensweg 33, 6041TA Roermond, the Netherlands, its telephone number is +31 (0)47 538 5777 and its website is www.sif-group.com.

The Offer Shares will constitute approximately 17% of the Company's issued and outstanding ordinary shares. On 16 June 2023, the Prospectus was approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**). The validity of this Prospectus shall expire on 7 July 2023 (the **Admission Date**) or 12 months after its approval by the AFM, whichever occurs earlier. The AFM's registered office is at Vijzelgracht 50, 1017 HS Amsterdam, the Netherlands, its telephone number is +31 (0)20 797 2000 and its website is www.afm.nl.

Any decision to invest in any Offer Shares should be based on a consideration by the investor of the Prospectus as a whole and not just the summary. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in, or incorporated by reference into, the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Economic Area (each a **Relevant Member State**), have to bear the costs of translating the Prospectus and any documents incorporated by reference therein before the legal proceedings can be initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offer Shares.

Key information on the issuer

Who is the issuer of the securities?

Domicile and legal form. The legal and commercial name of the Company is Sif Holding N.V. The Company is a public company with limited liability (*naamloze vennootschap*) incorporated and operating under the laws of, and domiciled in the Netherlands (LEI: 724500J0BPD5CLHCK040). Its statutory seat (*statutaire zetel*) is in Roermond, the Netherlands, and its registered office and principal place of business is at Mijnheerkensweg 33, 6041TA Roermond, the Netherlands.

Principal activities. The Group is a leading manufacturer of large steel tubulars (monopiles and transition pieces and piles) which are used as foundation components for the offshore wind industries, with production facilities located in the Netherlands. Geographically, the Group focuses on projects in North-Western Europe with increasing interest in the United States. The Group's products are predominantly installed in the greater North-Sea region and has cooperative arrangements in place with Dillinger Hütte in Germany for steel plates, Euskal Forging in Spain for steel flanges, Smulders Eiffage in Belgium for steel applications to transition pieces and Van Ginkel in the Netherlands for blasting and coating, which it believes help to ensure quality and reliability of its supply.

In its existing facilities at Roermond and Maasvlakte 2 (Rotterdam), the Netherlands, the Group manufactures monopiles of up to 9 meters in diameter with a maximum length of 120 meters and maximum weights of approximately 1,500 tonnes. On 13 February 2023, the Company announced its decision to invest €328 million to construct the world's largest monopile foundation manufacturing plant by expanding the existing manufacturing facilities at Maasvlakte 2 to increase its production capacities and to enable the Group to manufacture larger monopiles of up to 11 meters in diameter with a length of up to 120 meters and weights of up to 2,500 tonnes (the **Manufacturing Expansion**). The Group estimates an increase in installed annual production capacity from 220 kilotonne (**Kton**) to 500 Kton per year, assuming five 24 hours working days per week.

The Group identifies the following key competitive strengths of its business:

- The Group expects to be able to facilitate an efficient supply of monopiles, which are the foundations of choice for the offshore wind industry;
- Strong track record focused on delivering products on time;
- Strategically located with large deep sea quay and storage capability;
- Deep in-house engineering capabilities and technology leadership; and
- An accelerating offshore wind market with locked-in long-term customer and supplier agreements.

Share capital. As at the date of this Prospectus, the Company's issued share capital amounts to €5,100,771.20, divided into 25,501,356 ordinary shares (**Ordinary Shares**) and 50,000 preference shares (**Preference Shares** and, together with the Ordinary Shares, the **Shares**). No Shares are held by the Company and all issued and outstanding Shares are fully paid-up. The Ordinary Shares have a nominal value of €0.20 each and the Preference Shares have a nominal value of €0.01 each.

Major Shareholders. Equinor Renewables B.V. owns all issued and outstanding Preference Shares. Based on the regulatory filings with the AFM, Grachtenheer 10 B.V. (**Grachtenheer**) (ultimately owned and controlled by Egeria Group AG) holds 49.20% of the issued and

outstanding share capital in the Company. Based on the regulatory filings with the AFM, the following persons owned, directly or indirectly, in excess of 3% of the Company's capital and / or voting interest as of the date of this Prospectus.

| <u>Shareholder</u> | <u>Share type</u> | <u>Number of Ordinary Shares</u> | <u>Percentage of the issued share capital of the Company</u> | <u>Number of voting rights</u> | <u>Percentage of voting rights in the Company</u> |
|-------------------------------------|---------------------------------|----------------------------------|--|--------------------------------|---|
| Grachtenheer 10 B.V. ⁽¹⁾ | Ordinary Shares | 12,547,139 | 49.20% | 12,547,139 | 49.20% |
| Egeria Capital Holding B.V. | Ordinary Shares | 1,646,486 | 6.46% | 1,646,486 | 6.46% |
| Schroders Plc | - | 0 | 0% | 1,274,958 | 5.00% |
| Moneta Asset Management | Ordinary Shares | 1,276,117 | 5.00% | 1,276,117 | 5.00% |
| Equinor ASA ⁽²⁾ | Preference Shares (convertible) | 4,166,667 ⁽³⁾ | 16.34% ⁽³⁾ | 4,166,667 ⁽³⁾ | 16.34% ⁽³⁾ |

⁽¹⁾ Ultimately owned by Egeria Group AG.

⁽²⁾ Equinor ASA holds a potential indirect (through Equinor Renewables B.V.) interest in the Company.

⁽³⁾ Based on conversion of 50,000 Preference Shares to Ordinary Shares at a conversion price of €12.

Management structure. The Company has a two-tier board structure consisting of the executive board (the **Executive Board**) and the supervisory board (the **Supervisory Board**). The day-to-day management of the Company is managed by the management team (the **Management Team**). The Supervisory Board supervises and advises the Executive Board.

Executive Directors. As at the date of the Prospectus, the Executive Board is composed of: Fred van Beers (chief executive officer (**CEO**)) and Ben Meijer (chief financial officer (**CFO**)).

Management Team. As at the date of the Prospectus, the Management Team is composed of: Fred van Beers (CEO), Ben Meijer (CFO), Joost Heemskerk (chief commercial officer (**CCO**)), Frank Kevenaer (chief operating officer (**COO**)), Caspar Kramers (chief human resource officer (**CHRO**)) and Monique van den Boogaard (director of projects).

Supervisory Directors. As at the date of the Prospectus, the Supervisory Board is composed of: Peter Gerretse (chair), Peter Wit (vice-chair), Peter Visser and Angelique Heckman.

Independent auditor. Ernst & Young Accountants LLP (**EY**) is the independent auditor of the Company and has audited the financial statements of the Company for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020.

What is the key financial information regarding the issuer?

Selected financial information. The following tables set out selected information from the Company's consolidated statement of profit or loss, consolidated statement of financial position, consolidated cash flow statement and certain other financial data as at the dates and for the periods indicated. The selected consolidated financial information set forth below has been derived from the audited consolidated financial statements of the Company for the years ended 31 December 2022 and 31 December 2021 and the related notes thereto (the **2022 Financial Statements** and **2021 Financial Statements**, respectively, and together with the audited consolidated financial statements of the Company for the year ended 31 December 2020, the **Financial Statements**). The numbers for the year ended 31 December 2020 have been extracted and derived from the comparative figures included in the 2021 Financial Statements as the 2021 Financial Statements contain a split between 'other liabilities' and 'government grants received', whereas in the Company's consolidated cash flow statement for the year ended 2020 the government grants received have been included in line item 'other liabilities'.

Selected consolidated income statement information

| | For the year ended 31 December | | |
|-----------------------|--------------------------------|---------|---------|
| | 2022 | 2021 | 2020 |
| | | (€'000) | |
| Total revenue..... | 374,543 | 422,541 | 335,433 |
| Operating profit..... | 12,110 | 16,004 | 11,408 |
| Profit after tax..... | 7,518 | 11,887 | 7,573 |

Selected consolidated statement of financial position information

| | As at 31 December | | |
|--|-------------------|---------|---------|
| | 2022 | 2021 | 2020 |
| | | (€'000) | |
| Total assets..... | 357,303 | 321,181 | 241,847 |
| Equity attributable to the shareholders..... | 104,642 | 102,276 | 93,746 |
| Total equity..... | 105,764 | 103,097 | 94,270 |
| Total liabilities..... | 251,539 | 218,084 | 147,577 |

Selected consolidated statement of cash flows information

| | For the year ended 31 December | | |
|---|--------------------------------|----------|---------|
| | 2022 | 2021 | 2020 |
| | | (€'000) | |
| Net cash from operating activities..... | 50,360 | 91,230 | 34,336 |
| Net cash from (used in) investing activities..... | (20,283) | (11,493) | (4,927) |

| | | | |
|--|----------|---------|----------|
| Net cash from (used in) financing activities | (13,446) | (9,181) | (28,343) |
|--|----------|---------|----------|

Alternative performance measures (unaudited). The table below presents the Group's EBITDA and Adjusted EBITDA. EBITDA is defined as earnings before net finance costs, tax, depreciation and amortization. Adjusted EBITDA is adjusted for expenses that relate to research and preparations for the Manufacturing Expansion.

| | For the year ended 31 December | | |
|--|---------------------------------------|---------------|---------------|
| | <i>(unaudited)</i> | | |
| | 2022 | 2021 | 2020 |
| | (€'000) | | |
| Operating profit | 12,110 | 16,004 | 11,408 |
| Other income..... | 90 | 1,345 | - |
| Depreciation and amortisation | 24,226 | 21,712 | 20,348 |
| EBITDA | 36,426 | 39,061 | 31,756 |
| EBITDA | 36,426 | 39,061 | 31,756 |
| Expenses related to research and preparations for the expansion of our product facilities and business acquisitions..... | 5,366 | 373 | - |
| Adjusted EBITDA | 41,792 | 39,434 | 31,756 |
| EBITDA | 36,426 | 39,061 | 31,756 |
| Expenses of lease contracts other than 'short-term leases' and 'low-value leases' | (8,544) | (5,658) | (6,787) |
| Initial direct costs | (2,160) | - | - |
| Expenses of lease contracts other than 'short-term leases' and 'low-value leases' accounted for as project costs based on progress | (3,646) | - | - |
| Net impact of the difference in accounting treatment between IFRS 16 and the former lease standard IAS 17.... | 45 | 71 | 220 |
| EBITDA ex IFRS 16 | 22,121 | 33,474 | 25,189 |
| EBITDA ex IFRS 16 | 22,121 | 33,474 | 25,189 |
| Expenses related to research and preparations for the expansion of our product facilities and business acquisitions..... | 5,366 | 373 | - |
| Adjusted EBITDA ex IFRS 16 | 27,487 | 33,847 | 25,189 |

Working capital. In the Company's opinion its working capital (excluding the proceeds of the Offering) is sufficient for its present requirements for at least 12 months following the date of this Prospectus.

Other key financial information. No pro forma financial information has been included in the Prospectus. There are no qualifications in the reports provided by the independent auditor on the Financial Statements.

Adjusted EBITDA Outlook. With a reported contribution (total revenue minus cost of sales, consisting of raw materials, subcontracted work and other external charges and logistic and other project related expenses (**Contribution**)) of €34 million and Adjusted EBITDA of €10.8 million for the first quarter of 2023, the Group announced in the Q1 2023 Press Release as published on 12 May 2023 that it is on track to close the 2023 financial year with an Adjusted EBITDA at the level of the 2022 financial year, being €41.8 million (**Adjusted EBITDA Outlook**).

The Adjusted EBITDA Outlook is not factual and should not be interpreted as such by potential investors. It is a statement about the expectations of the Group's management in respect of Adjusted EBITDA for the 2023 financial year. Potential investors should not place unreasonable reliance on this outlook. Expectations of management are based on current trading and resulting Contribution for Q1 2023, as well as the order pipeline for the remainder of 2023.

Basis of preparation of the Adjusted EBITDA Outlook. The Adjusted EBITDA Outlook has been prepared on the basis of accounting policies that are consistent with the accounting policies adopted by the Group in its audited consolidated annual financial statements for the year ended 31 December 2022. These accounting policies are expected to be consistent with the accounting policies to be adopted by the Group in its annual financial statements for the years ending 31 December 2023 and 31 December 2024.

Factors and assumptions Adjusted EBITDA Outlook. The Adjusted EBITDA Outlook is influenced by the following factors that are beyond the control of the Group or any individual: (i) unforeseen events such as force majeure; (ii) legislative and other regulatory measures; and (iii) economic development of the energy sector. In addition, the Adjusted EBITDA Outlook may be impacted by the following factors that can be influenced by the Group to a limited extent: (i) limited availability or late delivery of steel plates or flanges; and (ii) limited availability of labour. In addition, the Adjusted EBITDA Outlook may also be impacted by the following factors over which the Group has influence: (i) production volumes; (ii) timing and performance of acquisitions, disposals and joint ventures; and (iii) Contribution margin per tonne.

The Adjusted EBITDA Outlook does not include material extraordinary results or results from non-recurring activities.

EBITDA Outlook. The Group projects an EBITDA of €135 million in 2025 and an EBITDA of at least €160 million per annum from 2026 onwards (the **EBITDA Outlook**), barring unforeseen circumstances, once the expanded manufacturing plant is fully ramped-up after completion of the Manufacturing Expansion, which is expected in the first half of 2025. This projection is based on the to be expanded

production capacity of the Group, further developments in the market, discussions with customers for longer-term offshore wind projects and the Group's order book. Based on the EBITDA Outlook, the Group projects that the investment has a payback period of approximately three to four years.

The EBITDA Outlook is not factual and should not be interpreted as such by potential investors. It is a statement about the expectations of the Group's management in respect of EBITDA for 2025 onwards. Potential investors should not place unreasonable reliance on this outlook. Expectations of the Group are based on the trend in Contribution per tonne which is increasing and which increase is reflected in price levels for contracts that are in the order book. Expectations are also based on the order pipeline which extends to beyond 2030 and which is based on granted permits for new developments, tenders (189 Kton for 2025 and 668 Kton for 2026), including the Baltyk project which is under exclusive negotiation, and requests for proposal for new to be developed wind farms and on conversations with customers. Expectations are further based on ambitions of governments around the globe that trend to an increase of offshore wind capacity from the presently installed 65 GW to a global more than 1,000 GW and ambitions of more than 2,000 GW as stated by the Global Offshore Wind Alliance by 2050.

Basis of preparation of the EBITDA Outlook: EBITDA is defined as earnings before net finance costs, tax, depreciation and amortization.

The EBITDA Outlook has been prepared on the basis of accounting policies that are consistent with the accounting policies adopted by the Group in its audited consolidated annual financial statements for the year ending 31 December 2022. These accounting policies are expected to be consistent with the accounting policies to be adopted by the Group in its consolidated annual financial statements for the years ending 31 December 2023 and 31 December 2024.

Factors and assumptions EBITDA Outlook: the EBITDA Outlook is influenced by the following factors that are beyond the control of the Group or any individual: (i) unforeseen events such as force majeure; (ii) legislative and other regulatory measures; and (iii) economic development of the energy sector. In addition, the EBITDA Outlook may be impacted by the following factors that can be influenced by the Group to a limited extent: (i) changes in other operating income and other operating expense; and (ii) delay of the Manufacturing Expansion. In Addition, the EBITDA Outlook may also be impacted by the following factors over which the Group has influence: (i) production volumes; (ii) timing and performance of acquisitions, disposals and joint ventures; (iii) Contribution margin per tonne; (iv) direct savings per tonne; and (v) indirect savings per tonne.

The EBITDA Outlook does not include material extraordinary results or results from non-recurring activities.

What are the key risks that are specific to the issuer?

The following is a selection of the most material risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects:

- the Group may have difficulties in ensuring that the Manufacturing Expansion will become operational in time and with the expected output and efficiency;
- failure to obtain a nature permit could adversely affect the Group's operations;
- the Group will make significant investments for the Manufacturing Expansion, which may not necessarily lead to profitable results;
- the production of XXXL monopile foundations involves significant technical, operational, and financial risks that could adversely affect the Group's business, results of operations, and financial condition;
- the Manufacturing Expansion may result in a costs overrun;
- the Group may incur difficulties in realising synergies between its facilities;
- the Group's profitability would be materially adversely affected if current governmental support of renewable energy would be modified, not renewed at the current levels, or at all;
- the Group's order intake, revenue, cash flow and profits from the sale of its products are impacted by the general economic environment and the current financing environment, making offshore wind projects more expensive for developers;
- offshore wind may become less attractive as an energy source;
- the Group's ability to draw under the debt financing for the Manufacturing Expansion is subject to certain conditions; and
- the Group is dependent on key suppliers and partners and is subject to suppliers' and partners' credit risk and supply chain risks, which may affect the timely delivery and quality of raw materials and components.

Key information on the securities

What are the main features of the securities?

Type, class and ISIN and information on the Rights. The Company is offering up to 4,353,890 Offer Shares, for which purpose Ordinary Shareholders are being granted the Rights (ISIN: NL0015001EL6). The Offer Shares are ordinary shares in the share capital of the Company with a nominal value of €0.20 each (ISIN: NL0011660485). The Offer Shares are denominated in and will trade in euro. As of the date of the Prospectus, 25,501,356 Ordinary Shares are outstanding. All issued Ordinary Shares are fully paid and created under Dutch law. The Admission consist of an admission to listing and trading of up to 4,353,890 Offer Shares and 25,501,356 Rights.

Rights attached to the securities. Each Ordinary Share confers the right to cast twenty votes in the general meeting of the Company (the **General Meeting**). Upon issue of Ordinary Shares or granting of rights to subscribe for Ordinary Shares each Shareholder has a pre-emptive right in proportion to the aggregate nominal amount of his or her Ordinary Shares. Shareholders do not have pre-emptive rights in respect of: (i) an issuance of Preference Shares, (ii) Shares issued against non-cash Contribution, or (iii) Shares issued to employees of the Company or of a Group Company. Pre-emptive rights may be limited or excluded by a resolution of the General Meeting or of the body authorised to issue shares, if that body was authorised by the General Meeting for this purpose for a specified period not exceeding five years, which may be extended in each case for a period not exceeding five years. The pre-emptive rights of the Ordinary Shareholders in respect of the Offering have been excluded.

The Preference Shares entitle the holder to receive, out of funds legally available for distribution, with first priority over Ordinary Shares, cumulative dividends at a fixed annual coupon rate which is 5% until 30 June 2025 and incrementally increases on an annual basis until 1 July 2028, at which point the rate will be 8% (which is the maximum). The Preference Shares, in respect of their initial stated amount and any accrued but unpaid dividends, are convertible to Ordinary Shares by resolution of the Executive Board that has been approved by the Supervisory Board at a fixed conversion ratio calculated as the subscription price paid for the Preference Shares, plus any accrued but unpaid dividends thereon, divided by a conversion price of €12 per Ordinary Share. This conversion right is only exercisable from 1 July 2028. Each Preference Share carries 1/20th of the voting rights attached to the Ordinary Shares. The Preference Shares may, at the option of the Company, be redeemed in whole or in part, at a price equal to the initial stated amount plus any accrued but unpaid dividends as of the date of redemption, which option is exercisable from 1 January 2025 or in the event of a change of control of the Company. The Company plans to redeem the Preference Shares in whole before 1 January 2028.

The Company and Grachtenheer entered into a relationship agreement (the **Relationship Agreement**), pursuant to which the Supervisory Board shall consist of between three to five members and Grachtenheer is entitled to (i) nominate and propose a replacement for one Supervisory Board member in the event of his or her resignation or dismissal when holding at least 20% of the Company's issued ordinary share capital, (ii) nominate and propose a replacement for two Supervisory Board members when holding at least 50% of the Company's issued ordinary share capital in the event of his or her resignation or dismissal (the **Grachtenheer Director(s)**), (iii) appoint an observer to the Supervisory Board and (iv) information to the extent not prohibited by law and requested by Grachtenheer. Furthermore, for as long Grachtenheer holds at least 20% of the Company's issued ordinary share capital, each of the Supervisory Board committees shall include at least one Grachtenheer Director. The Relationship Agreement also stipulates that a new Supervisory Board committee shall be established in respect of the Manufacturing Expansion (the **Manufacturing Expansion Committee**). After 1 January 2025, this committee may unanimously agree to dissolve this committee. The following matters require approval of the Manufacturing Expansion Committee: (i) new business development either by product, business or business partner, outside the aforementioned expansion or the regular monopile, transition piece or oil & gas business as it is currently operated by the Company, that require an amount in excess of €500,000; and (ii) any further potential expansion plans or commitments beyond certain existing agreements.

Dissolution and liquidation. The General Meeting may resolve the dissolution and liquidation of the Company with a simple majority of votes cast, but only on a proposal of the Executive Board that has been approved by the Supervisory Board. The balance of the assets of the Company remaining after all liabilities and the costs of liquidation shall be distributed firstly to the preference shareholder and then among the Ordinary Shareholders in proportion of their number of Ordinary Shares.

Restrictions on free transferability of Shares. There are no restrictions under the Articles of Association, nor under Dutch law that limit the right of holders of Ordinary Shares to hold Ordinary Shares. The transfer of Ordinary Shares to persons who are located or resident in, citizens of, or who have a registered address in, jurisdictions other than the Netherlands may, however, be subject to specific regulations or restrictions according to their securities laws.

Dividend policy. The Ordinary Shares and the Preference Shares carry dividend rights. Currently, the Company does not pay any dividend in respect of its share capital due to a contractual obligation under the term and revolving facilities agreement originally dated 11 November 2015 between (among others) Sif Holding N.V. as company, Euler Hermes S.A. (trading as Euler Hermes Garanties) as guarantee agent, and Coöperatieve Rabobank U.A. as agent, ECA agent and security agent as amended and/or amended and restated from time to time (the **Facility Agreement**). Pursuant to the Facility Agreement, the Company shall not declare, make or pay any dividend or other distributions in respect of its share capital if (i) a default under the Facility Agreement is continuing or would occur as a result of the making of such payment; (ii) the Manufacturing Expansion is not yet completed; and (iii) certain criteria in relation to the leverage financial covenant in the Facility Agreement are not yet satisfied.

Where will the securities be traded?

Application has been made for the admission to listing and trading of the Rights and application will be made for the Offer Shares on Euronext Amsterdam. Trading of the Rights on Euronext Amsterdam is expected to commence at 09:00 CET on 19 June 2023 and will end at 17:40 CET on 30 June 2023, barring unforeseen circumstances, under the symbol "SIFRI". Trading of the Offer Shares on Euronext Amsterdam is expected to commence at 09:00 CET on 7 July 2023, barring unforeseen circumstances, under the current symbol "SIFG".

What are the key risks that are specific to the securities?

The following is a summary of selected key risks that relate to the Offering and the Offer Shares:

- the market price of the Ordinary Shares will fluctuate, and may decline below the Issue Price;
- the Group cannot assure investors that an active trading market will develop for the Rights and, if a market does develop, the market price of the Rights will be affected by, and may be subject to greater volatility than, the market price of the Ordinary Shares;
- shareholders will experience significant dilution as a result of the Offering if they do not or cannot exercise their Rights in full; and
- shareholders who do not exercise their Rights or who do not sell their unexercised Rights will not receive any compensation as there will be no rump offering.

Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

The Offering. The Company is offering up to 4,353,890 Offer Shares in the Offering at the Issue Price of €11.50 per Offer Share, on the basis of 7 Offer Shares for 41 Rights, and for a total amount of approximately €50 million. Ordinary Shareholders on register at the Record Date are being granted Rights that will entitle eligible Ordinary Shareholders to subscribe for Offer Shares at the Issue Price, in integral multiples of the subscription ratio of 7 Ordinary Shares per 41 Rights exercised. The Issue Price represents a discount of €3.04 per Ordinary Share, i.e. 18.4% to the theoretical ex-rights price of €14.10 per Ordinary Share, based on the Closing Price and 25,501,356 Ordinary Shares issued and outstanding at that date. The mere granting of Rights to an Ordinary Shareholder does not constitute an offer of Offer Shares. No offer of Offer Shares is being made to Ordinary Shareholders that are not eligible to receive the Offer Shares and are therefore not permitted to exercise

the Rights granted to them. The making or acceptance of an offer to sell Offer Securities to persons with registered addresses in, or who are resident or located in, or citizens of, jurisdictions other than the Netherlands may be affected by the laws or regulations of the relevant jurisdiction. Only Shareholders who are eligible to participate in the Offering as of the Record Date will be entitled to exercise Rights pursuant to the grant of Rights by the Company. The Offer Securities are being offered and sold (i) outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S of the U.S. Securities Act; and (ii) in the United States only to qualified institutional buyers, as defined in Rule 144A of the U.S. Securities Act, pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Exercise period. Prospective investors may subscribe for Offer Shares during the period commencing at 9:00 CET on 19 June 2023 and ending at 17:40 CET on 4 July 2023. This timetable is subject to acceleration or extension.

Issue price. The Issue Price is €11.50 for each Offer Share.

Allotment. Allotment of Offer Shares to be issued pursuant to the Offering is expected to take place on 5 July 2023.

Payment. Payment (in euro) for and delivery of the Offer Shares (the **Settlement**) will take place on 7 July 2023 (the **Settlement Date**). Financial intermediaries may require the payment for the Offer Shares prior to the Settlement Date.

Delivery of Shares. The Offer Shares will be delivered in book-entry form through the facilities of Euroclear Nederland. If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation. Any dealings in Ordinary Shares prior to Settlement are at the sole risk of the parties concerned.

Subscription, Listing and Paying Agent. ABN AMRO Bank N.V. is the subscription, listing and paying agent with respect to the Ordinary Shares on Euronext Amsterdam.

Timetable

Subject to acceleration or extension of the timetable for, or withdrawal of, the Offering, the timetable below sets forth certain expected key dates for the Offering.

| Event | Time and Date |
|---|--|
| Start of ex-Rights trading in the Ordinary Shares commences on Euronext Amsterdam | 09: 00 hours CET on Monday 19 June 2023 |
| Start of the Exercise Period | 09:00 hours CET on Monday 19 June 2023 |
| Start of trading in the Rights on Euronext Amsterdam | 09:00 hours CET on Monday 19 June 2023 |
| Record Date | 17: 40 hours CET on Tuesday 20 June 2023 |
| End of trading in the Rights on Euronext Amsterdam | 17:40 hours CET on Friday 30 June 2023 |
| End of the Exercise Period for retail and institutional investors | 17:40 CET on Tuesday 4 July 2023 |
| Allotment of Offer Shares | Wednesday 5 July 2023 |
| Settlement Date | Friday 7 July 2023 |
| Listing of and start of trading in the Offer Shares on Euronext Amsterdam | 09:00 hours CET on Friday 7 July 2023 |

The last date and/or time before which notification of exercise instructions may be validly given by the holder of any Right may be earlier than the date and/or time specified above as the end of the Exercise Period, depending on the financial intermediary through which such Rights are held. The Company reserves the right to adjust the dates, times and periods given in the timetable and throughout this Prospectus. If the Company should decide to adjust dates, times or periods, it will notify the AFM and Euronext Amsterdam and issue a press release that will also be posted on the Company's website (www.sif-group.com). Any other material alterations will be published in a press release on the Company's website and in a supplement to the Prospectus (if required) that is subject to the approval of the AFM.

Dilution. The Company will issue up to 4,353,890 Offer Shares. Shareholders who transfer, or who do not or are not permitted to exercise, any of their Rights granted under the Offering will suffer a dilution of their proportionate ownership and voting rights of approximately 14.6% as a result of the issue of the Offer Shares.

Why is this Prospectus being produced?

Reasons for the Offering and use of proceeds. The Company is financing the Manufacturing Expansion, which is estimated to amount to approximately €328 million (including appropriate contingencies), through a combination of equity and debt, as well as advance factory payments by two launching customers, with the remainder being funded through cash and cash equivalents:

- €100 million of advance factory payments from two launching customers;
- €50 million of newly-issued cumulative preference shares;
- approximately €50 million to be raised through this Offering;
- €40 million in operational leases; and
- €81 million 6-year amortizing term-loans.

Estimated expenses. Through this Offering, the Company intends to raise approximately €50 million in gross proceeds. After deducting the expenses, commissions and taxes, as the case may be, relating to the Offering, the net proceeds will amount to approximately €49.3 million. The Company intends to use the proceeds to finance part of the Manufacturing Expansion. Any proceeds not required for the financing of the Manufacturing Expansion are expected to be used for general corporate purposes.

Underwriter. Grachtenheer, the Company's major shareholder and underwriter for the Offering, shall (i) subject to the satisfaction of conditions contained in the commitment letter dated 13 February 2023, subscribe for Offer Shares in the Offering by exercising at least the Rights that are allotted to it based on its proportionate shareholding and (ii), subject to the satisfaction of conditions contained in and on the terms of the underwriting agreement dated 15 June 2023 (the **Underwriting Agreement**), subscribe and, at a price of €11.50, pay for any

Offer Shares not subscribed for by holders of Rights other than Grachtenheer, whether or not the Rights corresponding to such Offer Shares have been exercised, (the **Underwritten Shares**) up to an amount of €50,000,000 in total taken together with the Offer Shares already subscribed for and purchased by exercising the Rights that were granted to Grachtenheer based on its proportionate shareholding at the Record Date. As a consequence of the foregoing, there will be no rump offering. The Company has been informed by Grachtenheer that Grachtenheer has agreed to sell 50% of the Ordinary Shares to be acquired by Grachtenheer in the Offering and through its underwriting of the Offering to certain third party investors on or shortly after the Settlement (the **Grachtenheer Sell-Down**). Immediately following completion of the Grachtenheer Sell-Down, Grachtenheer will either hold approximately 45.5% of the Company's issued share capital if Grachtenheer has subscribed only for such number of Offer Shares in the Offering proportionate to its holding of Ordinary Shares immediately prior to Settlement or 49.2% of the Company's issued share capital if Grachtenheer has subscribed, pursuant to its underwriting of the Offering, for Offer Shares in the amount of €50,000,000.

Potential conflicts of interest. Other than Peter Visser, as a Supervisory Board member and as a board member of Egeria Group AG (which ultimately owns and controls Grachtenheer, the largest shareholder of the Company), who is potentially in a conflicting position, the Company is not aware of any potential conflicts of interest.

RISK FACTORS

Before investing in the Offer Shares, prospective investors should consider carefully the risks described below, together with the other information contained in this Prospectus. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, may have a significant negative impact on the Group's (as defined below) business, financial condition, results of operations and prospects. The price of the Offer Shares could decline and an investor might lose part or all of its investment upon the occurrence of any such event.

All of these risk factors and events are contingencies which may or may not occur. The Group may face a number of these risks described below simultaneously and some risks described below may be interdependent. Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Group's business, financial condition, results of operations and prospects. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section. Each risk factor has been placed into what the Company believes to be the most appropriate category.

*Although the executive board (bestuur) of the Company (the **Executive Board**) and the Company believe that the risks described below are the material risks concerning the Group's business and industry, and the Offer Shares, they are not the only risks relating to the Group and the Offer Shares. Other risks, events, facts or circumstances not presently known to the Group, or that the Group currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Group's business, financial condition, results of operations and prospects.*

Prospective investors should carefully read and review the entire Prospectus and should form their own views before making an investment decision with respect to any Offer Shares. Furthermore, before making an investment decision with respect to any Offer Shares, prospective investors should consult their own professional adviser and carefully review the risks associated with an investment in the Offer Shares and consider such an investment decision in light of their personal circumstances.

*As used herein, a reference to the **Group** refers to the Company as well as to its businesses which are held as consolidated subsidiaries and equity-method non-consolidated subsidiaries, associated companies and joint ventures, as the context requires.*

Risks relating to the Manufacturing Expansion

The Group may have difficulties in ensuring that the Manufacturing Expansion will become operational in time and with the expected output and efficiency

On 13 February 2023, the Group made a final investment decision to construct the world's largest monopile foundation manufacturing plant at Maasvlakte 2 in Rotterdam, the Netherlands, by expanding the existing manufacturing plant (the **Manufacturing Expansion**), which expansion is integral to the Group's strategy, and has procured funding and commitments for funding in respect thereof. Construction of the Manufacturing Expansion started in April 2023, and the envisaged timeline going forward contemplates system testing and ramp-up in July 2024 and being fully operational in the first half of 2025. For more information on this, see "*Business – Manufacturing Expansion*". The Group has incurred and will continue to incur risks relating to the construction and use of the new facilities at Maasvlakte 2. In particular the development may take more time than expected and delays may result in additional costs and/or the loss of revenue and incurrance of penalties. Furthermore, the machines – which are largely newly built – may not, individually or as a largely integrated and automated production line, function as anticipated, which could result in further delays and costs. These newly-built machines are all proven technology, however, the set-up itself of these machines in the total production process is what is novel to the Group, and the flow of production is dependent on these machines integrating seamlessly into the total production process; any failure in this set-up could result in further delays, quality issues and costs, and reduced manufacturing productivity and efficiency. Furthermore, the Group may be confronted with difficulties ensuring the new facilities will become operational in time. This includes finding and training the appropriate employees with sufficient experience and expertise.

The Manufacturing Expansion is subject to various risks and uncertainties that could cause delays, including, without limitation: (i) unforeseen technical, engineering or environmental challenges or defects; (ii) difficulties in obtaining or maintaining the necessary permits, licenses or approvals from the relevant authorities; (iii) shortages, delays or price increases of materials, equipment or labour; (iv) disruptions in the supply chain, transportation or logistics; (v) adverse weather conditions, natural disasters, pandemics or other force majeure events; (vi) accidents, injuries or damages to property or personnel; (vii) disputes, claims or litigation with contractors, suppliers, customers or other parties; (viii) changes in laws, regulations, policies or standards affecting the wind energy sector or the Group's operations; and (ix) failure to comply with contractual obligations under the Group's financing obligations.

Any of these risks could result in delays in the system testing and ramp-up and completion of the Manufacturing Expansion, or in the achievement of the expected benefits, efficiencies or synergies from the Manufacturing Expansion. Any such delays could adversely affect the Group's ability to meet its contractual obligations, satisfy its customer orders, generate revenues, or achieve its growth objectives. Any such delays could also increase the Group's capital expenditures, operating costs or financing needs, or impair the Group's assets, goodwill or reputation. Any such delays could also trigger contractual penalties, claims or litigation from customers, contractors, suppliers or other parties. This could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Furthermore, the Manufacturing Expansion contemplates certain levels of manufacturing output and efficiency. The new facilities are intended to facilitate the production of four XXXL monopile foundations per week, which in turn proposes to reduce the storage period for monopile products and allow the manufacturing process to keep with the pace of installation vessels, in turn accelerating installation time on wind farm projects. It may be, due to technical or logistical complications not factored into the Manufacturing Expansion's design and planning, that the new facilities do not have the expected output, or otherwise the expected efficiencies. This could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Failure to obtain a nature permit could adversely affect the Group's operations

In respect of the Manufacturing Expansion, the Group has obtained irrevocable construction and environmental permits. Additionally, the Group requires a nature permit for nitrogen depositions for its current operations and for the Manufacturing Expansion.

The Rotterdam factory did not need a nature permit when it was built (only a so called PAS notification was required and issued by the Group at that time), but a court ruling by the administrative law section of the Dutch Council of State changed the rules for PAS notifiers in 2019. According to that ruling PAS-notifications are no longer valid. Therefore, PAS notifiers such as the Group need a nature permit. The central government intends to legalise the activities of these PAS notifiers through a PAS legalisation programme.

The Group has a binding approach agreed with the Port of Rotterdam to start a nature permit procedure based on external netting using nitrogen capacity that has been made available by the Port of Rotterdam. The Provincial Executive of Zuid-Holland confirmed that they endorse this route and that a formal assessment of this route needs to be made in the permitting procedure. The Group submitted an application for a nature permit on 2 June 2023 on the basis of external netting. The permit still needs to be granted. This application procedure is expected to lead to a nature permit being granted by the end of 2023. However, changing policies and/or court rulings could delay the permitting process. Appeals can be made against the Group's nature permit. The Group has also formally requested legalisation through the PAS legalisation programme. This is to be regarded as a fall back option in the event the permit based on external netting will not be granted.

Meanwhile the Manufacturing Expansion proceeds based on the fact that environmental and building permits are in place, the nitrogen depositions remain below the PAS notification levels during the entire building process and a nature permit for the nitrogen emissions is expected to be in place by the end of 2023.

Like the Group, many companies in the Netherlands do not have such a nature permit in place due to a national political and legal impasse. The competent authorities (the provinces and in some cases the minister) do not actively initiate enforcement activities related to activities notified under the PAS regime. It is expected that this situation will remain in place until the Dutch government has implemented new laws to regulate the political and legal impasse. However, it is not guaranteed that the competent authorities will not take any enforcement measures, especially in case of any enforcement request by third parties such as nature organizations.

Should no permit be obtained – and should the competent authority no longer be willing to allow the Group to operate without a nature permit– the Group would have to cease causing a significant effect onto Natura2000 sites, which may require the Group to stop the Manufacturing Expansion and potentially also its current operations. Sanctions can be imposed to this end under both public and criminal law and such sanctions may also be aimed at undoing any effects wrongfully caused. As such any failure by the Group to obtain or maintain a nature permit could have a material adverse effect on the Group's business, its financial condition, the results of its operations and its prospects. For more information on the nature permit and the surrounding circumstances, see "*Business – Regulatory environment*".

The Group will make significant investments for the Manufacturing Expansion, which may not necessarily lead to profitable results

The Group plans to invest €328 million (including appropriate contingencies) in the Manufacturing Expansion to produce monopiles of 2,500 tons, which can have a diameter of up to 11 meter and a length of up to 120 meter (**XXXL monopile foundations**). These foundations could generate significant revenue and EBITDA for the Group, but this depends on market demand and other factors beyond the Group's control. For example, the Group's customers may face difficulties or delays in developing and deploying offshore wind projects that need XXXL monopile foundations. These projects depend on various factors such as regulations, environmental assessments, grid connections, financing conditions, technology innovations, and competition. If the Group's customers order fewer XXXL monopile foundations than expected, the Group's revenue and EBITDA could be lower than projected. This could have a material impact on the Group's financial condition and results of operations.

The Group also expects to recover its investment in the Manufacturing Expansion within three to four years. However, this payback period is not guaranteed, as it is subject to the same factors and risks that affect the revenue and EBITDA. If the Group does not recover its investment within the expected payback period or at all, this could reduce the Group's ability to recoup its investment and therefore could have a material impact on the Group's financial condition and results of operations.

The production of XXXL monopile foundations involves significant technical, operational, and financial risks that could adversely affect the Group's business, results of operations, and financial condition

The Manufacturing Expansion will enable the Group to produce XXXL monopile foundations. These XXXL monopile foundations may not achieve the expected level of market acceptance or customer satisfaction due to multiple factors, such as product performance, safety, quality and reliability. Furthermore, the production of XXXL monopile foundations requires specific equipment, engineering, and fabrication capabilities. The higher engineering, manufacturing and design complexity could, for example, result in technical failures, delays, or defects which, in turn, could result in contractual penalties, civil liability or loss of reputation. In addition, the Group may face challenges in securing sufficient and reliable supply of raw materials, components, and suppliers. Finally, the XXXL monopile foundations may also face competition from existing or new products that offer similar or superior features, benefits or prices to customers, which could result in customers electing to obtain products from those competitors, rather than from the Group itself. This would have a material adverse effect on the Group's business, results of operations and prospects.

The Manufacturing Expansion may result in a costs overrun

The Company is financing the Manufacturing Expansion, which is estimated to amount to approximately €328 million (including appropriate contingencies), through a combination of equity and debt, as well as advance factory payments by two launching customers, with the remainder being funded through cash and cash equivalents. €112 million of this amount is allocated to building construction, and €216 million to the purchase of equipment.

The investment is based on a detailed, substantiated factory design that has been verified by external experts and advisors, supported by commitments from reputable construction partners and equipment suppliers, all with a proven track record of safety, quality, on-time delivery and know-how. The design of the new production facility is based on proven next generation automated manufacturing technology and will be fully compliant with the highest industry safety and environmental standards.

Notwithstanding this and the appropriate contingencies included in the estimated costs, the Manufacturing Expansion is subject to various risks that could cause the actual costs to exceed the budgeted costs for building the facilities and obtaining the necessary equipment, such as: (i) delays or disruptions in the construction, commissioning, or operation of the new facilities due to factors such as adverse weather conditions, technical difficulties, labour disputes, environmental issues, regulatory approvals or force majeure events; (ii) increases in the prices of raw materials, equipment, labour or other inputs or services required for the Manufacturing Expansion; (iii) unforeseen changes in the design, scope or specifications of the Manufacturing Expansion or any particular building, equipment or other component contemplated thereby due to customer requirements, market conditions or technological developments; (iv) difficulties or failures in integrating the new facilities with the existing facilities, systems and processes at Maasvlakte 2; (v) unforeseen liabilities, claims or disputes arising from the Manufacturing Expansion or its contractors, suppliers or partners; or (vi) any other factors that are beyond the Group's control or that the Group may not have anticipated or adequately planned for.

Any of these factors could result in significant cost overruns, which could adversely affect the Group's financial condition, liquidity, profitability and ability to service its debt obligations. In addition, any cost overruns could reduce the expected return on investment of the Manufacturing Expansion, impair the Group's competitive position and growth prospects, and erode the confidence of its customers, shareholders, lenders and other stakeholders. The Group may not be able to recover any cost overruns from its contractors, suppliers, insurers or other parties, or may incur additional costs and delays in doing so. The Group may also need to seek additional financing to complete the Manufacturing Expansion or to fund its working capital or other needs, which may not be available on favourable terms or at all, or may dilute the existing shareholders' interests.

The Group has established a budget, a timeline and a contingency plan for the Manufacturing Expansion, and has engaged qualified and experienced contractors, suppliers and consultants to assist with the execution and supervision of the project. The Group also monitors and reviews the progress and performance of the Manufacturing Expansion on a regular basis, and will implement corrective actions and risk mitigation measures as necessary. However, there can be no assurance that the Group will be able to complete the Manufacturing Expansion within the estimated cost, time and quality parameters, or that the Manufacturing Expansion will achieve the expected benefits and outcomes. Therefore, the Manufacturing Expansion involves a degree of risk and uncertainty, and investors should be aware of the possibility of significant cost overruns, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group may incur difficulties in realising synergies between its facilities

The Group manufactures monopile foundations at its production facilities in Roermond and Maasvlakte 2 (Rotterdam), the Netherlands. Currently, Roermond performs the rolling of plates to make cans, cones or segments for any monopile section. Maasvlakte 2 does not have rollers yet, but this will change with the Manufacturing Expansion. In the new set-up, plates will be delivered directly to Maasvlakte 2 and rolled there. Roermond will still make the top sections and transport them to Maasvlakte 2, where they will be assembled with the other monopile sections. Also primary steel for transition pieces will continue to be manufactured in Roermond. For more information on the production process, see "*Business – Manufacturing Expansion*".

The Group may incur difficulties in realising synergies between its Maasvlakte 2 and Roermond facilities and could accordingly be faced with problems in the production chain, for instance as a result of delays in transport between the two facilities, such that the Group may not be able to timeously deliver monopile foundations to customers under existing contractual obligations, which would result in contractual breach and would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's management has been and will continue to dedicate a significant amount of their time and effort to the development and operation of the new facilities, which may divert their attention from the other business concerns of the Group

The Manufacturing Expansion is a complex and capital-intensive project that involves the construction and commissioning of new facilities, the hiring and training of additional personnel, the procurement and installation of new equipment, and compliance with various regulatory and environmental requirements. The successful completion and operation of the Manufacturing Expansion is critical to the Group's growth strategy and competitive position in the offshore wind market.

The Group's management has been and will continue to dedicate a significant amount of their time and effort to the development and operation of the new facilities contemplated by the Manufacturing Expansion. This may divert their attention from the other business concerns of the Group, such as maintaining and enhancing the quality and efficiency of the existing production lines, developing and launching new products and services, managing customer and supplier relationships and contracts, pursuing new business opportunities, and responding to market changes and competitive pressures. The Group may also face challenges in integrating the new facilities and personnel into its existing operations and culture, and in ensuring effective communication and coordination among its various departments and locations.

If the Group's management is unable to balance the demands of the Manufacturing Expansion with the other aspects of the Group's business, the Group's financial condition, results of operations, and prospects may be adversely affected, in particular if the Manufacturing Expansion encounters unforeseen delays, cost overruns, technical difficulties, operational issues, or regulatory or environmental obstacles.

Risks Relating to the Group's business and industry

The Group's profitability would be materially adversely affected if current governmental support of renewable energy would be modified, not renewed at the current levels, or at all

The Group's products form part of the production chain to produce foundations for offshore wind farms. As such, its revenue is directly dependent on the development of offshore wind farms and demand for wind turbines foundations. In the year ended 31 December 2022, the offshore wind segment accounted for approximately 81.6% of the Group's gross profit.

Governments in many countries support the expansion of wind power and such support has been a significant contributing factor in the growth of the offshore wind industry, and consequently the growth of the market for the products offered by the Group. In this regard, the support of the governments of, in particular, the Netherlands, the United Kingdom, Germany, France, Norway, Belgium, Denmark and the US are material to the Group. Support for investments in wind power is typically provided through financial incentive schemes or public grants to the owners of wind power systems, for example through subsidising tariffs on power generated by wind turbines or tax incentives promoting investments in wind power. In recent years, however, government support schemes have been under pressure due to government budget austerity measures. Should government austerity measures, retrospective cuts on remuneration affecting the wind power industry or other uncertainty around incentives continue or increase; the Group could experience decreases in its order intake. For more information on the governmental policies, see "*Business – Regulatory environment*".

With the increased focus on climate change, there is now a much greater public and political interest in a far broader range of renewable energy sources, going beyond the traditional 'renewables', such as solar, wind and hydroelectricity. This broadening focus, coupled with the drive in many countries for diversification of energy sources means that modern biomass, geothermal energy, tidal energy and biofuels, as well as nuclear power, are all competing for governmental support and a prioritised focus, which may have an adverse impact on the level of funding or subsidy allocation that may have otherwise been available to wind energy and, in particular, to the offshore wind segment in which the Group operates.

Any decrease in or withdrawal of governmental support and changes to or the abolition of any incentives could result in a material and adverse change in demand for offshore wind solutions. In turn, this could materially and adversely affect the demand for the products of the Group and therefore its financial condition, business and prospects. In addition, governmental support could be depleted more quickly than expected, for instance, due to electricity prices being lower than expected which results in more financing required for offshore wind projects. This could have a material negative impact on the number and size of projects started, and therefore also materially and adversely affect the business and prospects of the Group.

The Group's order intake, revenue, cash flow and profits from the sale of its products are impacted by the general economic environment and the current financing environment, making offshore wind projects more expensive for developers

The Group's business and operations depend principally upon conditions prevailing in the offshore wind industry, the general economic environment and the current financing environment. Demand for offshore energy solutions

can be negatively affected by a number of political and economic factors beyond the Group's control, including, but not limited to, fluctuations in worldwide demand for energy, decreases in energy prices, adverse changes in political and economic conditions in areas where offshore wind farms can be built or where owners or exploiters of offshore wind farms or oil & gas fields are located, disappointing results from the offshore wind farms and oil & gas fields and the introduction of new regulatory restrictions.

Offshore wind may become less attractive as an energy source

The Group manufactures monopile foundations for offshore wind turbines, which are a key component of offshore wind farms. The demand for the Group's products depends largely on the growth and competitiveness of offshore wind as an energy source, which in turn depends on various factors, such as: (i) the level and stability of electricity prices and the cost of alternative energy sources; (ii) the availability and cost of financing for offshore wind projects; (iii) the design and implementation of energy policies, regulations, subsidies and incentives that support or hinder offshore wind development; (iv) the environmental and social impacts of offshore wind, such as noise, visual and wildlife effects; (v) the technical and operational challenges of offshore wind, such as grid connection, transmission and maintenance; and (vi) the innovation and development of new technologies and solutions that could improve or replace offshore wind.

These factors are influenced by economic, political, social, and environmental conditions that are beyond the Group's control and may vary significantly across different regions and jurisdictions. Any changes in these factors that reduce the attractiveness or viability of offshore wind could result in lower demand for the Group's products, lower prices, lower margins, lower revenues and lower profitability. For example, if electricity prices decline due to oversupply, lower demand, or increased competition from other energy sources, such as solar, gas, or nuclear, the economic returns of offshore wind projects could be negatively affected, leading to lower investment and deployment. Similarly, if energy policies, regulations, subsidies, or incentives that support offshore wind are reduced, eliminated, or replaced by less favourable or more uncertain ones, the regulatory risk and cost of offshore wind projects could increase, discouraging developers and investors. Furthermore, if environmental or social concerns or opposition to offshore wind increase, the permitting and approval processes for offshore wind projects could become more difficult, costly, or delayed, affecting the timing and feasibility of the Group's contracts and deliveries. Additionally, if new technologies or solutions emerge that offer better performance, lower cost, or lower environmental impact than monopile bottom fixed offshore wind, the competitive advantage of monopile bottom fixed offshore wind could diminish, reducing its market share and growth potential.

The Group cannot predict how these factors will evolve in the future or how they will affect the demand for the Group's products in different markets. Any adverse changes in these factors could have a material adverse effect on the Group's business, financial condition, results of operations, and prospects.

Any reputational damage to offshore wind solutions may result in customers withdrawing orders or a decrease in demand for the Group's products

Although not involving the Group's products, in the past, there have been several incidents with respect to offshore wind solutions, for instance in relation to grouted connections connecting the monopile and transition piece and wind turbines, in which a malfunction resulted in high costs of repair. Any additional material defect in the products used in offshore wind farms or oil & gas fields or any calamity that may arise with respect to the Group's products or product types and the resulting negative perception towards the solutions offered by the Group could shift demand away from such products towards other solutions such as onshore wind farms, floating wind farm solutions or alternative sources of energy.

For instance, if a serious defect in a series of wind turbines is detected, forcing several wind turbines to be replaced, the associated cost and potentially significant media coverage could reduce faith in the quality and cost effectiveness of the overall offshore wind solution, which would have an adverse impact on the reputation, leading to reduced demand for the Group's products, and may materially and adversely affect the business, results of operations and prospects of the Company.

Fluctuations in the prices of other sources of energy could materially and adversely impact the cost competitiveness of the Group's products

The demand for offshore wind power projects could be significantly affected by the cost of electricity generated from other sources of energy, such as energy produced from oil & gas and other renewable energy sources, principally solar and hydroelectric power, but also onshore wind energy, tidal or wave energy, biomass energy and photovoltaic energy. The main competition to wind power is currently oil & gas, coal and nuclear-fuelled power generation.

Even though the cost of wind-generated electricity has been decreasing in the past, and is expected to further decrease as wind turbine size, design and production continue to improve in efficiency, output and reliability, a significant drop in the price of producing energy based on competing sources could have a material adverse impact on the competitiveness of wind energy, as customers may prefer to develop systems relating to other sources of energy taking advantage of the drop in prices. Such drops may occur if, for instance, a leap in technology occurs such as that being experienced with respect to shale gas and its impact on natural gas prices. A deterioration in wind power's cost competitiveness relative to other sources of energy could result in lower demand for wind power and therefore in a lower share in the mix of offshore wind.

Similarly, developments in the oil & gas market such as low prices could adversely impact the demand for the Group's products in the offshore wind segment. As the Group's current largest share of revenue is in the offshore wind segment, any slowdown in such growth due to developments favouring oil & gas energy may adversely impact the Group's revenue and growth potential.

Technological developments of alternative renewable energy sources may result in reduced demand in the energy market for the solutions offered by the Group

As a result of technological developments, the demand for offshore wind power could shift to other types of offshore wind power solutions for which the Group's products are not required or are required to a lesser extent. As a result of such shift, there could be a material adverse decline in the demand for the Group's products.

For instance, there could be a breakthrough in the production of jacket based wind farm solutions or floating wind farm solutions, as a result of which this product could compete with the offshore wind farms that are based on the monopile foundations produced by the Group. If such breakthrough takes place, this could have a significant impact on the demand for the monopile foundations currently provided by the Group.

Fluctuations in the prices of raw materials and technical developments with respect to alternative materials could materially and adversely affect the demand for the Group's products

The primary raw material that the Group uses for its products is steel. Currently, other materials, such as concrete, are either not as cost-effective or are not yet suitable for use as a foundation based on current technology.

Prior to entering into a final agreement with the customer in relation to the price of its services, the Group obtains a quote from its suppliers for the price of its raw materials, of which the most significant is steel. The Group then passes on the price of the steel to the price charged to the customer, at no or at a limited margin. As a result, the Group does not incur risks relating to increased costs of steel prices reducing the profit margin on a given project. It does not expect that this will change in the future.

However, if the price of steel significantly increases or the price of other materials decreases, other base materials for producing foundations may become a cost-efficient alternative to the use of steel. Such price fluctuations could be the result, for instance, of a shock in the supply of steel, or a technological breakthrough with respect to alternative materials. A significant price increase of steel could increase the cost competitiveness of other foundations solutions based on alternative materials and reduce demand for the Group's products.

As a result of such fluctuations, demand could shift away from steel foundations to foundations that are built using such alternative materials. As the Group specialises in tubular structures made from steel, such fluctuations in price could reduce demand for the products produced by the Group, as a result of which its revenue could be materially and adversely affected.

The Group may be adversely affected by climate change

Climate change itself could lead to rising sea levels or to extreme weather conditions that impact levels of water in rivers (either rising levels or low water as a consequence of drought). Rising sea levels would impact the range

of use of monopiles since these are limited in use to 60 meters water-depth or less, which could result in reduced orders of monopiles or adjustments in the manufacturing process, which could have a material adverse impact on the business, results of operations and prospects of the Group. Water levels in rivers could impact the transport of plates from the steel factory to the Group's premises or of semi-finished products from the Group's Roermond factory to the location at Maasvlakte 2 since these large and heavy products can only be transported by ship. Low or high water levels in rivers could disrupt and delay the Group's production process and delivery of products to customers, which could result in reduced productivity, contractual breach and loss of reputation, and in turn, a material adverse effect on the Group's business and results of operations.

Climate change may further affect the offshore wind industry in the following ways: (i) increasing the costs and complexity of planning, permitting, constructing, operations and maintaining offshore wind farms and their associated infrastructure, such as transmission lines and substations; (ii) reducing the availability and suitability of sites for offshore wind development, due to physical, environmental or social constraints; (iii) affecting the performance, reliability and availability of offshore wind turbines and their components, due to increased exposure to corrosion, erosion, fatigue, icing, lightning, storms, waves or marine growth; (iv) altering the demand for electricity and the competitiveness of offshore wind energy, relative to other sources of energy, due to changes in energy consumption patterns, prices, subsidies, taxes or carbon emissions.

These factors may adversely affect the Group's revenues, profitability, cash flows, growth prospects, and ability to fulfil its contractual obligations. The Group may not be able to anticipate, mitigate, or adapt to the effects of climate change, or to benefit from potential opportunities, such as increased demand for low-carbon solutions, due to various factors, such as: (i) uncertainty, variability, or unpredictability of the nature, extent, and timing of climate change and its impacts on the offshore wind industry; (ii) limitations, delays, or failures in the development, deployment, or adoption of new technologies, standards, or practices, that could enhance the resilience, efficiency, or sustainability of the offshore wind industry; (iii) insufficient, inconsistent, or changing environmental policies, regulations, incentives, or targets, at the national, regional, or international level, that could support or hinder the transition to a low-carbon economy and the development of the offshore wind industry; (iv) increased competition, consolidation, or disruption in the offshore wind industry, or in the broader energy sector, that could affect the Group's market position, customer base, or supply chain.

The Group has a concentrated business model, in terms of suppliers, products offered, geographical focus and customers

The Group specialises in producing large steel tubular structures for which there is a variety of uses, including not only monopiles and parts of jackets, but also for instance incidentally for jetties. However, all these products remain part of a narrowly defined product category offered, which principal use is in the energy sector. This disproportionately exposes the Group to shocks in demand for the energy sources requiring steel tubular structures (offshore wind) compared to more diversified companies.

In addition, the Group supplies its products to producers and offshore wind farms in various countries including, among others, the Netherlands, the United Kingdom, Germany, France, Norway, Belgium and Denmark. However, due to the geographic location of these countries, the majority of the customer base of the Group is exposed to any adverse developments that are specific to (north-)western Europe, such as economic downturns or changes in policy on a European level.

Finally, the Group's customers consist of utility companies, other energy companies and engineering, procurement, construction (and installation in offshore wind projects) contractors which all operate in the energy business. If there are any adverse developments in relation to those categories of companies, for instance due to a shock in energy prices, or supply chain issues outside the Group's control, the Group may be disproportionately adversely affected by such shock compared to more diversified companies. For more information on risks in relation to the industry of the Group, see "*Risk Factors – Risks Relating to the Group's business and industry*". Furthermore, the Group derives a significant portion of its revenue from a relatively small number of customers, mainly large utilities and developers of offshore wind projects. The Group's ability to maintain and expand its customer base depends on various factors, such as the demand for offshore wind energy, the competitive landscape, and the reputation and performance of the Group and its products. The Group faces the risk of losing one or more of its major customers, or experiencing delays, cancellations, or reductions in their orders, due to factors beyond the company's control or influence, such as changes in their business strategies, financial

conditions, project plans, or preferences. Any such loss, delay, cancellation, or reduction could have a material adverse effect on the company's revenue, profitability, cash flow, and financial position.

As the Group's products are concentrated in terms of product portfolio, geographic focus and customers, the Group cannot rely on other business segments to maintain revenue and cash flows. Therefore, shocks in demand for the energy sources could have a material and adverse effect on the business of the Group, to an even larger extent than would be the case for more diversified companies. Therefore, if any of the other risks relating to the Company, including those that are described in this section, materialise, the negative impact on the business thereof can be larger than for more diversified companies.

Demand for the products of the Group could be materially and adversely affected by restrictions in the ability of its customers to finance projects

Each offshore wind project represents a substantial investment for which the Group's customers are generally required to obtain project finance or other financing in advance. The financing terms available to the Group's customers, including, in particular, interest rates for such financing, have a significant influence on whether (and when) the Group's customers and their finance providers will proceed with the development of various offshore wind farms projects, and thus utilising the Group's products and services. These interest costs have risen significantly over the last year.

Continued adverse financial market conditions may have a follow-on effect on the assessment of the creditworthiness of the Group's customers, including by rating agencies, which may downgrade such customers, and thus reduce the probability of such customers obtaining financing on sufficiently attractive terms to facilitate offshore wind project developments utilising the Group's products.

If the general credit and liquidity conditions worsen, customers may reduce, delay or forego orders, which could result in a decrease in the Group's order intake and gaps in production, which would have an adverse impact on the Group's revenue and profits, particularly in worsening or volatile market conditions.

The Group could be affected by increasing competition from new and existing industry participants and face pressure on pricing of the Group's products

Currently, the Group considers a limited number of companies as its competitors. The Group, EEW Special Pipe Constructions GmbH, Steelwind Nordenham GmbH and Bladt Industries A/S are the main industrial manufacturers of monopile foundations that have a longer manufacturing history and that built a combined market share of at least 90% over the past ten years with a total annual production capacity of approximately 575 monopiles in 2022. The production capacity is expected to increase to approximately 650 monopiles in 2023.

The competitive environment in the industry may, however, become more challenging in the years ahead. In the upcoming years it is expected that demand will drastically exceed supply, opening up room for new players. Large industrial groups can enter the market, overcoming entry barriers by using their access to capital. Competitors that recently entered or are may enter the market are Haizea Wind Group, Navantia-Windar, Dajin Offshore Heavy Industry, SeaH Group, US Wind and GS Entec. The Group's current market position could be undermined by any product innovation, customisation and reduction in pricing that might result from increased competition since such competitors would be looking for a way to attract customers with increasingly competitive terms.

In addition, with respect to offshore wind, the Group provides only a part of a comprehensive solution in the value chain. Customers may increasingly desire to reduce the number of parties involved, as a result of which the preference for a one-stop solution may increase. This may result in additional competitive pressure on the position of the Group, which could have a material adverse effect on the Group's business, results of operations, financial conditions or prospects.

The Group is dependent on key suppliers and partners and is subject to suppliers' and partners' credit risk and supply chain risks, which may affect the timely delivery and quality of raw materials and components

Third party suppliers, in particular certain selected suppliers of steel and steel flange materials, and partners such as main contractors for which the Group acts as a subcontractor, the Group's own sub-contractors or joint-venture partners, are important to the Group. In respect of components supplied from outside the Group, the Group primarily aims to use large and internationally reputable suppliers. Replacing the most important suppliers would be difficult, particularly within a short period. Any loss of such a supplier or partner or inability of such supplier

or partner to fulfil its obligations to the Group, due to bankruptcy, financial weakness, market volatility, or other reasons, which are generally out of the control of the Group, would have a material adverse effect on the Group's operations.

Specifically, the Group generally obtains close to 100% of its steel (the exact percentage varies from year to year), its main required resource (amounting to approximately 45% of the aggregate cost of sales in 2022), from Dillinger Hütte. Agreements are entered into on a project basis. Should Dillinger Hütte cease to provide steel to the Group, the Group may need to make investments and incur delays to adjust the production to a new steel supplier such as Voestalpine, Ilseburg/Salzgitter or Posco in order to replace the shortfall in a timely manner. Dillinger Hütte is also a parent company of a competitor, Steelwind (since 2014). In the future, Dillinger Hütte may prefer to provide steel to Steelwind exclusively and stop supplying to the Company to the detriment of the Group.

The Group's dependency on Dillinger Hütte as steel supplier is however expected to decrease as a result of the Manufacturing Expansion. Currently, Dillinger Hütte is the only steel manufacturer capable of supplying large, finished steel plates that meet the specifications required by the Group. These finished steel plates are then welded by the Company to cans or cones. The Manufacturing Expansion will enable the Group to transform smaller, standard steel plates, which can also be supplied by other steel manufacturers, into steel plates that meet the required specifications.

Another key supplier for the Group is Euskal Forging. The Group obtains approximately more than 90% (the exact percentage varies from year to year) of its steel flanges that connect monopiles, transition pieces and towers offshore from Euskal Forging. These flanges are critical for the Group's production process, as they are welded to the monopiles or transition pieces. Should Euskal Forging cease to provide steel flanges to the Group, the Group may need to make investments and incur delays to adjust the production to a new flanges supplier such as Taewoong, a Korean entity, or Ireate energy equipment, a Chinese entity.

Although it is expected that the dependency on Dillinger Hütte for the supply of finished steel plates will decrease as a result of the Manufacturing Expansion and the Group has procurement functions and appropriate contractual arrangements in place, third party suppliers might not deliver goods and services on time and with the required quality or at all, or there may be defects in the components that the Group obtains from third party suppliers, such as steel plates, steel flanges, welding materials and coating products. In addition, the Group has made significant sales commitments to customers, putting pressure on the supply chain when trying to deliver as agreed. Any delay or failure in the supply of materials may delay construction of the monopiles, jackets and other products, which may result in liabilities including contractual penalties and claims for damages. This could have material and adverse consequences for the business and financial position of the Group, especially if such penalties cannot be charged to other parties in the supply chain.

Deviations or delays in relation to projects caused by factors beyond the Group's control may have a material adverse effect on the Group's revenue, earnings and cash flows

The Group's business model is project-oriented. Contract delays and adjustments to the scope of work occur from time to time as a result of factors beyond the Group's control, such as weather, environmental hazards and disasters, customer credit issues, macroeconomic conditions, rising interest rates, delayed financing, political pressure, governmental action, and budget constraints.

The Group's order book represents expected future revenue based on the uncompleted portion of contracts awarded. Although the Group only includes a project in its order book once a full and comprehensive agreement with the customer is reached or the Group is in exclusive negotiations with the customer to come to a comprehensive agreement, completion of any such project at the value reflected in the order book is subject to a number of assumptions, risks, and estimates, as a result of which, the order book may not be fully indicative of future revenue relating to the performance of the agreed project. In addition, such projects might not be completed and all the revenue anticipated in the order book might not be realised, or might not be realised in the timeframe expected, or might result in profits lower than the level anticipated by the Group as a result of factors outside of the Group's control.

Due to, in particular, prevailing macroeconomic conditions and rising interest rates, the Group's customers may encounter financial difficulties such that they are unable to commence new or progress existing projects, in respect of which the Group may have orders in place, such that the Group's orders are not required to be effected. In such cases, the Group may rely on contractual relief for non-performance by the relevant customer, but the Group will

nonetheless be in a financial condition which is worse than if the order had been effected and compensated per contract. Accordingly, any failure by a customer to commence new or progress existing projects may have a material adverse effect on the Group's financial condition and results of operations.

If disputes with customers arise due to execution problems with contracts caused by factors outside the Group's control, the Group aims at negotiating variations to the contract with its customers to reach a mutually acceptable solution. It is possible however, that no solution can be negotiated, which could have a significant adverse effect on the Group's business. Terminations, delays or variations could negatively affect the Group's order book, could reduce or defer the Group's revenue and margins and could, particularly in the case of high-value contracts, have a material adverse effect on the Group's business.

In addition, orders are often awarded on the basis of a non-final design at the tendering phase, which is subsequently developed by the customer into a design that is actually "approved for construction". The changes related to such final design may have an impact on the costs to be incurred with production. Any increase in costs, which does not result in a proportional increase in revenue, could negatively impact the profit obtained for that project. A discrepancy between revenue and costs for additional work could also take place if the Group fails to timely invoice any work outside and beyond the initially agreed scope of work. As a result, the Group may forego such additional expenses, or it may have trouble timely collecting the additional costs, resulting in a material and adverse effect on the Group's revenue.

The Group's success and results of operations are partly dependent on the strength of its reputation and the reputation of its partners. Any damage to the reputation of the Group or its partners may result in customers not awarding the Group their future business or loss of the opportunity to bid for future business

The Group regularly delivers products to its customers through a partnership or joint-venture structure. The Group's success and results of operations depend significantly on the strength of its reputation, as well as the reputation of its partners. The Group attracts (and retains) business partly as a result of its reputation, and the trust that was built in the past. The reputation of the Group (and its partners) is dependent on a number of factors and may be damaged by, among other things, failed projects, non-compliance with regulations or business principles, health and safety issues (particularly accidents that result in death or severe injury), customer and supplier issues, litigation, employee misconduct, difficulties in operational or financial management, or negative publicity.

Any damage to the reputation of the Group or its partners may result in customers demanding a lower price for the Group's products, not awarding the Group future business or the opportunity to bid for future business, and may also result in an inability to attract new customers, and may lead to a broader material adverse effect on the Group's business by way of loss of goodwill.

The Group's involvement in joint ventures and partnerships over which the Group does not have full control could prevent the Group from achieving its objective to provide comprehensive offshore wind solutions and disputes or diverging interests with (joint venture) partners could adversely affect the Group's business, results of operations, prospects and reputation

In order to provide its customers with a comprehensive offshore wind solution, the Group relies and may rely on partnerships, for instance with Dillinger Hütte (for steel plates), Euskal Forging (for steel flanges), Smulders Eiffage (for steel applications to transition pieces) and Van Ginkel (for blasting and coating), and, from time to time, joint ventures, for instance SBR Engineering GmbH (a joint venture consisting of engineering capacity of experienced workforce) and Smulders Sif Steel Foundations B.V. (a joint venture focused on project management in the offshore winds industry).

In the case of partnerships and joint ventures, many decisions relating to products and/or services, and with respect to joint ventures relating to corporate decisions such as equity calls and financings, require the consent, cooperation or approval of the relevant partners. The Group's partners may have economic or business interests or objectives that are inconsistent with those of the Group. Material differences and disputes could arise between the Group and its joint venture partners which could result in a dead lock or result in certain consequences such as failure to refinance indebtedness, distribute dividends or withdrawal from the joint venture. This could negatively impact the Group's reputation, relationships or ability to pursue its objectives, which could in turn have a material adverse effect on the Group's business, results of operations and prospects.

If a joint venture partner would fail to make a capital contribution, the joint venture may not be able to make a required investment which could hinder the Group's growth strategies and in turn the Group's business and prospects, or alternatively, one of the other partners may elect not to fund its share of a capital call, with the consequence that the underlying purpose of the capital call would not be fulfilled or the Group would be required to take up the relevant partner's share of the call. Furthermore, the Group's joint venture partners may become insolvent and the Group may be liable for its partner's share of any liabilities relating to such joint venture, which could have a material adverse effect on the Group's reputation, business, financial condition and prospects.

The offshore wind supply chain may be disrupted by other components or actors thereof

The Group's business depends on the timely and efficient delivery of its products to its customers, who are mainly developers and operators of offshore wind farms. However, the Group does not control or influence the availability, quality, cost, or performance of other parts of and key equipment required for the offshore wind supply chain, such as the suppliers of towers, turbines, nacelles and blades. These components are subject to various risks, such as technical failures, supply shortages, price fluctuations, regulatory changes, environmental impacts, labour disputes, accidents, or force majeure events that could affect their production, transportation, installation, operation, or maintenance. Any disruptions or delays in the delivery or operation of these components could adversely affect the demand for the Group's products, the completion of its contracts, the satisfaction of its customers, or the reputation of the offshore wind industry. This could result in lower revenues, higher costs, contractual penalties, claims, or litigation, and could materially and adversely affect the Group's financial condition, results of operations, and prospects. The Group cannot assure investors that it will be able to mitigate or recover from such risks, or that it will have adequate insurance or contractual protection to cover any losses or liabilities arising from them.

Additionally, the Group's business also depends on the availability of installation vessels that are capable of transporting and installing its products at the offshore wind farm sites. The installation vessels are an important part of the supply chain, and their demand may exceed their supply, especially when the offshore wind market grows and the projects become larger and more complex. The Group's customers may face competition from other offshore wind players or industries for securing the installation vessels, or may encounter difficulties in finding suitable vessels that meet the technical and operational requirements of its projects. The Group's customers may also face risks of delays or cancellations of the installation vessels, due to factors such as weather conditions, technical issues, accidents, or force majeure events, which could affect the execution of its contracts or the quality of its products. Any of these factors could result in higher costs, lower margins, claims, or litigation, and could materially and adversely affect the Group's financial condition, results of operations, and prospects. The Group cannot assure investors that it will be able to mitigate or recover from such risks, or that it will have adequate insurance or contractual protection to cover any losses or liabilities arising from them.

The Group's revenue and cash flows are subject to fluctuations during the year as a result of gaps between projects and project delays may result in material timing deviations that could materially and adversely affect the Group's expected revenue, profitability and cash flows

The Group's revenue, cash flows and results from operations fluctuate during the year and will continue to vary due to a number of factors, such as fluctuations in the volume of incoming orders, the timing of receipt of necessary permits or reaching other key milestones, the timing of delivery of large projects, delays in financing and the launch of new projects.

Specifically, if the Group does not succeed in obtaining sufficient engagements that would enable it to continue production at high capacity, the revenue and cash flow of the Group may be materially and adversely affected. A considerable portion of the Group's operating expenses are fixed costs that cannot be adjusted according to short-term fluctuations in business activities. As a result, a decrease in revenue in a given period could have a material adverse effect on the Group's results of operations and cash flow. In 2018, for instance, the Group experienced a gap in the order book, as a result of which production levels were lower than the capacity of the Group's facilities would allow, which adversely affected the revenue and cash flow of the Group. Since the Manufacturing Expansion will increase overall production capacity, the risk of not having sufficient demand to be fully operational could be exacerbated.

This risk is not expected to be materially exacerbated by the advance factory payments from the two launching customers, as the timing of the receipt of the payments is aligned with the cash flow requirements for the investments in the Manufacturing Expansion, which will therefore not result in any major fluctuations for the relevant period. For context, these payments are expected to be fully drawn in 2023 and the first half of 2024, with settlement expected take place in 2025 and the first half of 2026. The timing of settlements of the advance factory payments (with milestone payments in the respective projects) is set in such a way that there will be sufficient cash flow to cover cash outflows. These settlements will take place during 2025 and 2026, when the Manufacturing Expansion is completed and the EBITDA-levels have increased (for more information on the EBITDA outlook, including the basis of preparations and assumptions, please see "*Operating and Financial Review – EBITDA Outlook*"), and therefore sufficient headroom is created to settle the payments.

In addition, the Group's cash flows fluctuate in line with cash payments made at particular project milestones. Although this has not resulted in liquidity issues in recent years, delays in the completion of milestones and/or mechanical completion due to project delays, irrespective of whether any such delays are within the Group's control, could cause revenue, the related profit margins on projects and cash inflows to be deferred from one year to the next.

If the Group, due to its own fault, error or shortcoming, fails to complete a project on time, misses a required quality standard or otherwise fails to adequately perform on projects, this may result in contractual breaches and related consequences (including damages and/or termination of customer agreements) and the Group may in turn incur a loss on that project

The Group usually commits to its customers in its agreements that it will complete projects by a scheduled date, that a project, when delivered, will meet agreed required quality standards and that it will be free from defects in accordance with the underlying agreement. If a project, due to the Group's own fault, error or shortcoming, is not completed by the scheduled date, or it fails to meet required quality standards, or the Group fails to perform other contractual obligations, the Group may be liable to pay compensation or damages for breach of contract, incur significant additional costs, or incur a loss or substantial penalties (both contractual penalties and as a result of civil liability), and payment of the Group's invoices may be delayed. For instance, in case the Group does not deliver the agreed product to its customer within the agreed deadline as a result of failure or defect in the manufacturing process, the customer may claim a pre-agreed compensation amount from the Group. The specifics and pre-agreed amounts are tailor-made per project.

In addition, the customer may have the right in certain circumstances to terminate the agreement. In certain projects the Group may need to accept a retention regime, where receipt of the final amount follows only after the customer's full acceptance of the project.

Under certain agreements, the Group is also responsible for (all or a portion of) the transportation of the products. As a result, the Group may be held liable for defects or delays caused by transportation. In certain cases, the Group may also be subject to agreed financial damages and penalties stipulated in the relevant contract when it fails to meet quality standards or deadlines.

In relation to its large projects, the Group is required to provide a performance bond, warranty bond or advance payment bond, under which the customer may demand payment up to a certain specified percentage from the bank that is party to the performance or warranty bond if it deems the performance of the Group unsatisfactory under the agreement. The relevant bank will then need to pay the stipulated amount to that customer, regardless of the merits of the claim of non-performance. There is a risk that such claims would be made without merits, putting the Group into a position in which it needs to reclaim the amounts paid out to the customer, incurring the associated costs, or in a failure to recover amounts due.

Finally, any defects in the product provided by the Group caused by a flaw in the design of such product are generally the responsibility of the customer providing the design. However, in some instances, the Group assumes responsibility for providing the complete design or detailed design of specific parts of the products, such as a davit crane or navigation light. The Group may therefore be held liable for defects with respect to such specific parts. Similarly, the Group commits itself in some agreements to timely notify the customer of flaws in the design that should be discovered by an experienced contractor. If the Group fails to do so, the Group may be held liable for such flaws, resulting in a material increase in costs.

Unexpected repairs or breakdowns of the Group's equipment may require substantial expenditure

Unexpected repairs or breakdowns of facilities and equipment may involve substantial costs. The Group's operations are dependent on the operating efficiency and reliability of its facilities and equipment in terms of operational readiness and the safety environment. Although the Group always takes into account a level of downtime of equipment when planning a project, any unexpected breakdown or non-performance of facilities and equipment for a prolonged period of time is difficult to predict and in the event of downtime, additional costs and losses may be incurred by the Group's customers arising from the disruption of their workflow and scheduled activities and some of these costs may be passed on to the Group. Rectification of the breakdown or non-performance, depending on its severity, may also require replacement or repair of key components and there may be long lead times required in the procurement of these components. Such rectification of the affected facilities and equipment may require the Group to incur significant costs and may result in such facilities and equipment being out of service and being unable to generate revenue for the Group over extended periods of time.

Breakdowns may take place in the normal course of business, but could also be caused by external factors such as extreme weather conditions, fires or flooding. In such an event, the Group may be unable to meet its contractual obligations with its customers, which in turn may lead to penalties, thus materially and adversely affecting the Group's reputation as well as its results of operations.

The Russia-Ukraine war may have an indirect impact on the Group's business

On February 24, 2022, Russia commenced a large-scale military attack on Ukraine. The Russia-Ukraine war has had an impact on the global economy as a whole, and as a result the Group and the market in which it operates, face greater risks due to the international nature of the offshore wind industry, including the countries where the Group, its customers and its suppliers operate. The current impact is not completely known, but could result in potential issues such as (a) instability of foreign governments, including the threat of war, military conflict (including the military conflict between Russia and Ukraine), civil unrest, regime changes, mass migration and terrorist attacks) and (b) changes in, or uncertainty about, laws, regulations and policies affecting trade and investments including the imposition of trade and travel restrictions, government sections, local practices which favour local companies and constraints or investments.

The Group has no direct business with Ukraine or Russia but it may as a result of the conflict experience an indirect impact on its business, including price increases, shortage of materials and energy and inflation, as well as an impact on its suppliers going forward. This may have a materially adverse effect on the business, financial condition and results of operations of the Group.

The Group may be harmed by safety incidents

Particularly in a manufacturing or offshore environment, there is an inherent and significant risk of safety incidents such as workplace accidents, for example hoisting/lifting incidents or slip, trip and fall incidents. The Group's projects are large and complex and may, for example, place employees and others near large or dangerous equipment. If a major safety incident were to occur, such as an explosion or structural collapse, this could result in injuries, loss of life, environmental harm and disruption to business activities. For example, on 7 August 2022, a gas explosion occurred at the Group's Roermond facilities while works were ongoing. One employee was taken to the hospital for observation but was discharged on 9 August. A set of measures was implemented in the days following the incident to provide for a safer workplace.

The Group has set up various internal procedures to safeguard the quality of products, the health, safety and environment (HSE) of personnel of the Group and its customers. For more information on internal procedures relating to the production process of the Group, please see "*Business – Health, Safety and Environment*". Although the Group has a HSE policy in place, trains its personnel, and in general aims to perform its services with the lowest safety risk for persons involved, such efforts may not succeed in preventing safety incidents leading to lost time incidents, claims both from injured employees and from customers, (longer term) higher insurance costs or in case of high impact incidents, fines or even criminal prosecution of executives. In addition, such incidents may result in customers temporarily stopping production, terminating an entire contract with the Group or preclude the Group from being allowed to bid on future business. To the extent such incidents lead to reputational harm, it could also negatively affect the Group's ability to attract new customers. For more information, see "*Business – Quality Management*" and "*Business - Quality Management and Health, Safety, and Environment*".

The Group's internal control systems may not adequately identify all risks and the Group may not properly assess the impact such risks may have

Risks can manifest themselves in many ways, including business interruption, poor performance, IT system malfunctions or failures, non-performance from partners or subcontractors, breach of applicable laws and regulations, human errors, employee misconduct or internal and external fraud. Timely identification, assessment and, if necessary, treatment of risks as they materialise is critical to the performance of the Group, as is the consistent and disciplined implementation of internal control systems and risk management across the Group as a whole. Although the Group believes to have sufficient internal control mechanisms in place, all as part of the quality management system as described under "*Business – Quality Management and Health, Safety, and Environment - Health, Safety and Environment*", there remains a risk that the control mechanisms are incomplete or not executed adequately, as a result of which the abovementioned risks may materialise.

The Group may become responsible for products by parties not selected by itself

From time to time, customers may select third party service providers themselves rather than allowing the Group to select them as sub-contractors. In some instances, the customer has the right to require the Group to produce or complete those products if that third party does not perform. This may expose the Group to contractual and operational challenges in order to ensure that it is able to provide quality products in a timely manner. Failure to do so may expose the Group to liability for damages incurred in relation to a delay or defect in the product.

Financial Risks

The Group's ability to draw under the debt financing for the Manufacturing Expansion is subject to certain conditions

The Group can only access the (up to) €81 million term loan facilities with Atradius cover (the **Term Loan Facilities**), which form part of the €328 million financing package for the Manufacturing Expansion, if it meets certain conditions on the dates it requests and receives the funds. These conditions include (among others) the customary conditions relating to the accuracy of representations and warranties and absences of defaults under the Facility Agreement. Moreover, the lenders are only obligated to make the term loan funds available if the Group also meets certain conditions, as described in "*Operating and Financial Review – Banking facilities and loans*", which include (among others) (i) in respect of drawing a certain tranche of the Term Loan Facilities, getting the necessary permits for the Manufacturing Expansion; (ii) the written confirmation from the launching customers that the initial conditions precedent to the utilisation of the advance factory payments have been satisfied or waived; and (iii) the aggregate amount of new equity provided to the Company being at least equal to the aggregate amount outstanding under the term loan facilities (or EUR 100,000,000 if the outstanding term loans exceed EUR 68,850,000) (the **Lending Conditions**).

As of the date of this Prospectus, the Group does not foresee that it will not be able to fulfil the applicable Lending Conditions at the time of future drawdowns. If the Group fails to do so, the lenders will not be obliged to make the term loan funds available, which could harm the Group's liquidity and delay or stop the Manufacturing Expansion.

The Term Loan Facilities terms have various conditions that could trigger mandatory prepayments or events of default, allowing the lenders to demand immediate repayment of the term loans. These conditions include, but are not limited to, insolvency, non-compliance with the finance or security documents, breaches of representations or covenants, and cross defaults. The Term Loan Facilities terms also have some conditions that are specific to the Manufacturing Expansion: (i) a mandatory prepayment of the term loans if the Atradius insurance policy that covers the project is terminated, ceases to be in full force and effect in accordance with the general terms and conditions of Atradius, it becomes illegal or unlawful for Atradius to perform its obligations thereunder, or is repudiated by Atradius (or Atradius evidences an intention to repudiate their obligations thereunder); (ii) an event of default if the Group does not complete the Manufacturing Expansion by 30 September 2025; and (iii) an event of default if a government or regulatory agency or authority takes enforcement action against the Group for not having the required nature permit or for violating it, which prevents the Group from building or finishing the Manufacturing Expansion. Please refer to "*Operating and Financial Review – Banking facilities and loans*" for more information in relation to the Term Loan Facilities.

The €40 million operational lease facility (the **Operational Lease Facility**), which also forms part of the €328 million financing package for the Manufacturing Expansion, is available for drawing upon satisfaction of certain conditions precedent, which, as of the date of this Prospectus, have been satisfied. The Operational Lease Facility may be terminated by the operational lease lender if: (i) the agent (on behalf of the lenders) exercises its acceleration rights under the Facility Agreement following the occurrence of an event of default thereunder that is continuing (please refer to section "*Operating and Financial Review – Banking facilities and loans*"), (ii) the commitments under the Facility Agreement are cancelled in full by the Group or (iii) the Group does not comply with the provisions of the operational lease facility agreement unless failure to comply is capable of remedy and is remedied within 15 business days.

If the Group cannot access the debt financing or the lenders ask for immediate repayment due to an event of default, this would seriously harm the Group's liquidity, the Manufacturing Expansion and its ability to stay in business. This is also the case if there is a material delay or budget overrun reported by the technical advisor appointed in respect of the Manufacturing Expansion, as this may result in a drawstop under the debt financing (including the Term Loan Facilities and the Operational Lease Facility).

The Group's ability to draw the advance factory payment from Empire is subject to certain conditions

Sif Netherlands B.V. (**Sif Netherlands**) can only submit an invoice for each of the advance factory payments if the initial conditions precedent under the relevant monopile contract with Empire Offshore Wind LLC (a joint venture between Equinor and BP, **Empire**) have been satisfied. The initial conditions precedent include, amongst others, provision of evidence of the sources of debt, equity and other funding for the Manufacturing Expansion and the construction and environmental permit for the Manufacturing Expansion having been obtained and becoming irrevocable. As at the date of this Prospectus, Sif Netherlands has not satisfied all of the initial conditions precedent under the monopile contracts with Empire. If it fails to do so, Empire will not be obliged to make the advance payments, which would harm the Group's liquidity and delay or stop the Manufacturing Expansion. Empire's obligation to pay each advance factory payment to Sif Netherlands is also subject to Sif Netherlands confirming, on the date it submits the invoice for the relevant advance factory payment, that certain further conditions precedent are satisfied. Such further conditions precedent include, among others, confirmation by Sif Netherlands that no "Material Contractor Event of Default" (as described further in "*Business - Material Agreements – Launching customer 1*") under either of the monopile contracts has occurred and is outstanding and that no condemnation or unrepaired damage has occurred with respect to the fabrication facility which is the subject of the Manufacturing Expansion. If Sif Netherlands cannot give the relevant confirmations on the relevant dates, Empire will not be obliged to make the advance payments, which would harm the Group's liquidity and delay or stop the Manufacturing Expansion.

Each of the monopile contracts entered into between Sif Netherlands and Empire provides an obligation for Sif Netherlands to mandatorily repay the full amount of the advance factory payment which has been paid to it if the monopile contract is terminated by Empire as a result of a Material Contractor Event of Default (as described further in "*Business - Material Agreements – Launching customer 1*").

If the Group either cannot access the advance factory payments or Empire requires them to be repaid due to the monopile contracts being terminated due to a Material Contractor Event of Default, this would seriously harm the Group's liquidity and delay or stop the Manufacturing Expansion.

If either of the monopile contracts is terminated for any reason other than a Material Contractor Event of Default after the relevant advance factory payment has been paid by Empire to Sif Netherlands (a **Trigger Event**), Sif Netherlands' obligation to repay the advance factory payment will be discharged and a deeply subordinated non-convertible perpetual bond issued on 5 April 2023 by the Company to Empire Offshore Wind Holdings LLC, the parent of Empire Offshore Wind LLC, will become effective in an amount equal to the amount of the advance factory payment which has been paid to Sif Netherlands, less any amounts credited against the contract price (as defined in the relevant monopile contract) and less any fees payable to Sif Netherlands under the relevant monopile contract. Before a Trigger Event, no interest shall accrue on the perpetual bond. Provided that a Trigger Event has occurred, interest on the perpetual bond accrues after 1 January 2026 at a rate of EURIBOR plus 5%, subject to an annual increase by 0.75% beginning on 1 July 2027 (the **Interest Rate**) and is payable annually in arrears. Interest payments can generally be deferred but interest is mandatorily payable within ten (10) business days in certain circumstances, including if the Company is de-listed, becomes insolvent, makes distributions to its

shareholders or otherwise redeems equity instruments or repays shareholder loans. If the Company either fails to pay such interest within a certain number of days of becoming due or becomes insolvent, then the perpetual bond will become automatically due and payable together with all accrued interest (including any deferred interest, which bears interest at the applicable Interest Rate plus an additional rate of 2%).

The Group's ability to draw the advance factory payment from Ecowende is subject to certain conditions

Ecowende's obligation to pay any amount of the €50,000,000 advance factory payment is subject to the satisfaction of certain further conditions precedents which include (a) Sif Netherlands confirming on the date of the drawdown request that no material adverse effect (as defined in the advance factory payment and reservation agreement) has occurred, and (b) the drawdown request being accompanied by an up-to-date investment plan for the Manufacturing Expansion. Sif Netherlands is also required to substantiate the drawdown request with evidence of the purpose of the relevant drawing (for example, invoices for the cost of the Manufacturing Expansion to be financed with that drawing). If Sif Netherlands cannot satisfy these conditions precedent and drawing requirements then Ecowende would not be obliged to fund the drawdown.

Ecowende can require the advance factory payment to be repaid and, if applicable, cancel any available amount not yet drawn if Sif Netherlands commits a "Material Breach" (as described further in "*Business - Material Agreements – Launching customer 2*") which is either not capable of remedy or is not remedied within thirty (30) business days. In those circumstances, a penalty in an amount equal to the amount of the €50,000,000 advance factory payment which has been drawn by Sif Netherlands would be payable within five (5) business days and any undrawn amount of the advance factory payment would be cancelled. If the Group either cannot access the advance factory payment or Ecowende requires it to be repaid by way of a penalty payment due a Material Breach (as described further in "*Business - Material Agreements – Launching customer 2*"), this would seriously harm the Group's liquidity and the Manufacturing Expansion.

The advance factory payment and reservation agreement with Ecowende also provides for a €4,000,000 penalty being payable by Sif Netherlands if Sif Netherlands sells the slot reserved in favour of Ecowende to a third party during a specified time period in circumstances where Ecowende had previously offered to sell the reserved slot to that same third party (but without the sale completing). If this penalty is triggered, it is added to the value of the voucher which the reserved slot can be converted into in certain circumstances.

The parent guarantees provided by Ecowende's shareholders in favour of Sif Netherlands (guaranteeing Ecowende's obligation to pay the advance factory payment) are limited in time and could potentially terminate before the advance factory payment has been paid in full to Sif Netherlands.

The Group's increased leverage levels may affect its financial condition, liquidity and ability to service its debt obligations

Pursuant to the Facility Agreement, the Group has a revolving credit facility of €400 million (of which €50 million is available by way of cash drawings and/or overdraft ancillary facility and €350 million are available by way of guarantees or ancillary facilities (other than an overdraft or other cash facility)) (the **Revolving Facility**) and up to €81 million of term facilities which are subject to an 80% Atradius 'green cover' (the **Term Facilities**, and together with the Revolving Facility, the **Facilities**). The Company, Sif Netherlands and Sif Property B.V. are borrowers and guarantors in respect of the Facilities (and it is possible that other members of the Group may accede as borrower and guarantors in future). For more information on the Group's financing arrangements, please see "*Operating and Financial Review – Banking facilities and loans*".

As a result of the Facilities and future drawdowns thereon for purposes of the Manufacturing Expansion (to be drawn down on the Term Facilities) and generally (the remainder of the Facilities), the Company has increased its leverage levels which may reduce its financial flexibility, increase its interest expense, limit its access to capital markets and make it more vulnerable to adverse economic and industry conditions.

The Group's ability to service its debt obligations depends on its future performance, which is subject to various factors, some of which are beyond its control, such as market demand and prices of monopile foundations, competition, regulatory change, environmental risks, operational disruptions, currency fluctuations and general economic conditions. There can be no assurance that the Group will generate sufficient cash flow from its operations or that it will be able to obtain additional financing on favourable terms, if at all, to meet its debt obligations and fund capital expenditure (besides the Manufacturing Expansion) and working capital needs. If the

Group is unable to service its debt obligations or fund its liquidity needs, it may have to reduce or delay its planned investments, sell assets, restructure or refinance its debt, or seek alternative sources of financing, which may not be available or may be costly or dilutive to the existing shareholders. Any of these actions could impair the Group's growth potential, competitive position and profitability, and could result in a loss of value for Shareholders.

The terms of the Group's indebtedness, including its borrowing and project-related guarantees may limit its financial flexibility

The Group's credit facilities contain financial covenants and operating covenants that must be complied with in order for the credit facilities to remain available to the Group. The operating covenants under the Group's credit facilities restrict certain activities, subject to certain permitted exceptions. The covenants might restrict the Group's flexibility in planning for, or reacting to, changes in the Group's business and industry and increase the Group's vulnerability to adverse economic and industry conditions. In addition, the covenants could materially affect the Group's ability to expand or invest, thereby leading to a passing up of profitable business opportunities or negatively affecting its competitive position. For more information on the financing agreements in place and the covenants included therein, please see "*Operating and Financial Review*".

The Group may enter into additional financing arrangements in the future, which could further restrict the Group's financial flexibility.

In the event of non-compliance with any of its financial or operating covenants, the Group may be required to immediately repay its credit facilities. The Group may be unable to finance such a repayment or renegotiate on similar terms.

Failure to comply with a financial or operating covenant, or to satisfy an obligation to repay the credit facilities upon breach of a covenant could result in an event of default, in full or in part, which may materially and adversely affect the Group's business and financial condition.

The Group's business is capital intensive and requires significant capital outlays for equipment. These contracts are capital intensive and typically require that significant amounts of third party debt funding be arranged. The Group may need additional equity or debt funding in the future which may not be available

The Group's business is capital intensive and requires significant capital outlays for equipment, which may need to be arranged in advance of securing contracts for the utilisation of such assets.

The Group's existing and future contracts might not provide income adequate to cover the significant fixed and variable costs associated with its projects and there is no assurance that such contracts will be renewed, extended or replaced upon expiration.

In the event that the Group's existing resources and other committed funding are insufficient to fund its investment program, working capital and other operating and maintenance activities, the Group may need to raise additional capital to pursue its business strategy in the future. Additional funds may not be available when the Group needs them on terms that are commercially acceptable, or at all. If adequate funds are not available on a timely basis, the Group may curtail development programmes and may be required to delay, scale back, sell or eliminate certain of its assets and/or activities, which may have a material adverse effect on the Group's business, results of operations, financial condition and prospects or cause the Group to discontinue its operations. If the Group raises additional funds by issuing additional equity securities, dilution to the holdings of existing Shareholders may result.

The Group could be subject to unexpected needs for liquidity and debt financing, which could be exacerbated by factors beyond its control including adverse capital and credit market conditions

The Group's financial position and current debt levels, as per current expectations, which may be subject to change, do not require the Group to obtain additional debt in the future, other than the debt arrangements already in place. For more information on the current debt financing arrangements, see "*Operating and Financial Review – Banking facilities and loans*".

However, market conditions such as an increase in demand or the need to incur additional costs due to, for instance an unexpected break-down of equipment could subject the Group to an unexpected need for liquidity, which may

require the Group to increase its levels of indebtedness. Access to financing in the longer term depends on a variety of factors outside the Group's control, such as market conditions, the general availability of funding, the overall availability of credit to the industry, credit capacity, as well as lenders' perception of the Group's long- or short-term financial prospects.

From 2008 onwards, the capital and credit markets exerted downward pressure on the availability of liquidity and credit capacity. While this pressure has lessened, this trend may not continue and credit markets may deteriorate beyond levels seen previously. As a result, the Group may not be able to obtain additional financing on favourable terms or at all in the longer term. If access to financing is not available to the Group in amounts sufficient to enable it to fund unexpected liquidity needs, the Group may be required to: (i) reduce or delay its capital expenditures; (ii) limit its growth; (iii) seek additional debt financing or equity capital at unfavourable terms; (iv) forego opportunities, such as the acquisition of other businesses; (v) sell its assets; or (vi) restructure or refinance its debt at favourable terms. The Group may not be able to undertake these actions on favourable terms or at all, and the cost of any such capital and funding may be significant.

Increased inflation and the inability to pass on higher costs could have an adverse effect on the Group's financial condition and prospects

The Group operates in a highly competitive and price-sensitive market, which is subject to fluctuations in costs of raw materials, labour, transportation, energy and other inputs. The Group's contracts with its customers typically have fixed or indexed prices and do not allow for full or timely adjustments for changes in inflation. Where this is not the case, the Group may face resistance or delays from its customers in so adjusting prices. Therefore, the Group may not be able to pass on any increases in its costs due to inflation to its customers, or may only be able to do so with a significant delay or at the risk of losing market share. The Group's ability to pass on cost increases to its customers may also depend on the demand and supply dynamics of the market for monopile foundations, which are influenced by various factors, such as regulatory policies, environmental concerns, technological developments, availability of alternative energy sources, customer preferences and competitive pressures.

Recent increases in the pricing of steel have not caused any material difficulties for the Group; as explained above, it is typically contractually agreed that customers assume the risk of such price increases. However, in the case of energy prices, the Group bears the risk. As such, inflation in energy prices would lead to an increase in costs which cannot be passed on to customers, which could have a material adverse impact on the Group's results of operations. Increases in energy prices during the course of 2022 led to a reduction in the Group's earnings for such year.

The Group cannot predict the future level or direction of inflation, or the impact of inflation on its business, results of operations, financial condition and prospects. If inflation increases significantly or unexpectedly, or if the Group is unable to pass on inflation costs to its customers or mitigate inflation risks, this may have a material adverse effect on its business, results of operations and financial condition.

The Group is exposed to the risk that a customer, or counterparty of a financial instrument, delays or defaults on a payment obligation, which could reduce the Group's profits

The Group's outstanding balances with its main debtors are generally, but not in each instance, covered by different instruments to secure payments, such as bank guarantees, credit insurance, third party guarantees (e.g. parent company guarantees) and documentary evidence confirming financing for the projects being available or in place (e.g. via project finance letters). This limits the exposure to credit risk in relation to its counterparties.

As payments are made upon the Group reaching certain pre-defined milestones, the Group incurs a credit risk on its customers with respect to costs that are incurred before each milestone is reached. The Group may take out credit insurance to address this risk. Such insurance is capped per (legal entity of) each customer. The caps can be reduced for future risks with a month's notice. The insurance per counterparty covers a case-by-case percentage of the credit loss incurred. In addition, the services of the Group are paid for according to a payment schedule with intermediate payments that are due at specific milestones, also in the form of pre-payments. As the Group provides its products at an early stage in a project, the likelihood of being paid is relatively high. Finally, the Group often has as a counterparty that is a fully funded special purpose vehicle or a strong and reputable entity.

Nonetheless, the Group is exposed to the risk that a customer, or counterparty of a financial instrument, delays or defaults on a payment obligation. Several of the Group's contracts are long-term in duration, and there can be no guarantee that the financial position of the Group's major customers will not materially change during the contracting period. The number of major customers of the Group is limited and the portion of the Group's income they represent is significant, since each project value varies greatly and could amount to up to €600 million. Contracts for large projects are a significant part of the Group's annual revenue. Therefore, if the Group's customers, or other counterparties of financial instruments, delay or default on their payment obligations, the Group may suffer a material adverse effect on its results of operations.

In addition, from time to time the Group enters into contracts with customers that are a special purpose vehicle. Special purpose vehicles have no other assets than those required for completing a project such as an offshore wind farm. In such cases, since the Group does not have recourse on other assets than those related to the project (apart from any securities that may be in place, such as guarantees), the credit risk could be increased, with corresponding potential effects on the Group's revenue and cashflow.

A change in interest rates could adversely affect the Group's interest expense, cash flow, and ability to service its debt obligations

The Group's operations and financial performance are exposed to interest rate risk, as it has outstanding debt obligations that bear interest at variable rates, including under the Facilities which is linked to EURIBOR. A change in interest rates could affect the Group's interest expense, cash flows, and ability to service its debt obligations. The Group does not use any derivative instruments to hedge its interest rate risk. The Group continuously monitors its interest rate exposure and may consider hedging strategies in the future, depending on market conditions and the availability and cost of hedging instruments. However, there can be no assurance that the Group will be able to hedge its interest rate risk effectively or at all, or that any hedging instruments will not have adverse effects on the Group's financial position or results of operations. Furthermore, changes in interest rates could also affect the Group's ability to access new financing on favourable terms and the pricing of its products and services, which could have a material adverse effect on the Group's business, financial condition, and results of operations.

Exchange rate fluctuations may materially and adversely affect the Group's revenue, profit and financial condition

The Group's revenue and costs are denominated almost entirely in euro. However, this may change in the future as the Group accesses other markets with currencies other than euro, as a result of which currency fluctuations could lead to potential exposures on costs and equity. Fluctuating foreign exchange rates can have an effect on the results of the Group with respect to operating costs as well as costs of conversion projects which could in turn have a material adverse effect on the Group's results of operations.

Regulatory Risks

Failure to obtain or maintain regulatory approvals or permits could adversely affect the Group's operations

The Group needs various permits to run its business. These permits have conditions that the Group must follow. For example, the Group has an integrated environmental permit with conditions on environmental aspects, such as noise, use of chemicals, water and waste. To operate both factories in Roermond and Rotterdam the Group requires an environmental and, for the Manufacturing Expansion, building permit (*omgevingsvergunning bouwen*) and a nature permit (*natuurwetvergunning*). The Group holds all the permits it needs for the factory in Roermond and a building and environmental permit for the Rotterdam factory. For more information on the Group's permits and those required for the Manufacturing Expansion, and the legal position in respect of the holding of a nature permit, see "*Business – Regulatory environment*". This risk factor is interdependent with and should be read with risk factor "*Failure to obtain a nature permit could adversely affect the Group's operations*", which describes the risk associated with any failure by the Group to obtain the nature permit in respect of the operations at the Maasvlakte-2 facilities. In summary, should the nature permit not be obtained – and should the competent authority no longer be willing to allow the Group to operate without a nature permit – the Group would have to cease causing a significant effect onto Natura2000 sites, which may require the Group to stop the Manufacturing

Expansion and potentially also its current operations. Sanctions can be imposed to this end under both public and criminal law and such sanctions may also be aimed at undoing any effects wrongfully caused.

In case new rules are implemented or requests for additional permits are not granted, this could limit or restrict the Group's current or future operations or require the Group to make more investments to prevent such limitations or restrictions. In some cases, the Group has to comply with the most recent standards for environmental laws, regulations and/or permits (such as the requirement to use certain best available techniques for the activities covered by the environmental permits). Changes in the laws, regulations, permits or how they are interpreted, or new regulations, may force the Group to modify its operations. This could result in higher costs or lower revenues for the Group, make the Group stop part of its operations to comply with more stringent obligations or testing standards (and if the Group does not comply or achieve them, take remedial actions) or negatively affect the Group's business.

Local content requirements may require the Group to either produce parts of the projects abroad or act as a sub-contractor to a supplier in a foreign jurisdiction, resulting in a lower margin

The Group faces governmental requirements that require that local producers form part of the production process for the products offered by the Group, for instance in the United Kingdom and the United States (**local content requirements**). If such requirements become more stringent, or if such local content requirements are introduced in other foreign jurisdictions in which the Group is active, the Group may be unable to offer its products or parts of it to such markets direct, or only be able to provide its products to a smaller extent.

In addition, the Group may be required by local content requirements to provide its products by using a sub-contractor, while the Group would remain the main contractor and exposed to the full risk of the scope of the engagement. This could result in liabilities which could materially increase the costs incurred by the Group, affecting profitability.

The Group, its customers and suppliers, and the market in which it operates are subject to changes in ecological, environmental, health and safety and other laws and regulations

The Group's production process is subject to noise, environment and transport regulations. If such regulations become more stringent, for instance, as a result of pressure from environmental organisations, the Group may be forced to adjust its production process with associated increased costs and potentially a reduced capacity, which may impact revenue obtained by the Group. For more information on regulations relating to the production process of the Group, see "*Business – Quality Management and Health, Safety, and Environment*".

In addition, changes in ecological, environmental, health and safety and other laws and regulations, may also affect the Group's customers, suppliers or the market in which the Group operates. Such changes may, for example, extend to permits for wind turbines, as well as the obligation to report on the effects on the environment (*milieueffectrapportage*). In certain situations government coordinated decision-making (e.g. government-imposed zoning plan amendments or integrated environmental permits) may be obliged for the construction of wind turbines. Furthermore, the changes can extend to permitted noise levels of wind turbine generators, the disturbance it may create in relation to marine life, the prescribed distance to be maintained between offshore wind farms and the coast, the height of wind turbines in a given area or impose similar restrictions on offshore wind farm developments. Similarly environmental restrictions during the installation phase of a project (such as noise restrictions or bans on activities during certain periods) may hinder, delay or cancel projects. This may impose significant constraints on the growth of the offshore wind power industry as a whole. As a result, demand for the products offered by the Group may decline, which could materially and adversely affect the revenue of the Group.

Risks Relating to Disputes, Litigation and Other Claims

The Group may be confronted with claims arising from defects that occur within or after the defect notification period

In their legal agreements, the Group and its customers generally include a defect notification period. During such period, customers may demand that the Group repairs any defects that arise in relation to the products produced by the Group. The defect notification period typically extends from the date of completion of the services of the Group in relation to a project until up to five years later. During this period, the customer may require the Group

to repair any defects relating to the products provided by the Group. If a defect arises during a defect notification period, the end date of this period may be extended. Furthermore, in certain cases, depending among others on the jurisdiction and the terms of the specific contract, the Group may remain liable for defects (including but not limited to latent defects) after the defect notification period has ended, both as a result of statutory guarantee periods as well as through mandatory statutory limitation periods. The Group generally strives to exclude the applicability of statutory guarantee or limitation periods, to the extent possible. This is not always the case, in particular for agreements entered into before 2016 (being the year the Company became listed on Euronext).

If any defect arises, the Group may be forced to repair the defect, which could result in costs even higher than if damages would need to be paid since it may involve man hours and contracting with third parties such as transportation companies to repair the defect.

The Group is subject to the risk of disputes with, and claims by, customers, subcontractors, (former) employees and other contractual counterparties or third parties

From time to time, the Group has disputes with customers, subcontractors, former or current employees and other contractual counterparties or third parties. For more information relating to current or threatened litigation proceedings of the Group, please see "*Business – Legal and arbitration proceedings*".

Such disputes are generally resolved out of court, but claimants may pursue litigation or arbitration, resulting in additional costs, harm to the Group's reputation and diversion of management attention and resources from daily operations. Where the relevant dispute is with a customer, the dispute may result in accrual of costs and delays in payment and/or payment of settlement fees or penalties, which may in turn have a material adverse effect on the business, cash flows and net working capital of the Group, as well as the relationship with that customer and its reputation in general.

Failure to comply with laws and regulations to which the Group is subject may lead to disciplinary, administrative, civil and/or criminal enforcement actions, fines, penalties and civil liability and may lead to negative publicity harming the Group's business and reputation

The Group is currently and will continue to be subject to laws and regulations relating to several areas such as environment, health and safety, construction, procurement, administrative, accounting, corporate governance, market disclosure, tax, employment and data protection, primarily in the Netherlands. For more information on regulations relating to the production process of the Group, see "*Business – Quality Management and Health, Safety, and Environment*". In addition, the Group is subject to the European Market Infrastructure Regulation (Regulation (EU) 648/2012), which, amongst others, requires the Group to report its derivative positions.

Such laws and regulations may be subject to change and interpretation. Any failure to comply with applicable laws and regulations that may change over time, or the interpretation and enforcement of which may change over time, may lead to disciplinary, administrative, civil and/or criminal enforcement actions, fines, penalties and civil liability. This may carry negative publicity, resulting in a material adverse effect on the Group's business, results of operations, financial condition, prospects and reputation.

The Group may be subject to claims for the infringement of intellectual property rights of third parties, which could materially and adversely disrupt the Group's business and cause financial loss

The Group may be subject to claims that it is (or its customers or suppliers are) infringing a third party's intellectual property rights. These types of claims could be made by third parties seeking to protect their intellectual property rights portfolio, or by opportunistic companies who acquire patent portfolios for the sole purpose of asserting such claims.

Regardless of its merit or the ultimate outcome, any claim that the Group's systems, products or processes infringe the intellectual property rights of another party could cost the Group significant time and resources, at the expense of other activities of the business. A claim could result in the Group having to pay damages to a third party, temporarily or permanently discontinue the manufacturing, usage, or sale of a particular product, system, technology or process, develop new technology or workarounds, or licence technology from a third party claiming infringement (on potentially unattractive terms). This could result in unexpected costs, disruption to the business, a decrease in the value of the Group's products, services or technology, restrictions on the way the Group can use, market or sell its products or services or do business.

Risks Relating to Employees and Personnel

The Group may have difficulties with attracting and allocating skilled and sufficient human resources to effectively address all current developments

At the date of this Prospectus, the Group is undergoing significant developments that require considerable human resources, both on a managerial and broader level. The primary developments include (i) having an order book that is fully covered for the short term, (ii) completing the Manufacturing Expansion, and (iii), at a later stage, the resulting changes in the use of the Roermond and Maasvlakte 2 facilities. The Manufacturing Expansion is expected to require 200 additional full-time employees for Maasvlakte 2 on the current Group total of approximately 600 full-time employees (350 permanent and 250 flexible workforce). Of these 200, approximately 80 are expected to be relocated from the flexible workforce in Roermond to Maasvlakte 2 Rotterdam; this leaves a requirement of 120 full-time employees for recruitment between the date of this Prospectus and the end of 2024.

The Group strives to dedicate sufficient resources to address the aforementioned developments together with the on-going business, and as a result, personnel costs may increase. At the same time, the Group continues to favour a lean organisation. If the Group is not able to allocate sufficient qualified personnel to handle the increased workload associated with these developments, the Group may face difficulty in efficiently and effectively streamlining these work streams, which may result in, for instance, delays, increased costs and/or non-compliance with legal or internal requirements.

In addition, the current size of offshore wind energy projects requires the Group to enhance its project management and contract management capabilities. This is important in relation to the Group's efficient and effective cooperation both with its customers and its sub-contractors. There is a risk that an insufficiently broad implementation of these skills would lead to either claims against the Group from its customers or subcontractors, to missed additional income due to project or design changes to compensate for increased costs, or to non-granting of time extension to cater for project delays.

Furthermore, in relation to technical personnel, there is a risk that the Group will not have sufficient qualified staff. This risk is exacerbated by the use of temporary personnel, who, although they often have been employed at the Group for several years, may not in each case possess the required skills. This could lead to, for example, 100% dependency on temporary personnel on certain critical machines.

Finally, market forces may lead to an increase in the cost of labour, which could have material adverse effect on the Group's results of operations.

The Group relies significantly on the skills and experience of its managerial staff, technical manufacturing staff and other key personnel, and a loss of these individuals could materially and adversely affect the Group

The Group's competitive position and success has been built on the quality of its manufacturing skills and on its ability, both to refine existing techniques, and to identify, develop and implement new techniques. Maintaining a leading role in existing and new manufacturing techniques requires skilled manufacturing staff, who refine and develop those techniques, and skilled managerial staff both at a project level, to manage the implementation of the relevant project, and at the Company level, where sufficient experience and an in-depth knowledge of the Group, its business and strategy, and a sufficient understanding of the industry and markets in which the Group operates, are critical to the successful management of the Group and its business.

The attraction and retention of talented employees is critical to the Group's success, because its qualified technical specialists, for example roller- and welding operators, are an important part of the added value the Group brings to its products and customers. A loss of employees with specialized skills may result in business disruptions and in turn may result in the Group not timeously delivering products to customers or the quality of the products themselves, which could have a material adverse effect on the Group's reputation, business and results of operations. The loss of persons in leadership positions, such as the Company's CEO, CFO, COO or CCO, as well as the loss of the product strategy director, technical service personnel and engineering staff or an inability to attract, retain or motivate highly skilled employees may hinder the Group's ability to successfully conduct research activities or develop marketable products and bring those products to the market, each of which may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Several intellectual property rights are registered in the name of the Group (please see "*Business - Intellectual Property*"). For its business, the Group relies on its employees for retaining proprietary knowledge regarding its products, equipment and manufacturing processes. If the employees with such knowledge are not retained, such knowledge may be lost and/or shared with competitors. As a result, the Group risks losing its competitive advantage.

In addition, the Group may find it difficult to recruit, retain or motivate suitably qualified and experienced manufacturing and managerial staff in sufficient numbers, which could materially and adversely affect the Group's business and prospects.

The Group could experience labour disputes that may disrupt its operations and its relationships with its customers

A minority of the employees of the Group is represented by labour unions. Furthermore, collective bargaining agreements are in place, which are subject to periodic renegotiation with labour unions. Strikes or work stoppages could occur prior to, or during, the negotiations preceding new collective bargaining agreements, during wage and benefits negotiations or during other periods for other reasons. Prolonged strikes or work stoppages, which may increase in their severity and frequency, may have an adverse effect on the operations and financial results of the Group. It also may damage the reputation of the Group and the relationship with customers as a result of any delays in production.

Risks Relating to the Structure and Shareholding of the Company

Immediately after Settlement, Grachtenheer will continue to be in a position to exert substantial influence on the Company and the interests pursued by Grachtenheer could differ from the interests of the Company's other Shareholders

Immediately after Settlement and completion of the Grachtenheer Sell-Down, Grachtenheer will hold between approximately 45.5% and 49.2% of the Company's issued share capital. As a result, Grachtenheer will, either alone or acting in concert, due to its large shareholding, be in a position to exert substantial influence over the general meeting of the Company, being the corporate body, or where the context so requires, the physical meeting of shareholders (the **General Meeting**) and, consequently, on matters decided by the General Meeting, including the appointment and dismissal of members of the supervisory board of the Company (the **Supervisory Board**, each member a **Supervisory Director**) and the executive board of the Company (the **Executive Board**, each member an **Executive Director**), the distribution of dividends, the amendment of the articles of association of the Company (the **Articles of Association**) or any proposed capital increase. In addition, Grachtenheer may (i) nominate and propose a replacement for one Supervisory Director in the event of his or her resignation or dismissal when holding at least 20% of the Company's issued ordinary share capital; and (ii) nominate and propose a replacement for two Supervisory Directors when holding at least 50% of the Company's issued ordinary share capital in the event of his or her resignation or dismissal. By having the ability to nominate and propose one or two Supervisory Directors, depending on its shareholding percentage, Grachtenheer can influence the composition and decisions of the Supervisory Board and, indirectly, the Executive Board. Grachtenheer may exert particular influence to the extent its nominees are affiliated with its corporate group, which may create a stronger alignment of interests and perspectives between Grachtenheer and the relevant Supervisory Director. See "*Major Shareholders and Related Party Transactions*" for a description of certain arrangements regarding the relationship between the Company and Grachtenheer.

Furthermore, Grachtenheer will, in the case of a majority of more than half of the votes cast (**Simple Majority**), have sufficient votes to block or pass measures at a particular General Meeting without the concurrence of the Company's other shareholders (the **Shareholders**), if its shareholding is more than the combined shareholdings of the Shareholders attending a General Meeting. Furthermore, Grachtenheer might, depending on the level of attendance of other Shareholders at the General Meeting, also have sufficient votes to block or pass measures at a particular General Meeting without the concurrence of other shareholders if a qualified majority of votes is required. In any of the above instances, the interests of Grachtenheer could deviate from the interests of the other Shareholders. As the Company's largest shareholder, Grachtenheer may be able to make certain key decisions without the support of any other Shareholder. Also, Grachtenheer may delay, postpone or prevent transactions that might be advantageous for investors.

The payment of future dividends will depend on the Group's financial condition and results of operations, as well as on the Group's operating subsidiaries' distributions to the Company

According to Dutch law, any distribution of dividends will take place after the adoption of the annual accounts by the General Meeting which show that the distribution is allowed. The Company may only make distributions to its Shareholders insofar as the Company's equity exceeds the sum of the paid-in and called-up share capital increased by the reserves as required to be maintained by Dutch law or by the Articles of Association. The Executive Board determines whether the Company is able to make the distributions. Because the Company is a holding company that conducts its operational business mainly through its subsidiaries, the Company's ability to pay dividends depends directly on the Company's operating subsidiaries' distributions to the Company and their financial performance. The amount and timing of such distributions will also depend on the laws of the operating companies' respective jurisdictions. The distribution by the Company of interim dividend and the distribution of dividend in the form of Shares is subject to the prior approval of the Supervisory Board. Furthermore, holders of Preference Shares are entitled to receive, out of funds legally available for distribution, with first priority over Ordinary Shares, cumulative dividends at a fixed annual coupon rate which is 5% until 30 June 2025 and incrementally increases on an annual basis until 1 July 2028, at which point the rate will be 8% (which is the maximum; see "*Dividends and Dividend Policy – Distribution*" for the coupon rate per year from 2025 to 2028). Therefore, any funds which are available for distribution on an annual basis will be required to be declared and paid in the first instance, ahead of Ordinary Shareholders, to holders of Preference Shares. 50,000 Preference Shares are currently in issue, being held by Equinor Renewables B.V. Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends to Shareholders, or specifically, with reference to dividends being payable in the first instance on the Preference Shares, Ordinary Shareholders.

Furthermore, under the Facility Agreement, the Company may declare, make or pay any dividend or other distributions in respect of its share capital if and only if (i) the payment is made when no default under the Facility Agreement is continuing or would occur as a result of the making of such payment, (ii) the payment is made after completion of the Manufacturing Expansion and (iii) the leverage ratio (in the Facility Agreement) will remain less than or equal to 1.50:1 immediately after the making of the payment or if leverage would exceed 1.50:1.00 immediately after the making of the payment, the aggregate amount of such payments for that financial year does not exceed 100 per cent. of the net profit of the Group in respect of the previous financial year. For more information on the Group's financing arrangements, please see "*Operating and Financial Review – Banking facilities and loans*".

Future sales or the possibility of future sales of a substantial number of Ordinary Shares by Grachtenheer may materially and adversely affect the market price of the Ordinary Shares

Immediately after Settlement and completion of the Grachtenheer Sell-Down, Grachtenheer will hold between approximately 45.5% and 49.2% of the Company's issued share capital. As there are no lock-up arrangements in place in respect of Grachtenheer's shareholding in the Company, Grachtenheer may subsequent to Settlement sell substantial numbers of its Ordinary Shares in the public market, in addition to the Grachtenheer Sell-Down, which may result in a lower share price. This may adversely affect the market price of the Ordinary Shares. In addition, such sales could make it more difficult for the Company to raise capital through the issuance of equity securities in the future due to a lower share price.

The Group is a holding company and has limited assets and limited ability to generate revenue. The Company will depend on its subsidiaries to provide it with funds to meet its obligations or distribute dividends

The Company is a holding company and has no material, direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Company is dependent on loans, dividends and other payments from these subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends. The payment of dividends and the making of loans and advances to the Company by its subsidiaries are subject to various restrictions. Debt instruments of the Company and its subsidiaries (including any future working capital facility) may prohibit the payment of dividends or the making of loans or advances to the Company by subsidiaries in certain situations. The Company cannot provide any assurances that its arrangements with its subsidiaries and the funding permitted by the agreements governing existing and future indebtedness of the Company's subsidiaries will provide the

Company with sufficient dividends, distributions or loans to fund payments on its indebtedness. The ability of the Company's subsidiaries to make distributions and other payments to the Company depends on their earnings and may be subject to contractual or statutory limitations, or the legal requirement of having distributable profits or distributable reserves. As an equity investor in its subsidiaries, the Company's right to receive assets upon their liquidation or reorganisation will be effectively subordinated to the claims of their creditors. To the extent that the Company is recognised as a creditor of subsidiaries, the Company's claims may still be subordinated to any security interest in or other lien on their assets and to any of their debt or other (lease) obligations that are senior to the Company's claims.

Investors with a reference currency other than the euro will become subject to certain foreign exchange risks when investing in the Shares

The Company's equity capital is denominated in euro, and all dividends on the Shares will be paid by the Company in euro. Investors whose reference currency is a currency other than the euro may be adversely affected by any reduction in the value of euro relative to the respective investor's reference currency. In addition, such investors could incur additional transaction costs in converting euro into another currency. Investors whose reference currency is a currency other than the euro are therefore urged to consult their financial advisers.

Risks Relating to the Offering and the Offer Shares

The market price of the Ordinary Shares will fluctuate, and may decline below the Issue Price

The market price of the Ordinary Shares at the time of the Offering may not be indicative of the market price for Ordinary Shares after the Offering is completed. The market price of the Ordinary Shares which Eligible Persons will receive upon exercise of the Rights may fluctuate significantly due to a variety of factors, including changes in, or changes in sentiment in the market regarding, the Group's business, results of operations and financial condition. Such fluctuations may be influenced by the market's perception of the likelihood that the Offering will complete and the extent to which Rights will be exercised for Ordinary Shares, which may vary with speculation in the media or the investment community, or the expectations and recommendations of analysts who cover the Group's business and industry. In turn, these may be affected by a number of factors, some of which are beyond the Group's control, including changes in general market conditions, the general performance of the regulated market to which the Ordinary Shares are admitted to listing and trading (Euronext Amsterdam), changes in sentiment in the market regarding the Ordinary Shares (or securities similar to them), regulatory changes affecting the Group's operations, variations in the Group's operating results, business developments for the Group or its competitors, the operating and share price performance of other companies in the industry and markets in which the Group operates, speculation about the Group's business in the press, media or the investment community, or changes in the political, social or economic conditions in Europe or other regions the Company is active in. Any of these events could result in a decline in the market price of the Ordinary Shares. The price per Ordinary Share may thus not reflect the Group's qualitative and quantitative fundamentals. Furthermore, the Group's operating results and prospects may from time to time be below the expectations of market analysts and investors.

Stock markets around the world have recently experienced significant price and volume fluctuations in connection with COVID-19 and the armed conflict in Ukraine. The Company cannot assure investors that as a result of these and other factors the market prices of the Ordinary Shares will not decline below the Issue Price. Should this occur after Eligible Persons have exercised their Rights, the exercise of which cannot be revoked or modified except as described in "*The Offering - Offering - Exercise period*", they will suffer an immediate unrealised loss as a result. Moreover, the Company cannot assure Eligible Persons that, following the exercise of Rights, they will be able to sell their Ordinary Shares at a price equal to or greater than the Issue Price.

The Group cannot assure investors that an active trading market will develop for the Rights and, if a market does develop, the market price of the Rights will be affected by, and may be subject to greater volatility than, the market price of the Ordinary Shares

The Group intends to set a trading period for the Rights on Euronext Amsterdam from 09:00 CET on 19 June 2023 until 17:40 CET on 30 June 2023. Prior to the Offering, there has been no market for the Rights. The Group cannot assure investors that an active trading market in the Rights will develop or be sustained on Euronext Amsterdam during that period. The Rights will have a limited trading life which may impair the development or

sustainability of an active trading market. If such a market fails to develop or be sustained, this could negatively affect the liquidity and price of the Rights, as well as increase their price volatility. Accordingly, the Company cannot assure investors of the liquidity of any such market, any ability to sell the Rights or the prices that may be obtained for the Rights. In addition, the price at which Rights may trade on Euronext Amsterdam will be subject to the same risks which may affect the market price of Ordinary Shares as described in these "Risk Factors". Accordingly, the market price of the Rights may be highly volatile.

Shareholders will experience significant dilution as a result of the Offering if they do not or cannot exercise their Rights in full

If Shareholders who are Eligible Persons fail to exercise their Rights in full by the end of the Exercise Period at 17:40 CET on 4 July 2023 as part of the Offer, or are Ineligible Persons, their proportionate ownership and voting interests in the Company will be significantly reduced and the percentage of their existing Ordinary Shares will accordingly be reduced by approximately 14.6% as a result of the issue of the Offer Shares. If Shareholders elect to sell rather than exercise their Rights, the consideration they receive may not be sufficient to compensate them fully for the dilution of their percentage ownership of its share capital which will result from the Offer. Shareholders who are Ineligible Persons as of the Record Date will not be entitled to exercise Rights pursuant to the grant of Rights by the Company. Shareholders who fail to exercise or sell their Rights will experience dilution of their ownership and voting interests in the Company's share capital and will not receive any compensation for such dilution. See also "The Offering".

Shareholders who do not exercise their Rights or who do not sell their unexercised Rights will not receive any compensation as there will be no rump offering

Subject to the satisfaction of conditions contained in the Underwriting Agreement, the Underwriter shall subscribe and, at a price of €11.50 per Offer Share, pay for any Offer Shares not subscribed for by holders of Rights other than Grachtenheer, whether or not the Rights corresponding to such Offer Shares have been exercised, up to an amount of €50,000,000 in total taken together with the Offer Shares already subscribed for and purchased by exercising the Rights that were granted to Grachtenheer based on its proportionate shareholding at the Record Date. As a consequence of the foregoing, there will be no rump offering after expiry of the Exercise Period, which means that an Ordinary Shareholder who does not or cannot exercise its Rights or does not or cannot sell its unexercised Rights in the trading period commencing on 09:00 CET on 19 June 2023 and ending at 17:40 CET on 30 June 2023 will not receive any excess amount or other form of compensation for the dilution of its percentage ownership of its share capital which will result from the Offering.

If Eligible Persons do not properly and timely exercise their Rights, they may not be able to subscribe for Offer Shares at the Issue Price and, if Shareholders do not properly and timely sell their Rights, they may not receive any compensation for their unexercised Rights

The Exercise Period for the Rights commences at 09:00 CET on 19 June 2023 and expires at 17:40 CET on 4 July 2023. Eligible Persons and, if applicable, financial intermediaries acting on their behalf, must act promptly to ensure that all required exercise instructions are actually received by the Subscription, Listing and Paying Agent before the expiration of the Exercise Period. If Eligible Persons or their financial intermediaries fail to correctly follow the procedures that apply to the exercise of their Rights, the Group may, depending on the circumstances, reject their exercise of Rights.

The Group intends to set a trading period for the Rights on Euronext Amsterdam from 09:00 CET on 19 June 2023 until 17:40 CET on 30 June 2023. Shareholders who wish to sell all or part of their Rights and are holding their Ordinary Shares through a financial intermediary, should instruct the financial intermediary through which they hold their Rights in accordance with the instructions received from it. Shareholders and, if applicable, financial intermediaries acting on their behalf, must act promptly to ensure that the Rights they hold can be sold before the expiration of the trading period. If a Shareholder does not sell its unexercised Rights, it will not receive any compensation for the dilution of their percentage ownership of its share capital which will result from the Offering. For additional information, see "Risk Factors - Shareholders who do not exercise their Rights or who do not sell their unexercised Rights will not receive any compensation as there will be no rump offering" and "The Offering".

If the Offering is withdrawn, both the exercised and unexercised Rights will be forfeited without compensation to their holders and the subscriptions for and allotments of Offer Shares that have been made will be disregarded. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights

The grant of the Rights and the offer of the Offer Shares (pursuant to the exercise of Rights or otherwise) are made on the basis that the Offering is underwritten. The Offering is underwritten by Grachtenheer, please see section "Plan of Distribution - Underwriting arrangements". The underwriting is conditional upon the fulfilment of certain conditions precedent. If any of these conditions is not met or is not waived by the Underwriter, or if certain circumstances occur prior to payment for and delivery of the Offer Shares, the Offering will be withdrawn, the obligations of the Underwriter to subscribe and pay for any Offer Shares will lapse and both the exercised and unexercised Rights will be forfeited without compensation to their holders, subscriptions for allotments of Offer Shares that have been made will be disregarded, and all transactions in the Rights on Euronext Amsterdam that have not yet been settled, will be annulled. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in Rights. There will be no compensation or refund for any settled trades in Rights. All dealings in Rights prior to the closing of the Offering are at the sole risk of the parties concerned. Euronext Amsterdam, the Company, the Underwriter and the Subscription, Listing and Paying Agent do not accept any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam.

Any future issuances of Ordinary Shares will further dilute the holdings of current Shareholders and could materially adversely affect the market price of Ordinary Shares

Other than the Offering, the Company has no current plans for an offering of Ordinary Shares. However, the Company may decide to offer additional Ordinary Shares in the future either to raise capital or for other purposes. If Shareholders do not take up such offer of Ordinary Shares or are not eligible to participate in such offering, their proportionate ownership and voting interests in the Company will be reduced and the percentage that their Ordinary Shares would represent of the Company's total share capital would be reduced accordingly. An additional offering, or significant sales of Ordinary Shares by major Shareholders (in particular, Grachtenheer), could adversely affect the market price of the Ordinary Shares, as well as impede our ability to raise capital through an issuance of equity securities in the future. In addition, future issuances of Ordinary Shares will further dilute the holdings of current Shareholders.

Risks Relating to Taxation

The Group's tax liability may increase if tax laws and regulations change or become subject to adverse interpretations or inconsistent enforcement

Tax laws and regulations applicable to the Group may be subject to change, varying interpretations and inconsistent enforcement which could have a material adverse effect on the Group's profit and financial condition. It is possible that tax authorities in the countries in which the Group operates may introduce additional tax measures. The introduction of any such provisions may affect the Group's overall tax efficiency and may require the Group to pay additional taxes. Any such additional tax exposure could have a material adverse effect on the Group's profit and financial condition. The Group may also face an increase in its (income) taxes, if tax rates increase in the countries in which the Group operates, or treaties between those countries and the Netherlands (or other relevant jurisdictions in which the Group is active) are modified in an adverse manner.

Conditional Withholding Tax

As of 2021, a Dutch conditional withholding tax applies to (deemed) payments of interest and royalties. Currently, the Dutch conditional withholding tax applies to (deemed) interest and royalty payments made by a Dutch entity or permanent establishment, to an affiliated (*gelieerde*) entity which (i) is considered to be located (*gevestigd*) in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest or royalty is attributable, or (iii) is entitled to the interest or royalty payable for the main purpose or one of the main purposes to avoid taxation of another person, or (iv) is not considered to be the recipient of the interest or royalty

in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest or royalty (hybrid mismatch), or (v) is not treated as resident anywhere (also a hybrid mismatch), or (vi) is a reverse hybrid whereby the jurisdiction of residence of a higher-tier beneficial owner (*achterliggende gerechtigde*) that has a qualifying interest (*kwalificerend belang*) in the reverse hybrid treats the reverse hybrid as tax transparent and that higher-tier beneficial owner would have been taxable based on one (or more) of the items in (i)-(v) above had the interest or royalty been due to him directly, all within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*). In November 2021, a bill was adopted that extends the scope of the conditional withholding tax to dividends and other (deemed) profit distributions. The conditional withholding tax on dividend distributions will enter into force on 1 January 2024. The tax base of the conditional withholding tax on dividends is in line with the tax base for the existing Dutch dividend withholding tax. As with the conditional withholding tax on interest and royalty's, only dividends and other (deemed) profit distributions made to affiliated entities in the situations described under limb (i) up to and including limb (vi) above will be in scope of the Dutch conditional withholding tax.

The current dividend withholding tax will continue to exist alongside the conditional withholding on dividends. If a (deemed) profit distribution is subject to both the existing dividend withholding tax and the new conditional withholding tax on dividends, the existing dividend withholding tax paid can be credited against the conditional withholding tax liability. The tax rate of the conditional withholding tax remains equal to the rate of the second bracket of the Dutch corporate income tax for the relevant year, which is 25.8% for 2023.

IMPORTANT INFORMATION

General

The validity of this Prospectus shall expire on the Admission Date or 12 months after its approval by the AFM, whichever occurs earlier. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies (see section "*Important Information – Presentation of Financial and Other Information – Supplements*") shall cease to apply upon the expiry of the validity period of this Prospectus.

This Prospectus has been approved as a prospectus for the purposes of the Prospectus Regulation by and filed with the AFM, as competent authority under the Prospectus Regulation, on 16 June 2023. The AFM has only approved this Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the issuer or the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Offer Securities and should consult their own professional advisers before making any investment decision with regard to the Offer Securities.

Prospective investors are expressly advised that an investment in Offer Securities entails certain risks and that they should therefore carefully read and review the entire contents of this Prospectus. Prospective investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. Prospective investors should, in particular, read the section "*Risk Factors*" when considering an investment in the Offer Securities. Prospective investors should also consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of the Offer Securities.

The contents of this Prospectus should not be construed as business, legal or tax advice. It is not intended to provide a recommendation by any of the Company, the Executive Directors, the Supervisory Directors, the Underwriter, the Subscription, Listing and Paying Agent or any of their respective representatives that any recipient of this Prospectus should subscribe for or purchase any Offer Securities. None of the Company, the Underwriter, the Subscription, Listing and Paying Agent or any of their respective representatives is making any representation to any prospective investor regarding the legality of an investment in the Offer Securities by such prospective investor under the laws applicable to such prospective investor.

Prospective investors should only rely on the information contained in this Prospectus and any supplement to this Prospectus within the meaning of Article 23 of the Prospectus Regulation. The Company does not undertake to update this Prospectus, unless required pursuant to Article 23 of the Prospectus Regulation, and therefore prospective investors should not assume that the information in this Prospectus is accurate as at any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Offering, other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorised by the Company, the Executive Directors, the Supervisory Directors, the Underwriter, the Subscription, Listing and Paying Agent or any of their respective affiliates or representatives. Neither the delivery of this Prospectus nor any sale made hereunder at any time after the date hereof shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained herein is correct as at any time since its date.

The Subscription, Listing and Paying Agent is acting exclusively for the Company and no one else in connection with the Offering. It will not regard any other person (whether or not a recipient of this Prospectus) as its customer in relation to the Offering and will not be responsible to anyone other than the Company for providing the protection afforded to its customers or for giving advice in relation to, respectively, the Offering or any transaction or arrangement referred to herein. The Subscription, Listing and Paying Agent and/or its respective affiliates has in the past engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory, lending and financing services and ancillary activities in the ordinary course of business with (i) the Group (or any parties related to the Group); or (ii) third party undertaking transactions with the Group, including without limitation transactions in respect of assets and / or businesses owned by the Group. In providing such services the Subscription, Listing and Paying Agent and / or its respective affiliates has received or may receive customary compensation, fees and / or commission. Additionally, the Subscription, Listing and Paying Agent and any of its affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Subscription, Listing and Paying Agent and any of its affiliates may

from time to time acquire, hold or dispose of Ordinary Shares. The Subscription, Listing and Paying Agent and / or its affiliates do not intend to disclose the extent of any such investment or transaction other than in accordance with any legal or regulatory obligation to do so. As a result, the Subscription, Listing and Paying Agent may have interests that may not be aligned, or could potentially conflict, with the interests of investors or the Company.

The Offering and the distribution of this Prospectus, any related materials and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in Offer Securities may be restricted by law in certain jurisdictions other than the Netherlands, including the United States and therefore persons in to whose possession this Prospectus comes should inform themselves and observe any restrictions.

This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, of the Offer Securities offered hereby in any jurisdiction in which such offer or invitation would be unlawful or would result in the Company becoming subject to public company reporting obligations outside the Netherlands. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Other than in the Netherlands, no action has been or will be taken in any jurisdiction by the Company, the Underwriter, the Subscription, Listing and Paying Agent that would permit an initial public offering of the Offer Securities or possession or distribution of a prospectus in any jurisdiction where action for that purpose would be required. The Company, the Directors, the Underwriter and the Subscription, Listing and Paying Agent do not accept any responsibility for any violation by any person, whether or not such person is a prospective purchaser of the Ordinary Shares, of any of these restrictions. See the section "*Selling and Transfer Restrictions*".

Each person receiving this Prospectus acknowledges that such person: (i) has not relied on the Underwriter or any person affiliated with the Underwriter; and (ii) has relied only on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning the Company or the Offer Securities (other than as contained in this Prospectus and information given by the Company's duly authorised officers and employees in connection with such person's examination of the Company and the terms of the Offering) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or the Underwriter or the Subscription, Listing and Paying Agent.

Responsibility Statement

This Prospectus is made available by the Company, and the Company accepts full responsibility for the accuracy of the information contained in this Prospectus. The Company declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. Any information from third parties identified in this Prospectus as such has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by a third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No representation or warranty, express or implied, is made or given, and no responsibility is accepted, by, or on behalf of the Underwriter, the Subscription, Listing and Paying Agent, or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, as to the accuracy, fairness, verification or completeness of the information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by the Underwriter, the Subscription, Listing and Paying Agent or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, as to the past or future. Neither the Underwriter nor the Subscription, Listing and Paying Agent or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person in any of their respective capacities in connection with the Offering, accepts any responsibility whatsoever for the contents of this Prospectus or for any other statements made or purported to be made by either itself, or on its behalf, in connection with the Company, the Group, the Offering or the Offer Securities. Accordingly, the Underwriter and the Subscription, Listing and Paying Agent and each of their respective affiliates or representatives, or their respective directors, officers or employees or any other person disclaim, to the fullest extent permitted by applicable laws, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Prospectus and/or any such statement.

Notice to investors in the United States

The Offer Securities have not been and will not be registered under the U.S. Securities Act or under any securities laws or regulations of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable state and other securities laws and regulations of the United States. There will be no public offer of the Offer Securities in the United States.

The Offer Securities are being offered and sold outside the United States in 'offshore transactions' as defined in, and in compliance with, Regulation S. In the United States, the Offering is being made only to QIBs, as defined in Rule 144A, pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Purchasers are hereby notified that the Company and other sellers of the Offer Securities are relying on an exemption from the registration requirements of Section 5 of the U.S. Securities Act, which may include Section 4(a)(2) or Regulation S thereunder. Investors who are located in the United States will be required to execute and deliver the investor letter set forth in Annex A to this Prospectus prior to taking up Rights in the Offering or subscribing for Offer Shares in the Offering. The Offer Securities are subject to certain restrictions on sales, offers, subscription and transfer. See "*Selling and Transfer Restrictions*" and "*Selling and Transfer Restrictions - United States*".

The Offer Securities have not been approved or disapproved by the SEC, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of them passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

Presentation of Financial and Other Information

Historical financial information

The financial information included in this Prospectus reflects the situation as at the date of this Prospectus, unless specified otherwise. Neither the issue nor the distribution of this Prospectus shall under any circumstances imply that the information contained herein is accurate and complete as of any time subsequent to the date of this Prospectus or that there has been no change in the information set out in this Prospectus or in the affairs of the Company since the date of this Prospectus.

The financial information relating to the Group is extracted and derived from the audited consolidated financial statements of the Company for the years ended 31 December 2022 and 31 December 2021 and the notes thereto (the **2022 Financial Statements** and the **2021 Financial Statements**, respectively, and together with the audited consolidated financial statements of the Company for the year ended 31 December 2020, the **Financial Statements**). The 2022 Financial Statements include a restatement of the numbers for the year ended 31 December 2021 to match the classification of the numbers for the year ended 31 December 2022. The restatement relates to the classification of wage tax subsidies received in relation to research and development activities from line item 'general expenses' to 'personnel expenses'. The numbers for the year ended 31 December 2021 have therefore been extracted and derived from the comparative figures included in the 2022 Financial Statements. The numbers for the year ended 31 December 2020 have been extracted and derived from the comparative figures included in the 2021 Financial Statements as the 2021 Financial Statements contain a split between 'other liabilities' and 'government grants received', whereas in the Company's consolidated cash flow statement for the year ended 2020 the government grants received have been included in line item 'other liabilities'.

The Financial Statements are prepared in accordance with the International Financial Reporting Standards as endorsed in the EU based on Regulation (EC) No 1606/2002 (**IFRS**) and comply with Part 9 of Book 2 of the Dutch Civil Code (**DCC**). The Financial Statements have been audited by the independent auditor Ernst & Young Accountants LLP (**EY**). The Financial Statements should be read in conjunction with the independent auditor's reports thereon. The Financial Statements, including the accompanying notes thereto and the independent auditor's reports thereon, have been incorporated by reference into this Prospectus and may be obtained in electronic form free of charge from the Company's website (www.sif-group.com).

On 12 May 2023, the Company published a press release containing the results of the Group for the first quarter of the financial year ending 31 December 2023 (the **Q1 2023 Press Release**). The Q1 2023 Press Release is

incorporated by reference into this Prospectus and may be obtained in electronic form free of charge from the Company's website (www.sif-group.com). The financial information in the Q1 2023 Press Release has not been audited or reviewed.

Other than as disclosed in the Q1 2023 Press Release and the Prospectus, there have been no significant changes in the financial position of the Group since 31 December 2022 and there are no known trends, uncertainties, demands, commitments or events that are reasonable likely to have a material effect on the Group's prospects for at least the Group's current financial year.

Alternative performance measures

The Group presents certain non-IFRS financial measures, which are not liquidity or performance measures under IFRS, and which the Group considers to be Alternative Performance Measures (APMs). For the Group these APMs are explained in section "*Operating and Financial Review – Alternative Performance Measures*".

Rounding and negative amounts

Certain figures in this Prospectus, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

In preparing the financial information included in this Prospectus, most numerical figures are presented in millions of euro. For the convenience of the reader of this Prospectus, certain numerical figures in this Prospectus are rounded to the nearest million. Accordingly, figures shown for the same category presented in different tables may vary slightly, and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

The percentages (as a percentage of revenue or costs and period-on-period percentage changes) presented in the textual financial disclosure in this Prospectus are derived directly from the financial information included elsewhere in this Prospectus. Such percentages may be computed on the numerical figures expressed in millions of Euro. Therefore, such percentages are not calculated on the basis of the financial information in the textual disclosure that has been subjected to rounding adjustments in this Prospectus.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts are shown by "-" or "negative" before the amount.

Currency

In this Prospectus, unless otherwise indicated, all references to **EUR**, **euro** or **€** are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union (*Verdrag betreffende de werking van de Europese Unie*), as amended from time to time.

Market and industry information

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, competitors, organisations or analysts, of publicly available information or of the Company's own assessment of its sales and markets. Statements based on the Company's own proprietary information, insights, opinions or estimates contain words such as 'believe', 'the Company believes', 'expect', 'the Company expects', 'see', 'the Company sees', and as such do not purport to cite, refer to or summarise any third-party or independent source and should not be so read.

This Prospectus also contains statistics, data and other information relating to markets, market sizes, market positions and other industry data pertaining to the Company's business and markets. The information in this Prospectus that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information provided inaccurate or misleading.

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections

they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Prospectus, the source of such information has been identified.

In this Prospectus, certain statements are made regarding the Company's competitive and market position. The Company believes these statements to be true, based on market data and industry statistics, but the Company has not independently verified the information. The Company cannot guarantee that a third party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the Company's competitors may define their markets and their own relative positions in these markets differently than the Company does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with the Company's figures.

Available documents

Subject to any applicable securities laws, copies of the following documents will be available and can be obtained free of charge from the date of publication of this Prospectus from the Company's website (www.sif-group.com/en/esg/governance/) from the date of this Prospectus until at least 12 months thereafter:

- this Prospectus;
- the Articles of Association (in Dutch, and an unofficial English translation);
- the Executive Board Rules; and
- the Supervisory Board Rules.

For so long as any of the Offer Securities will be listed on Euronext Amsterdam, corporate documents relating to the Company that are required to be made available to Shareholders pursuant to Dutch law and regulations (including, without limitation a copy of the Articles of Association) and the Company's financial information mentioned below may be consulted at the Company's registered office located at Mijnheerkensweg 33, 6041TA Roermond, the Netherlands. A copy of these documents may be obtained from the Company upon request.

Moreover, the Company will observe the applicable publication and disclosure requirements under the applicable market abuse regime for securities listed on Euronext Amsterdam (see the section "*Description of Share Capital and Corporate Structure – Market abuse regime*"), as well as any foreign requirements that may be applicable.

Incorporation by reference

The following documents, or sections thereof, are incorporated by reference in and, as such, form part of this Prospectus:

- the Articles of Association (in Dutch, and an unofficial English translation) (see www.sif-group.com/pdf/Statuten-Sif-Holding-NV-per-30-maart-2023.NL.pdf and www.sif-group.com/pdf/Articles-Association-SIF-Holding-NV-as-of-30-March-2023.Engels.pdf);
- the audited consolidated financial statements of the Company for the year ended 31 December 2022, including the accompanying notes thereto and the independent auditor's report thereon, which are on pages 91 – 150 and 153 – 163 of the Company's annual report for the year 2022 (the **2022 Annual Report**), which include the restated numbers for the year ended 31 December 2021 (see www.sif-group.com/en/investor-relations/download/685e283e-9fc0-4540-aacb-08119cbb17a/sifannualreport2022.pdf);
- the audited consolidated financial statements of the Company for the year ended 31 December 2021, including the accompanying notes thereto and the independent auditor's report thereon, which are on pages 78 – 139 and 142 – 151 of the Company's annual report for the year 2021 (the **2021 Annual Report**), which include the comparative numbers for the year ended 31 December 2020 (see www.sif-group.com/en/investor-relations/download/1157237/annualreport2021-2.pdf);
- the audited consolidated financial statements of the Company for the year ended 31 December 2020, including the accompanying notes thereto and the independent auditor's report thereon, which are on pages 73 – 124 and 127 – 135 of the Company's annual report for the year 2020 (the **2020 Annual Report**) (see www.sif-group.com/en/investor-relations/download/996048/annualreport2020.e-2.pdf);

- the Q1 2023 Press Release (see <https://sif-group.com/en/investor-relations/download/4744ba2b-8c65-4e9c-b4a2-851a66420537/tradingupdateq12023.pdf>).

The above mentioned documents may be obtained in electronic form free of charge from the Company's website which can be accessed through the links listed above. For the purposes of the Offering, only the above sections of the 2022 Annual Report, the 2021 Annual Report and the 2020 Annual Report are incorporated by reference. Non-incorporated parts of the 2022 Annual Report, the 2021 Annual Report or the 2020 Annual Report are either not relevant for the investor, or covered elsewhere in this Prospectus.

Financial information

In compliance with applicable Dutch law and regulations and for so long as any of the Offer Securities are listed on the regulated market of Euronext Amsterdam, the Company will publish on its website (www.sif-group.com) and will file with the AFM (i) within four months from the end of each fiscal year, the annual financial report referred to Section 5:25c of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (**Dutch FMSA**) and (ii) within three months from the end of the first six months of the fiscal year, the semi-annual report referred to in Section 5:25d of the Dutch Financial Supervision Act.

Supplements

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Offer Securities, arises or is noted between the date of this Prospectus and the final closing of the Exercise Period, a supplement to this Prospectus will be published in accordance with relevant provisions under the Prospectus Regulation. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies shall cease to apply upon the expiry of the validity period of this Prospectus, which is on the Admission Date or 12 months after its approval by the AFM, whichever occurs earlier.

Such a supplement will be subject to approval by the AFM in accordance with Article 23 of the Prospectus Regulation and will be made public in accordance with the relevant provisions of the Prospectus Regulation. The summary shall also be supplemented, if necessary, to take into account the new information included in the supplement.

Investors who have already agreed to purchase or subscribe for the Offer Securities before the supplement is published shall have the right, exercisable within two business days following the publication of a supplement, to withdraw their acceptances, provided that the new factor, material mistake or inaccuracy, arose or was noted before the final closing of the Offering. Investors are not allowed to withdraw their acceptance in any other circumstances.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any supplement shall specify which statement is so modified or superseded and shall specify that such statement shall, except as so modified or superseded, no longer constitute a part of this Prospectus. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the offering statement.

Forward-looking statements

This Prospectus includes forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding the Company's or the Executive Board's expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statement that refers to projections, forecasts or other characterisations of future events or circumstances, including any underlying assumptions, is a forward-looking statement. The words "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "plan", "possible", "potential", "predict", "project", "seek", "should", "would" and similar expressions, or in each case their negatives, may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements that reflect the Company's intentions, beliefs or current

expectations and projections about the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Group operates. In particular, the statements under the headings "*Risk Factors*", "*Reasons for the Offering and Use of Proceed*", "*Dividends and Dividend Policy*", "*Business*" and "*Operating and Financial Review*" regarding the Group's strategy, targets, expectations, objectives, future plans and other future events or prospects are forward-looking statements.

Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Forward-looking statements are not guarantees of future performance and the Company's actual financial condition, actual results of operations and cash flows, and the development of the industry or industries in which it operates or will operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. In addition, even if the Company's financial condition, results of operations and cash flows, and the development of the industry or industries in which it operates or will operate, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global, political, economic, business, competitive, market and regulatory conditions as well as, but not limited to, the following:

- the Company's strategy, outlook and growth prospects;
- the Company's liquidity, capital resources and capital expenditure requirements;
- the Company's expectations as to future growth in demand for the Company's services;
- the Company's medium-term objectives;
- changes in general economic conditions and capital markets; and
- actions of competitors and customers.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative, but by no means exhaustive, and should be read in conjunction with other factors that are included in this Prospectus. See the section "*Risk Factors*". Should one or more of these risks materialise, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition, cash flows or results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected. All forward-looking statements should be evaluated in light of their inherent uncertainty.

Any forward-looking statement made by the Company in this Prospectus applies only as of the date of this Prospectus and is expressly qualified in its entirety by these cautionary statements. Factors or events that could cause the Company's actual results to differ may emerge from time to time, and it is not possible for the Company to predict all of them. Except as required by laws and regulations, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Prospectus to reflect any change in its expectations or any change in events, conditions or circumstances on which any forward-looking statement contained in this Prospectus is based.

Definitions

Definitions used in this Prospectus are defined in section "*Defined Terms*".

Enforceability of civil liabilities

The ability of certain persons in jurisdictions other than the Netherlands, in particular the United States, to bring an action against the Company may be limited under applicable laws and regulations. As at the date of this Prospectus, the Company is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands and has its statutory seat (*statutaire zetel*) in Roermond, the Netherlands. At the date of this Prospectus, the Executive Directors, Supervisory Directors and all of the Group's employees are citizens or residents of countries other than the United States. All of the assets of such persons and all of the assets of the Group are located outside the United States. As a result, it may be impossible or difficult for investors to effect service of process within the United States upon such persons or the Company or to enforce against them, in United States courts, a judgment obtained in such courts. In addition, there is doubt as to the enforceability of

original actions in the Netherlands or actions for enforcement based solely on the federal or state securities laws of the United States or judgments of United States courts, including judgments based on the civil liability provisions of the United States federal or state securities laws.

As at the date of this Prospectus, the United States and the Netherlands do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a judgment rendered by a court in the United States, whether or not predicated solely upon U.S. securities law, will not be enforceable in the Netherlands. However, if a person has obtained a final judgment without possibility of appeal for the payment of money rendered by a court in the United States which is enforceable in the United States and files his or her claim with the competent Dutch court, the Dutch court will generally recognise and give effect to such foreign judgment without substantive re-examination or re-litigation on the merits, insofar as it finds that: (i) the jurisdiction of the United States court has been based on a ground of jurisdiction that is generally acceptable according to international standards; (ii) the judgment by the United States court was rendered in legal proceedings that comply with the standards of the proper administration of justice that includes sufficient safeguards (*behoorlijke rechtspleging*); (iii) the judgment by the United States court does not contravene Dutch public policy (*openbare orde*), or (iv) the judgement by the United States court is not incompatible with a decision rendered between the same parties by a Dutch court, or with a previous decision rendered between the same parties by a foreign court in a dispute that concerns the same subject and is based on the same cause, provided that the previous decision qualifies for acknowledgement in the Netherlands.

Enforcement of any foreign judgment in the Netherlands will be subject to the rules of Dutch civil procedure (*Wetboek van Burgerlijke Rechtsvordering*). Judgments may be rendered in a foreign currency but enforcement is executed in euro at the applicable rate of exchange. Under certain circumstances, a Dutch court has the power to stay proceedings (*aanhouden*) or to declare that it has no jurisdiction if concurrent proceedings are being brought elsewhere.

A Dutch court may reduce the amount of damages granted by a United States court and recognise damages only to the extent that they are necessary to compensate actual losses and damages.

No Incorporation of website

Prospective investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. No other documents or information, including the contents of the Company's website (www.sif-group.com) or of any websites accessible from hyperlinks on the Company's website, form part of, or are incorporated by reference into, this Prospectus. Other than the Prospectus, the contents of the Company's website (www.sif-group.com), or of websites accessible from hyperlinks on that website, have not been scrutinised or approved by the AFM.

REASONS FOR THE OFFERING AND USE OF PROCEEDS

Background to, and reasons for, the Offering

On 13 February 2023, the Company announced its final investment decision to construct the world's largest monopile foundation manufacturing plant in Rotterdam, the Netherlands, by expanding the existing manufacturing facilities in Maasvlakte 2 in Rotterdam (being the Manufacturing Expansion). For more information on the Manufacturing Expansion, see section "*Business – Manufacturing Expansion*".

The construction started in April 2023, and the first manufacturing operations are scheduled to start in the second half of 2024. The upgraded manufacturing plant will enable the Company to manufacture monopile foundations with diameters ranging between 9 and 11.5 meters and the optionality to further expand the diameter of monopile foundations at a later stage. The set-up is such that, based on the reference XXXL monopile of 2,500 metric tons, an average output of 200 XXXL monopile foundations a year can be realised. Overall, an additional work force of around 200 full-time employees is estimated for the Rotterdam site on top of the current average Rotterdam work force.

The Company is financing the Manufacturing Expansion, which is estimated to amount to approximately €328 million (including appropriate contingencies), through a combination of equity and debt, as well as advance factory payments by the two launching customers, with the remainder being funded through cash and cash equivalents. Approximately €50 million of this funding package is being raised through the Offering. For more information on the remainder of the financing of the Manufacturing Expansion, see section "*Business - Manufacturing Expansion*".

The projected €328 million investment costs can be broken down into approximately €200 million in equipment and approximately €100 million in buildings. In addition, large construction projects generally have at least 10% contingencies on top of the nominal costs of that project. These typically relate to price escalations, order changes and unforeseen circumstances. Although the Company has contracts locked-in with its key equipment suppliers and construction partners, including prices and delivery slots, as a matter of prudence the Company has applied the 10% contingency margin to the estimated costs for the Manufacturing Expansion.

Of the estimated €328 million needed for the Manufacturing Expansion, approximately 50% will be spent in 2023 and the other approximately 50% will be spent in 2024. Financing of the payments in 2023 is secured through the issuance of the Preference Shares, advance factory payments from the launching customers and drawdowns under the Term Facility.

The Manufacturing Expansion is expected to have only a limited impact on the Group's manufacturing process as the existing production lines will be replaced in a stepwise transition, which will be largely conducted during the holiday periods. Customer contracts have already been secured in the Group's order book for 2023 and 2024, taking into account the slightly reduced forecasted output of the factory, which will generate cash during the construction of the Manufacturing Expansion and which could be used for payments due to suppliers and construction partners.

Use of proceeds

The Company aims to raise approximately €50 million in gross proceeds through the Offering. After deducting the expenses, commissions and taxes, as the case may be, relating to the Offering, the net proceeds will amount to approximately €49.3 million.

The Company intends to use the proceeds to finance part of the Manufacturing Expansion. Any proceeds not required for the financing of the Manufacturing Expansion are expected to be used for general corporate purposes.

DIVIDENDS AND DIVIDEND POLICY

General

The Company may only make distributions to its shareholders if its equity exceeds the amount of the paid-in and called-up part of the issued capital, plus the reserves as required to be maintained by the Company's Articles of Association or by Dutch law.

A distribution shall be payable in such currency and on such date as determined by the Executive Board. Distributions shall be made in proportion to the aggregate nominal value of the shares. The parties entitled to a distribution shall be the relevant shareholders, usufructuaries and pledgees, as the case may be, at a date to be determined by the Executive Board for that purpose. This date shall not be earlier than the date on which the distribution was announced.

A claim for payment of a distribution shall lapse after five years have expired after the distribution became payable. For the purpose of calculating the amount or allocation of any distribution, shares held by the Company in its own capital shall not be taken into account. No distribution shall be made to the Company in respect of shares held by it in its own capital.

Pursuant to the Articles of Association, the resolutions of the General Meeting to (i) the making of a distribution from the Company's profits or reserves to the shareholders and (ii) the making of a distribution in the form of shares in the Company's capital or in the form of assets, instead of being made in cash, can only be passed by the General Meeting at the proposal of the Executive Board with the approval of the Supervisory Board.

Dividend policy

The Ordinary Shares and the Preference Shares carry dividend rights. Currently, the Company does not pay any dividend in respect of its share capital due to a contractual obligation under the Facility Agreement. Pursuant to the Facility Agreement, the Company shall not declare, make or pay any dividend or other distributions in respect of its share capital if: (i) a default under the Facility Agreement is continuing or would occur as a result of the making of such payment; (ii) the Manufacturing Expansion is not yet completed; and (iii) certain criteria in relation to the leverage financial covenant in the Facility Agreement are not yet satisfied. For more information on the Group's financing arrangements, please see "*Operating and Financial Review – Banking facilities and loans*".

Dividend history

The following dividends were declared and settled by the Company during the year:

| <i>(amounts in €'000)</i> | 2022 | 2021 | 2020 |
|--|-------------|-------------|-------------|
| Number of Ordinary Shares dividend eligible | 25,501,356 | 25,501,356 | 25,501,356 |
| Rounded dividend per Ordinary Share | - | 0.19 | 0.12 |
| Dividends declared and settled during the year | - | 4,845 | 3,060 |

At the date of this Prospectus, the Company has not declared or paid any dividends on the Preference Shares.

Dividend ranking

All of the Ordinary Shares issued and outstanding on the day following the Settlement Date, including the Offer Shares, will rank equally and will be eligible for any profit or other payment that may be declared on the Ordinary Shares.

The Preference Shares rank ahead of the Ordinary Shares with respect to the payment of dividends. Holders of Preference Shares are entitled to receive, out of funds legally available for distribution, with first priority over Ordinary Shares, cumulative dividends at a fixed annual coupon rate which is 5% until 30 June 2025 and incrementally increases on an annual basis until 1 July 2028, at which point the rate will be 8% (which is the maximum). For more information on the terms of the Preference Shares, see section "*Description of Share Capital and Corporate Structure – Preference Shares*".

Reserves

The Company has separate dividend reserves for the Ordinary Shares and Preference Shares, and separate share premium reserves for the Ordinary Shares and Preference Shares. The General Meeting is authorised to resolve to make a distribution from the Company's reserves. The Executive Board may resolve with the approval of the Supervisory Board to charge amounts to be paid up on shares against the Company's reserves, irrespective of whether those shares are issued to existing shareholders.

Distribution

Out of the profits earned in a financial year, primarily and insofar as possible, a preferred dividend accrues on each Preference Share over the sum of (i) the nominal value of a Preference Share and (ii) the pro rata amount per Preference Share of (a) the share premium reserve and (b) the dividend reserve of Preference Shares, in the amount of:

- (a) 5% per annum until 30 June 2025;
- (b) 5.5% per annum from 1 July 2025 until 30 June 2026;
- (c) 6.25% per annum from 1 July 2026 until 30 June 2027;
- (d) 7% per annum from 1 July 2027 until 30 June 2028; and
- (e) 8% per annum as of 1 July 2028 onward.

The Executive Board may choose not to pay the accrued amount, but add it to the dividend reserve of the Preference Shares instead. If, in a financial year, no distribution is made on the Preference Shares, no profit is made or the profits are insufficient to allow the distribution provided for in the preceding sentence, the deficit (the **Preferred Dividends Deficit**) will be paid at the expense of the profits earned in following financial years.

A distribution may only be made on the Ordinary Shares after (i) the entire balance of the dividend reserve of the Preference Shares has been distributed to the holders of Preference Shares and (ii) there is no Preferred Dividends Deficit. The remaining profits shown in the Company's annual accounts in respect of a financial year shall be appropriated as follows, and in the following order of priority:

- (a) the Executive Board shall determine with the approval of the Supervisory Board which part of the remaining profits shall be added to the Company's reserves; and
- (b) any remaining profits shall be at the disposal of the General Meeting for distribution to the holders of Ordinary Shares.

Following adoption of the annual accounts and determination by the Executive Board of the parts of the profits that shall be added to the Company's reserves, a distribution of profits may be made to the extent the Company's equity exceeds the amount of the paid up and called up part of its capital plus the reserves which must be maintained by law.

To the extent the Company's equity exceeds the amount of the paid up and called up part of its capital plus the reserves which must be maintained by law, the Executive Board may resolve with the approval of the Supervisory Board to make interim distributions, provided that it appears from interim accounts to be prepared in accordance with Section 2:105(4) of the DCC.

Manner and time of dividend payments

A distribution shall be payable in such currency and on such date as determined by the Executive Board. Any dividends that are paid to Shareholders through Euroclear Nederland will be automatically credited to the relevant Shareholders' accounts without the need for the Shareholders to present documentation proving their ownership of the Shares. Payment of dividends on the Shares in registered form (not held through Euroclear Nederland, but directly) will be made directly to the relevant Shareholder using the information contained in the Company's shareholders' register and records.

Uncollected dividends

A claim for any declared dividend and other distributions lapses five years after the date those dividends or distributions were released for payment. Any dividend or distribution that is not collected within this period will be considered to have been forfeited to the Company.

Taxation

The tax legislation of an investor's jurisdiction and of the Netherlands, the Company's country of incorporation, may have an impact on the income received from the Ordinary Shares. Dividend payments are generally subject to withholding tax in the Netherlands. See section "*Taxation*".

BUSINESS

Overview

General

The Group is a leading manufacturer of large steel tubulars which are used as foundation components for the offshore wind industry. The Group has production facilities located in the Netherlands. The Group primarily produces monopiles and tubulars for transition pieces. In addition, the Group produces piles and legs for jacket foundations in particular. The monopile consists of a large tubular structure, typically with conical sections to reduce the diameter from the bottom to the top.

Geographically, the Group's focus is on projects in North-Western Europe (the United Kingdom, Germany, Belgium, Denmark, the Netherlands, France and Norway) with increasing interest in the United States. The Group's products are predominantly installed in the greater North Sea region. Having produced more than 2,500 monopiles for the offshore wind market since 2000, the Group has accumulated extensive experience in a wide range of applications based on cost competitiveness and continuous innovation of machinery and processes. Additionally, the Group has a solid track record in quality and on-time delivery, has historically been financially stable, including throughout the COVID-19 pandemic. It has cooperative arrangements in place with Dillinger Hütte in Germany for steel plates, Euskal Forging in Spain for steel flanges, Smulders Eiffage in Belgium for steel applications to transition pieces and Van Ginkel in the Netherlands for blasting and coating, which it believes help to ensure quality and reliability of its supply.

Due to its efficient production techniques, the Group is able to process large volumes of steel. Furthermore, the Group has gained a strong foothold in the offshore wind market in North-Western Europe. It believes that this was enabled by timely investments in new technologies, high-quality and efficient facilities, and the competence and experience of its employees. Operating in this dynamic market requires continuous improvement and flexibility of the manufacturing process in order to build durable tubular solutions. The Group's management develops continuous improvements that reflect customers' demands and expectations. The Group's automated production lines are designed in cooperation with leading equipment suppliers and equipped with advanced technologies such as multi-head, multi-wire welding machines. These production lines along with demanding quality assurance methods allow the Group to ensure reproducible quality and consistent productivity throughout each project.

In its existing facilities at Roermond and Maasvlakte 2 (Rotterdam), the Group manufactures monopiles of up to 9 meters in diameter with a maximum length of 100 meters and maximum weights of approximately 1,500 tonnes. Recently, the Group supplied monopiles for the projects Hollandse Kust Zuid located approximately 18 km off the coast of the Netherlands between The Hague and Zandvoort, Hollandse Kust Noord located 18.5 kilometres off the west coast of the Netherlands near Egmond aan Zee and monopiles and transition pieces for project Dogger Bank A located between 130 kilometres and 190 kilometres from the north east coast of England. Presently, the Group is working on Dogger Bank B and Dogger Bank C (which together with Dogger Bank A constitutes the Dogger Bank Wind Farm, which will become the world's largest offshore wind farm) and on transition pieces for project He Dreiht in the North Sea in the German exclusive economic zone about 90 kilometres north of Borkum Island and 11 kilometres west of Helgoland Island and project Noirmoutier located 11.7 kilometres from Yeu and 16.5 kilometres from Noirmoutier, France. In 2022, the Group participated in projects resulting in potentially 1,954 MW renewable energy capacity.

The Group continuously invests in production equipment to increase its production capacities to produce larger monopiles, to add capabilities to its existing skills and to increase the level of automation, safety and produce on a more sustainable manner. Further to this, for a number of years there has been an increasing drive for energy independence and renewable energy, and corresponding demand and support from governments to further develop offshore wind energy, evidenced by planned capacity targets. This demand is best met by increased turbine capacity, which requires larger monopile foundations, which is materialising into a shift in the industry to the manufacture of XXXL monopile foundations and a consequent monopile foundation supply-demand imbalance. To this end, on 13 February 2023, the Group announced its final investment decision to proceed with building the world's largest monopile foundation manufacturing plant by the expansion of its facilities at Maasvlakte 2, Rotterdam, such that the Group may manufacture next-generation XXXL monopile foundations, with up to 11.5

meters in diameter, at a length of 120 meters and weights of up to 2,500 tonnes. The Group estimates an increase in installed annual production capacity from 220 Kilotonne (**Kton**) to 500 Kton per year.

The process contemplated by the new manufacturing facilities is intended to be optimised and automated insofar as possible to ensure a production process that is safer, faster, more efficient, more accurate and more sustainable. Ultimately, the Manufacturing Expansion was proposed and is underway with a view to making the Group the market leader and partner of choice with a best-in-class value proposition.

History

The Group was established in Sittard by Jan Jacob Schmeitz in 1948 as a metalworking firm (Schmeitz Industrial Fabrication, Sif). In 1961, it opened a production facility for large steel vessels in Helden, the Netherlands. During the 1970s, the Group focused on foundations (sleeves, piles and legs) for the oil & gas industry and large pressure vessels. The need for larger production facilities located on a large river prompted the Group to move to new facilities at Roermond in 1972. From 2000 onwards, the Group was able to capitalise on the increase in the market for offshore wind in addition to oil & gas: it was a first mover in monopiles and transition piece fabrication. The Group was able to enter into this new market because it was already specialised in two of the required capabilities: rolling and welding of thick steel plates. The Group produced its first monopiles for the Yttre Stengrund wind farm in 2000. Since then, the Company has opened a second manufacturing location at Maasvlakte 2 Rotterdam in 2016, manufactured more than 2,500 foundations for offshore wind farms and has evolved to a prominent mission-critical tubular steel foundations supplier for the offshore energy markets. In 2022, the Group manufactured its 2,500th monopile. Today, approximately 90-95% of the Group's revenue is generated by offshore wind foundations. The remaining revenues are generated by engineering activities, marshalling and logistics and components for oil and gas jackets.

The Group's recent history and growth vision are divided between the following four phases:

- Gradual transition from oil & gas to offshore wind foundations (2000 – 2014): the Group transitioned its focus from oil & gas to offshore wind and became a first mover in monopile foundation manufacturing;
- focus on growth and energy transition (2015 – 2022): the Group transitioned from build-to-print manufacturing to solutions offering and constructed the Maasvlakte-2 plant in Rotterdam;
- accelerating offshore wind market (2023 – 2026): construction of the world's largest monopile foundation plant and setting the industry standard on technology, safety and sustainability; and
- entering into next era of growth (2026 and onwards): becoming the global market leader in monopile foundations for offshore wind and solutions partner of choice, as well as becoming a top-rated ESG and 'green' offshore wind player.

Products

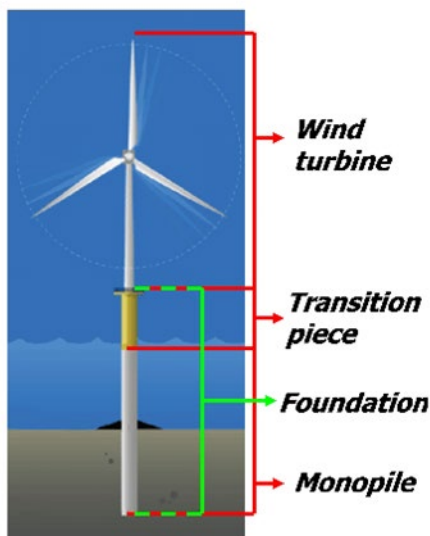
The Company manufactures foundations for the offshore energy industry and in some instances also caters for the design of the foundations. These foundations mainly consist of monopiles, transition pieces and pin piles. The selection of a foundation depends on several factors, the main ones being turbine size, water depth, wind- and wave forces, and the seabed composition. Monopiles offer the best value for money and can be installed in water depths up to 60 meters. Jacket foundation concepts serve both wind- and oil & gas markets. Since monopiles are not suitable when the seabed is rocky, jackets or gravity-based foundations are used as alternatives in these situations. Floating foundations are the only viable solution for deep(er)-water applications. Monopile foundations are often combined with a transition piece. The Company manufactures the primary steel for these transition pieces. Unlike monopiles, which are custom-made for each location in a wind farm, transition pieces have a standard design for a specific wind farm. After installing the monopile, the transition piece is installed on top of the monopile.

The Company's partner Smulders Eiffage adds all secondary steel and most of the electrical components, such as boat-landings, ladders and switchboards, to the primary steel of the transition piece and applies the appropriate quality coating. Some newer monopile designs do not use transition pieces. Instead, the secondary steel and electrical components are attached to the monopile offshore, after the monopile is installed in the seabed.

The Company relies on its business partners (suppliers, joint venture partners or subcontractors) for the following competencies: steel plate and steel flange manufacturing, outfitting of transition pieces and transition-piece-less monopiles, and coating of finished products.

Construction of wind turbines

An offshore wind turbine system consist of three or four parts: a turbine/nacelle with blades, a tower, a monopile and an optional transition piece. The latest turbine designs can generate 15 to 18 MW of power. The tower consists of a steel tubular structure, connected by steel flanges to support the nacelle. The tower has a top diameter of 4 to 6 meter in diameter and a bottom diameter of 6 to 8 meters. Mostly the tower is connected to the transition piece by a flange connection. The transition piece in turn is connected to the monopile by a grouted and/or bolted connection. If there is no transition piece, the tower is directly connected to the monopile by a flange connection.



If an offshore wind turbine has four parts, the monopile is the only part that is uniquely designed and manufactured to fit the specific conditions of its location in the wind farm. The transition piece, tower and nacelle are project specific but can be exchanged amongst the locations in the wind farm. The monopile is hammered into the seabed with scour protection around the base. If the sea bed is rocky and hammering is difficult or impossible, the jacket is the next best alternative followed by the gravity based foundation. The Company manufactures jacket legs or pin piles for jackets on its dedicated production lines for offshore structures in Roermond.

To support the Company's primary services, the Group participates in (i) Smulders Sif Steel Foundations B.V., which has designed and supplied monopiles and transition pieces for a specific offshore wind farm; (ii) SBR Engineering GmbH, which develops special-purpose welding equipment; (iii) Twinpark Sif B.V., which exploits the GE Haliade X 13 MW wind turbine at Maasvlakte 2; and (iv) KCI the engineers B.V., which provides in-house engineering capabilities.

Existing manufacturing facilities

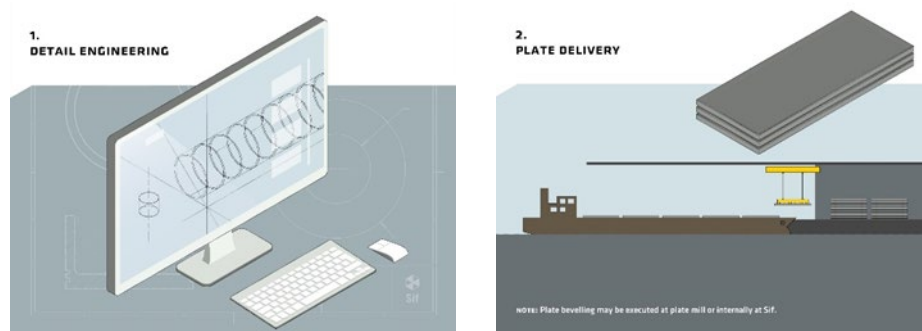
The Company has two manufacturing facilities, both situated in the Netherlands, at present equipped with 47 welding machines and 8 rolling machines. The factory in Roermond (owned since 1972; 10.8 hectares, including 6.1-hectare of buildings) produces cans and cones, transition pieces, pin piles, legs and pile sleeves with a wall thicknesses of up to 250mm and up to 9 meters in diameter. Cans and cones are transported by ship to the facilities in Rotterdam for assembly and coating, while transition pieces are transported by ship to Smulders Eiffage in Hoboken, Belgium for outfitting and coating. The factory in Rotterdam (leased land with owned buildings since 2016; 62 hectares, including 20 hectares since 2019) is currently an assembly, coating and storage facility, where cans and cones are assembled into monopiles and coated. The factory in Rotterdam is located on reclaimed land with direct access to open sea.

Roermond can only produce monopile sections up to 9 meters in diameter, which are used for the transition pieces and top sections that connect to the wind farm towers. For larger bottom sections, which are joined to the top sections by cones, Roermond does not have the capacity. The term 'larger diameters' refers to these bottom sections.

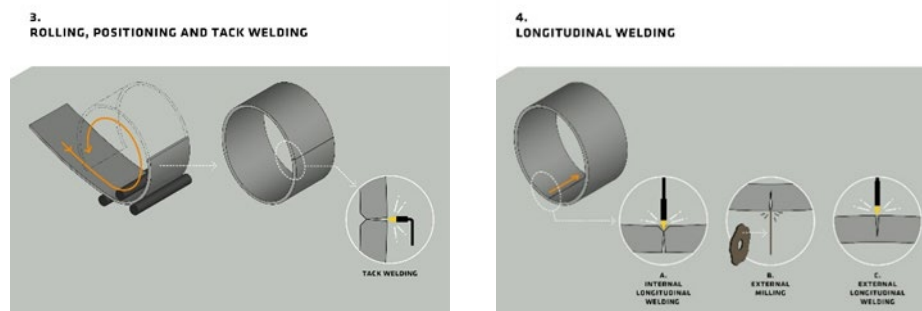
Currently, Roermond does all the rolling of plates to make cans, cones or segments for any monopile section. Maasvlakte 2 does not have rollers yet, but this will change with the Manufacturing Expansion. In the new set-up plates will be delivered directly to Maasvlakte 2 and rolled there. Roermond will still make the top sections and transport them to Maasvlakte 2, where they will be assembled with the other monopile sections. Also primary steel for transition pieces will continue to be manufactured in Roermond.

Production of monopiles until the Manufacturing Expansion is realised

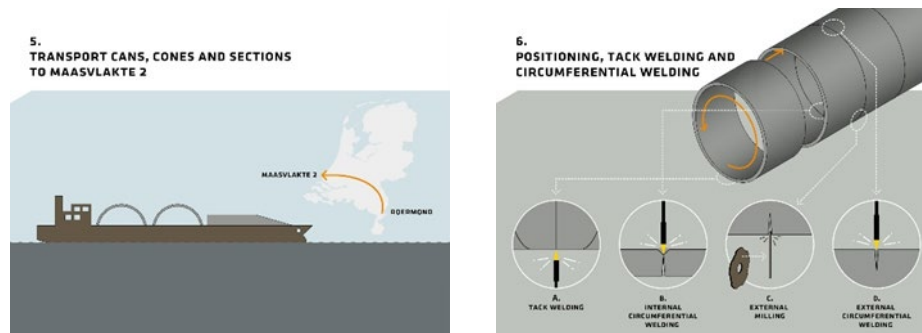
The Company sources plates from Dillinger Hütte at the start of the project and has them delivered at the Company's factory in Roermond.



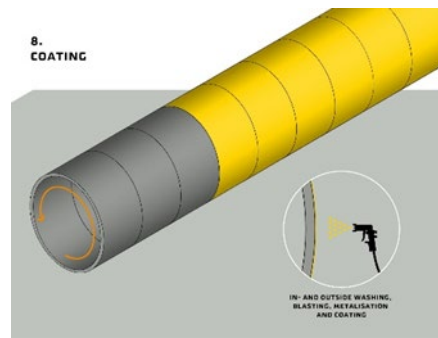
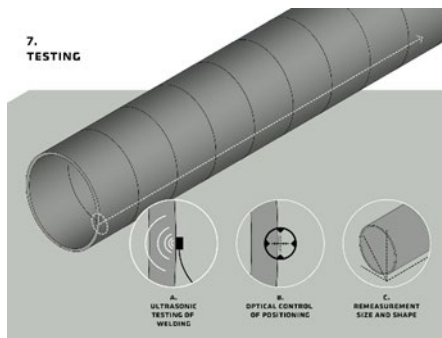
At the Company's factory in Roermond (and after the Manufacturing Expansion as well), the Company rolls plates and welds the rolled plates together along their length (longitudinal weld) to form cans (cylindrical with the same diameter) and cones (cylindrical with a decreasing diameter).



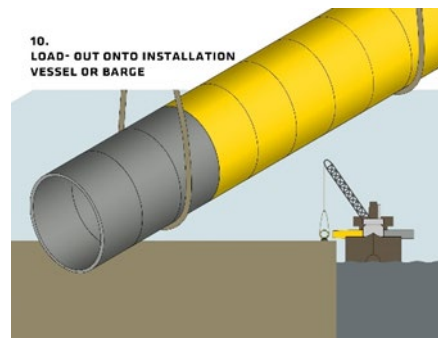
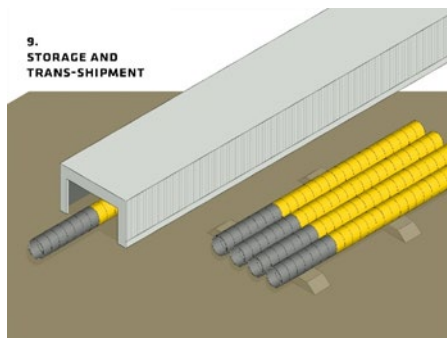
The cans and cones are shipped to Maasvlakte 2 to be assembled and welded together into sections and complete monopiles.



All welds are quality checked and finally coated to the customer's specifications.



Once checked for quality and as built documentation has been finalized, the completed products are handed over to the customer.



Manufacturing Expansion

For many years now, there has been a drive for renewable energy. The Group has noticed that the ambitions of governments to substantially and long-term increase offshore wind energy capacity whereby turbine builders continue to increase turbine capacity will require more and most of all larger foundations.

The Group's current manufacturing facilities have a capacity of approximately 220 Ktons per year with a maximum diameter for monopiles of 9 meters. The maximum output in numbers is 200 monopiles per year (based on 1000 ton/8 meter in diameter designs). To deliver a 2500 ton/11 meter reference monopile and leaving takt time at 200 monopiles per year, requires production capacity of 500 Kton. This required the Group to explore and assess options for the expansion of existing facilities to 500 Kton together with a renowned production engineering consultant, which resulted in a set-up of production lines that fundamentally differ from the present ones in order to manage the substantially increased weights, plate dimensions and to assure safety, environmental and efficiency goals can be met. Subsequently, the Group has consulted customers and partners in the supply chain on their future plans and views on the industry. The combination of our technical study and market consultation has resulted in a blueprint factory that will be able to deliver part of the increased demand from 2024 onwards, when the majority of monopiles (approximately 80%) will be in the 9 to 11.5 meters bottom diameter range. In 2021, the Group appointed a financing consultant, who helped secure the financing structure of the €328 million plan.

On 13 February 2023, the Company announced its final investment decision to construct the world's largest monopile foundation manufacturing plant in Rotterdam, the Netherlands, by expanding the existing manufacturing facilities in Maasvlakte 2 in Rotterdam (being the Manufacturing Expansion). The expanded manufacturing plant will significantly increase the total combined capacity of the Group to 500 kilotons a year and enable the Group to manufacture the equivalent of 200 XXXL reference monopile foundations a year, each with a diameter of 11 meters and a weight of 2,500 tons, and is further aimed at creating an optimised process, complying with the highest safety standards with an increased focus on sustainability.

The XXXL monopile foundations are the newest generation of offshore monopile foundations, and by virtue of their design, an entirely different product from previous generations of monopile foundations. They are significantly larger, in particular in the lower part of the product, and as such permit other components of the wind turbine to be substantially larger, and further facilitate wind farms being developed further offshore in less favourable soil conditions and in deeper water.

Importantly, the Manufacturing Expansion will facilitate the production of four XXXL monopile foundations per week – apart from an increase in production, the Manufacturing Expansion will further shorten the storage period for monopile products and allow the manufacturing process to keep with the pace of installation vessels. This has the effect of accelerating the installation time of a wind farm and will be a key competitive strength.

After securing the irrevocable building and environmental permits end of March 2023, the construction started in April 2023, and the first manufacturing operations are scheduled to start in the second half of 2024. An additional work force of around 200 full-time employees is estimated to be required for the Rotterdam site. This will be done by hiring new employees, transferring approximately 80 FTEs from the Roermond facility to Maasvlakte 2 and contracting temporary staff through strategic resource partners. Subject to various assumptions and external factors that the Group may have limited influence on, the Group expects the expanded manufacturing plant to reach full capacity in the first half of 2025, generating a projected EBITDA of €135 million in 2025 and at least €160 million per annum from 2026 onwards. This implies an expected payback period of 3-4 years on the basis of incremental EBITDA generation and a cash conversion above 90%. For more information on the EBITDA outlook, including the basis of preparations and assumptions, please see "*Operating and Financial Review – EBITDA Outlook*".

Construction of the Manufacturing Expansion started in April 2023, and the first manufacturing operations are scheduled to start in the second half of 2024. The new facilities are expected to be fully operational in the first half of 2025. This timeline retains buffer time being available during the construction phase to accommodate unforeseen setbacks to a certain extent.

The Manufacturing Expansion is underpinned by the following fundamentals:

- detailed, substantiated factory design verified by external experts and advisors;
- combination of mainly existing technology tailored to the Group's requirements;
- mostly a greenfield investment limiting integration activities and downtime;
- lessons learned from more than 20 years of experience and the construction of the Maasvlakte-2 plant;
- designed with optionality to efficiently scale-up;
- dedicated project management team outside normal day-to-day business;
- strong support from launching customers and the Company's cornerstone shareholder Grachtenheer;
- a fully committed, robust and low cost financing package; and
- strong visibility of future projects and a pipeline supporting the business plan.

With these fundamentals, the Group proposes to achieve the construction of the world's largest monopile foundation manufacturing plant, state-of-the-art production technology and optimized production processes and the highest safety and environmental standards.

The Company is financing the Manufacturing Expansion, which is estimated to amount to approximately €328 million (including appropriate contingencies), through a combination of equity and debt, as well as advance factory payments by two launching customers, with the remainder being funded through cash and cash equivalents:

- €100 million of advance factory payments from the launching customers - see section "*Business - Material Agreements – Launching customer 1 - Launching customer 2*";
- €50 million of newly issued cumulative preference shares (being the Preference Shares) - see section "*Description of Share Capital and Corporate Structure – Share capital – Preference Shares*";
- approximately €50 million to be raised through this Offering;
- €40 million in operational leases - see section "*Operating and Financial Review – Banking facilities and loans*";
- €81 million Term Facility - see section "*Operating and Financial Review – Banking facilities and loans*"; and

- €7 million cash and cash equivalents.

(together, the **Funding Package**)

The investment is based on a detailed, substantiated factory design that has been verified by external experts and advisors, supported by commitments from reputable construction partners and equipment suppliers, all with a proven track record of safety, quality, on-time delivery and know-how. The design of the new production facility is based on proven next generation automated manufacturing technology and will be fully compliant with the highest industry safety and environmental standards. It is expected that there will be limited impact.

The Manufacturing Expansion received support from key customers and shareholders of the Group. The launching customers, namely Empire and Ecowende, have secured or are exclusively negotiating 348 kilotons of production with €100 million in advance factory payments, both in the aggregate. Actual output may vary in case of design changes. The Group has also signed a long-term capacity reservation framework agreement with Equinor and intends to negotiate a second long-term capacity reservation framework agreement. These launch orders and framework agreements provide strong visibility of future projects and enhance the Group's long-term financial position.

Focus areas in the design of the Manufacturing Expansion

A dedicated project team was appointed for the Manufacturing Expansion, preparing the design, integration plan and infrastructure of the Manufacturing Expansion. There are a few focus areas in the design of the plant. First of all, increased employee safety has been a key focus point for the Manufacturing Expansion. Secondly, the logistical process has been reviewed to achieve more efficiency. By streamlining the process, there will be fewer logistical movements in the facility, which saves time, space and resources, ultimately resulting in a more cost efficient production process.

The design of the Manufacturing Expansion was tested by professors, industrial experts and other companies with parallel techniques, but also by the Group's employees, reviewing the design from different perspectives and combining the available know-how to create the plan as it stands today.

As the expanded manufacturing plant will be to a large extent stand-alone, the plan will require limited integration activities and downtime.

Production of monopiles after the Manufacturing Expansion

After the Manufacturing Expansion, unfinished steel plates will be prepared, welded, grinded and milled in the new manufacturing hall to cones and cans (both are part of a monopile). The steel plates are pre-cut in their final shapes, after which the steel plate is rolled to a cone or can in one single move. In the new manufacturing hall, the steel plates will be fully welded from both top and bottom using three identical assembly lines (longitudinal welding). Compared to the old manufacturing process, the plates do not have to be flipped to weld the other side which means less handling, reduced process time and increased safety.

Once the steel plates are welded, they are milled using a more accurate weld seam geometry than before the Manufacturing Expansion. Before the plates are rolled into their final shape, i.e. a can or cone, the plates are checked for welding inaccuracies. Any repairs are being made separately to secure the logistical flow of the process.

Once the steel plates are fully checked, the cones and cans are welded, grinded and calibrated to ensure they have the perfect shape to be welded together in sections. The sections are then transported to another manufacturing hall, where they will be assembled and welded on the inside and then milled and welded on the outside.

After a waiting time of 24 – 48 hours, the welds of the monopiles are checked on the surface and volumetric for repairs by a non-destructive examination method. Once the steel fabrication is completed, the monopiles are coated according to the specific customer's specifications. Once the monopiles are finished, they are directly transported to the customer or transported to the outside storage location.

New developments

The final investment decision for the Manufacturing Expansion was taken on 13 February 2023. This project will transform the largely manual production process into a more automated one, enhancing safety and quality and reducing direct labour costs. It will also offer more sourcing flexibility since the Group will be performing parts

of the pre-processing in-house and will enable more flexibility in using steel plates: currently, monopiles are made of large and heavy steel plates weighing up to 42 tonnes each, which are specially produced and supplied by Dillinger Hütte in Saarland, Germany. In the expanded facilities, the Group expects to be more flexible in the use of alternative / smaller plates from any other qualified steel supplier.

Offshore installation of wind farms is a complex logistical process that depends on factors such as weather conditions and swell. Minimizing offshore installation activities improves safety and installation vessel efficiency and productivity leading to lower installation costs. The Group is constantly pursuing ideas and innovations in close cooperation with installation vessel owners and developers that can simplify offshore installation of foundations and turbines. One such innovation is the 'Skybox', a platform that has all the secondary equipment, such as ladders, boat-landings and switch-boards, attached to it. The 'Skybox' can be installed in one hoist on a transition piece less design monopile, rather than connecting each item separately to the foundation offshore or using a separate transition piece.

Another innovation is the new product line called 'The revival of the Tripod', which the Group is currently working on, in particular via KCI the engineers B.V., a subsidiary of the Company active in design engineering (please refer to section "*Business - Group structure*") and Smulders Eiffage, a steel construction company with which the Group has a partnership in place (please refer to section "*Business - Suppliers and Supply Chain - Smulders Eiffage*"). As an alternative, the 'Tripod' has some specific advantages compared with the monopile and the jacket at water depths of 50 meters or greater as it is a sturdier construction than the monopile (and thus more viable in less suitable locations) and easier and more affordable to manufacture than a jacket. It will have its own specific niche and application in addition to those of the jacket and the monopile respectively. Production of the central column of the 'Tripod' will take place in Roermond, the Netherlands, and at Smulders Eiffage's site in Wallsend, the United Kingdom, for the final integration. Bracings will be sourced in from suppliers from the United Kingdom.

Key strengths

The Company identifies the following key strengths of its business.

The Group expects to be able to facilitate an efficient supply of monopiles, which are the foundations of choice for the offshore wind industry

Monopiles are and are expected to remain the foundation of choice for offshore wind farms that are located in water depths of up to a maximum of 60 meters. Monopiles have the best value for money for the Group's customers since they are the most affordable solution for such water depths, have the shortest production time and are most efficient from an installation perspective. This also applies to monopiles with larger diameters and weights.

The present wind farms typically have between 70 and 90 turbines that require an equal number of foundations. The foundations are critical in the installation process and are the only piece of an offshore turbine that is uniquely designed to its location in the field. Installation of monopile foundations is done by heavy lift installation vessels. These installation vessels are costly and can carry on average three to four foundations (monopiles plus any transition pieces) per journey. The installation of the turbine on the foundation once this is installed is done by different installation equipment. This makes the offshore installation of a wind farm a complex logistical process requiring on-time and flawless deliveries. It is important to the customer and the installation contractor that a certain number of foundations is completed at the start of the installation campaign to facilitate an uninterrupted process.

If the new facility will operate as envisaged and is able to complete on average four to five foundations per week to facilitate an uninterrupted installation process in a limited timeframe, shorter lead times will be ensured and more flexibility will be offered to customers and their installation contractors, which is considered to be a potential future key strength for the Group.

Strong track record focused on delivering on time

The foundation is the first part to be installed for an offshore wind farm. The foundation is critical in the total installation process and once installed, is difficult and costly to remove again for repair or replacement.

Since the early 2000s, the Group has manufactured and delivered more than 2,500 monopiles. During that period, the Group has never paid liquidated damages or fines for being late or for delivering defective products. The

Company believes that its reputation for on-time delivery and high quality is essential to its success. The Company is committed to the delivery of high quality products, on time, in order to meet the installation schedules of its customers. Entrance barriers for new producers of larger monopiles are high, since they would not be able to benefit from the expertise that the Group has built over the years while producing monopiles with smaller diameters and given the long term relationships the Company has with its customers.

Strategically located with large deep sea quay and storage capability

The location at Maasvlakte 2 offers customers efficient access to the products of the Group. The large deep sea quay and the port of Rotterdam infrastructure of waterways guarantees 24/7 access, regardless of the tides, to open sea for ships up to 15 meter draft that can meet nitrogen and other regulatory standards. The location has storage facilities for monopiles, transition pieces and the marshalling and logistics of other windfarm products like turbine blades, towers and nacelles. This especially relates to wind farms in the territories of the countries adjacent to the greater North Sea (United Kingdom, Belgium, the Netherlands, France, Germany, and Denmark).

Deep in-house engineering capabilities and technology leadership

In 2021, the Company acquired KCI the engineers B.V., a provider of engineering services. The purpose of the acquisition was to reinforce the design engineering capacity of the Group in order to serve customers with in-house engineering services with the aim to reduce overall product costs and optimise the manufacturing process. KCI the engineers B.V. is an established brand in offshore engineering and serves customers in the offshore renewable energy, hydrogen and structural design sectors with value-engineering. The Group aims to tailor customers requests to optimal production specifications and to assist customers in selecting the optimal foundations for their turbines. The acquisition of KCI the engineers B.V. fits the Group's mission to accelerate the growth of offshore wind power generation as a key driver to the world's energy transition.

An accelerating offshore wind market with locked-in long-term customer and supplier agreements

The Group's addressable markets are expected to continue to grow in the coming years. The Group has good visibility on the projects that are in the industry's pipeline for the coming years and its order book, including orders which are under excluding negotiations, currently contains 719 Kton production for projects for the period 2023 through 2026. Production volumes for 2023 of 218 Kton and 2024 of 206 Kton are fully covered by the order book. Production for 2025 is covered by the order book for approximately 70%, while the remainder is expected to be covered following the outcome of current tender discussions. Discussions for projects to be executed in 2026 have already started, with tenders substantially exceeding available production volumes. Projects that are in the order book include amongst others Dogger Bank B and Dogger Bank C, Hollandse Kust West, Empire Wind, He Dreiht and Noirmoutier. The Group has agreed a capacity framework agreement with Equinor for the supply of monopiles for future projects of Equinor and has long-term arrangements with its main suppliers, including Dillinger Hütte, Euskal Forging and Van Ginkel that give access to the future supply of the critical parts of the manufacturing process of monopile foundations. As the market leader, the Group is well placed to benefit from the prospects for its relevant market in the coming years.

Challenges

In executing this strategy, however, the Group is expected to face a number of challenges inherent to the offshore wind industry and challenges in respect of the completion of the Manufacturing Expansion including, in particular, those associated with: (i) ensuring that the Manufacturing Expansion is completed without delay and that it achieves the intended levels of output, and that subsequent to the completion of the Manufacturing Expansion, the Group is able to maximise on the increased production capacity by effectively integrating the manufacturing, transport and logistics processes between the Maasvlakte 2 and Roermond facilities (for more information on these challenges, see "*The Group may have difficulties in ensuring that the Manufacturing Expansion will become operational in time and with the expected output and efficiency*" and "*The Group may incur difficulties in realising synergies between its facilities*"); (ii) ensuring that the Manufacturing Expansion is implemented efficiently such that the actual costs do not exceed the budgeted amount of approximately €328 million, which will require constant and diligent monitoring of the process by the Group's management (for further information on this challenge, see "*The Manufacturing Expansion may result in a costs overrun*"); (iii) ensuring that the Group remains in compliance with the ever-changing regulatory landscape governing offshore wind, energy and the

environment in the Netherlands and Europe (for further information on these challenges, please see "*Failure to obtain a nature permit could adversely affect the Group's operations*" and "*Failure to obtain or maintain regulatory approvals or permits could adversely affect the Group's operations*"); and (iv) ensuring that the Group is adequately staffed to implement the Manufacturing Expansion and realise its potential after completion of its construction, and further, more generally, that the Group is able to attract and retain suitable levels of management and skilled employees, in number and quality (for further information on these challenges, please see "*The Group may have difficulties with attracting and allocating skilled and sufficient human resources to effectively address all current developments*" and "*The Group relies significantly on the skills and experience of its managerial staff, technical manufacturing staff and other key personnel, and a loss of these individuals could materially and adversely affect the Group*").

Strategy

The Group's mission is to be the best monopile solution provider through innovation, engineering and excellent manufacturing with commitment to the environment and its employees' wellbeing, all as confirmed by its customers.

The Group has witnessed the rapid growth of offshore wind production, which has lowered the cost of energy, reduced the carbon footprint and preserved bio-diversity, without relying on government subsidies. Offshore wind energy can now compete with any alternative source of energy. The Group aims to contribute to a further increase in the production of robust and affordable energy through offshore wind as a key driver to the world's energy transition and to expand beyond its current core markets and utilize the demanding rise of offshore wind energy in growing markets like the US and Asia. Furthermore, the Group is moving towards 'total solutions partnerships' by offering engineering, manufacturing of unique XXXL monopile foundations and marshalling services for installation and decommissioning of offshore wind equipment. The Group takes a long-term view and anticipates and prepares for these trends.

The Group is pursuing the following short- and long-term activities to strengthen and secure its niche position.

Optimize manufacturing assets

The Group holds a leading position in the serial manufacturing of large tubular constructions that serve as foundations for offshore wind turbines. Over the past two decades, these tubular structures have increased in size to carry the turbines that have increased in megawatt output from 2 MW to 14 MW. Further growth is anticipated in the capacity of turbines and there are concrete plans to manufacture turbines up to 18 MW capacity in the near future. On the back of the expected growing demand for offshore wind energy and, consequently, the expected demand for more and larger monopiles from 2025 onwards, the Group has decided to improve and expand production facilities to meet this demand and annually produce 200 monopiles with diameters up to 11.5 meters and a total annual volume up to 500 Kton. The design of the expanded facilities will enhance not only efficiency but also safety (e.g. more working space and unidirectional movement of products) and environmentally friendly production (e.g. more electrified or bio-diesel fuelled equipment and less internal logistical moves).

Develop design engineering

Customers are primarily responsible for the design of the foundations. The Group often identifies opportunities for design improvement during the final design engineering phase, resulting in product and production cost reduction, efficiency increase, safety and sustainability improvement. These improvements lead to enhanced quality for customers, designed-to-manufacture solutions for the Company and responsible, more efficient and sustainable installation methodologies.

Develop transition piece-less monopile alternatives

A traditional offshore wind turbine foundation is composed of a monopile and a transition piece. The monopile is the carrying part and is hammered into the seabed. The transition piece is installed on top of the monopile by a bolt and/or grout connection. Attached to the transition piece are the more vulnerable pieces of equipment, such as boat-landings, ladders and switch-boards. The duo-installation requires more offshore installation effort, which is costly and has an increased risk of being obstructed by bad weather conditions or wave-impact. Minimising offshore installation work enhances safety, reduces risk and reduces installation costs for the Group's customers. Single-piece foundations limit the amount of weather-sensitive offshore installation activities. For the Hollandse

Kust Zuid and Hollandse Kust Noord projects, only the monopile foundation needs to be installed by the relatively expensive installation vessel, with the applications later being attached by a smaller, less costly, service vessel. Another innovation that minimises offshore installation work even further is the Skybox concept, which was recently introduced as a pilot project. The Skybox has all external applications integrated in one piece that can be installed on the monopile by a slip-joint connection in one single hoist.

Logistic and marshalling services for installation and decommissioning of offshore wind farms

An offshore turbine is composed of the tower, the nacelle and blades. These components are supplied by various partners in the supply chain; the more assembled onshore, the less vulnerability to offshore installation risks. These components are, however, becoming so large that assembly is preferably done close to a quay with direct sea access and as close as possible to the offshore wind farm in order to minimise sailing time and risks. Therefore, with offshore equipment and parts increasing in size, demand for onshore preparations and pre-assembly increases. The Group provides such strategic location to its customers together with equipment for assembly (multi wheel heavy lift trailers and hoisting equipment). Towers, nacelles and blades are collected at the Group's plant via the roll on – roll off quay or deepsea quay and are assembled and/or pre-commissioned before going offshore for installation onto the foundation. During the construction of the Manufacturing Expansion, however, these logistic and marshalling services will be limited as construction activities will occupy space on the Maasvlakte-2 premises which would otherwise be used for such logistic and marshalling services. These services will resume on completion of the Manufacturing Expansion, albeit in a more limited fashion unless additional acreage can be secured.

Promote circular solutions for offshore foundations

Early-day wind farms are reaching the end of their technical or economic lifetime. It is anticipated that within the next five to ten years, demand for decommissioning / replacement will grow, including the removal of depreciated wind farms including the complete foundations. This caters to the increasing request for circularity of materials of which steel is an important part. In the future scrap steel is becoming more important as it is also needed to feed the carbon friendly electric arc furnaces that suppliers like Dillinger Hütte will be introducing in a couple of years.

After the Manufacturing Expansion, the goal is to expand the Group's solutions to promote fully circular offshore wind farms. In this regard, the Group intends to become a top-rated ESG and 'green' offshore wind player. With their product range, the Group contributes to the energy transition. To become a top-rated ESG offshore wind player, the Group needs to adapt its production process and the production processes of its supply chain partners to decrease the carbon footprint to the bare minimum. To achieve this, production and application of green steel will be pursued (together with supplier Dillinger Hütte) and the transportation and production processes of the Group will be electrified or switched to bio-fuels. Electricity will be generated by the GE Haliade X 13 MW turbine on the Group's production site at Maasvlakte 2. Finally, circularity of products will be pursued by decommissioning the depreciated foundations and by re-using the steel for production of new steel for successive wind farms (also in close cooperation with Dillinger Hütte, whose electric arc furnaces use scrap materials for green steel production). Please also refer to "*Business - Corporate Social Responsibility*".

The Company's core markets

Geographically, the Group's focus is on projects in North-Western Europe (the United Kingdom, Germany, Belgium, Denmark, the Netherlands, France and Norway) with increasing interest in the United States. Monopiles, the Group's primary product, are predominantly installed in the greater North Sea region.

The geographical breakdown of the Group's revenues for the years 2022, 2021 and 2020 are as follows:

| <i>amounts in €000</i> | 2022 | 2021 | 2020 |
|----------------------------------|----------------|----------------|----------------|
| The Netherlands | 156,074 | 270,701 | 81,637 |
| Rest of the European Union | 6,723 | 4,733 | 108,393 |
| Rest of the world | 211,746 | 147,107 | 145,403 |
| Total revenue | 374,543 | 422,541 | 335,433 |

The breakdown of revenues of the Group by operating segment for the years 2022, 2021 and 2020 is as follows:

| <i>Amounts in €000</i> | 2022 | 2021 | 2020 |
|----------------------------|----------------|----------------|----------------|
| Wind..... | 352,863 | 411,055 | 316,671 |
| Marshalling | 12,506 | 5,799 | 6,749 |
| Other..... | 9,174 | 5,687 | 12,013 |
| Total revenue | 374,543 | 422,541 | 335,433 |

Suppliers and Supply Chain

The Group has strong cooperative arrangements in place with key-suppliers for steel plates (Germany based Dillinger Hütte), steel flanges (Euskal Forging in Spain), outfitting for transition pieces (Belgium based Eiffage-subsubsidiary Smulders Eiffage) and corrosive protection (Van Ginkel in the Netherlands).

Dillinger Hütte

Dillinger Hütte is a high-quality supplier of large steel plates suitable for monopile production with excellent rolling and welding manufacturing process characteristics. The Group sources almost all its steel plates from Dillinger Hütte, given their tailored approach to the Group's specific requirements. Currently this includes welding edge preparation of the plates to optimise the welding process, optimised logistics by delivering smaller and sequenced batches for the production of monopiles and transition pieces, and the supply of ultra large plates to minimise the number of longitudinal welds. These features enhance the efficiency and quality of the Group's manufacturing process.

Dillinger Hütte is located along waterways connected to the river Meuse, which makes transport and delivery of steel efficient and effective. The Group has alternative suppliers in case of delivery shortfalls by Dillinger Hütte, but these would entail additional costs and increased risk of delays due to the longer distances and required logistical handling. The Group's expansion plans include the function to internalise the majority of the handling, machining and cutting operations that Dillinger Hütte and or its suppliers currently perform. This would reduce the Group's dependency on Dillinger Hütte as supplier of steel plates for the new facility.

The Group is in close dialogue with Dillinger Hütte on the supply of green steel and a plan to recycle steel from decommissioned wind farms, which is expected to become relevant between now and 2028 when the first wind farms reach the end of their economic life.

The Group bought all its steel plates from Dillinger Hütte in 2020 and 2021, and 98.5% in 2022. Dillinger Hütte's annual revenues from supplying the Group range from €120 million in 2020 to €174 million in 2022, depending on the global steel prices and the Group's production volumes. A cooperative arrangement with Dillinger Hütte was signed on 18 October 2022. The aim of this arrangement is to secure future steel plate deliveries to the Group within the quality, time frames and pricing that cater the market.

For the relationship with Dillinger Hütte reference is made to "*Risk Factors – The Group is dependent on key suppliers and partners and is subject to suppliers' and partners' credit risk and supply chain risks, which may affect the timely delivery and quality of raw materials and components*"

Smulders Eiffage

Smulders Eiffage produces transition pieces and secondary steel for transition piece less monopiles and has the capacity to manufacture jackets and substations. The Group delivers the primary steel for the transition pieces to Smulders Eiffage. As a result of the partnership with Smulders Eiffage, the Group can offer complete foundations to its customers. Depending on the project scope, the Group either (i) hires Smulders Eiffage as a subcontractor and takes responsibility for the whole project or (ii) the Group and Smulders Eiffage form a joint venture and share the risk and liability towards the customer. The type of cooperation does not affect the profit, but it changes the revenue and margin percentage. Smulders Eiffage's annual sales to the Group varies each year and totals €58 million in 2020, €87 million in 2021 and €18 million in 2022.

Euskal Forging

Euskal Forging in Spain is a leading producer of large size forged steel flanges with multiple machined holes through which bolts are installed during the installation process of the foundation/tower construction at sea. Flanges are welded to the top of the monopile and/or transition piece and assure the connection between

monopiles, transition pieces and towers offshore. These flanges are heavy load parts with strict dimensional and quality requirements and as such flanges are critical for the Group as they form an integral part of the product. Euskal Forging has a proven track record of meeting the Group's specific technical requirements, lead times and logistical reliability, which was built over decades of cooperation. Euskal Forging supplied all of the Group's flanges in 2021 and 2022, and 85% of them in 2020. This generated annual revenues for Euskal Forging of approximately €5 million in 2020, €18 million in 2021 and €32 million in 2022.

A cooperative arrangement with Euskal Forging was signed on 7 March 2023. The aim of this arrangement is to secure future flange deliveries to the Group within the quality, time frames and pricing that cater the market.

For the relationship with Euskal Forging reference is made to "*Risk Factors – The Group is dependent on key suppliers and partners and is subject to suppliers' and partners' credit risk and supply chain risks, which may affect the timely delivery and quality of raw materials and components*".

Van Ginkel

Van Ginkel is an expert in the preparation and application of offshore specific coating and corrosion protection systems. The Group and Van Ginkel have a partnership since 2008 and Van Ginkel operates the coating facilities at the Group's site at Maasvlakte 2. Van Ginkel has applied coatings to more than 1,500 of the Group's monopiles. As customers demand various types of high level corrosion protection systems for monopiles which form an integrated part of the Company's products, Van Ginkel's capabilities and flexible capacity are essential for the Group. The Group and Van Ginkel have renewed their framework agreement in 2022. Annual revenues for Van Ginkel amount to approximately €13 million in 2020, €16 million in 2021 and €21 million in 2022.

Material Agreements

Besides its contracts with suppliers and partners, the Group has some other material contracts that are still in force and that were signed in the last two years before the date of this Prospectus. This considers, for example, inland water way transports, welding materials and grinding equipment and tools. The Group also has some other contracts that are still in force and that are not in the normal course of business, and that give or require any material obligation or entitlement for the Group as of the date of this Prospectus.

The Group has a framework agreement with Equinor that sets out the terms for Equinor to reserve production capacity at Sif. The agreement also specifies the cancellation fee that Equinor must pay if it cancels any reserved capacity and the pricing structure and terms & conditions for the fabrication and supply contract. The agreement outlines how Equinor can request and confirm a capacity reservation (including scope, schedule, price, cancellation costs, exclusivity and terms of condition of the fabrication and supply contract) through a capacity reservation agreement. If Equinor wants to reserve capacity that does not match the agreed terms under the framework agreement, the parties can negotiate a separate capacity reservation agreement for each project.

The Group typically signs large commercial contracts with customers. As per the date of this Prospectus, the Group has contracts in place for the production of monopile foundations for 13 large ongoing offshore wind and oil & gas projects for a total amount of approximately EUR 1,800 million. Each project value ranges between approximately EUR 2.5 million and EUR 420 million. Contracts for large projects are a significant part of the Group's annual revenue. The total value of large projects that are completed but to which the defect notification period still applies amounts to approximately EUR 1.5 billion.

Financial contracts

For information on the financial contracts, debt arrangements and operational leases of the Group, please see "*Operating and Financial Review – Banking facilities and loans*".

Property contracts

Sif Property B.V. owns fourteen plots of land in Roermond. Sif Netherlands has multiple sub-leaseholds to use nine plots of land at Maasvlakte 2 in Rotterdam. Except for the house at Mijnheerkensweg 10, Roermond, The Company has granted first ranking mortgages over all of these properties as security for loans of up to €171.2 million per property. The Company has also pledged its movable assets to the mortgage lender.

Maasvlakte 2

In 2015, the Group obtained temporary sub-leasehold rights for two sites (site A and site B) in the Rotterdam harbour. Sif Netherlands can use these sites only for producing, assembling, inspecting and testing steel objects for the offshore and onshore wind sector, oil, gas and other industries or the construction industry, and for storing and shipping these objects. The use of two heavy load cranes is subject to certain limitations.

Terrain A, including the slope and the water, covers about 299,790 m². The sub-leasehold right was granted by the leaseholder Havenbedrijf Rotterdam N.V. from 1 September 2015 until 30 June 2041. The Group can end the sub-leasehold right early on 1 July 2031 by giving two years' notice. The rent for terrain A is €2.5 million per year. The ground rent is adjusted every year based on the consumer price index 'all households deduced (2006=100)', with 1 January 2016 as the base year.

The Group has a sub-leasehold right for terrain B, which covers about 120,900 m². The sub-leasehold began on 1 July 2017 and will expire on 1 July 2041, unless the Group decides to end it early on 1 July 2031 by giving two years' notice. The annual ground rent for terrain B is €1.0 million, plus sea port and quay dues. The ground rent is adjusted every year based on the consumer price index 'all households deduced (2006=100)', with 1 January 2016 as the base year.

The Group also leases terrain C from Havenbedrijf Rotterdam. The lease covers the period from 30 July 2019 to 1 July 2041, with the option for the Group to terminate it early on 1 July 2031 by giving two years' notice. The annual ground rent for terrain C is €2.5 million, plus sea port and quay dues. The ground rent is also adjusted every year based on the same consumer price index as terrain B, with 1 January 2016 as the base year.

The Underwriting

On 13 February 2023, the Company and Grachtenheer entered into a commitment letter in relation to Grachtenheer's commitment to (i) subscribe for Offer Shares in the Offering by exercising at least the Rights that are allotted to it based on its proportionate shareholding and (ii) subscribe and pay for the Underwritten Shares. In the Underwriting Agreement, the Company and Grachtenheer laid down their agreement in relation to the underwriting as mentioned under (ii) above. Please refer to section "*Plan of Distribution - Underwriting arrangements*".

Preference Shares

On 12 February 2023, the Company, Equinor Renewables B.V. and Equinor New Energy AS entered into a term sheet summarising the principal terms and conditions for the issuance by the Company and the subscription by Equinor Renewables B.V. for 50,000 Preference Shares against payment of a subscription price of €50 million in aggregate at a subscription price of €1,000 per Preference Share. This term sheet was superseded by the placement agreement dated 17 March 2023. On 30 March 2023, the Preference Shares were issued to Equinor Renewables B.V. Please refer to section "*Description of Share Capital and Corporate Structure – Share capital – Preference Shares*".

Launching customer 1

On 30 December 2022, Sif Netherlands, a 100% subsidiary of the Company, has entered into two contracts with Empire for the fabrication of monopile foundations (the **Empire Monopile Contracts**). Pursuant to these contracts, Empire has agreed to make advance factory payments to Sif Netherlands in a total amount of €50,000,000 (the **Empire AFPs**), such payments to be used by Sif Netherlands solely to fund the Manufacturing Expansion.

The Empire AFPs are payable by Empire as milestone payments under the relevant Empire Monopile Contract, subject to satisfaction of the applicable conditions precedent. The Empire AFPs are repaid by Sif Netherlands by being set off against payments due by Empire to Sif Netherlands under the relevant Empire Monopile Contract. The Empire Monopile Contracts are on the same terms except for the amount of the relevant Empire AFP and the fact that they relate to different offshore wind projects.

Impact of termination for a Material Contractor Event of Default

If an Empire Monopile Contract is terminated for a Material Contractor Event of Default (as defined below) before the relevant Empire AFP has been paid to Sif Netherlands, Empire will no longer be under any obligation to pay

that Empire AFP. If the relevant Empire Monopile Contract is terminated for a Material Contractor Event of Default after the relevant Empire AFP has been paid, Sif Netherlands is required to repay the outstanding amount of that Empire AFP to Empire within thirty days of demand.

a **Material Contractor Event of Default** means any of the following events:

- Sif Netherlands abandons the work for more than 30 days or demonstrates intention to permanently discontinue the performance of its material obligations under the relevant Empire Monopile Contract;
- Sif Netherlands repudiates the relevant Empire Monopile Contract;
- Sif Netherlands or the Company become insolvent;
- The guarantee given by the Company in respect of Sif Netherlands's obligations under the relevant Empire Monopile Contract becomes invalid or unenforceable and is not replaced within 30 days;
- The fabrication facility which is the subject of the Manufacturing Expansion is destroyed or abandoned for more than 30 days;
- Sif Netherlands breaches its obligation to use the Empire AFP solely for the purposes of funding the Manufacturing Expansion;
- Sif Netherlands is found to have breached certain warranties and undertakings under the relevant Empire Monopile Contract relating to compliance with sanctions and data protection and measures against corruption, tax evasion and money-laundering; and
- Certain permits required and obtained for the Manufacturing Expansion are lost (unless no longer required or replaced).

Impact of termination for any other cause than a Material Contractor Event of Default

If an Empire Monopile Contract is terminated for any reason other than a Material Contractor Event of Default before the relevant Empire AFP has been paid to Sif Netherlands, that Empire AFP will remain due and payable by Empire Offshore Wind LLC.

If the relevant Empire Monopile Contract is terminated for any reason other than a Material Contractor Event of Default after the relevant Empire AFP has been paid to Sif Netherlands (a **Trigger Event**), Sif Netherlands' obligations to repay that Empire AFP will be discharged and a deeply subordinated non-convertible perpetual bond issued on 5 April 2023 by the Company to Empire Offshore Wind Holdings LLC, the parent of Empire Offshore Wind LLC, will become effective in an amount equal to the amount of the Empire AFP which has been paid to Sif Netherlands, less any amounts credited against the contract price (as defined in the Empire Monopile Contract) and less any fees payable to Sif Netherlands under the Empire Monopile Contract. In the event of liquidation of the Company, the perpetual bond ranks prior to payments in respect of ordinary shares, preference shares and any other obligations of the Company which rank or are expressed to rank *pari passu* with the perpetual bond, but junior to any rights and claims in respect of unsubordinated obligations of the Company. Before a Trigger Event, no interest shall accrue on the perpetual bond. Provided that a Trigger Event has occurred, interest accrues on the perpetual bond from 1 January 2026 at a rate of EURIBOR plus 5%, subject to an annual increase by 0.75% beginning on 1 July 2027 (the **Interest Rate**) and is payable annually in arrears. The Company has an option to defer interest payments subject to certain limited mandatory interest payment events. Deferred interest payments bear interest at the applicable Interest Rate plus an additional rate of 2%. Interest will become due and payable within ten (10) business days if the Company is delisted, becomes insolvent, makes distributions or redemptions on its equity or equity instruments, repays shareholder loans or pays interest on shareholder loans or makes capital contributions to affiliates. There is no set redemption date. The Company has the option to redeem the perpetual bond at any time. A mandatory redemption will occur if the Company becomes insolvent or fails to pay interest when it becomes due and payable.

Launching customer 2

On 7 September 2022, Sif Netherlands, a 100% subsidiary of the Company, has entered into an advance factory payment and reservation agreement (the **Shell/Eneco AFP Agreement**) with Ecowende C.V. and SchakelWind C.V. (each a joint venture company between Shell and Eneco and hereinafter, each referred to as a **JV** and

together, the **JVs** or **Ecowende**), pursuant to which, in consideration of being granted a slot reservation at the Group's fabrication facility (the **Slot Reservation**), the JVs have jointly and severally agreed to make available an advance factory payment in the amount of €50,000,000 (the **Shell/Eneco AFP**), such payment to be used by the Sif Netherlands solely for the purpose of the Manufacturing Expansion. Credit support has also been provided by the JVs in respect their obligation to pay the Shell/Eneco AFP in the form of a parental guarantee from each of the shareholders, Shell Overseas Investments B.V. and N.V. Eneco (the **Credit Support**).

The drawdown of the Shell/Eneco AFP is subject to the satisfaction of certain further conditions precedents which include (a) Sif Netherlands confirming on the date of the drawdown request that no material adverse effect (as defined in the advance factory payment and reservation agreement) has occurred, and (b) the drawdown request being accompanied by an up-to-date investment plan for the Manufacturing Expansion. Sif Netherlands is also required to substantiate the drawdown request with evidence of the purpose of the relevant drawing (for example, invoices for the cost of the Manufacturing Expansion to be financed with that drawing).

The Shell/Eneco AFP is available for drawing during a period that runs from the 1 January 2023 to 31 December 2023. The JVs' obligation to fund the Shell/Eneco AFP is joint and several and applies regardless of the outcome of their tenders for wind farms, or whether they ultimately enter into a supply contract with the Group for the fabrication of monopile foundations and irrespective of whether the Slot Reservation has been converted to a Voucher already (as defined below).

In the ordinary course, the Shell / Eneco AFP is repaid by being set off against payments due by one or both JVs under supply contracts entered into with the Group in connection with certain projects. The Shell/Eneco AFP Agreement also provides that in certain circumstances the Slot Reservation shall be converted into a voucher (the **Voucher**) in an amount equal to the amount of the Shell / Eneco AFP which has been paid by the JVs to the Group as at the date of conversion. Following such a conversion, the obligation of the Group to repay the Shell/ Eneco AFP is deemed discharged and replaced by its obligations with respect to the Voucher. The Voucher, which is subject to CPI indexation, can be redeemed by the Voucher owner requesting to reserve a capacity slot at the Group's fabrication facility for the supply of monopile foundations for future offshore wind projects. Both the Slot Reservation and the Voucher are transferable, subject to certain transfer restrictions, including that if there is a transfer of the Slot Reservation or Voucher before the Shell/Eneco AFP has been paid to Sif Netherlands in full by the JVs, the transferee must satisfy certain credit rating requirements, including in respect of the provision of Credit Support. The Voucher can also be repaid at any time by Sif Netherlands in its full discretion.

The JVs can require the Shell/Eneco AFP to be repaid and, if applicable, cancel any available amount of the Shell/Eneco AFP not yet drawn, if the Group commits a Material Breach (as defined below) which is either not capable of remedy or not remedied within thirty (30) business days. In those circumstances, the amount of the Shell/Eneco AFP which has been drawn is repayable in the form of a penalty payment within five (5) business days, and any undrawn amount of the Shell/Eneco AFP is cancelled.

A **Material Breach** for these purposes is specifically defined and covers the following (note that this is a non-exhaustive list):

- Sif Netherlands using the Shell/Eneco AFP for purposes other than the funding of the Manufacturing Expansion;
- Sif Netherlands using the proceeds of the Shell/Eneco AFP in a manner which would breach sanctions;
- Sif Netherlands failing to comply with its obligation to reserve a slot for the JVs at its fabrication facility;
- Sif Netherlands failing to comply with its obligation to use reasonable efforts for a limited period to support the JVs in selling the Slot Reservation to the expected winner of the tender;
- Sif Netherlands failing to comply with certain obligations which apply in the event the JVs seek to redeem the Voucher;
- Sif Netherlands entering into a binding commitment with a third party in respect of the fabrication slot which has been reserved for the JVs as the Slot Reservation;
- Sif Netherlands breaching its anti-corruption obligations;

- Sif Netherlands breaching its obligation not to disclose the terms of the Shell/Eneco AFP Agreement and not to make a public announcement in respect of it without the JVs' prior written consent (note that this obligation is subject to carve-outs);
- Sif Netherlands breaching representations made by it under the Shell/Eneco AFP Agreement (the only reps it gives are that it has the power to enter into the Shell/Eneco AFP Agreement and that it is validly existing as a Dutch company); and
- Sif Netherlands having committed a material breach under supplier agreements entered into / to be entered into with the JVs which has resulted in those agreements being terminated by the JVs.

Regulatory environment

The Company is an entity incorporated under the laws of the Netherlands. The Group is affected by, and must comply with, various statutes, regulations and laws applicable to businesses generally, including, but not limited to, laws affecting tax, land use, the environment, occupational health and safety, construction, procurement, product safety, quality and liability, transportation, employment practices (including pensions), competition, anti-corruption and other matters. These laws are administered by various statutory or regulatory bodies.

The Group sells its products in a number of jurisdictions around the world and is subject to federal, state and local laws and regulations in each of those countries. In addition, the offshore wind market is subject to various regulatory and environmental requirements, including among others towards renewables. For example, the Group needs to obtain and comply with various permits. To operate both factories in Roermond and Rotterdam the Group requires an environmental and, for the Manufacturing Expansion, building permit (*omgevingsvergunning bouwen*) and a nature permit (*natuurwetvergunning*). The Group holds all the permits it needs for the factory in Roermond and a building and environmental permit for the Rotterdam factory. The Rotterdam factory did not need a nature permit when it was built (only a so called PAS notification was required and issued by the Company at that time), but a court ruling by the administrative law section of the Dutch Council of State changed the rules for PAS notifiers in 2019. Therefore, PAS notifiers such as the Group need a nature permit. The central government intends to legalise the activities of these PAS notifiers through a PAS legalisation programme.

The Group has a binding approach agreed with the Port of Rotterdam to start a nature permit procedure based on external netting using nitrogen capacity that has been made available by the Port of Rotterdam. The Provincial Executive of Zuid-Holland confirmed that they endorse this route and that a formal assessment of this route needs to be made in the permitting procedure. The Group submitted an application for a nature permit on 2 June 2023 on the basis of external netting. The permit still needs to be granted. The Group has also formally requested legalisation through the PAS legalisation programme. This is to be regarded as a fall back option in the event the permit based on external netting will not be granted.

Meanwhile the Manufacturing Expansion proceeds based on the fact that environmental and building permits are in place, the nitrogen depositions remain below the PAS notification levels during the entire building process and a nature permit for the nitrogen emissions is expected to be in place by the end of 2023 latest.

Besides, the Group is investigating what kind of shore power system has to be implemented to further reduce CO₂ and NO_x emissions of ships along the quay side.

As the Group is gradually expanding and/or adjusting its activities to market requirements, it will need to apply for further environmental (building) permit(s) from time to time.

Please also refer to section "*Business – Industry overview*" for a description of the environmental targets set by global leaders, such as the European Green Deal and the targets set at the UN Climate Change Conference (COP21) in Paris.

Material Investments

The Group's investments in tangible and intangible fixed assets increased from €5 million in 2020 to €12.8 million in 2021 and €23.4 million in 2022. The 2022 investments included €3.5 million for land and buildings, €18.5 million for plant and equipment, €0.5 million for other fixed assets and €0.8 million for intangible assets. About €13 million of the 2022 investments was for the expansion of production facilities, which the Group decided to proceed with on 13 February 2023. For a description of the Manufacturing Expansion, please see "*Business – Manufacturing Expansion*".

All investments in 2020, 2021 and 2022 relate to activities of the Group in the Netherlands.

Employees

The Group's objective is to achieve the highest reproducible quality possible, delivered on time. In order to achieve this, it educates management, staff members and manufacturing employees on a structural basis in order to ensure that they are knowledgeable of the Group's quality and safety systems and that they are committed to apply these in their work. All operational employees are VCA certified. The Group furthermore aims to be a recognised and distinctive employer brand by providing market conform primary and secondary award packages, offering commuting and housing services, focusing on training and development, holding itself to the highest health and safety standards and providing a workplace that is a big player in making the energy transition.

The Group's competitive position and success has been built also on the quality of its manufacturing skills and on its ability both to refine existing techniques, and to identify, develop and implement new techniques. Maintaining a leading role in existing and new manufacturing techniques requires skilled manufacturing staff, who refine and develop those techniques. In addition, it requires skilled managerial staff, both at a project level, to manage the implementation of the relevant project, and at the Company level, where sufficient experience and an in-depth knowledge of the Group, its business and strategy, and a sufficient understanding of the industry, markets and major customers, are critical to the successful management of the Group and its business. The Group relies on its employees for retaining proprietary knowledge regarding its products, equipment and manufacturing processes.

In order to reach the level required for the quality standards set by the Group, it has an elaborate in house developed training procedure in place.

The Group puts great value to its lean organisation in terms of costs. In order to keep the production workforce flexible to changes in production, the Group hires external personnel. The Group uses a number of Dutch and other European (principally German and Polish) employment agencies for external personnel.

The average number of employees employed by the Group in 2022 amounts to 365 FTE (2021: 358 FTE, 2020: 315 FTE). Approximately 37% of the Group's total workforce of 587 FTE at year-end in 2022 consisted of temporary staff (2021: 32.8% of 548 FTE, 2020: 55.2% of 569 FTE) which enables the Group to adjust its workforce to fluctuations in production volumes at short notice.

The table below provides an overview of the average number of FTE split per functional area. All employees are based in the Netherlands.

| | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|-----------------------------------|-------------------|-------------------|-------------------|
| Production and distribution | 170 | 167 | 165 |
| Innovation and maintenance..... | 32 | 34 | 34 |
| Logistic services..... | 27 | 23 | 25 |
| Planning and engineering..... | 56 | 51 | 17 |
| Quality and safety..... | 10 | 11 | 10 |
| Sales | 14 | 14 | 12 |
| Management..... | 5 | 5 | 6 |
| Purchasing and warehousing..... | 14 | 15 | 14 |
| Administrative..... | 9 | 10 | 7 |
| Other..... | 29 | 28 | 25 |
| Total..... | <u>365</u> | <u>358</u> | <u>315</u> |

Quality Management and Health, Safety, and Environment

Quality Management

The Group has extensive quality control procedures in place (the **Quality Management System**). The management of the Group is committed to a policy of quality assurance throughout the Company's activities in order to achieve the required quality standard to provide a product that meets the specified requirements of the customer and to ensure strict adherence to the governing requirements for safe and efficient operations and continuous improvement of the effectiveness of the Quality Management System.

A designated quality manager has the authority to ensure that the Quality Management System is implemented and maintained.

The Quality Management System provides procedures in relation to the vital aspects of the tender and production process. This includes, amongst others:

- Contract review and document and data control from a documentation perspective;
- A purchasing and supplier selection process to ensure that all purchased material, subcontracted processes and services that may affect product conformity meet the established specifications and additional customer's requirements;
- Process control in which the manner of production, the criteria for workmanship and requirements for verifying the compliance with specified requirements are defined;
- Inspection and testing of equipment, materials, parts and components and of full compliance to the specified requirements;
- Control of non-conformities of products and activities and corrective and preventive action to be taken; and
- Training in order to maintain a qualified and competent workforce in accordance with established minimum requirements for that function on the basis of appropriate education, training, skills, experience or other recognised criteria.

In keeping up with corporate quality policies, the Group has established the following quality objectives:

- Meet customer's specified requirements and deliver on time;
- Focus on customer satisfaction and customer relationship;
- Measure quality performance and evaluate compliance with customer service level agreements;
- Operate efficiently to reduce overall operating costs;
- Seek out technologies for assuring error-free work;
- Promote a culture of continuous improvement to the Group's products and its quality management system; and
- Empower employees to make recommendations and question processes that may produce product and service non-conformities.

As a result of the quality management systems in place with respect to production, since 2016 the Group has not received valid claims relating to defects in the products produced by the Group's own production team (excluding claims related to services and products delivered by sub-contractors or joint venture partners).

Health, Safety and Environment

Motivated and experienced employees are one of the key strengths of the Group. Continuous safety monitoring ensures a safe working environment whereby regular evaluation of working methods and workplace leads to necessary implementation of improvements relating to the safety of the working environment. The ongoing safety performance improvement program is an integral aspect of the total performance and includes personal, environmental and behavioural factors. Thus, the Group strives to be the best partner for its customers and a good employer for its employees.

The Group attaches great value to HSE values and regulations. The Group sets high standards to protect the health, safety and security of its employees, its sub-contractors, the general public, as well as the environment. The Group aims to manage the risks linked to its business and is committed to eliminating the chances and risks of incidents such as fires, explosions and collisions.

In 2022 sickness absence increased to 7.9% (5.1% in 2021). A contributor to the absence rate was people reporting ill due to COVID-19 and flu in the beginning of 2022. This resulted in an increase in short-term absenteeism. Considerable attention is being paid to improving working conditions, including alternative workplaces, to avoid

wear and tear impact on employees that causes longer term absenteeism. Together with the Works Council, a structural improvement plan with clear actions has been developed in 2020.

Furthermore, the Company implemented a 'Corona Crisis Response Team' in March 2020 which consisted of members of the management team, the HSE manager, the communications manager and the chairman of the Works Council. The Corona Crisis Response Team stayed on duty till the end of Q2 2022. Measures recommended by the government were implemented and, supported by on-site testing facilities, secured a continuation of operations at the Company. The Company did not apply for COVID-19 related government support.

Safety is high on the Company's agenda. Performance on safety is measured through lost time injury frequency (**LTIF**) and total recordable injury frequency (**TRIF**). LTIF was 6.50 per million hours worked in 2022 (4.98 in 2021). Next to LTIF, the Company records TRIF that also includes restricted work injuries and medical treatment injuries that have not resulted in lost time. TRIF provides insight into the total number of incidents and therefore offers better tools for action in the workplace. TRIF was 18.56 per million hours worked in 2022 (19.94 in 2021) and related to 42 incidents (49 in 2021). Of these incidents, 7 resulted in lost time, 1 in restricted work, 12 required medical treatment and 22 required first aid.

Unfortunately, despite the measures taken, a gas explosion occurred on 7 August 2022 around midnight at the Company's production location at Roermond. One employee was taken to the hospital for observation but was discharged on 9 August 2022. The Company, the fire brigade and gas network owner Enexis investigated the incident and a set of measures have been implemented.

In order to effectively inform its employees, the Group has compiled HSE manuals, one of which is supplemented through the collective labour agreement for the metal processing industry. The HSE manual is made available to all employees and covers, amongst others: general security procedures, personal protection measures, health measures, procedures in case of calamities and environmental requirements.

This HSE manual is reviewed yearly, taking into account legislation, social developments and company circumstances. The manual is revised if necessary, after consultation and approval of the works' council. A designated HSE manager is the appointed management representative who has the responsibility and authority for the following:

- ensuring that processes required for the HSE Management System are established, implemented and maintained;
- reporting to the management of the Group on the performance of the HSE Management System and any need for improvement;
- promoting awareness of customer requirements throughout the organisation; and
- representing the Group as liaison with external parties on matters relating to the HSE Management System.

The Group is committed to preserving the environment. Improving the performance on issues relevant to the Group's stakeholders, and of global concern, is part of the Group's approach relating to overall health, safety and environment. The Group believes that not only do its products contribute to a sustainable future, the processes are geared to save energy, reduce waste products and recycle residual materials.

In 2022, 20 environmental incidents (10 in 2021) were reported, of which in 6 cases DCMR, the environmental authority of the Rijnmond district, was notified. Most incidents related to oil spills from heavy load transport vehicles ('SPMT's') and were isolated and cleaned up.

Operational key performance indicators

The Group uses several non-financial or operational key performance indicators (**KPIs**) to measure its performance. These include: (i) safety, measured by the frequency of lost time injuries, being the number of the Company's permanent and flexible employees involved in reported injuries leading to absence from work (more than 1 lost working day, excluding the day of the injury) per million exposure hours; (ii) the percentage of sickness leave; (iii) the Company's carbon footprint, measured as the gross and net amount of CO₂ emissions in tonnes; and (iv) the involvement in projects that will add renewable energy capacity (measured in potential capacity additions in MW. The future installed renewable energy capacity per monopile is the estimated capacity of the wind turbine generator that will be installed on the respective monopile in MW).

| | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|-------------|
| LTIF per million manhours | 6.50 | 4.98 | 2.48 |
| Sickness leave % | 7.89 | 5.10 | 5.50 |
| Gross CO2 footprint in tonnes..... | 10,422 | 7,378 | 3,538 |
| Net CO2 footprint in tonnes | 10,422 | 7,378 | 3,538 |
| Participation in projects that will result in renewable energy capacity in MW | 1,954 | 1,873 | 1,298 |

The Company reports full scope 1 and 2 emissions. Scope 3 emissions are the result of activities from assets not owned or controlled by the Group, but that indirectly affect the Group in its value chain. For scope 3, the Company reports only on emissions from business travelling, but not on, for example, purchased goods and services. The above presented figures therefore do not include the entire value chain for scope 3.

Until 2023, the Company did not follow the GreenHouseGas (**GHG**) protocol and has offset all reported scope 1, 2 and 3 emissions with production from its onsite GE Haliade X 13 MW wind turbine. This resulted in net zero emissions on the basis of compensation of gross carbon emissions under scopes 1, 2 and 3. In 2023, the Company decided to follow the GHG protocol from 2023 onwards and to restate the numbers previously published. As the Company currently does not use offsetting for its carbon footprint and restated the figures for 2020 - 2022, the gross and net amount of CO2 emissions in tonnes is similar.

Corporate Social Responsibility

Besides the contribution to the displacement of carbon-emitting energy to limit global warming to 1.5 degree Celsius, the Company has examined its own carbon footprint. The most important effects of the activities of the Company and its value chain are the nitrogen deposition and carbon footprint of the present production of the steel, the transportation of the steel and fabricated products and of the manufacturing of the foundations. The Company has firm ambitions to reduce the carbon footprint as well as nitrogen deposition. Targets include:

- carbon neutral production of steel by steel supplier Dillinger Hütte in 2045 with a first substantial carbon footprint steel production reduction planned by 2030.
Almost all of the Company's steel plates for monopiles and transition pieces are supplied by Dillinger Hütte. Every ton of steel produced emits on average 1.85 tons of carbon dioxide.¹ Dillinger Hütte currently manufactures these steel plates by using a blast furnace (a type of metallurgical furnace used for smelting to produce industrial metals, **BF**) / basic oxygen furnace (a reactor in which oxygen is blown through molten pig iron that is heated to convert it into steel, **BOF**). The BF and BOF production procedures result in the emission of CO/CO2 and other gasses. Dillinger Hütte is preparing to implement a new production process, the electric arc furnace, which electronically produces steel from scrap materials.
- carbon neutral inland transportation of steel plates (semi-finished) products in 2030.
Inland river-transportation of semi-finished products between Roermond, Hoboken and Maasvlakte 2 Rotterdam is generally contracted to Rederij de Jong. Rederij De Jong uses barges, pontoons and pusher tugs for these transports. The Company and Rederij De Jong are in the process of changing fossil fuelled propulsion to bio diesel, electrical or hydrogen propelled transports.
- carbon neutral manufacturing of monopile foundations by the Company in 2040. The main source of fossil fuel consumption during manufacturing of monopile foundations is the pre-heating of welding gaps. The Company is in the process of replacing gas pre-heating stations to induction pre-heating stations.

End of lifetime circular solutions for the monopile foundations are relevant today and are part of a research project the Company set up together with Dillinger Hütte and circularity specialists but will not be material before replacement/decommissioning of offshore wind farms that are due in the coming five or ten years.

¹ Source: World steel association 2018.

Limiting the Group's carbon footprint is part of its strategy and certain KPI's on CO2 emission as included in section "*Business - Operational key performance indicators*" are part of management's targets for variable remuneration as included in section "*Corporate Governance, Management and Employees - Annual bonus*".

Insurance

The Group carries insurances of various types to the extent the Group believes are customary for its business and its risk profile, including directors and officers liability insurance, third party liability insurance, plant & equipment insurance, hull and machinery insurance, charterers liability insurance, transport insurance, motor vehicle insurance, business credit insurance, protection and indemnity insurance and several employee insurances. The Executive Directors, Supervisory Directors and all other directors and/or officers of the Group are currently insured under an insurance policy against damages resulting from their conduct when acting in their capacities as directors or officers.

At the date of this Prospectus, the Group is not insured against inter alia (i) loss of production/loss of revenue, except to the extent covered under the plant & equipment insurance, (ii) penalties for delay, (iii) breakdown of machinery or equipment due to an inherent vice in the machinery or equipment (i.e. not due to an external cause), or (iv) non-insurable risks.

Information Technology

The Group is in the process of implementing its IT infrastructure, which has been developed at the Group's facility in Roermond, at the Maasvlakte 2 facilities in Rotterdam to reduce dependency on the Group's resources in Roermond. The Company aims to obtain ISO27001 certification by 2025. The IT office automation landscape is mainly Microsoft/Cisco oriented. For example, the Company uses Cisco network equipment and M365 for office support (including MS teams for chat, files, and telephony). There is a hybrid environment that is partly on-premise and partly in Azure. Operational Technology (OT, controlling production machines, etc.) is currently limited to applications in a separate network segment, but will require adjustments in the future enterprise resource planning of the Group.

Intellectual Property

In addition to website domain names, the following material intellectual property rights are registered in the name of the Group: (i) patents for the welding torches; and (ii) word- and figurative trademarks for Sif, KCI and Skybox. These intellectual property rights are material for the Group's operations and the manufacturing of monopiles and transition pieces. The welding torches are patented for their unique way of producing the weldings with high quality combined in a serial production process.

In addition, the Group relies on its employees for retaining proprietary knowledge regarding its products, equipment and manufacturing processes. Please see "*Risk Factors - The Group relies significantly on the skills and experience of its managerial staff, technical manufacturing staff and other key personnel, and a loss of these individuals could materially and adversely affect the Group*"

Legal and arbitration proceedings

On the date of this Prospectus, there are no governmental, legal or arbitration proceedings, nor have there been any such proceedings during the 12 months preceding the date of this Prospectus, including any such proceedings which are pending or threatened of which the Company is aware, that have had significant effects on the financial position or profitability of the Company in the recent past or may have a significant effect on the financial position of the Company in the future, except that, in respect of the 2022 financial year, the VAT and payroll tax administration of the Company and its Dutch subsidiaries is currently being audited by the Dutch tax authorities. The purpose of this audit is to determine the acceptability of the underlying declarations. The tax authority carries out such audits to gain insight into business administrations and to determine whether companies are in compliance with the relevant tax rules. The audit is scheduled to commence in mid-September 2023.

Group structure

The Company is the Group's holding company. It has three direct 100% subsidiaries, all incorporated in the Netherlands:

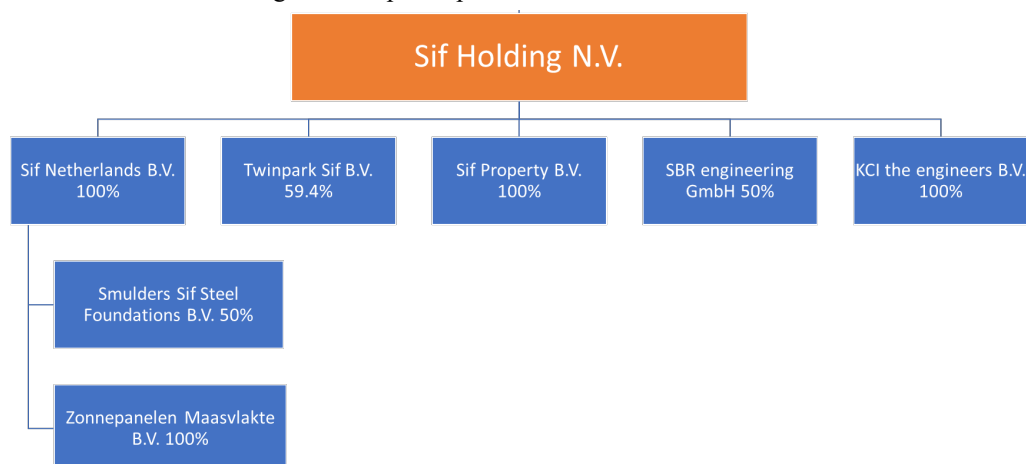
- Sif Netherlands B.V. (LEI: 724500BXWZO6NO1EVS08), which has its registered office in Roermond, the Netherlands, and carries out (operational) activities. At the date of this Prospectus, the issued share capital of Sif Netherlands B.V. amounts to €45,500;
- Sif Property B.V. (LEI: 724500ZODJLRD800SH44), which has its registered office in Roermond, the Netherlands, and owns all the Group's real estate. At the date of this Prospectus, the issued share capital of Sif Property B.V. amounts to €45,000; and
- KCI the engineers B.V., which has its registered office in Schiedam, the Netherlands, and provides engineering services to external customers and the Group. At the date of this Prospectus, the issued share capital of KCI the engineers B.V. amounts to €18,200.

The Company also indirectly owns 100% of Zonnepanelen Maasvlakte B.V., which has its registered office in Rotterdam, the Netherlands, and aims to invest in and operate renewable energy projects, especially solar panels. The issued share capital of Zonnepanelen Maasvlakte B.V. amounts to €1. Zonnepanelen Maasvlakte B.V. was founded in 2019 but has so far not developed any activities nor planned any after it appeared that the installation of sun panels on the factory at Maasvlakte 2 were not feasible for the moment due to limitations in construction.

The Company also has:

- a direct 50% shareholding in SBR Engineering GmbH, a joint venture incorporated in Germany and having its registered office in Netphen, Germany. SBR Engineering GmbH is registered with the Nordrhein-Westfalen Amtsgericht Siegen HRB with registered number 11116. SBR Engineering GmbH, focuses on engineering activities for equipment and production methods for offshore products. At the date of this prospectus, the issued share capital of SBR Engineering GmbH amounts to €40,000, the reserves amounts to €90,864.49 and the value at which the Company displays the shares held in SBR Engineering GmbH in its annual accounts amounts to €66,000. SBR Engineering GmbH realized a profit for 2022 of €43,314.64;
- an indirect 50% shareholding in Smulders Sif Steel Foundations B.V., a joint venture incorporated in the Netherlands, having its registered office in Roermond, the Netherlands, and focused on project management in the offshore wind industry. At the date of this Prospectus, the issued share capital of Smulders Sif Steel Foundations B.V. amounts to €100, the reserves amounts to €20,498 and the value at which the Company displays the shares held in Smulders Sif Steel Foundations B.V. in its annual accounts amounts to €10,000. The amount of dividend received from Smulders Sif Steel Foundations B.V. over 2022 amounts to €40,000; and
- a direct 59.4% shareholding in Twinpark Sif B.V., a joint venture with Pondera Consult and GE Renewable Energy incorporated in the Netherlands, having its registered office in Roermond, the Netherlands, and focused on testing and, in a later stage, exploiting a 13 MW wind turbine on the Group's premises at Maasvlakte 2. At the date of this Prospectus, the issued share capital of Twinpark Sif B.V. amounts to €10.

Below is a structure chart showing the Group's corporate structure:



Please refer to the Financial Statements for further information on the Group's subsidiaries and joint ventures as required by guideline 47 of the guidelines on prospectus disclosure published by the European Securities and Markets Authority on 4 March 2021 (reference ESMA32-382-1138).

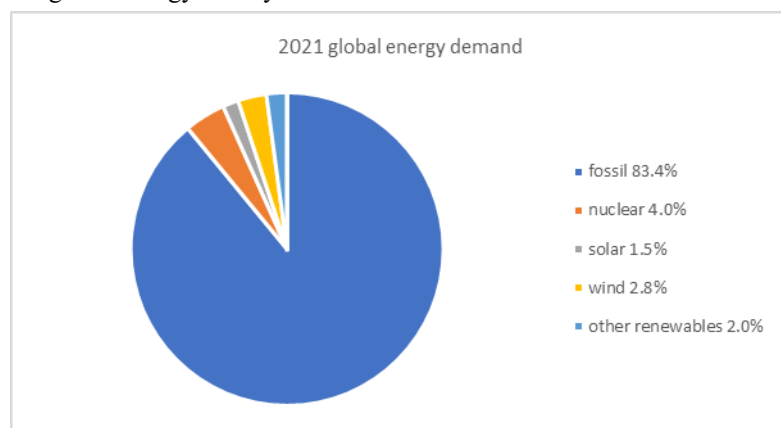
Industry overview

This section describes the characteristics, market developments, key trends and competitive landscape in the energy markets and the offshore wind market.

This section includes information sourced from various third parties. In addition, certain statements in this section are based on the Group's own estimates, insights, opinions or proprietary information. Such statements contain the words "the Group believes" or "the Group expects" and as such do not purport to cite, refer to or summarise any third-party or independent source and should not be so read. For further information on the treatment of third-party information and statements based on the Group's own estimates, insights, opinions or proprietary information, see section "*Important Information - Presentation of Financial and Other Information*".

Energy market outlook

Global population and welfare growth are increasing the demand for energy, while the world is in urgent need to stop global warming. At the UN Climate Change Conference (COP21) in Paris in 2015, global leaders agreed on actions to reduce emissions, to build resilience and decrease vulnerability to the adverse effects of climate change and to uphold and promote regional and international cooperation. The most important climate goal is to limit the earth's warming to 1.5° Celsius by 2050. The Group shares this vision and aims to support and accelerate the growth of offshore wind power generation, a key driver to the world's energy transition. The Ukraine conflict highlighted the risks of relying on a few fossil fuel suppliers. These factors, along with security concerns, is expected to boost electricity consumption and make renewables a bigger share of new energy generation in the future. To meet the 2030 goal of slashing carbon emissions by at least 55%, the EU's 2019 European Green Deal aims for renewable energy sources to provide at least 40% of the total energy mix. According to Rystad Energy, an independent research and business intelligence company, renewables would need to make up almost 80% of the global energy mix by 2050 to achieve the 1.5 °C scenario.



Source: BP Statistical Review of World Energy 2022.

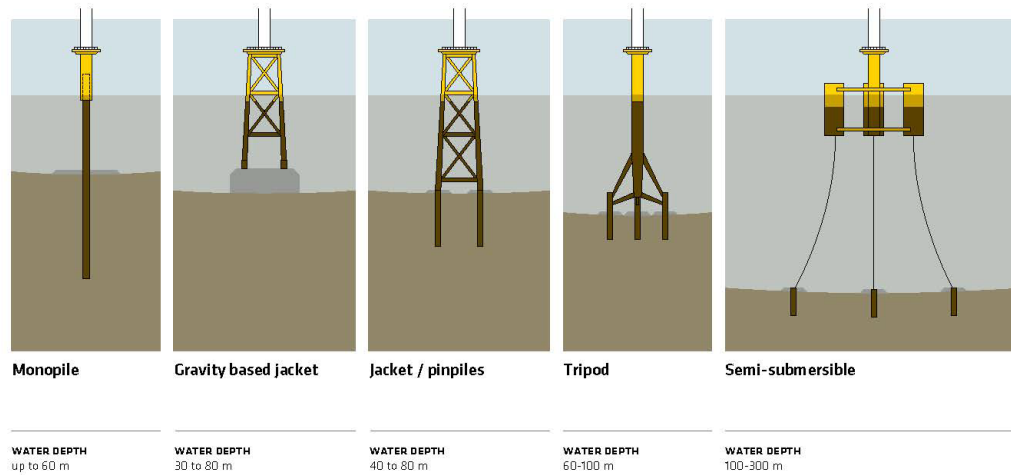
Offshore wind market

Offshore wind is a relatively new source of electricity that is being produced by wind turbines installed at sea, unlike onshore wind electricity that is being produced by wind turbines on land. In 2021, offshore wind accounted for only 65 GW of the total 830 GW of global wind capacity.

Most of the offshore wind projects are located in Europe and China, with new markets emerging in the US and Asia since the early 2020s. The industry faced challenges such as project delays and earnings volatility in its early stages, but has made significant progress since then. The Global Offshore Wind Alliance aims to increase offshore wind capacity from 65 GW in 2021 to 380 GW by 2030 and to 2,000 GW by 2050.

Offshore wind turbines use different types of foundations depending on the conditions of the site. The factors that affect the choice of foundation include the seabed composition, water depth, and wind and wave impact. Each

foundation is designed to suit the specific situation of each location in a wind farm, making them unique and customized. The picture below shows the different types of foundations. In Europe, monopiles are the most common foundation, used in about 80% of the offshore wind farms. Globally, monopiles are used in 60 to 70% of the offshore wind farms.



Trends de-risking the offshore wind market

The market for offshore wind is becoming less risky, thanks to three main trends: (i) stronger and clearer policy support for energy transition and emissions reduction, (ii) better access to different types of financing for project developers, and (iii) lower costs of producing electricity from offshore wind over time (or Levelised Cost of Electricity (LCOE)).

The rising certainty on policy support

The global commitment to limit the impacts of climate change and shift to cleaner energy sources has been reinforced by several landmark agreements and initiatives. For example, in 2015, the Paris Agreement set the goal of keeping the global temperature rise below 1.5° Celsius, and called for enhanced cooperation and action to reduce emissions and adapt to climate change. In 2020, the US announced its plan for a clean energy revolution and environmental justice, which included a target of 30 GW of offshore wind energy by 2030. Also in 2020, the European Union launched the European Green Deal, which aimed for 300 GW of offshore wind capacity by 2050.

The improved financing ability

In the early stages of offshore wind when subsidies were needed and granted to finance projects, projects were realized with specific non-recourse project finance. The Company's customers were mainly turbine suppliers, engineering firms or installation companies. As the market matured, independent power producers entered the scene and preferred to use equity financing. Since the early 2000s, the Company's customers are mostly independent power producers, such as BP, Eneco, Equinor, Shell, SSE and Vattenfall.

The trend in decreasing LCOE

Offshore wind energy has become more competitive and affordable as the industry has grown and innovated. The global weighted average LCOE of offshore wind dropped by 60% from 2010 to 2021, with a 13% decrease in 2021 alone. Technology improvements and industry maturity have lowered the total installed cost and LCOE of offshore wind.² Factors such as developer experience, product standardisation, manufacturing industrialisation, regional hubs, and economies of scale have all helped to reduce costs. Clear policies on deployment and, in some cases, manufacturing, have also supported growth.

² IRENA Renewable Cost Database [Renewable power generation costs in 2021 \(irena.org\)](https://www.irena.org/en/IRENA-Renewable-Cost-Database).

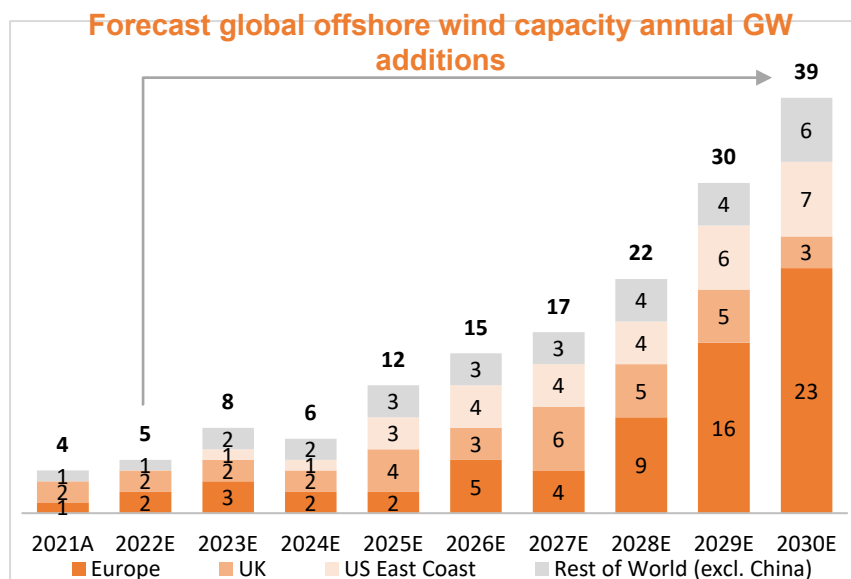
However, the offshore wind industry still faces challenges in the supply chain, which includes components such as blades, hubs, nacelles, towers, foundations, substations, cables and installation vessels. These components need to be compatible in size and location for each project. Future projects are becoming more feasible as the supply chain is de-risked, especially for European initiatives. However, the increasing size of nacelles and foundations may still cause bottlenecks in installation equipment, especially for installation vessels and related equipment.

Demand outlook

Global energy demand continues to rise as well as the demand for cleaner, more locally available energy. In Europe, a growth ambition of between 100 and 130 GW offshore wind capacity by 2030 has been announced, which is four to five times what has been installed in the past two decades. The US has set a target offshore wind production capacity of 30 GW by 2030 at the latest. The growth in diameter sizes of the monopiles is required to support this increasing offshore wind demand to build larger turbine sizes that generate more electricity.

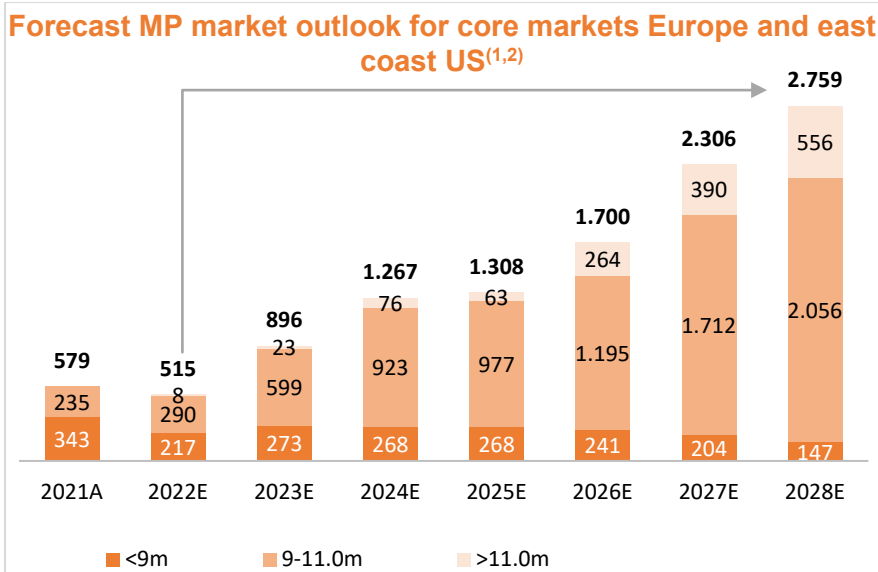
The expected increased global offshore wind capacity is further supported by (i) the Esbjerg Offshore Wind Declaration, a joint declaration of 18 May 2022 by the European commission president Ursula von der Leyen, German Chancellor Olaf Scholz, Belgian prime minister Alexander De Croo, Danish prime minister Mette Frederiksen and Dutch prime minister Mark Rutte, highlighting the role of home-grown North Sea offshore wind in strengthening the EU’s energy security; and (ii) the Net-Zero Industry Act proposed by the European commission to scale up manufacturing of clean technologies in the European Union and ensure the European Union is well-equipped for the clean-energy transition. On 24 April 2023 the group was extended by 5 more North-Sea countries and the ambitions for 2030 were doubled from 60 GW to 120 GW grid connected offshore wind at the North Sea.

The graph below displays the projected annual growth of offshore wind power capacity (excluding China and excluding the 24 April increased ambition during the North Sea summit) in gigawatts, based on the expected grid connections each year.



Source: Company information substantiated by international strategy consultant.

The graph below shows the demand for monopiles in the Group's target markets (Europe and the east coast of the United States), measured in kilotonnes and divided by diameter ranges: below 9 meters, 9 to 11 meters, and above 11 meters. The annual GW additions of offshore wind are projected to grow by a factor of eight by 2030 compared to 2022 (graph above), or by a factor of five by 2028 in terms of kilotonnes of monopiles compared to 2022 (graph below).

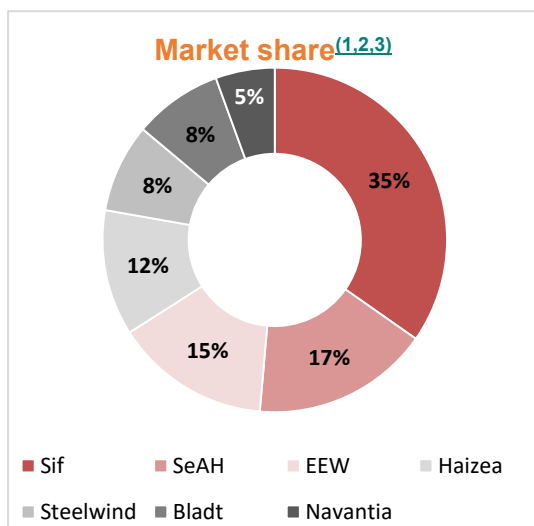


1. Displayed years correspond to year of production. 2. Europe includes the United Kingdom.

Source: Company information substantiated by international strategy consultant.

Supply outlook

The offshore wind monopile foundation market is currently dominated by four players (EEW, Steelwind, Bladt and the Company), who accounted for almost all of the global market share in 2020 (excluding China) and are expected to retain about 70% after implementing their planned projects. During the past years, several initiatives have been taken in Europe for the realisation of a monopile manufacturing plant. A Korean company, SeaH, started construction of a 240 Kton dedicated monopile greenfield factory in the United Kingdom in July 2022, which is expected to start operations in 2026. A Spanish company, Windar Navantia, has started operations for a 80 Kton capacity monopile factory in 2023 and claims to have started production in January 2023 for the Moray West project. A Spanish company, Haizea, is awarded a contract by Orsted and expects to be operational in 2024 with a 170 Kton monopile factory. Next to the GS Entec initiative that the Company supports with a license agreement, the Company sees initiatives outside Europe, mainly in the US by US Wind (120 Kton), EEW US (150 Kton) and Dajin in Europe/China with a 360 Kton newbuild.



1. Based on expected production capacity outside China, with the Company’s share taking into account the Manufacturing Expansion.

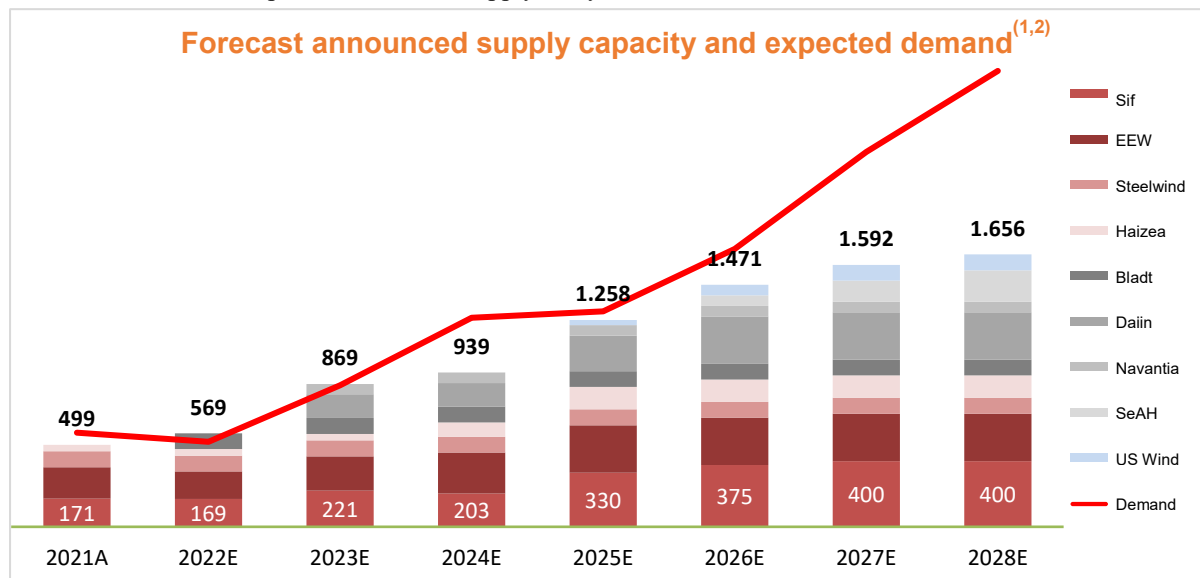
2. At 100% utilization of the Manufacturing Expansion, assuming all announced capacity is constructed.

3. Testing and ramp-up of Manufacturing Expansion in 2024 with plant fully operational in the first half of 2025.

Source: Company information substantiated by international strategy consultant.

Demand/supply development

The figure below illustrates that the demand-supply balance is expected to shift in 2023. Assuming that demand grows as forecasted and that all announced supply initiatives are realised, there will be a supply deficit until at least 2028, which are expected to result in supply delays.



1. Capacity displayed assumes a maximum utilization of 80% of the production facilities of the Company's competitors. For the Company, the actual and expected production volumes are included. For new facilities, a 2-year ramp up period is expected with 33% in year 1, 66% in year 2 and 100% in year 3. For the expansion of existing facilities, a 1-year ramp up period is expected with 50% in year 1 and 100% in year 2.

2. US East Coast and Europe including the United Kingdom.

Source: Company information substantiated by international strategy consultant.

The Group's position in this industry

With a global drive to limit earth's warming to 1.5° Celsius by 2050, and renewables set to comprise a majority of the total energy mix required to reach this, the Group, as a manufacturer of components essential in the offshore wind industry, presents itself as a key instrument to achieving this objective.

Although offshore wind presents itself as a relatively new player in the renewable (wind) energy market, its growth trajectory is expected to be significant in the decades to come, supported by the aforementioned global drive and the world's energy transition. With monopiles being the most common types of foundations used on offshore wind farms, the Group proposes as one of the leading manufacturers of monopile foundation to play a key role in this growth.

Furthermore, global energy demand continues to increase, including demand for cleaner energy; this is particularly so in Europe. This demand has manifested in a corresponding demand for monopiles in the Group's target markets. This demand is expected to result in a demand/supply imbalance, with demand exceeding supply, between 2023 and at least 2028. The Group, in particular pursuant to the completion of the Manufacturing Expansion, expects to be well-placed to supply this demand and increase its market share.

CAPITALISATION AND INDEBTEDNESS

The tables below set out the Group's capitalisation and indebtedness as at 31 March 2023, on an actual basis and as adjusted for the Funding Package.

All actual information has been derived from the Company's accounting records as at 31 March 2023.

The information below should be read in conjunction with and is qualified by reference to sections "Important Information – Presentation of Financial and Other Information" and "Operating and Financial Review".

Capitalisation³

| | As at 31 March 2023 (in €'000) | |
|---|---------------------------------------|---|
| | <i>(unaudited)</i> | |
| | (actual) | (adjusted for the Funding Package) |
| Total current debt (including current portion of non-current debt) | - | - |
| Guaranteed | - | - |
| Secured | - | - |
| Unguaranteed / unsecured | - | - |
| Total non-current debt (excluding current portion of non-current debt) ¹⁾ | - | 81,000 |
| Guaranteed | - | 81,000 |
| Secured | - | 81,000 |
| Unguaranteed / unsecured | - | - |
| Shareholder equity ²⁾ | | |
| Share capital | 156,225 | 206,225 |
| Legal reserves | 56,159 | 106,159 |
| Other reserves | - | - |
| Total | 156,225 | 287,225 |

1) *Non-current debt (excluding current portion of non-current debt) consists of the 6-year amortising term-loans amounting to €81 million, for €64.8 million provided by Invest-NL and for €16.2 million provided by a consortium of banks consisting of ABN AMRO, AKA Bank, DNB (UK), ING and Rabobank. The same is presented as debt instruments in the indebtedness table.*

2) *The adjusted total equity includes the approximately €50 million to be raised through this Offering. The total equity as per 31 March 2023 already includes the proceeds of the Preference Shares amounting to €50 million.*

3) *The adjustment on cash on the balance sheet includes:*

- *€68 million of advance factory payments from the launching customers (€32 million is already received as per 31 March 2023);*
- *approximately €50 million to be raised through this Offering;*
- *€81 million Term Facility.*

In addition to the €32 million advance factory payments, also the €50 million Preference Shares is in the cash balance as per 31 March 2023.

³ See https://www.esma.europa.eu/sites/default/files/library/esma32-382-1138_guidelines_on_disclosure_requirements_under_the_prospectus_regulation.pdf

Indebtedness⁴

| | As at 31 March 2023 (in €'000) | |
|--|---------------------------------------|---|
| | <i>(unaudited)</i> | |
| | (actual) | (adjusted for the Funding Package) |
| Cash ³⁾ | 138,234 | 369,234 |
| Cash equivalents..... | - | - |
| Other current financial assets | - | - |
| Liquidity | 138,234 | 369,234 |
| Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) | - | - |
| Current portion of non-current financial debt..... | - | - |
| Current financial indebtedness | - | - |
| Net current financial indebtedness | 138,234 | 369,234 |
| Non-current financial debt (excluding current portion and debt instruments)..... | - | - |
| Debt instruments ¹⁾ | - | 81,000 |
| Non-current trade and other payables..... | - | - |
| Non-current financial indebtedness | - | 81,000 |
| Total financial indebtedness | 138,234 | 288,234 |

1) *Non-current debt (excluding current portion of non-current debt) consists of the 6-year amortising term-loans amounting to EUR 81 million, for €64.8 million provided by Invest-NL and for €16.2 provided by a consortium of banks consisting of ABN AMRO, AKA Bank, DNB (UK), ING and Rabobank. The same is presented as debt instruments in the indebtedness table.*

2) *The adjusted total equity includes the approximately €50 million to be raised through this Offering. The total equity as per 31 March 2023 already includes the proceeds of the Preference Shares amounting to €50 million.*

3) *The adjustment on cash on the balance sheet includes:*

- *€68 million of advance factory payments from the launching customers (€32 million is already received as per 31 March 2023);*
- *approximately €50 million to be raised through this Offering;*
- *€81 million Term Facility.*

In addition to the €32 million advance factory payments, also the €50 million Preference Shares is in the cash balance as per 31 March 2023.

Significant changes in capitalisation and indebtedness

Since 31 March 2023, there has been no material change in any of the information included in the tables above.

Indirect and contingent indebtedness

The Group does not have any indirect or contingent indebtedness.

⁴ See https://www.esma.europa.eu/sites/default/files/library/esma32-382-1138_guidelines_on_disclosure_requirements_under_the_prospectus_regulation.pdf

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The selected consolidated financial information of the Company, for the years ended 31 December 2022, 2021 and 2020 set forth below, has been extracted and derived from the 2022 Financial Statements and the 2021 Financial Statements (please refer to section "Important Information – Presentation of Financial and Other Information - Historical financial information"). The Financial Statements have been prepared in accordance with IFRS and comply with Part 9 of Book 2 DCC. The Financial Statements have been audited by EY. The Financial Statements, including the accompanying notes thereto and the independent auditor's reports thereon, have been incorporated by reference into this Prospectus and may be obtained in electronic form free of charge from the Company's website (www.sif-group.com).

The selected consolidated financial information of the Company set out below is a summary only. It may not contain all the information that is important to prospective investors and, accordingly, should be read in conjunction with sections "Important Information – Presentation of Financial and Other Information", "Business", "Operating and Financial Review" and "Risk Factors".

Consolidated statement of profit or loss

| | For the year ended 31 December | | |
|--|--------------------------------|----------------|----------------|
| | 2022 | 2021 | 2020 |
| | | <i>€'000</i> | |
| Revenue from contracts with customers..... | 363,891 | 418,496 | 330,130 |
| Operating lease income | 10,652 | 4,045 | 5,303 |
| Total revenue | 374,543 | 422,541 | 335,433 |
| Raw materials | (191,674) | (160,311) | (130,437) |
| Subcontracted work and other external charges | (36,561) | (126,090) | (82,510) |
| Logistic and other project related expenses..... | (15,797) | (21,910) | (20,894) |
| Direct personnel expenses | (37,610) | (32,213) | (27,091) |
| Production and general manufacturing expenses | (17,481) | (11,238) | (11,389) |
| Indirect personnel expenses..... | (21,204) | (19,833)* | (20,888) |
| Depreciation and amortisation..... | (24,226) | (21,712) | (20,348) |
| Facilities, housing and maintenance..... | (4,947) | (4,127) | (5,125) |
| Selling expenses | (628) | (632) | (1,018) |
| General expenses..... | (12,305) | (8,471)* | (4,325) |
| Operating profit | 12,110 | 16,004 | 11,408 |
| Impairment (losses) / reversals on financial assets..... | (3) | 16 | (2) |
| Finance costs | (2,010) | (2,352) | (2,396) |
| Finance costs and impairment losses | (2,013) | (2,336) | (2,398) |
| Other income | 90 | 1,345 | - |
| Share of profit / (loss) of joint ventures..... | 1 | 82 | (61) |
| Profit before tax | 10,188 | 15,095 | 8,949 |
| Income tax expense | (2,670) | (3,208) | (1,376) |
| Profit after tax | 7,518 | 11,887 | 7,573 |

*) The numbers for the year ended 31 December 2021 have been derived from the comparative figures included in the 2022 Financial Statements, which have been restated compared to the 2021 Financial Statements to reflect an amount of €0.4 million of subsidies received being reclassified from general expenses to indirect personnel expenses.

Consolidated statement of financial position

| | As at 31 December | | |
|------------------------------------|-------------------|--------------|---------|
| | 2022 | 2021 | 2020 |
| | | <i>€'000</i> | |
| Intangible assets | 860 | 477 | 1,265 |
| Property, plant and equipment..... | 116,415 | 107,612 | 110,340 |
| Right-of-use assets | 104,466 | 104,598 | 51,902 |
| Investment property..... | 515 | 425 | 400 |

| | As at 31 December | | |
|---|-------------------|----------------|----------------|
| | 2022 | 2021 | 2020 |
| | <i>€'000</i> | | |
| Investments in joint ventures..... | 76 | 115 | 33 |
| Deferred tax assets | - | 748 | 349 |
| Total non-current assets | 222,332 | 213,975 | 164,289 |
| Inventories..... | 427 | 612 | 375 |
| Contract assets..... | 18,315 | 12,944 | 29,555 |
| Trade receivables..... | 22,463 | 17,927 | 43,661 |
| VAT receivable | - | 50 | - |
| Other current financial assets | - | - | 15 |
| Prepayments | 2,102 | 2,472 | 1,307 |
| CIT receivable | 1,832 | - | - |
| Cash and cash equivalents | 89,832 | 73,201 | 2,645 |
| Total current assets | 134,971 | 107,206 | 77,558 |
| Total assets | 357,303 | 321,181 | 241,847 |
| Share capital | 5,100 | 5,100 | 5,100 |
| Additional paid-in capital | 1,059 | 1,059 | 1,059 |
| Retained earnings | 91,266 | 84,527 | 80,316 |
| Result for the period..... | 7,217 | 11,590 | 7,271 |
| Equity attributable to shareholder | 104,642 | 102,276 | 93,746 |
| Non-controlling interests..... | 1,122 | 821 | 524 |
| Total equity | 105,764 | 103,097 | 94,270 |
| Lease liabilities - non-current..... | 99,006 | 100,573 | 50,139 |
| Employee benefits - non-current | 468 | 416 | 273 |
| Deferred tax liabilities | 688 | - | - |
| Other non-current liabilities | 810 | 1,407 | 1,484 |
| Total non-current liabilities | 100,972 | 102,396 | 51,896 |
| Lease liabilities - current | 8,392 | 5,110 | 4,625 |
| Provisions | 228 | - | - |
| Trade payables..... | 92,333 | 62,082 | 63,438 |
| Contract liabilities | 32,458 | 37,713 | 14,319 |
| Employee benefits - current | 3,310 | 2,460 | 2,042 |
| Wage tax and social security | 1,589 | 791 | 1,557 |
| VAT payable | 4,172 | - | 5,482 |
| CIT payable..... | 13 | 2,081 | 498 |
| Other current liabilities..... | 8,072 | 5,451 | 3,720 |
| Total current liabilities | 150,567 | 115,688 | 95,681 |
| Total liabilities | 251,539 | 218,084 | 147,577 |
| Total equity and liabilities | 357,303 | 321,181 | 241,847 |

Consolidated statement cash flows

| | For the year ended 31 December | | |
|---|--------------------------------|---------|--------|
| | 2022 | 2021 | 2020 |
| | <i>€'000</i> | | |
| Profit before tax..... | 10,188 | 15,095 | 8,949 |
| Adjustments for: | | | |
| Depreciation and amortisation of property, plant and equipment and intangible assets..... | 14,116 | 16,524 | 15,051 |
| Depreciation of right-of-use assets | 10,110 | 5,189 | 5,297 |
| Fair value adjustments on investment property | (90) | (25) | - |
| Unrealised changes in joint ventures..... | 39 | (82) | 61 |
| Gain on bargain purchase | - | (1,320) | - |
| Impairment (losses) / reversals on financial assets..... | 3 | (16) | 2 |

| | For the year ended 31 December | | |
|---|---------------------------------------|-----------------|-----------------|
| | 2022 | 2021 | 2020 |
| | | <i>€'000</i> | |
| Net finance costs | 2,010 | 2,352 | 2,396 |
| Changes in net working capital | | | |
| Inventories | 185 | (237) | (63) |
| Contract assets and liabilities | (10,626) | 40,386 | (19,516) |
| Trade receivables..... | (4,539) | 26,637 | 1,579 |
| Prepayments | 125 | (605) | (1,007) |
| Trade payables..... | 26,544 | (1,720) | 18,716 |
| Total changes in net working capital | 11,689 | 64,461 | (291) |
| VAT payable and receivable | 4,222 | (5,542) | 3,751 |
| Initial direct costs on operating lease contracts | (605) | (2,095) | - |
| Other financial assets..... | - | 859 | 5 |
| Employee benefits | 902 | 198 | (362) |
| Provisions | 228 | - | - |
| Wage tax and social security | 798 | (1,000) | 1,240 |
| Other liabilities | 2,326 | (1,291) | (2,232)**) |
| Government grants received..... | 380 | 841 | 133**) |
| Income taxes received / (paid)..... | (5,134) | (1,971) | 1,330 |
| Interest received / (paid)..... | (822) | (947) | (994) |
| Net cash from operating activities..... | 50,360 | 91,230 | 34,336 |
| Purchase of intangible fixed assets | (760) | (100) | (277) |
| Purchase of property, plant and equipment | (19,523) | (10,826) | (4,650) |
| Acquisition of subsidiaries | - | (567) | - |
| Net cash from (used in) investing activities | (20,283) | (11,493) | (4,927) |
| Movements in revolving credit facility | - | (174) | (22,698) |
| Payment of lease liabilities..... | (8,595) | (5,947) | (5,645) |
| Dividends paid..... | (4,851) | (3,060) | - |
| Net cash from (used in) financing activities | (13,446) | (9,181) | (28,343) |
| Net increase / (decrease) in cash and cash equivalents | 16,631 | 70,556 | 1,066 |
| Cash and cash equivalents at 1 January..... | 73,201 | 2,645 | 1,579 |
| Cash and cash equivalents at 31 December..... | 89,832 | 73,201 | 2,645 |

**) The numbers for the year ended 31 December 2020 have been derived from the comparative figures included in the 2021 Financial Statements, which have been restated compared to the 2020 Financial Statements to reflect an amount of €0.1 million of government grants received being disclosed separately in the consolidated cash flow statement (reclassified from other liabilities).

Alternative Performance Measures

The tables below present certain non-IFRS financial measures, which are not liquidity or performance measures under IFRS, and which the Group considers to be APMs. These APMs are prepared in addition to the figures that are prepared in accordance with IFRS. The Group uses APMs to provide additional information to investors and to enhance their understanding of its results. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS. Moreover, these metrics may be defined or calculated differently by other companies, and, as a result, they may not be comparable to similar metrics calculated by the Group's peers. The APMs have not been audited or reviewed.

Contribution

Contribution is defined as total revenue minus cost of sales, consisting of raw materials, subcontracted work and other external charges and logistic and other project related expenses.

Revenues of the Group are for approximately 40-50% determined by costs of steel. Any changes in steel prices are passed on to the customer. In light of the foregoing, Contribution is an important APM since it excludes such pass-through expenses in revenue and cost of sales, which results in a better performance indicator as compared to total revenue. Together with production in Kton, EBITDA, Adjusted EBITDA, EBIT and Adjusted EBIT it indicates the quality of the Group's performance in any reporting period.

| | For the year ended 31 December | | |
|---|---------------------------------------|------------------|------------------|
| | <i>(unaudited)</i> | | |
| | 2022 | 2021 | 2020 |
| | <i>€'000</i> | | |
| Revenue from contracts with customers..... | 363,891 | 418,496 | 330,130 |
| Operating lease income | 10,652 | 4,045 | 5,303 |
| Total revenue | 374,543 | 422,541 | 335,433 |
| Raw materials | (191,674) | (160,311) | (130,437) |
| Subcontracted work and other external charges | (36,561) | (126,090) | (82,510) |
| Logistic and other project related expenses..... | (15,797) | (21,910) | (20,894) |
| Cost of sales..... | (244,032) | (308,311) | (233,841) |
| Contribution | 130,511 | 114,230 | 101,592 |

EBITDA and Adjusted EBITDA

EBITDA is defined as earnings before net finance costs, tax, depreciation and amortization. Adjusted EBITDA is adjusted for expenses that relate to research and preparations for the expansion of our production facilities and business acquisitions.

The Group discloses EBITDA and Adjusted EBITDA (both including and excluding the effect of IFRS 16) as supplemental APMs, as the Group believes these are meaningful measures to evaluate the performance of the Group's business activities over time. The Group understands that these measures are also used by analysts, rating agencies and investors in assessing the Group's performance. The Group also believes that the presentation of EBITDA and Adjusted EBITDA provide useful information to investors on the development of the Group's business. The Group also uses EBITDA and Adjusted EBITDA as APMs to assess operational performance.

Both measures excluding IFRS 16 are provided to be able to compare the Group with non-IFRS reporting companies, as the IFRS 16 impact on EBITDA is significant for the Group. (Adjusted) EBITDA excluding IFRS 16 is adjusted for expenses of lease contracts other than 'short-term leases' and 'low-value leases' and the net impact of the difference in accounting treatment between IFRS 16 and the former lease standard IAS 17.

| | For the year ended 31 December | | |
|---|---------------------------------------|---------------|---------------|
| | <i>(unaudited)</i> | | |
| | 2022 | 2021 | 2020 |
| | <i>€'000</i> | | |
| Operating profit..... | 12,110 | 16,004 | 11,408 |
| Other income | 90 | 1,345 | - |
| Depreciation and amortisation..... | 24,226 | 21,712 | 20,348 |
| EBITDA | 36,426 | 39,061 | 31,756 |
| EBITDA | 36,426 | 39,061 | 31,756 |
| Expenses related to research and preparations for the expansion of our product facilities and business acquisitions | 5,366 | 373 | - |
| Adjusted EBITDA | 41,792 | 39,434 | 31,756 |
| EBITDA | 36,426 | 39,061 | 31,756 |
| Expenses of lease contracts other than 'short-term leases' and 'low-value leases'..... | (8,544) | (5,658) | (6,787) |
| Initial direct costs | (2,160) | - | - |
| Expenses of lease contracts other than 'short-term leases' and 'low-value leases' accounted for as project costs based on progress..... | (3,646) | - | - |
| Net impact of the difference in accounting treatment between IFRS 16 and the former lease standard IAS 17 | 45 | 71 | 220 |
| EBITDA ex IFRS 16 | 22,121 | 33,474 | 25,189 |
| EBITDA ex IFRS 16 | 22,121 | 33,474 | 25,189 |

| | | | |
|---|---------------|---------------|---------------|
| Expenses related to research and preparations for the expansion of our product facilities and business acquisitions | 5,366 | 373 | - |
| Adjusted EBITDA ex IFRS 16 | 27,487 | 33,847 | 25,189 |

EBIT and Adjusted EBIT

EBIT is defined as operating result plus other income. Adjusted EBIT is adjusted for expenses that relate to research and preparations for the expansion of our production facilities and business acquisitions.

EBIT is an important APM since it mitigates the effect depreciation and amortization has on EBITDA, and therefore the impact of either capitalising or expensing expenditures. As EBIT adds other income to operating profit, it indicates the total result of the Company (excluding financing and taxation). Together with production in Kton and Contribution, it indicates the quality of the Company's performance in any reporting period.

| | For the year ended 31 December | | |
|---|---------------------------------------|---------------|---------------|
| | <i>(unaudited)</i> | | |
| | 2022 | 2021 | 2020 |
| | €'000 | | |
| Operating profit | 12,110 | 16,004 | 11,408 |
| Other income | 90 | 1,345 | - |
| EBIT | 12,200 | 17,349 | 11,408 |
| EBIT | 12,200 | 17,349 | 11,408 |
| Expenses related to research and preparations for the expansion of our product facilities and business acquisitions | 5,366 | 373 | - |
| Adjusted EBIT | 17,566 | 17,722 | 11,408 |

Net debt

Net debt is defined as loans and borrowings including lease liabilities minus cash and cash equivalents. Net debt is presented to express the financial strength of the Group. The Group understands that analysts, rating agencies and investors use this measure in assessing the Company's performance.

Net debt ex IFRS 16 is presented to be able to compare the Group with non-IFRS reporting companies, as the IFRS 16 impact on loans and borrowings is significant for the Group.

| | As at 31 December | | |
|---------------------------------------|--------------------------|-----------------|----------------|
| | <i>(unaudited)</i> | | |
| | 2022 | 2021 | 2020 |
| | €'000 | | |
| Loans and borrowings | - | - | - |
| Lease liabilities – non-current | 99,006 | 100,573 | 50,139 |
| Lease liabilities - current | 8,392 | 5,110 | 4,625 |
| Cash and cash equivalents | (89,832) | (73,201) | (2,645) |
| Net debt | 17,566 | 32,482 | 52,119 |
| Net debt | 17,566 | 32,482 | 52,119 |
| Lease liabilities – non-current | (99,006) | (100,573) | (50,139) |
| Lease liabilities - current | (8,392) | (5,110) | (4,625) |
| Net debt ex IFRS 16 | (89,832) | (73,201) | (2,645) |

Net working capital

The Group defines net working capital as inventories plus contract assets plus trade receivables plus prepayments minus trade payables and minus contract liabilities.

The Group discloses net working capital as a supplemental APM, as the Group believes it is a meaningful measure to evaluate the Group's ability to maintain a solid balance between growth, profitability and liquidity. Net working

capital is broadly analysed and reviewed by analysts and investors in assessing the Group's performance. This measure serves as a metric for how efficiently a company is operating and how financially stable it is in the short term. It is an important measure of the Group's ability to pay off short-term expenses or debts.

| | As at 31 December | | |
|---------------------------------|--------------------------|-----------------|----------------|
| | <i>(unaudited)</i> | | |
| | 2022 | 2021 | 2020 |
| | €'000 | | |
| Inventories..... | 427 | 612 | 375 |
| Contract assets..... | 18,315 | 12,944 | 29,555 |
| Trade receivables..... | 22,463 | 17,927 | 43,661 |
| Prepayments..... | 2,102 | 2,472 | 1,307 |
| Trade payables..... | (92,333) | (62,082) | (63,438) |
| Contract liabilities..... | (32,458) | (37,713) | (14,319) |
| Net working capital..... | (81,484) | (65,840) | (2,859) |

ROACE and Adjusted ROACE

Return on average capital employed (**ROACE**) is calculated as EBIT as a percentage of average equity plus loans and borrowings excluding lease-commitments minus cash. In the adjusted ROACE all values are adjusted for expenses that relate to research and preparations for the expansion of our production facilities and business acquisitions.

The Group discloses these measures as supplemental APM's, as the Group believes these are meaningful measures to evaluate the performance of the Group's business activities over time. The measure is therefore also included in the performance targets of management.

| | For the year ended 31 December | | |
|--|---------------------------------------|---------------|---------------|
| | <i>(unaudited)</i> | | |
| | 2022 | 2021 | 2020 |
| | €'000 | | |
| Average equity..... | 104,152 | 98,633 | 88,319 |
| Average loans and borrowings..... | - | - | - |
| Average cash and cash equivalents..... | (61,077) | (58,495) | (27,914) |
| Average capital employed..... | 43,075 | 40,138 | 60,405 |
| EBIT..... | 12,200 | 17,349 | 11,408 |
| Return on average capital employed..... | 28.3% | 43.2% | 18.9% |
| Average capital employed..... | 43,075 | 40,138 | 60,405 |
| Average expenses related to research and preparations for the expansion of our product facilities and business acquisitions..... | 2,895 | 440 | - |
| Average cash out related to expenses that relate to research and preparations for the expansion of our product facilities and business acquisitions..... | (5,659) | (2,093) | - |
| Average adjusted capital employed..... | 40,311 | 38,485 | 60,405 |
| Adjusted EBIT..... | 17,566 | 17,722 | 11,408 |
| Adjusted return on average capital employed..... | 43.6% | 46.0% | 18.9% |

Solvency

Solvency is calculated as total equity divided by total assets. This measure ex IFRS 16 is a bank covenant, and is presented to express the financial strength of the Group.

| | As at 31 December | | |
|---|--------------------------|----------------|----------------|
| | <i>(unaudited)</i> | | |
| | 2022 | 2021 | 2020 |
| | €'000 | | |
| Total equity | 105,764 | 103,097 | 94,270 |
| Total assets | 357,303 | 321,181 | 241,847 |
| Solvency | 29.6% | 32.1% | 39.0% |
| Total equity | 105,764 | 103,097 | 94,270 |
| Right-of-use assets | 104,466 | 104,598 | 51,902 |
| Lease liabilities – non-current | (99,006) | (100,573) | (50,139) |
| Lease liabilities - current | (8,392) | (5,110) | (4,625) |
| Capitalised lease incentives | 2,200 | 2,173 | 2,084 |
| Expenses of lease contracts other than 'short-term leases' and 'low-value leases' accounted for as project costs based on progress..... | 3,646 | - | - |
| Deferred tax on above items | (896) | (272) | 1,362 |
| Total equity ex IFRS 16 | 107,782 | 103,913 | 94,854 |
| Total assets | 357,303 | 321,181 | 241,847 |
| Right-of-use assets | (104,466) | (104,598) | (51,902) |
| Initial direct costs operational lease contracts | 540 | 2,095 | - |
| Expenses of lease contracts other than 'short-term leases' and 'low-value leases' accounted for as project costs based on progress..... | 3,646 | - | - |
| Deferred tax on above items | (896) | (797) | (410) |
| Total assets ex IFRS 16 | 256,127 | 217,881 | 189,535 |
| Solvency ex IFRS 16 | 42.1% | 47.7% | 50.0% |

Total debt/EBITDA ex IFRS 16

Total debt/EBITDA ex IFRS 16 is calculated as loans and borrowings excluding lease liabilities divided by EBITDA ex IFRS 16.

Total debt/EBITDA ex IFRS 16 is a bank covenant, and is presented to express the financial strength of the Group.

| | As of 31 December | | |
|---|--------------------------|-------------|-------------|
| | <i>(unaudited)</i> | | |
| | 2022 | 2021 | 2020 |
| | €'000 | | |
| Loans and borrowings | - | - | - |
| EBITDA ex IFRS 16 | 22,121 | 33,474 | 25,189 |
| Total debt/EBITDA ex IFRS 16 | 0.0% | 0.0% | 0.0% |

Earnings per share and dividend per share

Earnings per share are calculated as profit attributable to the shareholder divided by the number of shares issued. Dividend per share is calculated as dividends paid divided by the number of shares issued.

The Group believes that the presentation of earnings per share and dividend per share provide useful information to investors on the development of the Group's business.

| 2022 | 2021 | 2020 |
|-------------|-------------|-------------|
|-------------|-------------|-------------|

| | <i>(unaudited)</i> | | |
|--|--------------------|-------------|-------------|
| Number of shares issued as at 31 December ('000) | 25,501 | 25,501 | 25,501 |
| Profit attributable to the shareholder for the year ended 31 December (€'000) | 7,217 | 11,590 | 7,271 |
| Earnings per share (in €) | 0.28 | 0.45 | 0.29 |
| Dividend for the year ended 31 December (€'000) | - | 4,851 | 3,060 |
| Dividend per share (in €) | 0.00 | 0.19 | 0.12 |

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis should be read in conjunction with the rest of this Prospectus, including the information set out in section "Selected Consolidated Financial Information" and the information in section "Business – Industry overview".

Except as otherwise stated, the figures in the Operating and Financial Review are derived from the Financial Statements, which have been prepared in accordance with IFRS and comply with Part 9 of Book 2 DCC. For a discussion on the presentation of the Company's historical financial information included in this Prospectus, see section "Important Information – Presentation of Financial and Other Information".

The following discussion contains forward-looking statements that involve risks and uncertainties. The Group's future results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, without limitation, those discussed in particular in the sections entitled "Important Information – Presentation of Financial and Other Information" for a discussion of the risks and uncertainties related to those statements.

Overview

The Group is a leading manufacturer of monopiles for the offshore wind industry with production facilities at Roermond and Maasvlakte 2 (Rotterdam), the Netherlands. The Group is active in North-Western Europe and the products are mainly installed in the greater North-Sea region. The Group's business is organised into three business lines and operates through the following three main business segments: (i) offshore wind, which accounted for €111.2 million, or 85%, of 2022 Contribution; (ii) marshalling, which accounted for €11 million, or 9%, of 2022 Contribution; and (iii) other, which accounted for €8.3 million, or the remaining 6%, of 2022 Contribution. Please refer to "Business" for a more detailed description of the Group and its business activities.

Key factors affecting results of operations

The results of the Group's operations have been, and will continue to be, affected by a range of factors, many of which are beyond the Group's control. This section discusses the key factors that have had a material effect on the Group's results of operations and financial condition during the periods under review and are reasonably likely to have a material effect on the Group's results of operations and financial condition in the future.

Market conditions for the Group's customers

For each of the periods under review, a majority of the Group's revenue has been generated from customers in the offshore wind industry. In the recent years, the offshore wind industry has experienced significant growth but it is still a relatively new market. Demand for the Group's products in the offshore wind industry mainly depends on the further development and continued use of offshore wind farms. See "Business – Industry overview" for information regarding trends in the offshore wind industry that have influenced, or are expected to influence, the Group's results of operations.

Demand for monopiles

In terms of tonnage, the Group's largest product group are monopiles and transition pieces, which are included in the offshore wind segment. Due to its cost-effectiveness, the monopile has become by far the mostly used foundation solution for the offshore wind industry to date. As a result, there has been strong demand for monopiles in the periods under review, which the Group expects to continue going forward (see also "Business – Industry overview"). The last couple of years, the Group has expanded and improved its production capacity with additional facilities for the production of XL monopiles at Maasvlakte 2 in Rotterdam, in order to capitalise on the growing demand for XL monopiles and strengthen its position vis-a-vis its competitors, with an increased segment Contribution level as a result. With the Manufacturing Expansion, the Group is further expanding and improving its production facilities to manufacture XXXL monopiles. Once the expanded manufacturing plant is in full production, the Group expects it will be able to capture an even greater share of the in itself increasing market, resulting in an increase in production, Contribution and gross profit corresponding to the capacity increase.

Project oriented nature of the Group's business

At any given time, in particular in the offshore wind segment, the Group is engaged in a relatively small number of large projects, each of which accounts for a significant proportion of the Group's revenue and results of operations in such period. The Group's results depend on the number of projects being tendered and awarded in the markets in which the Group operates, over which the Group has no control. Relatively few projects are awarded in any given year and the number of projects tendered and awarded can vary significantly from year to year. If the Group is not awarded sufficient projects, or if the timing of projects is such that the Group is not able to work consistently at full capacity, the utilisation of the facilities is affected and, as a result, the revenue, Contribution and profits of the Group could vary significantly. While the Group aims to remain lean through its flexible workforce, a proportion of the Group's cost structure remains fixed and cannot be adjusted to short-term fluctuations in business activities. Depreciation, which constitutes approximately 15-20% of the total operating expenses, has no cash impact.

As a result, it is important that the Group timely fills its order book in order to ensure that it optimally utilises its production capacity and to avoid the possibility that parts of its facilities, equipment and personnel remain unutilised for a significant period of time. In the three years under review, the Group suffered no significant underutilisation of its capacity.

In the future, the Group expects that the number and timing of the projects will continue to vary, affecting the results of the Group.

Variations in contract terms and pricing for projects

The effect on the Group's results of operations differ between projects as a consequence of individual contract terms. Contract terms are negotiated with customers for each specific project. The specific terms agreed may depend on a variety of factors, including the nature of the tender process, the nature of the relevant customer and the specific project parameters. Each of the Group's projects is customised, with variations in the design of the project, leading to differences in the number of man hours required to complete the project. The specific terms of projects, including the contract pricing (revenue) and the resulting Contributions to the Group's results of operations, may thus differ significantly from project to project and from year to year.

The contract terms of specific contracts in time affect operating cash flows and the comparability of year-on-year cash flows. Many of the projects undertaken by the Group include specific milestones agreed with the relevant customers, which may vary per project and per customer. Payments by the customer may depend on reaching these milestones. This could have an impact on the recognition of revenue or gross margin (in case there is a risk for liquidated damages), and the achievement of a milestone in relation to a particular project may result in the payment of a significant amount, and hence affect the cash position. These milestones, and the resulting payments, are not linked to the Group's financial year but to the project planning and progress. Whether a payment is made before or after the end of a particular financial year can also affect the comparability of the results of operations (percentage of completion method is used) and cash flows for the relevant years and the amount of net working capital.

Cost of raw materials and cost of third-party service providers

Prior to entering into a final agreement with the customer in relation to the price of its services, the Group obtains a quote from its suppliers for the price of its raw materials, of which the most significant is steel. The Group then passes on the price of the raw materials to the price charged to the customer at no or at a limited margin. Similarly, the Group obtains quotes from its subcontractors and includes these in the proposal offered by the Group to its customer. This allows the Group to pass-on the costs of raw materials and third-party service costs to the customer using back-to-back agreements. It is also possible for customers to contract directly with a steel supplier or subcontractor affecting the revenue and cost of sales correspondingly.

As a result, both revenue and cost of sales can be materially affected by changes in the costs for raw materials or third party services, whilst the effect on both Contribution and gross profit margin is generally very limited. This is demonstrated by the steady increase in Contribution in the years 2020, 2021 and 2022, which did not reflect the increase in revenue and cost of sales in 2021 compared to 2020 and decrease in revenues and cost of sales in 2022 compared to 2021. The Group expects that such effects on revenue and cost of sales will continue in the future.

Specifically in 2021 revenue and cost of sales increased disproportionately compared to the actual production of the Group. For a specific order in 2021 one supplier (Smulders Eiffage) acted as a sub-contractor for the Group rather than as primary contractor. Consequently, customers paid the Group for services rendered by Smulders Eiffage, which resulted in an increase in the Group's revenue and a corresponding increase in cost of sales.

As a result of the above, management considers Contribution and gross profit to be better indicators for performance of the business than revenue as those line items net out cost of raw materials and third-party services.

Adjusted EBITDA Outlook

With a reported Contribution of €34 million and Adjusted EBITDA of €10.8 million for the first quarter of 2023, the Group announced in the Q1 2023 Press Release as published on 12 May 2023 that it is on track to close the 2023 financial year with an Adjusted EBITDA at the level of the 2022 financial year, being €41.8 million (**Adjusted EBITDA Outlook**). Contribution is an important performance indicator for the Group since it neutralises pricing effects of steel; these are passed through to the customer, be it negatively or positively.

The main reasons for the Company's expectation in relation to the Adjusted EBITDA Outlook are:

- current trading: on 12 May 2023, the Group announced in the Q1 2023 Press Release that its production in Q1 2023 had resulted in a Contribution of €34 million or €708 per ton (€30.5 million or €635 per ton in Q1 2022). Adjusted for Contribution from marshalling and engineering activities, Contribution was €30.9 million in Q1 2023 or €644 per ton (€544 per ton in Q1 2022). Contribution levels may vary quarter-to-quarter and depend upon progress, the level of completion of projects and the decision to subcontract parts of the project (for which a margin is gained but no tonnage is added). The difference between Contribution per ton in Q1 2023 and Q1 2022 is mainly explained by market conditions. Adjusted EBITDA in Q1 2023 amounted to €10.8 million compared to €9.6 million in Q1 2022. Adjusted EBITDA per ton was €225 in Q1 2023, compared to €200 in Q1 2022;
- the orderbook for the remainder of 2023 from the Q1 2023 Press Release (1 April 2023 – 31 December 2023) stood at the date of such release at 170 Kton. Adjusted EBITDA for 2023 is expected to end at the level of 2022 with the positive impact from higher production volumes being offset by the loss of Contribution from marshalling and logistics activities. In the first three months of 2023, 105 Kton were added to the orderbook;
- since the Manufacturing Expansion works, that started in early-April 2023, require space that until such time was used for marshalling and logistics, these marshalling and logistics activities will generate less or almost no Contribution from the second quarter of 2023; and
- the orderbook for the remainder of 2023 is of such quality and the (expected) costs are of the level that the outlook for an Adjusted EBITDA at the level of the 2022 financial year is justified.

The Adjusted EBITDA Outlook is not factual and should not be interpreted as such by potential investors. It is a statement about the expectations of the Group's management in respect of Adjusted EBITDA for the 2023 financial year. Potential investors should not place unreasonable reliance on this outlook. Expectations of management are based on current trading and resulting Contribution for Q1 2023, as well as the order pipeline for the remainder of 2023.

Basis of preparation

For the purpose of the Adjusted EBITDA Outlook, Adjusted EBITDA is calculated as described in "*Important Information – Presentation of Financial and Other Information*".

The Adjusted EBITDA Outlook has been prepared on the basis of accounting policies that are consistent with the accounting policies adopted by the Group in its audited consolidated annual financial statements for the year ended 31 December 2022. These accounting policies are expected to be consistent with the accounting policies to be adopted by the Group in its annual financial statements for the years ending 31 December 2023 and 31 December 2024.

Factors and assumptions

The Adjusted EBITDA Outlook may be influenced by the factors listed below and is based on assumptions by the Group's management related to these factors. These factors may or may not materialise and the related assumptions can, even if only to a limited extent, or cannot be influenced by the Group. Even if the Group believes that these assumptions are reasonable at the time of the Adjusted EBITDA Outlook by the Group's management, they may prove erroneous or unfounded. If one or more of these assumptions proves to be erroneous or unfounded, the actual Adjusted EBITDA could deviate materially from the Adjusted EBITDA Outlook.

Factors outside the Group's influence

The Adjusted EBITDA Outlook is generally subject to factors that are beyond the control of the Group or any individual. These factors and the related assumptions of the Group are outlined below:

- **Factor: unforeseen events**
Unforeseen events, such as, but not limited to, force majeure (e.g. fire, floods, hurricanes, storms, earthquakes or terrorist attacks), strikes, a global pandemic, exceptional macroeconomic events or war can have a (material) impact on the Adjusted EBITDA Outlook. For the purpose of the Adjusted EBITDA Outlook, the Group assumes that no such material unforeseen events will occur that could result in material or lasting constraints on the ongoing operations of the Group.
- **Factor: legislative and other regulatory measures**
Changes in legislative and other regulatory measures can have a (material) impact on the Adjusted EBITDA Outlook. For the purpose of the Adjusted EBITDA Outlook, the Group assumes that there will be no or only insignificant changes in the current regulatory framework and that there will be no material changes in the legal framework, such as in fiscal, environmental and maritime law.
- **Factor: economic development of the energy sector**
General economic developments can have a (material) impact on the Adjusted EBITDA Outlook. For the purpose of the Adjusted EBITDA Outlook, the Group assumes that there will be no material negative economic developments in global energy markets.

Factors that can be influenced by the Group to a limited extent

In addition, further factors may also influence the Adjusted EBITDA Outlook, over which the Group has limited control. The relevant factors and related assumptions are outlined below:

- **Factor: limited availability or late delivery of steel plates or flanges**
Limited or no availability, or late delivery, of steel plates or flanges may cause a disruption in the monopile manufacturing process and consequential delays in delivering, or non-delivery of, monopile products to customers in accordance with contractually obligated delivery schedules, and may in turn result in contractual breaches and penalties, which can have a (material) impact on the Adjusted EBITDA Outlook. The Group mitigates against this by maintaining good relationships with its suppliers of steel plates and flanges and ensuring that steel deliveries are made as early as possible in the process (i.e. immediately after signature of the relevant contracts). For the purpose of the Adjusted EBITDA Outlook, the Group assumes that no material occurrence of such limitations in availability or late deliveries will take place.
- **Factor: limited availability of labour**
Limited or no availability of qualified labour at the Group's manufacturing premises may cause a disruption in the monopile manufacturing process and consequential delays in delivering, or non-delivery of, monopile products to customers in accordance with contractually obligated delivery schedules, and may in turn result in contractual breaches and penalties, which can have a (material) impact on the Adjusted EBITDA Outlook. The Group has mitigated against this by putting in place a dedicated recruitment team which is executing a recruitment plan involving various channels to attract new employees.

Factors that can be influenced by the Group

In addition, further factors may also influence the Adjusted EBITDA Outlook, over which the Group has influence. The relevant assumptions are outlined below:

- **Factor: production volumes**

A change in production volumes can have a (material) impact on the Adjusted EBITDA Outlook. For the purpose of the Adjusted EBITDA Outlook, and as further described above, the orderbook for the remainder of 2023 from the Q1 2023 Press Release (1 April 2023 – 31 December 2023) stood at the date of such release at 170 Kton. This amount is booked and secure, and as such, even if customers place their projects on hold, the Group is nonetheless compensated. However, the orderbook for the last nine months of the 2022 financial year (133 Kton) was substantially lower than the orderbook for the last nine months of the 2023 financial year (170 Kton); accordingly, the risk exists that the Group may not, by virtue of its own fault (for example, due to inefficient processes or due to interruption caused by the Manufacturing Expansion), be able to execute the orders contained in the orderbook for the remaining nine months of the 2023 financial year such that it does not perform its contractual obligations, which could have a (material) impact on the Adjusted EBITDA Outlook.
- **Factor: timing and performance of acquisitions, disposals and joint ventures**

Future acquisitions, disposals and joint ventures can have a (material) impact on the Adjusted EBITDA Outlook. There are no material acquisitions, disposals or joint ventures planned for the remainder of 2023. For the purpose of the Adjusted EBITDA Outlook, the Group assumes that no acquisitions, disposals or joint ventures will be undertaken.
- **Factor: Contribution margin per tonne**

The Group reported in the Q1 2023 Press Release a Contribution of €34 million or €708 per tonne. Adjusted for Contribution from marshalling and engineering activities, Contribution was €30.9 million in Q1 2023. Contribution levels may vary quarter-to-quarter and depend upon progress, the level of completion of projects and the decision to subcontract parts of the project (for which a margin is gained but no tonnage is added). The secured order book volumes of the Company for the remainder of 2023 have Contribution margins per tonne that are consistent with and will support the Adjusted EBITDA Outlook.

Other explanatory notes

The Adjusted EBITDA Outlook does not include material extraordinary results or results from non-recurring activities.

EBITDA Outlook

On 13 February 2023, the Company announced the Manufacturing Expansion. The expanded manufacturing plant will have the capacity to produce monopiles with a diameter of up to 11.5 meters with a maximum output of approximately 200 XXXL monopile foundations per year, assuming a diameter of 11 meter, based on a 2,500 ton reference monopile.

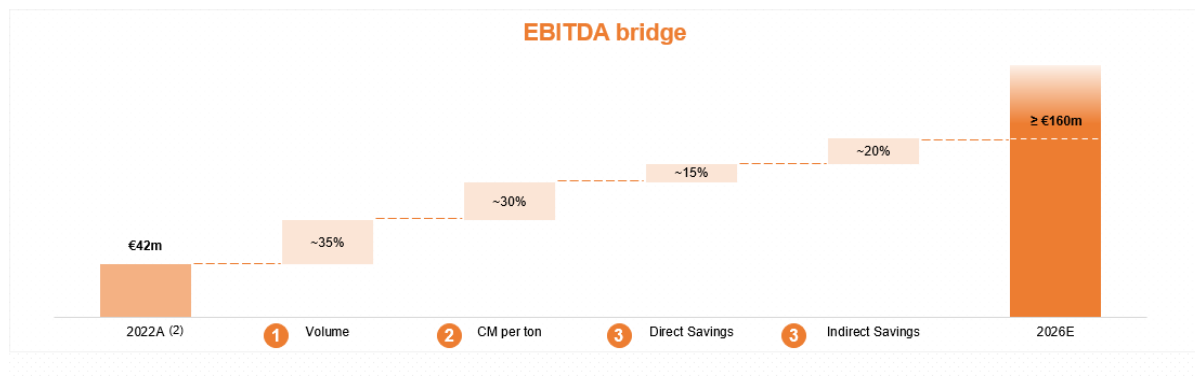
Once the expanded manufacturing plant is fully ramped-up, which is expected in the first half of 2025, and further based on developments in the market, discussions with customers for longer-term offshore wind projects and the order book, the Group projects an EBITDA of €135 million in 2025 and an EBITDA of at least €160 million per annum from 2026 onwards (the **EBITDA Outlook**), barring unforeseen circumstances. Based on the EBITDA Outlook, the Group projects that the investment has a payback period of approximately three to four years.

The Group has already contracted business from its customers or is in exclusive negotiations with customers for a total production volume of 719 Kton for the period 2023 through 2026. For 2023 (1 April – 31 December), a production volume of 170 Kton and for 2024 and beyond, a production volume of 549 Kton is fully covered by the order book, including projects under exclusive negotiation. Actual production volumes might change based on design changes. Production for 2025 is largely covered by the order book, including the Baltyk project which is under exclusive negotiation. Discussions for projects to be executed in 2026 have already started, with tenders substantially exceeding available production volumes. These booked or under-negotiation projects have pre-calculated Contribution margins which are based on the outcome of the commercial discussions with the

corresponding customers. History shows that once exclusive negotiations have commenced, a final contract will likely follow. To this rule, there is one exception, namely when the Group was in exclusive negotiations with the developer of Vineyard in the US and the developer was not awarded a permit by the national government for realization of the wind farm. Exclusive negotiations were ended without award of a final contract to the Group or to anyone else.

In the first half of 2025, the Group expects to have fully expanded its production facilities as a result of the Manufacturing Expansion. The Group secured contracts and is in exclusive negotiations with customers for projects for 2025 and 2026 that have production volumes of in total 343 Kton, resulting in projected EBITDA levels of €135 million in 2025 and at least €160 million in 2026.

EBITDA is expected to almost quadruple between 2023 and 2026 as a result of the Manufacturing Expansion, as below:



Note: percentages included are percentages of total EBITDA increase (total increase is 100%).

The main reasons for this expectation are:

- **volume effects:** strong market conditions for the offshore wind market for XXXL monopiles, with an expected increased capacity to 500 Kton per year compared to 220 Kton today and continuation of the operation of pin-piles/jacket legs production lines in Roermond (35% of the EBITDA increase);
- **margin effects from improved pricing:** higher Contribution margins per tonne due to manufacturing more complex monopile foundations, which is confirmed by the secured orders of the launching customers and ongoing tender discussions with other potential customers, with 348 Kton of offtake volumes at locked-in higher Contribution margins (30% of the EBITDA increase);
- **direct savings per tonne:** direct labour savings per tonne due to increased automation and process optimization of the operations, efficiency savings partly offset by wage inflation, new facility built for XXXL monopile specifications resulting in improved process efficiency, less handling due to a more effective automated process and increased Kton per employee due to design change of XXXL monopile foundations (15% of the EBITDA increase); and
- **indirect savings per tonne:** volumes are expected to more than double, however the number of projects and monopile foundations will remain at the same level, indirect fixed costs will increase but substantially below volume growth and budget includes selective headcount increases in commercial and support departments (20% of the EBITDA increase).

Contribution is an important performance indicator for the Group since it neutralizes pricing effects of steel; these are passed through to the customer, be it negatively or positively.

The EBITDA Outlook is not factual and should not be interpreted as such by potential investors. It is a statement about the expectations of the Group's management in respect of EBITDA for 2025 and 2026. Potential investors should not place unreasonable reliance on this outlook. Expectations of management are based on the trend in Contribution per tonne which is increasing and which increase is reflected in price levels for contracts that are in the order book. Expectations are also based on the order pipeline which extends to beyond 2030 and which is based on granted permits for new developments, tenders (189 Kton for 2025 and 668 Kton for 2026), including

the Baltyk project which is under exclusive negotiation, and requests for proposal for newly developed wind farms and on conversations with customers. Expectations are further based on ambitions of governments around the globe that trend to an increase of offshore wind capacity from the presently installed 65 GW to a global more than 1,000 GW and ambitions of more than 2,000 GW as stated by the Global Offshore Wind Alliance by 2050.

Basis of preparation

For the purpose of the EBITDA Outlook, EBITDA is calculated as described in "*Important Information – Presentation of Financial and Other Information*".

The EBITDA Outlook has been prepared on the basis of accounting policies that are consistent with the accounting policies adopted by the Group in its audited consolidated annual financial statements for the year ended 31 December 2022. These accounting policies are expected to be consistent with the accounting policies to be adopted by the Group in its annual financial statements for the years ending 31 December 2023 and 31 December 2024.

Factors and assumptions

The EBITDA Outlook may be influenced by the factors listed below and is based on assumptions by the Group's management related to these factors. These factors may or may not materialize and the related assumptions can, even if only to a limited extent, or cannot be influenced by the Group. Even if the Group believes that these assumptions are reasonable at the time of the EBITDA Outlook by the Group's management, they may prove erroneous or unfounded. If one or more of these assumptions proves to be erroneous or unfounded, the actual EBITDA could deviate materially from the Group's current EBITDA Outlook.

Factors outside the Group's influence

The EBITDA Outlook is generally subject to factors that are beyond the control of the Group or any individual. These factors and the related assumptions of the Group are outlined below:

- **Factor: unforeseen events**
Unforeseen events, such as, but not limited to, force majeure (e.g. fire, floods, hurricanes, storms, earthquakes or terrorist attacks), strikes, a global pandemic, exceptional macroeconomic events or war can have a (material) impact on the EBITDA Outlook. For the purpose of the EBITDA Outlook, the Group assumes that no such material unforeseen events will occur that could result in material or lasting constraints on the ongoing operations of the Group.
- **Factor: legislative and other regulatory measures**
Changes in legislative and other regulatory measures can have a (material) impact on the EBITDA Outlook. For the purpose of the EBITDA Outlook, the Group assumes that there will be no or only insignificant changes in the current regulatory framework and that there will be no material changes in the legal framework, such as in fiscal, environmental and maritime law.
- **Factor: economic development of the energy sector**
General economic developments can have a (material) impact on the EBITDA Outlook. For the purpose of the EBITDA Outlook, the Group assumes that there will be no material negative economic developments in global energy markets.

Factors that can be influenced by the Group to a limited extent

In addition, further factors may also influence the EBITDA Outlook, over which the Company has limited control. The relevant factors and related assumptions are outlined below:

- **Factor: operating lease income**
Material changes to operating lease income can have a (material) impact on the EBITDA Outlook. From commencement of the building activities for the Manufacturing Expansion in 2023 and until the expanded manufacturing plant is fully ramped-up, which is expected in the first half of 2025, no or only limited contribution is expected from marshalling activities since the land needed for this will be occupied by building activities – this may be mitigated to the extent that the building activities permit sufficient land space being available for the purpose of marshalling activities. For the purpose of the

EBITDA Outlook, the Group assumes that there will be no other drivers for changes in operating lease income.

- Factor: the Manufacturing Expansion will not be delayed
A delay in the realization of the Manufacturing Expansion can have a (material) impact on the EBITDA Outlook. For the purpose of the EBITDA Outlook, the Group assumes that there will be no delay in the Manufacturing Expansion and the ramping-up of the expanded manufacturing plant. The Group has mitigated against this by forming a dedicated project team outside of business, apportioning substantial buffer time during construction and testing/ramping-up and catering for controlled ramping-up of launching customer production in 2024.

Factors that can be influenced by the Group

In addition, two further factors may also influence the EBITDA Outlook, over which the Group has influence. The relevant assumption is outlined below:

- Factor: production volumes
A change in production volumes can have a (material) impact on the EBITDA Outlook. For the purpose of the EBITDA Outlook, and as further described above, the Group assumes that the order book for 2025 and 2026 will be filled and that it will achieve production volumes of 330 Kton in 2025 and 375 Kton in 2026 to reach an EBITDA of €135 million in 2025 and at least €160 million in 2026. Targeted production volumes are based on a reference monopile and actual output may vary based on the actual design. As included in the Q1 2023 Press Release, order book volumes of 343 Kton are secured for 2025 and 2026. This implies that 362 Kton has not been booked yet, whereas it should be taken into account that actual volumes will ultimately vary based on the design of the monopile and production throughout time. The Group has mitigated against lower order book volumes by securing 348 Kton offtake volumes from launching customers and entering into a long-term framework agreement with Equinor. Furthermore, a significant supply-demand imbalance exists with demand outweighing supply.
- Factor: timing and performance of acquisitions, disposals and joint ventures
Future acquisitions, disposals and joint ventures can have a (material) impact on the EBITDA Outlook. There are no material acquisitions, disposals or joint ventures planned between 2023 and 2026, other than a possible joint venture for activities in the US. The Group is in talks with a potential joint venture partner and talks may progress if and when the emergence of the US market accelerates. For the purpose of the EBITDA Outlook, the Group assumes that no acquisitions, disposals or joint ventures will be undertaken.
- Factor: Contribution margin per tonne
The Group reported a Contribution margin per tonne of €674 in 2022, excluding Contribution from marshalling and engineering activities. The secured order book volumes of the Group for 2025 and 2026 have Contribution margins per tonne that are consistent with and will support the Group's indicated EBITDA targets for 2025 and 2026.
- Factor: direct savings per tonne
As a result of anticipated design changes and process automation resulting in a higher production efficiency, the Company expects savings on direct expenses per tonne of around 15% in 2026 compared to 2022.
- Factor: indirect savings per tonne
As a result of the future increased production capacity following completion of the Manufacturing Expansion, the Group expects savings on indirect expenses per tonne will be around 40% in 2026 compared to 2022 largely resulting from the increased economies of scale.

Other explanatory notes

The EBITDA Outlook does not include material extraordinary results or results from non-recurring activities.

Description of key statement of income line items

The following is a brief description of the composition of certain line items of the consolidated income statement. This description must be read in conjunction with the significant accounting policies elsewhere in this section and in the Financial Statements.

Revenue

The Group is primarily involved in the manufacturing of foundation piles for offshore wind farms and metal structures, parts of metal structures, pipes, pipe structures, and components for the offshore industry. Furthermore, the Group is providing marshalling and logistics services to its customers. With the acquisition of KCI the engineers B.V. in 2021, the Group is also involved in the engineering of solutions for the renewables market, the oil & gas market and other equipment. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the (series of) goods or services before transferring them to the customer.

Construction contracts

The sold goods of the Group include mainly monopiles, transition pieces, legs, piles and pilesleeves. Goods within a contract that are substantially the same and that have the same pattern of transfer to the customer are considered as series of distinct goods. These series and the other individual goods are identified as separate performance obligations as the customer can benefit from the goods on its own or with readily available resources and the goods are distinct within the context of the contract. This results in an accounting treatment with a series of goods on a performance obligation for the aforementioned goods, as the series of goods are designed for a specific project and connected to each other without having the opportunity to adjust these easily. The aforementioned goods are separated as these can be considered to be distinct. Storage of goods is not considered a performance obligation, as it is not a promise in the contract. When the customer requires additional storage of goods (in addition to the agreed schedules for production and load-out), this is assessed in light of the guidance for identification of performance obligations (at contract inception) or contract modifications (when the request comes during the execution of the contract).

The transaction price is the price that the company expects to receive for the satisfaction of the performance obligations taking into account among others: discounts, financing components and liquidated damages. Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration are constrained. In case the Group determined that the estimates of variable consideration are constrained, the transaction price is adjusted accordingly. The main variable consideration that can be applicable to the contracts of the Group is related to steel prices (of which the impact of changes is passed through to the customers of the Group) and liquidated damages, which are performance penalties in the contract in case agreed milestones are not met. Based on facts and circumstances in relation to the respective project, the Group assesses to what extent it is highly probable that a significant revenue reversal will not occur in future periods once the uncertainty related to the variable consideration is resolved. Other forms of variable considerations are relatively limited, as the Group provides no volume rebates, no rights of return, no performance bonuses and no refunds or credits.

The transaction price is separately agreed for the relevant performance obligation or is allocated to the relevant performance obligation in proportion to their stand-alone selling price which was the basis for the contract.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e., when control of the (series of) goods or services underlying the particular performance obligation is transferred to the customer. The Group recognises revenue over time, since its performance creates or enhances an asset that the customer controls as the asset is created, its performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The Group uses the input method to measure progress over time, based on labour hours spent. The actual hours spent in relation to the total expected hours to the satisfaction of that performance obligation is considered a reliable measure to recognise revenue over time.

Revenue is impacted by costs of raw materials and third-party services, both of which are charged by the Group to its customers. As a result, management considers Contribution and gross profit to be better indicators of

performance of the business lines than revenue. For a further discussion, please see above under "*Operating and Financial Review – Key factors affecting results of operations – Cost of raw materials and cost of third-party service providers*".

Marshalling services

Marshalling services can comprise of (a combination of) renting out logistics and facilities, and providing logistical handling services. Contracts with bundled sales of renting out space and logistical handling services are comprised of at least two performance obligations, because the renting and handling services are both sold on a stand-alone basis and are distinct within the context of the contract. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the services. Renting out logistical space is considered a lease contract within the scope of IFRS 16. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in operational lease income in the statement of profit or loss due to its operating nature.

Cost of sales

Cost of sales is the total of three line items: (i) raw materials (steel plates, welding material and steel flanges); (ii) subcontracted work and other external charges; and (iii) logistic and other project related expenses (rent, transport costs and other costs that can be directly attributed to projects). Cost of sales does not include personnel expenses or production and general manufacturing expenses.

Cost of sales is impacted by costs of raw material and third-party services, both of which are passed on by the Group to its customers at no or a limited margin. In addition, the level of cost of sales is not comparable year-on-year, since usage of raw materials depends on specific phases in the project, project planning and percentage of completion reached within the year together with the level of subcontracting, all of which are specific to each project.

Contribution

Contribution is the difference between revenue and cost of sales, consisting of raw materials, subcontracted work and other external charges and logistic and other project related expenses.

The Company considers Contribution to be a better indicator for performance of the business than revenue, because revenue is affected by fluctuations in the cost of steel and level of third-party (subcontracted) services which are passed on to the customers at no or limited margin. For example, in 2021 the Group acted as a main contractor for Smulders Eiffage, increasing amounts related to costs of subcontracted work as well as corresponding revenue.

Direct personnel expenses

Personnel expenses consist of wages and salaries for internal personnel and costs relating to external, temporary personnel. In order to keep the workforce flexible to changes in production, the Group hires external personnel. The Group uses a number of Dutch and other European (mainly German and Polish) employment agencies for external personnel.

In the Group's income statement, cost for personnel that primarily work on customer projects are included in this line item and, therefore, are part of the gross profit calculation, while indirect personnel costs are reported below the gross profit line item.

Production and general manufacturing expenses

Production and manufacturing expenses include the following costs: maintenance, utilities, small equipment and materials, and other production costs that cannot be allocated to specific projects.

Gross profit

Gross profit is determined by subtracting the direct personnel expenses and production and general manufacturing expenses from Contribution.

Operating segments and presentation of financial information

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

- Wind, which produces and delivers monopiles, transition pieces or other foundation components for the off-shore wind industry.
- Marshalling, which involves renting out logistical space and resources and delivering logistical support to customers, mainly in the off-shore wind sector.
- Other, which mainly includes engineering services, production of offshore steel structures and operational lease income for the windmill on the Group's site in Rotterdam.

Each division provides distinct products and services, using different technology and catering to different markets.

Contribution is the revenue from contracts with customers minus the cost of sales, which includes raw materials, subcontracted work, other external charges and logistic and other project related expenses. The costs of sales, such as raw materials, subcontracted work, other external charges, and logistics and other project-related expenses, vary depending on the contracts with customers. Gross profit is Contribution minus direct personnel expenses and production and general manufacturing expenses. The Group uses gross profit to assess performance, as it considers this information to be the most relevant for comparing the results of different segments with similar industry peers.

The Group does not allocate any accounts below gross profit or total assets, which are all in the Netherlands, to individual segments, because these are managed at Group level.

The following table sets forth the Group's revenue, Contribution and gross profit, specifying the three reported segments.

| | For the year ended 31 December | | |
|---|---------------------------------------|----------------|----------------|
| | 2022 | 2021 | 2020 |
| | <i>€'000</i> | | |
| Wind | | | |
| Revenue from contracts with customers..... | 352,863 | 411,055 | 316,671 |
| Operating lease income | - | - | - |
| Total revenue | 352,863 | 411,055 | 316,671 |
| Cost of sales | (241,695) | (304,303) | (224,168) |
| Segment Contribution | 111,168 | 106,752 | 92,503 |
| Direct personnel expenses and production and general manufacturing expenses | (49,636) | (39,754) | (35,090) |
| Gross profit | 61,532 | 66,998 | 57,413 |
| Marshalling | | | |
| Revenue from contracts with customers..... | 3,422 | 3,344 | 3,122 |
| Operating lease income | 9,084 | 2,455 | 3,627 |
| Total revenue | 12,506 | 5,799 | 6,749 |
| Cost of sales | (1,444) | (3,691) | (4,969) |
| Segment Contribution | 11,062 | 2,108 | 1,780 |
| Direct personnel expenses and production and general manufacturing expenses | (13) | (57) | - |
| Gross profit | 11,049 | 2,051 | 1,780 |
| Other | | | |
| Revenue from contracts with customers..... | 7,606 | 4,097 | 10,337 |
| Operating lease income | 1,568 | 1,590 | 1,676 |
| Total revenue | 9,174 | 5,687 | 12,013 |
| Cost of sales | (893) | (317) | (4,704) |

| | | | |
|---|----------------|----------------|----------------|
| Segment Contribution | 8,281 | 5,370 | 7,309 |
| Direct personnel expenses and production and general manufacturing expenses | (5,442) | (3,640) | (3,390) |
| Gross profit | 2,839 | 1,730 | 3,919 |
| Total | | | |
| Revenue from contracts with customers..... | 363,891 | 418,496 | 330,130 |
| Operating lease income | 10,652 | 4,045 | 5,303 |
| Total revenue | 374,543 | 422,541 | 335,433 |
| Cost of sales | (244,032) | (308,311) | (233,841) |
| Segment Contribution | 130,511 | 114,230 | 101,592 |
| Direct personnel expenses and production and general manufacturing expenses | (55,091) | (43,451) | (38,480) |
| Gross profit | 75,420 | 70,779 | 63,112 |

Results of Operations

The following table sets forth the Group's consolidated results of operations for the periods indicated.

| | For the year ended 31 December | | |
|---|--------------------------------|----------------|----------------|
| | 2022 | 2021 | 2020 |
| | | €'000 | |
| Revenue from contracts with customers..... | 363,891 | 418,496 | 330,130 |
| Operating lease income | 10,652 | 4,045 | 5,303 |
| Total revenue | 374,543 | 422,541 | 335,433 |
| Cost of sales | (244,032) | (308,311) | (233,841) |
| Contribution | 130,511 | 114,230 | 101,592 |
| Direct personnel expenses and production and general manufacturing expenses | (55,091) | (43,451) | (38,480) |
| Gross profit | 75,420 | 70,779 | 63,112 |
| Indirect personnel expenses..... | (21,204) | (19,833) *) | (20,888) |
| Depreciation and amortisation..... | (24,226) | (21,712) | (20,348) |
| Facilities, housing and maintenance..... | (4,947) | (4,127) | (5,125) |
| Selling expenses | (628) | (632) | (1,018) |
| General expenses..... | (12,305) | (8,471) *) | (4,325) |
| Operating profit | 12,110 | 16,004 | 11,408 |
| Impairment (losses) / reversals on financial assets..... | (3) | 16 | (2) |
| Finance costs | (2,010) | (2,352) | (2,396) |
| Finance costs and impairment losses | (2,013) | (2,336) | (2,398) |
| Other income | 90 | 1,345 | 0 |
| Share of profit / (loss) of joint ventures..... | 1 | 82 | (61) |
| Profit before tax | 10,188 | 15,095 | 8,949 |
| Income tax expense | (2,670) | (3,208) | (1,376) |
| Profit after tax | 7,518 | 11,887 | 7,573 |

*) The numbers for the year ended 31 December 2021 have been derived from the comparative figures included in the 2022 Financial Statements, which have been restated compared to the 2021 Financial Statements to reflect an amount of €0.4 million of subsidies received being reclassified from general expenses to indirect personnel expenses.

Income Statement

The table below sets out the results of operations of the Group for the years ended 31 December 2020, 2021 and 2022.

| | For the year ended 31 December | | |
|---|---------------------------------------|----------------|----------------|
| | 2022 | 2021 | 2020 |
| | | €'000 | |
| Revenue from contracts with customers..... | 363,891 | 418,496 | 330,130 |
| Operating lease income | 10,652 | 4,045 | 5,303 |
| Total revenue | 374,543 | 422,541 | 335,433 |
| Raw materials | (191,674) | (160,311) | (130,437) |
| Subcontracted work and other external charges ... | (36,561) | (126,090) | (82,510) |
| Logistic and other project related expenses | (15,797) | (21,910) | (20,894) |
| Direct personnel expenses | (37,610) | (32,213) | (27,091) |
| Production and general manufacturing expenses.. | (17,481) | (11,238) | (11,389) |
| Indirect personnel expenses..... | (21,204) | (19,833) *) | (20,888) |
| Depreciation and amortisation..... | (24,226) | (21,712) | (20,348) |
| Facilities, housing and maintenance | (4,947) | (4,127) | (5,125) |
| Selling expenses | (628) | (632) | (1,018) |
| General expenses | (12,305) | (8,471) *) | (4,325) |
| Operating profit..... | 12,110 | 16,004 | 11,408 |
| Impairment (losses) / reversals on financial assets | (3) | 16 | (2) |
| Finance costs | (2,010) | (2,352) | (2,396) |
| Finance costs and impairment losses | (2,013) | (2,336) | (2,398) |
| Other income | 90 | 1,345 | 0 |
| Share of profit / (loss) of joint ventures | 1 | 82 | (61) |
| Profit before tax..... | 10,188 | 15,095 | 8,949 |
| Income tax expense | (2,670) | (3,208) | (1,376) |
| Profit after tax..... | 7,518 | 11,887 | 7,573 |

*) The numbers for the year ended 31 December 2021 have been derived from the comparative figures included in the 2022 Financial Statements, which have been restated compared to the 2021 Financial Statements to reflect an amount of €0.4 million of subsidies received being reclassified from general expenses to indirect personnel expenses.

Consolidated statements of profit or loss for the year ended 31 December 2022 compared to the year ended 31 December 2021

The table below sets out the results of operations for the years ended 31 December 2022 and 2021.

| | For the year ended 31 December | | Change |
|---|---------------------------------------|----------------|---------------|
| | 2022 | 2021 | % |
| | | €'000 | |
| Revenue from contracts with customers..... | 363,891 | 418,496 | (13) |
| Operating lease income | 10,652 | 4,045 | 163 |
| Total revenue | 374,543 | 422,541 | (11) |
| Raw materials | (191,674) | (160,311) | 20 |
| Subcontracted work and other external charges ... | (36,561) | (126,090) | (71) |
| Logistic and other project related expenses..... | (15,797) | (21,910) | (28) |
| Direct personnel expenses | (37,610) | (32,213) | 17 |
| Production and general manufacturing expenses . | (17,481) | (11,238) | 56 |
| Indirect personnel expenses..... | (21,204) | (19,833) *) | 7 |
| Depreciation and amortisation..... | (24,226) | (21,712) | 12 |
| Facilities, housing and maintenance..... | (4,947) | (4,127) | 20 |
| Selling expenses | (628) | (632) | (1) |
| General expenses..... | (12,305) | (8,471) *) | 45 |

| | | | |
|---|----------------|----------------|-------------|
| Operating profit | 12,110 | 16,004 | (24) |
| Impairment (losses) / reversals on financial assets | (3) | 16 | (119) |
| Finance costs | (2,010) | (2,352) | 15 |
| Finance costs and impairment losses | (2,013) | (2,336) | 14 |
| Other income | 90 | 1,345 | (93) |
| Share of profit / (loss) of joint ventures..... | 1 | 82 | (99) |
| Profit before tax | 10,188 | 15,095 | (33) |
| Income tax expense | (2,670) | (3,208) | (17) |
| Profit after tax | 7,518 | 11,887 | (37) |

*) The numbers for the year ended 31 December 2021 have been derived from the comparative figures included in the Consolidated Financial Statements 2022, which have been restated compared to the 2021 Financial Statements to reflect an amount of €0.4 million of subsidies received being reclassified from general expenses to indirect personnel expenses.

Total revenue

Total revenue decreased by €48.0 million, or 11.4%, from €422.5 million for the year ended 31 December 2021, to €374.5 million for the year ended 31 December 2022.

The following table sets forth a breakdown of total revenue for the periods indicated.

| | For the year ended 31 December | | Change |
|--|---|----------------|---------------|
| | 2022 | 2021 | % |
| | <i>€'000</i> | | |
| Revenue from contracts with customers..... | 363,891 | 418,496 | (13) |
| Operating lease income | 10,652 | 4,045 | 163 |
| Total revenue | 374,543 | 422,541 | (11) |

The main reason for the 11% drop in total revenue from €422.5 million in 2021 to €374.5 million in 2022 was the lower revenue from contracts with customers, which fell by €54.6 million. This was because in 2021 the Group's subcontractor had fulfilled some performance obligations for producing secondary steel, which were part of the Group's contracts with customers (in relation to the Hollandse Kust Zuid project). However, in 2022 these performance obligations were not included in the Group's contracts with customers. Higher steel prices, which the Group could pass on to the customers, partly mitigated this effect.

Operating lease income more than doubled from €4.0 million in 2021 to €10.7 million in 2022, an increase of €6.6 million or 163.3%. This was mainly due to the contract with Siemens for providing marshalling and logistics services for the Hollandse Kust Zuid project (€8.8 million operating lease income in 2022).

The following table sets forth the total revenue by segment for the periods indicated.

| | For the year ended 31 December | | Change |
|--------------------|---|----------------|---------------|
| | 2022 | 2021 | % |
| | <i>€'000</i> | | |
| Wind..... | 352,863 | 411,055 | (14) |
| Marshalling | 12,506 | 5,799 | 116 |
| Other..... | 9,174 | 5,687 | 61 |
| Total | 374,543 | 422,541 | (11) |

Total revenue for the wind segment decreased by €58.2 million, or 14.2%, from €411.1 million for the year ended 31 December 2021, to €352.9 million for the year ended 31 December 2022. The main reason has been explained above under contracts with customers.

Total revenue for the marshalling segment increased by €6.7 million, or 115.7%, from €5.8 million for the year ended 31 December 2021, to €12.5 million for the year ended 31 December 2022. The main driver was the contract

with Siemens, in relation to the Marshalling and logistics services project for Hollandse Kust Zuid (€8.8 million operating lease income in 2022).

Total revenue for the other segment increased by €3.5 million, or 61.3%, from €5.7 million for the year ended 31 December 2021, to €9.2 million for the year ended 31 December 2022. This increase is mainly due to higher revenue from Engineering projects (an increase of €2.1 million, mainly due to the fact that in 2021 only 9 months of engineering revenue were included (as from the acquisition of KCI the engineers B.V.)) and Oil & Gas projects (an increase of €1.7 million, due to a new project in 2022).

The following table sets forth a breakdown of total revenue for the periods indicated by geographical location of the contract partners.

| | For the year ended 31 December | | Change |
|---------------------------------------|---|----------------|---------------|
| | 2022 | 2021 | % |
| | <i>€'000</i> | | |
| The Netherlands | 156,074 | 270,701 | (42) |
| United Kingdom..... | 198,353 | 143,252 | 38 |
| Norway..... | 12,483 | 547 | 2,182 |
| France..... | 790 | 2,320 | (66) |
| Japan..... | 60 | 3,308 | (98) |
| Rest of the European Union (EU) | 5,933 | 2,413 | 146 |
| Rest of the world | 851 | - | 100 |
| Total revenue | 374,543 | 422,541 | (11) |

The main reason for the drop in total revenue from 2021 to 2022 was the 42.3% fall in revenue from the Netherlands, which went down by €114.6 million to €156.1 million. This is mainly caused by the finalisation of the Hollandse Kust Zuid project in 2022. This was partly balanced by the 38.5% rise in revenue from the United Kingdom, which went up by €55.1 million to €198.4 million during the same period, due to the increase in progress on the Doggerbank project. The Group's revenue varies by location depending on where its contract partners are based and how many contracts it has at any given time.

Raw materials

Raw materials increased by €31.4 million, or 19.6%, from €160.3 million for the year ended 31 December 2021, to €191.7 million for the year ended 31 December 2022. The increase in costs for raw materials was mainly driven by higher steel prices.

Subcontracted work and other external charges

Subcontracted work and other external charges decreased by €89.5 million, or 71.0%, from €126.1 million for the year ended 31 December 2021, to €36.6 million for the year ended 31 December 2022. This was because in 2021 the Group recognised revenue from contracts with customers that involved a subcontractor producing secondary steel for the Group. The Group had to pay the subcontractor for this service and recorded it as a cost under subcontracted work and other external charges. In 2022, the Group did not have such contracts with customers, so its revenue and costs from subcontracted work and other external charges both decreased.

Logistic and other project related expenses

The Group reduced its logistic and other project related expenses by €6.1 million, or 27.9%, in 2022 compared to 2021. This was mainly because the lease expenses for logistical equipment for two projects during 2022 were considered long-term, which resulted in capitalisation of the lease expenses. Instead, the Group capitalised and depreciated these long-term leases over their duration, as required by IFRS 16. During 2021 all leases in projects were short-term, and therefore included in the logistic and other project related expenses.

Direct and indirect personnel expenses

The Group's direct personnel expenses increased by €5.4 million, or 16.8%, and its indirect personnel expenses increased by €1.4 million, or 6.9%, in 2022 compared to 2021. The main reason for the higher direct and indirect personnel expenses was the need to hire more staff and temporary workers to complete the projects.

The following table sets forth a breakdown of total personnel expenses for the periods indicated.

| | For the year ended 31 December | | Change |
|---|-----------------------------------|---------------|-----------|
| | 2022 | 2021 | % |
| | <i>€'000</i> | | |
| Wages and salaries | 25,658 | 24,627 | 4 |
| Hired staff and temporary workers | 22,875 | 17,330 | 32 |
| Compensation/grants received | (823) | (460) | *) (79) |
| Social security contributions | 3,277 | 3,094 | 6 |
| Pension expenses | 3,393 | 3,266 | 4 |
| Other employee benefit expenses | 4,434 | 4,189 | 6 |
| Total personnel expenses | 58,814 | 52,046 | 13 |

*) The numbers for the year ended 31 December 2021 have been derived from the comparative figures included in the 2022 Financial Statements, which have been restated compared to the 2021 Financial Statements to reflect an amount of €0.4 million of subsidies received being reclassified from general expenses to indirect personnel expenses.

Production and general manufacturing expenses

The cost of maintaining machinery, using gas and electricity, buying support materials and stocking critical spare parts rose by €6.2 million, or 55.6%, to €17.5 million for the year ended 31 December 2022. This was an increase from €11.2 million for the previous year. The main reason for the higher production and general manufacturing expenses was the increase in utility costs of €4.8 million (mainly related to increased energy prices). In addition, the expenses for maintenance of production machinery (€1,1 million higher) and auxiliary materials (€0,8 million higher) have increased.

Depreciation and amortisation

Depreciation and amortisation increased by €2.5 million, or 11.6%, from €21.7 million for the year ended 31 December 2021, to €24.2 million for the year ended 31 December 2022. The higher depreciation and amortisation was mainly due to the addition of new lease contracts and initial direct costs (for an amount of €4.4 million), partly offset by tangible fixed assets which were fully depreciated in the course of 2022.

Facilities, housing and maintenance

Facilities, housing and maintenance increased by €0.8 million, or 19.9%, from €4.1 million for the year ended 31 December 2021, to €4.9 million for the year ended 31 December 2022. The higher facilities, housing and maintenance costs were mainly due to higher costs for utilities for housing (€0.4 million higher, due to increased utility prices) and maintenance and cleaning (€0.3 million higher, mainly due to more maintenance on the logistics yard on Maasvlakte 2).

Selling expenses

Selling expenses decreased by €4,000, or 0.6%, from €632,000 for the year ended 31 December 2021, to €628,000 for the year ended 31 December 2022.

The following table sets forth a breakdown of selling expenses for the periods indicated.

| | For the year ended 31 December | | Change |
|---------------------------------|-----------------------------------|------|--------|
| | 2022 | 2021 | % |
| | <i>€'000</i> | | |
| Travel and representation | 266 | 149 | 79 |

| | | | |
|--|------------|------------|------------|
| Promotional and advertising costs..... | 218 | 263 | (17) |
| Tender expenses | 77 | 31 | 148 |
| Other selling expenses..... | 67 | 189 | (65) |
| Total..... | 628 | 632 | (1) |

Travel and representation expenses rose from €149,000 in 2021 to €266,000 in 2022, mainly due to more travel activities after the COVID-19 pandemic

Promotional and advertising costs fell from €263,000 in 2021 to €218,000 in 2022, largely because of less promotional activities at KCI The Engineers B.V. and the liquidation of sales office Sif Japan KK.

Other selling expenses dropped from €189,000 in 2021 to €67,000 in 2022, mainly because of lower foreign sales support costs.

General expenses

General expenses increased by €3.4 million, or 42.2%, from €8.1 million for the year ended 31 December 2021, to €11.5 million for the year ended 31 December 2022.

The following table sets forth a breakdown of general expenses for the periods indicated.

| | For the year ended 31 December | | Change |
|-----------------------------|---|--------------|---------------|
| | 2022 | 2021 | % |
| | <i>€'000</i> | | |
| Consultancy fees | 6,440 | 3,316 | 94 |
| Insurances..... | 2,148 | 2,036 | 6 |
| Software, license fees..... | 2,352 | 1,582 | 49 |
| Office expenses | 659 | 472 | 40 |
| Other general expenses..... | 706 | 1,065 | *) (34) |
| Total..... | 12,305 | 8,471 | 45 |

*) The numbers for the year ended 31 December 2021 have been derived from the comparative figures included in the Consolidated Financial Statements 2022, which have been restated compared to the 2021 Financial Statements to reflect an amount of €0.4 million of subsidies received being reclassified from general expenses to indirect personnel expenses.

The increase in general expenses was mainly due to consultancy fees related to the expansion plans and investments in cloud software solutions.

Operating profit

The Group's profitability measured by operating profit decreased over the period under review. Operating profit decreased by €4.2 million, or 26.3%, from €16.0 million for the year ended 31 December 2021, to €10.8 million for the year ended 31 December 2022.

Impairment (losses) / reversals on financial assets

Impairment (losses) / reversals on financial assets decreased by €19,000, or 118.8%, from €16,000 (reversal) for the year ended 31 December 2021, to €3,000 (loss) for the year ended 31 December 2022. Due to a significant decrease in outstanding accounts receivable as per 31 December 2021 as compared to 31 December 2020 (€17,9 million and €43,7 million respectively), the credit risk provision has been lowered during 2021. This impact was limited in 2022.

Finance costs

Finance costs decreased by €0.3 million, or 14.5%, from €2.4 million for the year ended 31 December 2021, to €2.0 million for the year ended 31 December 2022. The decrease is mainly caused by decreased financing costs on lease liabilities.

Other income

Other income decreased by €1.2 million, or 93.3%, from €1.3 million for the year ended 31 December 2021, to €0.1 million for the year ended 31 December 2022. The main component of the other income in 2021 was the €1.3 million gain from buying KCI the engineers B.V. at a price below its fair value.

Share of profit / (loss) of joint ventures

Share of profit / (loss) of joint ventures decreased by €81,000, or 98.8%, from €82,000 for the year ended 31 December 2021, to €1,000 for the year ended 31 December 2022. These profits relate to the share of profit in the joint ventures SBR Engineering GmbH and Sif Steel Foundations B.V. The decrease is mainly due to a small loss of Sif Steel Foundations B.V. in its final year of operation 2022 (€20,000).

Profit before tax

Profit before tax decreased by €6.4 million, or 42.4%, from €15.1 million for the year ended 31 December 2021, to €8.7 million for the year ended 31 December 2022.

Income tax expense

The income tax expense for the year ended 31 December 2022 was €2.7 million, a decrease of €0.5 million or 16.8% compared to €3.2 million for the year ended 31 December 2021. The effective tax rate rose from 21.3% to 26.2% over the same period. This was mainly due to a smaller benefit from tax incentives (Innovation Box), and the non-taxable nature of the gain on bargain purchase from the acquisition of KCI the engineers B.V. in 2021.

Profit after tax

The Group's profitability measured by profit after tax decreased over the period under review. Profit after tax decreased by €4.4 million, or 36.7%, from €11.9 million for the year ended 31 December 2021, to €7.5 million for the year ended 31 December 2022.

The decreased profit after tax is mainly impacted by the increased production and general manufacturing expenses (€6.2 million higher), direct personnel expenses (€5.4 million higher), general expenses (€3.8 million higher) and depreciation and amortization expenses (€2.5 million higher). This is partly offset by the increased Contribution margin (total revenue minus raw materials, subcontracted work and other external charges and logistics and other project related expenses) (€16.3 million higher).

Consolidated statements of profit or loss for the year ended 31 December 2021 compared to the year ended 31 December 2020

The table below sets out the results of operations for the years ended 31 December 2021 and 2020.

| | For the year ended 31 December | | Change |
|---|---|----------------|---------------|
| | 2021 | 2020 | % |
| | <i>€'000</i> | | |
| Revenue from contracts with customers..... | 418,496 | 330,130 | 27 |
| Operating lease income | 4,045 | 5,303 | (24) |
| Total revenue | 422,541 | 335,433 | 26 |
| Raw materials | (160,311) | (130,437) | 23 |
| Subcontracted work and other external charges ... | (126,090) | (82,510) | 53 |
| Logistic and other project related expenses..... | (21,910) | (20,894) | 5 |
| Direct personnel expenses | (32,213) | (27,091) | 19 |
| Production and general manufacturing expenses . | (11,238) | (11,389) | (1) |
| Indirect personnel expenses..... | (19,833) | (20,888) | (5) |
| Depreciation and amortisation..... | (21,712) | (20,348) | 7 |
| Facilities, housing and maintenance..... | (4,127) | (5,125) | (19) |
| Selling expenses | (632) | (1,018) | (38) |
| General expenses..... | (8,471) | (4,325) | 96 |

| | | | |
|---|----------------|----------------|-----------|
| Operating profit | 16,004 | 11,408 | 40 |
| Impairment (losses) / reversals on financial assets | 16 | (2) | n.m. |
| Finance costs | (2,352) | (2,396) | 2 |
| Finance costs and impairment losses | (2,336) | (2,398) | 3 |
| Other income | 1,345 | 0 | n.m. |
| Share of profit / (loss) of joint ventures..... | 82 | (61) | n.m. |
| Profit before tax | 15,095 | 8,949 | 69 |
| Income tax expense | (3,208) | (1,376) | 133 |
| Profit after tax | 11,887 | 7,573 | 57 |

*) The numbers for the year ended 31 December 2021 have been derived from the comparative figures included in the 2022 Financial Statements, which have been restated compared to the 2021 Financial Statements to reflect an amount of €0.4 million of subsidies received being reclassified from general expenses to indirect personnel expenses.

Total revenue

Total revenue increased significantly by €87.1 million, or 26.0%, from €335.4 million for the year ended 31 December 2020, to €422.5 million for the year ended 31 December 2021.

The following table sets forth a breakdown of total revenue for the periods indicated.

| | For the year ended 31 | | Change |
|--|------------------------------|----------------|---------------|
| | December | | |
| | 2021 | 2020 | % |
| | <i>€'000</i> | | |
| Revenue from contracts with customers..... | 418,496 | 330,130 | 27 |
| Operating lease income | 4,045 | 5,303 | (24) |
| Total revenue | 422,541 | 335,433 | 26 |

Revenue from contracts with customers rose by €88.4 million, or 26.8%, to €418.5 million in 2021, contributing most of the growth in total revenue. This was mainly because the Group recognised revenue from its subcontractor's work on secondary steel production in 2021 (in relation to the Hollandse Kust Zuid project), which was largely excluded from the Group's customer contracts in 2020.

The following table sets forth the total revenue by segment for the periods indicated.

| | For the year ended 31 | | Change |
|--------------------|------------------------------|----------------|---------------|
| | December | | |
| | 2021 | 2020 | % |
| | <i>€'000</i> | | |
| Wind..... | 411,055 | 316,671 | 30 |
| Marshalling | 5,799 | 6,749 | (14) |
| Other..... | 5,687 | 12,013 | (53) |
| Total | 422,541 | 335,433 | 26 |

Total revenue for the wind segment increased significantly by €94.4 million, or 29.8%, from €316.7 million for the year ended 31 December 2020, to €411.1 million for the year ended 31 December 2021, the main reason has been explained above under contracts with customers.

Total revenue for the marshalling segment decreased by €0.9 million, or 14.1%, from €6.7 million for the year ended 31 December 2020, to €5.8 million for the year ended 31 December 2021.

Total revenue for the other segment decreased by €6.3 million, or 52.7%, from €12.0 million for the year ended 31 December 2020, to €5.7 million for the year ended 31 December 2021. This is mainly caused by the decreased revenue related to Oil & Gas projects, which decreased from €10.3 million in 2020 to almost zero in 2021. This decrease is partly offset by the increase in revenue from engineering services (€3.7 million higher), due to the acquisition of KCI the engineers B.V. in March 2021.

The following table sets forth a breakdown of total revenue for the periods indicated. The overview adjusted as compared to the overview in the 2021 Financial Statements, to better reflect the underlying specification of countries.

| | For the year ended 31 December | | Change |
|---------------------------------------|---|----------------|---------------|
| | 2021**) | 2020**) | % |
| | <i>€'000</i> | | |
| The Netherlands | 270,701 | 127,160 | 113 |
| All foreign countries: | | | |
| United Kingdom..... | 143,252 | 2,756 | 5098 |
| Norway..... | 547 | 9,355 | (94) |
| France..... | 2,320 | 103,686 | (98) |
| Japan..... | 3,308 | 90,604 | (96) |
| Rest of the European Union (EU) | 2,413 | 1,872 | 29 |
| Rest of the world | - | - | - |
| Total revenue | 422,541 | 335,433 | 26 |

***) The numbers for the year ended 31 December 2021 have been derived from the comparative figures included in the 2022 Financial Statements, which have been restated compared to the 2021 Financial Statements to reflect the expanded specification of the geographical segmentation of total revenue. The numbers for the year ended 31 December 2020 have been adjusted in this Prospectus to properly present comparative figures to the restated 2021 figures. The numbers for the year ended 31 December 2020 have not been audited.

The main reason for the rise in total revenue from 2020 to 2021 was the increase in revenue from the Netherlands, which grew by €143.5 million, or 112.9%, to €270.7 million. This increase was mainly caused by the increased progress on the Hollandse Kust Zuid project. In addition, the revenues from the United Kingdom increased by €140.5 million, or 5097.8%, to €143.3 million. This increase is due to the start-up of the Dogger Bank project during the first half of 2021. However, this was partly offset by the sharp drop in revenue from France, which fell by €101.4 million, or 97.8%, to €2.3 million due to the finalisation of the Saint Nazaire project. Revenue from Japan also declined significantly, by €87.3 million, or 96.3%, to €3.3 million due to the finalization of the Akita Noshiro project. The Group's revenue varies greatly by geographic location, depending on where its contract partners are based and the orders it has in any given year.

Raw materials

Raw materials increased significantly by €29.9 million, or 22.9%, from €130.4 million for the year ended 31 December 2020, to €160.3 million for the year ended 31 December 2021. The main reason for the increase is that the projects produced in 2021 had a higher proportion of raw materials in their total product cost than those in 2020, in addition to the increased raw materials prices in 2021.

Subcontracted work and other external charges

The Group spent €43.6 million, or 52.8%, more on subcontracted work and other external charges in 2021 than in 2020, rising from €82.5 million to €126.1 million. This was mainly because the Group recognised revenue from contracts with customers that involved its subcontractor producing secondary steel (Hollandse Kust Zuid) and had to record the related costs as subcontracted work and other external charges. In 2020, the Group did not have many contracts with customers that included this service, so it reported lower revenue and costs for subcontracted work and other external charges.

Logistic and other project related expenses

Logistic and other project related expenses increased slightly by €1 million, or 4.9%, from €20.9 million for the year ended 31 December 2020, to €21.9 million for the year ended 31 December 2021.

Direct and indirect personnel expenses

Direct personnel expenses increased by €5.1 million, or 18.9%, from €27.1 million for the year ended 31 December 2020, to €32.2 million for the year ended 31 December 2021. Indirect personnel expenses decreased by €1.1 million, or 5.1%, from €20.9 million for the year ended 31 December 2020, to €19.8 million for the year ended 31 December 2021. The total personnel expenses rose mainly because more FTEs were employed. The

FTE count grew from 315 at the end of 2020 to 358 at the end of 2021. This growth includes 42 FTE from the acquisition of KCI the engineers B.V.

The following table sets forth a breakdown of total personnel expenses for the periods indicated.

| | For the year ended 31 December | | Change |
|---|-----------------------------------|---------------|----------|
| | 2021 | 2020 | % |
| | <i>€'000</i> | | |
| Wages and salaries | 24,627 | 20,542 | 20 |
| Hired staff and temporary workers | 17,330 | 18,241 | (5) |
| Compensation/grants received..... | (460) *) | (57) | (707) |
| Social security contributions | 3,094 | 2,938 | 5 |
| Pension expenses..... | 3,266 | 2,724 | 20 |
| Other employee benefit expenses..... | 4,189 | 3,591 | 17 |
| Total personnel expenses | 52,046 | 47,979 | 8 |

*) The numbers for the year ended 31 December 2021 have been derived from the comparative figures included in the 2022 Financial Statements, which have been restated compared to the 2021 Financial Statements to reflect an amount of €0.4 million of subsidies received being reclassified from general expenses to indirect personnel expenses.

Production and general manufacturing expenses

Production and general manufacturing expenses decreased slightly by €0.2 million, or 1.3%, from €11.4 million for the year ended 31 December 2020, to €11.2 million for the year ended 31 December 2021.

Depreciation and amortisation

Depreciation and amortisation increased by €1.4 million, or 6.7%, from €20.3 million for the year ended 31 December 2020, to €21.7 million for the year ended 31 December 2021. The increase was mainly caused by the increased level of investments in tangible fixed assets.

Facilities, housing and maintenance

Facilities, housing and maintenance decreased by €1.0 million, or 19.5%, from €5.1 million for the year ended 31 December 2020, to €4.1 million for the year ended 31 December 2021. The main driver for this decrease is lower maintenance costs for facilities and terrains (€0.6 million lower).

Selling expenses

Selling expenses decreased by €0.4 million, or 37.9%, from €1.0 million for the year ended 31 December 2020, to €0.6 million for the year ended 31 December 2021.

The following table sets forth a breakdown of selling expenses for the periods indicated.

| | For the year ended 31 December | | Change |
|--|-----------------------------------|--------------|-------------|
| | 2021 | 2020 | % |
| | <i>€'000</i> | | |
| Travel and representation | 149 | 98 | 52 |
| Promotional and advertising costs..... | 263 | 174 | 51 |
| Tender expenses | 31 | 537 | (94) |
| Other selling expenses..... | 189 | 209 | (10) |
| Total..... | 632 | 1,018 | (38) |

The decrease in selling expenses from the year ended 31 December 2020 to the year ended 31 December 2021 was mainly attributable to the decrease in tender expenses by €506,000, or 94.2%, from €537,000 to €31,000. Some large tenders required the use of external engineering services in 2020, which raised the tender expenses.

General expenses

General expenses increased by €3.8 million, or 87.2%, from €4.3 million for the year ended 31 December 2020, to €8.1 million for the year ended 31 December 2021.

The following table sets forth a breakdown of general expenses for the periods indicated.

| | For the year ended 31 December | | Change |
|------------------------------|-----------------------------------|--------------|-----------|
| | 2021 | 2020 | % |
| | <i>€'000</i> | | |
| Consultancy fees | 3,316 | 1,158 | 186 |
| Insurances..... | 2,036 | 1,826 | 12 |
| Software, license fees | 1,582 | 840 | 88 |
| Office expenses | 472 | 438 | 8 |
| Other general expenses..... | 1,065 | 63 | 1,590 |
| Total | 8,471 | 4,325 | 96 |

*) The numbers for the year ended 31 December 2021 have been derived from the comparative figures included in the 2022 Financial Statements, which have been restated compared to the 2021 Financial Statements to reflect an amount of €0.4 million of subsidies received being reclassified from general expenses to indirect personnel expenses.

The main drivers of the higher general expenses in 2021 compared to 2020 were the consultancy fees for the expansion and cloud software projects.

Also other general expenses increased by €1.0 million from €0.1 million to €1.1 million, mainly driven by higher research and development expenses.

Operating profit

The Group's profitability measured by operating profit increased significantly over the period under review. Operating profit increased by €4.6 million, or 40.3%, from €11.4 million for the year ended 31 December 2020, to €16.0 million for the year ended 31 December 2021.

Impairment (losses) / reversals on financial assets

Impairment (losses) / reversals on financial assets was €16,000 for the year ended 31 December 2021, compared to (€2,000) for the year ended 31 December 2020.

Finance costs

Finance costs decreased slightly by €44,000, or 1.8%, from €2.4 million for the year ended 31 December 2020, to €2.4 million for the year ended 31 December 2021.

Other income

Other income increased by €1.3 million from nihil for the year ended 31 December 2020, to €1.3 million for the year ended 31 December 2021. The acquisition of KCI the engineers B.V. resulted in a significant gain on bargain purchase, which accounted for most of other income.

Share of profit / (loss) of joint ventures

Share of profit / (loss) of joint ventures was €82,000 for the year ended 31 December 2021, compared to (€61,000) for the year ended 31 December 2020. These profits relate to the share of profit in the joint ventures SBR Engineering GmbH and Sif Steel Foundations B.V.

Profit before tax

Profit before tax increased by €6.1 million, or 68.7%, from €8.9 million for the year ended 31 December 2020, to €15.1 million for the year ended 31 December 2021.

Income tax expense

The income tax expense more than doubled, rising by €1.8 million, or 133.1%, to €3.2 million for the year ended 31 December 2021, compared to €1.4 million for the previous year. The effective tax rate also increased from

15.4% in 2020 to 21.3% in 2021. This was mainly because the tax benefits from the Innovation Box, a tax incentive scheme, were lower in 2021 than in 2020, when they were significantly boosted by the retroactive effect of a new ruling agreed with the tax authorities.

Profit after tax

The Group's profitability measured by profit after tax increased significantly over the period under review. Profit after tax increased significantly by €4.3 million, or 57.0%, from €7.6 million for the year ended 31 December 2020, to €11.9 million for the year ended 31 December 2021.

The increased profit after tax is mainly impacted by the increased Contribution margin (total revenue minus raw materials, subcontracted work and other external charges and logistics and other project related expenses) (€12.6 million higher). This is partly offset by the increased production and general manufacturing expenses (€5.2 million higher) and general expenses (€3.8 million higher).

Liquidity and Capital Resources

Cash flows

The following table sets out financial information extracted from the cash flow statements for the years ended 31 December 2020, 2021 and 2022.

| | For the year ended 31 December | | |
|--|---------------------------------------|--------------|-------------|
| | 2022 | 2021 | 2020 |
| | | <i>€'000</i> | |
| Net cash from operating activities | 50,360 | 91,230 | 34,336 |
| Net cash from (used in) investing activities | (20,283) | (11,493) | (4,927) |
| Net cash from (used in) financing activities | (13,446) | (9,181) | (28,343) |
| Cash and cash equivalents at 1 January | 73,201 | 2,645 | 1,579 |
| Cash and cash equivalents at 31 December | 89,832 | 73,201 | 2,645 |

Net cash from operating activities

The following table provides a breakdown of net cash from operating activities for the periods indicated.

| | For the year ended 31 December | | |
|--|---------------------------------------|---------------|--------------|
| | 2022 | 2021 | 2020 |
| | | <i>€'000</i> | |
| Profit before tax | 10,188 | 15,095 | 8,949 |
| Adjustments for: | | | |
| Depreciation and amortisation of property, plant and equipment and intangible assets | 14,116 | 16,524 | 15,051 |
| Depreciation of right-of-use assets | 10,110 | 5,189 | 5,297 |
| Fair value adjustments on investment property | (90) | (25) | - |
| Unrealised changes in joint ventures | 39 | (82) | 61 |
| Gain on bargain purchase | - | (1,320) | - |
| Impairment (losses) / reversals on financial assets | 3 | (16) | 2 |
| Net finance costs | 2,010 | 2,352 | 2,396 |
| Changes in net working capital | | | |
| Inventories | 185 | (237) | (63) |
| Contract assets and liabilities | (10,626) | 40,386 | (19,516) |
| Trade receivables | (4,539) | 26,637 | 1,579 |
| Prepayments | 125 | (605) | (1,007) |
| Trade payables | 26,544 | (1,720) | 18,716 |
| Total changes in net working capital | 11,689 | 64,461 | (291) |
| VAT payable and receivable | 4,222 | (5,542) | 3,751 |
| Initial direct costs on operating lease contracts | (605) | (2,095) | - |

| | | | |
|--|---------------|---------------|---------------|
| Other financial assets..... | - | 859 | 5 |
| Employee benefits | 902 | 198 | (362) |
| Provisions | 228 | - | - |
| Wage tax and social security | 798 | (1,000) | 1,240 |
| Other liabilities..... | 2,326 | (1,291) | (2,232)**) |
| Government grants received..... | 380 | 841 | 133**) |
| Income taxes received / (paid)..... | (5,134) | (1,971) | 1,330 |
| Interest received / (paid)..... | (822) | (947) | (994) |
| Net cash from operating activities..... | 50,360 | 91,230 | 34,336 |

***) The numbers for the year ended 31 December 2020 have been derived from the comparative figures included in the 2021 Financial Statements, which have been restated compared to the 2020 Financial Statements to reflect an amount of €0.1 million of government grants received being disclosed separately in the consolidated cash flow statement (reclassified from other liabilities).

Net cash from operating activities increased by €56.9 million, from an inflow of €34.3 million for the year ended 31 December 2020 to €91.2 million for the year ended 31 December 2021 and decreased by €40.9 million to €50.4 million for the year ended 31 December 2022.

In addition to the profit after tax including non-cash adjustments, the main reason for the fluctuations in net cash from operating activities each year is the variation in net working capital, especially in contract assets and liabilities. These depend largely on when steel is bought and when customers are billed based on project milestones. Net working capital is significantly impacted by reaching certain milestones during the project, typical for the project business in which the Group operates. This affects invoicing and payments, contract assets and liabilities and trade payables. As the Group normally only has a limited number of bigger projects on hand, timing of steel purchases and milestone invoices from customers have a significant impact from time to time. The cash flow risk related to this is being mitigated by agreeing a cash-neutral or cash-positive billing schedule with the customers of the Group. Milestone invoices are normally based on progress in the project, which should be generally in line with the project expenses. Furthermore, the purchasing of steel is normally a specific milestone, which triggers a pre-payment from the customer. This mechanism should normally result in a limited or credit balance on contract assets and liabilities. During 2020, the Group had one project in which a debit balance was accepted, which resulted in an overall net contract asset balance of €15.2 million at 31 December 2020. During 2021, this project was finalized and, together with the cash receipt of some significant milestone invoices just before year-end, this resulted in a significant improvement in cash flow from changes in working capital in 2021 of in total €64.5 million in 2021. All successive projects during 2021 and 2022 were cash-positive, which also applies to the agreed projects for the upcoming years.

During 2022, mainly the increased accounts payable position resulted in a positive cash impact from working capital which was due to the fact that the payment of significant steel purchases was due just after year-end 2022.

In case the impact of these fluctuation would result in a negative cash balance at some point in time, the Group has a revolving credit facility of €50 million at its disposal to bridge a period of cash shortages. This credit facility has not been used anymore by the Group since Q1 2021.

The cashflow related to VAT depends largely on the destination of our products and the specific terms of delivery and invoicing agreed with our customers. In financial year 2021, we mainly invoiced customers who were exempt from VAT. In financial years 2020 and 2022, we did more work for customers who were subject to VAT, which led to a net cash outflow to the tax authorities.

The fluctuation in the cash flows related to income tax are related to the timing of income tax declarations of the respective financial years.

Net cash from (used in) investing activities

The following table provides a breakdown of net cash from (used in) investing activities for the periods indicated.

| | For the year ended 31 December | | |
|---|---------------------------------------|-------------|-------------|
| | 2022 | 2021 | 2020 |
| | €'000 | | |
| Purchase of intangible fixed assets..... | (760) | (100) | (277) |
| Purchase of property, plant and equipment | (19,523) | (10,826) | (4,650) |

| | | | |
|---|-----------------|-----------------|----------------|
| Acquisition of subsidiaries | - | (567) | - |
| Net cash from (used in) investing activities | (20,283) | (11,493) | (4,927) |

Net cash used in investing activities increased by €6.6 million from an outflow of €4.9 million for the year ended 31 December 2020 to €11.5 million for the year ended 31 December 2021 and further by €8.8 million to €20.3 million for the year ended 31 December 2022.

The main reason for the higher net cash outflow from investing activities year-on-year was the higher spending on property, plant and equipment. In 2021, the Group invested heavily in major factory upgrades to produce new projects. In 2022, the Group made significant investments (€13.1 million) to prepare for expanding its production capacity.

The acquisition of subsidiaries of €0.6 million in the year ended 31 December 2021 relates to the acquisition of KCI the engineers B.V.

Net cash from (used in) financing activities

The following table provides a breakdown of net cash from (used in) financing activities for the periods indicated.

| | For the year ended 31 December | | |
|---|---------------------------------------|----------------|-----------------|
| | 2022 | 2021 | 2020 |
| | €'000 | | |
| Movements in revolving credit facility | - | (174) | (22,698) |
| Payment of lease liabilities | (8,595) | (5,947) | (5,645) |
| Dividends paid..... | (4,851) | (3,060) | - |
| Net cash from (used in) financing activities | (13,446) | (9,181) | (28,343) |

Net cash used in financing activities decreased by €19.2 million from an outflow of €28.3 million for the year ended 31 December 2020 to €9.2 million for the year ended 31 December 2021 and increased by €4.3 million to €13.4 million for the year ended 31 December 2022.

The net cash outflow from financing activities decreased year-on-year, mainly because the Group used less of its revolving credit facility. However, this was partly offset by the payment of more dividends to its shareholders and more lease payments (in line with the increase in lease liabilities).

Balance sheet

The following table sets out financial information extracted from the balance sheet statements as of 31 December 2020, 2021 and 2022.

| | As of 31 December | | |
|---------------------------------------|--------------------------|----------------|----------------|
| | 2022 | 2021 | 2020 |
| | €'000 | | |
| Intangible assets | 860 | 477 | 1,265 |
| Property, plant and equipment..... | 116,415 | 107,612 | 110,340 |
| Right-of-use assets | 104,466 | 104,598 | 51,902 |
| Investment property..... | 515 | 425 | 400 |
| Investments in joint ventures..... | 76 | 115 | 33 |
| Deferred tax assets | - | 748 | 349 |
| Total non-current assets | 222,332 | 213,975 | 164,289 |
| Inventories..... | 427 | 612 | 375 |
| Contract assets..... | 18,315 | 12,944 | 29,555 |
| Trade receivables..... | 22,463 | 17,927 | 43,661 |
| VAT receivable | - | 50 | - |
| Other current financial assets | - | - | 15 |
| Prepayments | 2,102 | 2,472 | 1,307 |
| CIT receivable..... | 1,832 | - | - |
| Cash and cash equivalents..... | 89,832 | 73,201 | 2,645 |

| | | | |
|---|----------------|----------------|----------------|
| Total current assets | 134,971 | 107,206 | 77,558 |
| Total assets | 357,303 | 321,181 | 241,847 |
| Share capital | 5,100 | 5,100 | 5,100 |
| Additional paid-in capital | 1,059 | 1,059 | 1,059 |
| Retained earnings | 91,266 | 84,527 | 80,316 |
| Result for the period | 7,217 | 11,590 | 7,271 |
| Equity attributable to shareholder | 104,642 | 102,276 | 93,746 |
| Non-controlling interests | 1,122 | 821 | 524 |
| Total equity | 105,764 | 103,097 | 94,270 |
| Lease liabilities - non-current | 99,006 | 100,573 | 50,139 |
| Employee benefits - non-current | 468 | 416 | 273 |
| Deferred tax liabilities | 688 | - | - |
| Other non-current liabilities | 810 | 1,407 | 1,484 |
| Total non-current liabilities | 100,972 | 102,396 | 51,896 |
| Lease liabilities - current | 8,392 | 5,110 | 4,625 |
| Provisions | 228 | - | - |
| Trade payables | 92,333 | 62,082 | 63,438 |
| Contract liabilities | 32,458 | 37,713 | 14,319 |
| Employee benefits - current | 3,310 | 2,460 | 2,042 |
| Wage tax and social security | 1,589 | 791 | 1,557 |
| VAT payable | 4,172 | - | 5,482 |
| CIT payable | 13 | 2,081 | 498 |
| Other current liabilities | 8,072 | 5,451 | 3,720 |
| Total current liabilities | 150,567 | 115,688 | 95,681 |
| Total liabilities | 251,539 | 218,084 | 147,577 |
| Total equity and liabilities | 357,303 | 321,181 | 241,847 |

Total assets

Total assets increased by €79.4 million, from €241.8 million as of 31 December 2020, to €321.2 million as of 31 December 2021 and by a further €36.1 million to €357.3 million as of 31 December 2022. A further explanation for this development is set out below.

Intangible assets

Intangible fixed assets consist of software and capitalized research & development expenses. As of 31 December 2022 the total book value of €0.9 million only relates to capitalized research & development expenses, being the capitalised development expenses for innovative tooling for the engineering of monopiles and the development of the Skybox.

Property, plant and equipment

Property, plant and equipment decreased by €2.7 million, or 2.5%, from €110.3 million as of 31 December 2020, to €107.6 million as of 31 December 2021 and increased by €8.8 million to €116.4 million as of 31 December 2022. The increase in 2022 was driven by investments in the preparation for the expansion plans of the production facility.

Right-of-use assets

Right-of-use assets doubled by €52.7 million, or 101.5%, from €51.9 million as of 31 December 2020, to €104.6 million as of 31 December 2021 and remained stable during 2022. The increase in 2021 was driven by the revaluation of the right-of-use assets related to the land lease on the Maasvlakte 2, for which the estimated lease-term was extended by 10 years.

Investment property

Investment property relates to a commercial property that is leased to a third party. The lease contains annual rents indexed to consumer prices. The investment property is valued at fair value determined by external property valuers.

Investments in joint ventures

The Group has a 50% interest in SBR engineering GmbH, a joint venture consisting of engineering capacity of experienced workforce. Furthermore, the Group holds a 50% interest in Smulders Sif Steel Foundations B.V., a joint venture focused on project management in the offshore winds industry. Both interests are accounted for using the equity method.

Deferred tax assets / liabilities

Deferred tax assets increased by €0.4 million from €0.3 million as of 31 December 2020, to €0.7 million as of 31 December 2021 and turned into a deferred tax liabilities of €0.6 million as of 31 December 2022. The variation is mainly driven by deferred taxes related to contract assets and other liabilities.

Inventories

Inventories completely consist of raw materials and consumables.

Contract assets and contract liabilities

The following table provides a summary of net contract assets and liabilities.

| | As of 31 December | | |
|--|--------------------------|------------------------|----------------------|
| | 2022 | 2021 | 2020 |
| | | <i>€'000</i> | |
| Contract assets | 18,315 | 12,944 | 29,555 |
| Contract liabilities | <u>(32,458)</u> | <u>(37,713)</u> | <u>(14,319)</u> |
| Net contract assets and liabilities | <u>(14,143)</u> | <u>(24,769)</u> | <u>15,236</u> |

The following table provides a breakdown of the net contract assets and liabilities.

| | As of 31 December | | |
|--|--------------------------|------------------------|----------------------|
| | 2022 | 2021 | 2020 |
| | | <i>€'000</i> | |
| Expenses incurred including realized profit to date | 1,223,926 | 831,510 | 398,277 |
| Invoiced terms | <u>(1,238,069)</u> | <u>(856,279)</u> | <u>(383,041)</u> |
| Net contract assets and liabilities | <u>(14,143)</u> | <u>(24,769)</u> | <u>15,236</u> |

The increase in the gross amounts included in the net contract assets and liabilities is related to the fact that projects remain open for an increasing long time period after finalisation of production, for the purpose of completion of the obligations in relation documentation and administrative closure.

Trade receivables

Trade receivables as of 31 December 2020 include an amount of €32.0 million to related parties. This amount was settled in 2021. Trade receivables to third parties increased from €11.7 million as of 31 December 2020 to €17.9 million as of 31 December 2021 to €22.5 million as of 31 December 2022. The outstanding trade receivables balance is heavily impacted by the timing of the invoicing and payments of milestones in projects.

Prepayments

The increase in prepayments is driven by the increased expenses for the land lease on Maasvlakte 2, which are prepaid.

Total liabilities

Total liabilities increased by €70.5 million, or 47.8%, from €147.6 million as of 31 December 2020, to €218.1 million as of 31 December 2021 and further by €33.5 million, or 15.3%, to €251.5 million as of 31 December 2022. A further explanation for this development is given below.

Lease liabilities

The following table provides an overview of the total amount of lease liabilities.

| | As of 31 December | | |
|---------------------------------------|--------------------------|----------------|---------------|
| | 2022 | 2021 | 2020 |
| | | €'000 | |
| Lease liabilities – non-current | 99,006 | 100,573 | 50,139 |
| Lease liabilities - current | 8,392 | 5,110 | 4,625 |
| Lease liabilities total | 107,398 | 105,683 | 54,764 |

Lease liabilities almost doubled by €50.9 million, or 93.0%, from €54.8 million as of 31 December 2020, to €105.7 million as of 31 December 2021 and increased further to €107.4 million as of 31 December 2022. The increase in 2021 was driven by the revaluation of the right-of-use assets related to the land lease on the Maasvlakke 2, for which the estimated lease-term was extended by 10 years. The increase in 2022 is due to the addition of new long-term lease contracts, mainly related to logistical equipment.

Employee benefits

The following table provides an overview of the total amount of employee benefits.

| | As of 31 December | | |
|--------------------------------------|--------------------------|--------------|--------------|
| | 2022 | 2021 | 2020 |
| | | €'000 | |
| Employee benefits – non-current..... | 468 | 416 | 273 |
| Employee benefits - current | 3,310 | 2,460 | 2,042 |
| Employee benefits total | 3,778 | 2,876 | 2,315 |

Employee benefits increased by €0.6 million, or 24.2%, from €2.3 million as of 31 December 2020, to €2.9 million as of 31 December 2021 and increased further by €0.9 million, or 31.4%, to €3.8 million as of 31 December 2022. The increase in current employee benefits mainly relate to personnel expenses payable and outstanding vacation days.

Other liabilities

The following table provides an overview of the total amount of other liabilities.

| | As of 31 December | | |
|---------------------------------------|--------------------------|--------------|--------------|
| | 2022 | 2021 | 2020 |
| | | €'000 | |
| Other liabilities – non-current | 810 | 1,407 | 1,484 |
| Other liabilities - current | 8,072 | 5,451 | 3,720 |
| Employee benefits total | 8,882 | 6,858 | 5,204 |

Other liabilities increased by €1.7 million, or 31.8%, from €5.2 million as of 31 December 2020, to €6.9 million as of 31 December 2021 and further by €2.0 million, or 29.5%, to €8.9 million as of 31 December 2022. Other current liabilities mainly consist of operational expenses to be paid. Other non-current liabilities consist of the non-current part of premiums to be paid for bank guarantees.

Provisions

Provisions include provisions for onerous contracts and were recognised in 2022 for the first time.

Trade payables

Trade payables decreased slightly by €1.4 million, or 2.1%, from €63.4 million as of 31 December 2020, to €62.1 million as of 31 December 2021 and increased by €30.2 million, or 48.7%, to €92.3 million as of 31 December 2022. The outstanding trade payables balance is heavily impacted by the timing of purchases of steel for projects.

Taxes

The following table provides an overview of the total amount of taxes.

| | As of 31 December | | |
|--|-------------------|----------------|----------------|
| | 2022 | 2021 | 2020 |
| | | €'000 | |
| Wage tax and social security (payable) receivable..... | (1,589) | (791) | (1,557) |
| VAT (payable) receivable | (4,172) | 50 | (5,482) |
| CIT (payable) receivable | 1,819 | (2,081) | (498) |
| Taxes (payable) receivable..... | (3,942) | (2,822) | (7,537) |

The decrease in wage tax and social security in 2021 was mainly driven by the fact that as of 31 December 2021 one month of taxes was outstanding compared to two months as of 31 December 2020 and 31 December 2022.

The amount of VAT payable or receivable depends largely on the destination of our products and the specific terms of delivery and invoicing agreed with our customers. In financial year 2021, we mainly invoiced customers who were exempt from VAT. In financial years 2020 and 2022, we did more work for customers who were subject to VAT, which led to a net liability to the tax authorities.

The fluctuations in the CIT payable or receivable are related to the timing of income tax declarations of the respective financial years. The provisional declaration for 2021 was set at a lower taxable income than realised, which resulted in a higher payable. The opposite is applicable for 2022.

Working Capital

In the opinion of the Company, the Group's working capital (excluding the proceeds of the Offering) is sufficient for its present requirements for at least 12 months following the date of this Prospectus.

Banking facilities and loans

Pursuant to the Facility Agreement, the Group has a revolving credit facility of €400 million (of which €50 million are available by way of cash drawings and/or overdraft ancillary facility and €350 million are available by way of guarantees or ancillary facilities (other than an overdraft or other cash facility)) (the **Revolving Facility**) and up to €81 million of term facilities which are subject to an 80% Atradius 'green cover' (the **Term Facilities**, and together with the Revolving Facility, the **Facilities**). The Company, Sif Netherlands and Sif Property B.V. are borrowers and guarantors in respect of the Facilities (and it is possible that other members of the Group may accede as borrower and guarantors in the future). As at the date of this Prospectus, the Revolving Facility is provided by a consortium of banks comprising of ABN AMRO Bank N.V., AKA Ausfuhrkredit- Gesellschaft mbH, DNB (UK) Limited, Euler-Hermes S.A. (trading as Euler Hermes Garanties), ING Bank N.V., Coöperatieve Rabobank U.A. and Tokio Marine Europe S.A. Netherlands Branch, and the Term Facilities are provided by the foregoing (other than Euler-Hermes S.A. (trading as Euler Hermes Garanties) and Tokio Marine Europe S.A. Netherlands Branch) together with Invest-NL Capital N.V.

The Revolving Facility will expire on 5 June 2026, subject to two one-year extension options that may be exercised at the Group's discretion (and agreed to by lenders at their discretion). The Term Facilities will be available for utilisations until 5 June 2025 and will terminate on 5 June 2029. The loans under the Term Facilities are repayable in 12 quarterly instalments with the first repayment falling on 31 December 2025 and the final repayment in relation to the remaining principal amount falling on the termination date. In accordance with the Facility

Agreement, the Company may (at its discretion) increase the amount of the Revolving Facility (which is available by way of guarantees) by up to EUR 150 million in aggregate, subject to agreement by the relevant lenders (at their discretion). The Revolving Facility may be used for general corporate purposes of the Group. The Term Facilities may only be used for the financing of the Manufacturing Expansion.

Interest on the Revolving Facility is based on EURIBOR plus a margin that may fluctuate depending on the leverage ratio of the Group (the margin ranges from a minimum of 1.85% per annum to a maximum of 3.35% per annum). Interest on the Term Facilities is based on EURIBOR plus a margin of 2.00% per annum (and subject to certain conditions, this may be increased to up to 3.00% per annum). Discounts to the margin can be achieved when realizing certain sustainability targets (subject to the Company agreeing the relevant sustainability targets with the lenders under the Facility Agreement). As of 31 December 2022, no amount was drawn under the revolving credit facility, except for the following outstanding guarantees:

| | | For the year ended 31 December | | | | | |
|--|---------|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | | 2022 | | 2021 | | 2020 | |
| Type | | Total | Used | Total | Used | Total | Used |
| | | €'000 | | | | | |
| Euler Hermes S.A. / Tokio Marine Europe S.A. ... | General | 130,000 | 80,091 | 130,000 | 127,929 | 130,000 | 117,930 |
| Coöperatieve Rabobank U.A. | General | 40,000 | 11,255 | 40,000 | 11,255 | 40,000 | 24,219 |
| ING Bank N.V. | General | 40,000 | 33,190 | 40,000 | 33,623 | 40,000 | 7,979 |
| ABN AMRO Bank N.V. | General | 40,000 | 27,532 | 40,000 | 27,589 | 40,000 | 17,017 |
| Coöperatieve Rabobank U.A. | Project | - | - | 3,604 | 3,604 | 8,459 | 8,459 |
| ING Bank N.V. | Project | - | - | 3,604 | 3,604 | 8,459 | 8,459 |
| Total guarantee facilities | | 250,000 | 152,068 | 257,208 | 207,604 | 266,918 | 184,063 |

The Facilities are subject to net leverage ratio (total net debt to EBITDA) and solvency (consolidated tangible net worth as a percentage of the consolidated balance sheet total) financial covenants. The requisite leverage ratio and solvency percentage fluctuates from time to time, ranging from (not exceeding) 2.50x to 4.00x (in respect of the net leverage covenant) and 25% to 35% (in respect of the solvency covenant). The Group complied with the covenants in 2022 and expects to be compliant with the covenants in 2023.

In addition to the financial covenants above, the Facility Agreement contains customary representations, undertakings, mandatory prepayment events and events of default (including in relation to insolvency, failure to comply with provisions of the applicable finance or security documents, breaches of representations, financial covenants or undertakings and occurrence of cross defaults) applicable to the Group. The Facility Agreement also includes the following relevant provisions which are specific to the Manufacturing Expansion:

- a mandatory prepayment of the Term Facilities in the event of the loss of the Atradius insurance policy;
- an event of default if completion of the Manufacturing Expansion has not occurred by 30 September 2025; and
- an event of default if enforcement action is taken by a governmental or regulatory agency or authority in relation to the nature permit (or lack thereof) which prevents the Group from construction or completion of the Manufacturing Expansion (where nature permit refers to irrevocable permit or exemption granted pursuant to the Dutch Nature Conservation act, or environmental permit for an activity impacting a Natura 2000 area granted pursuant to the Environmental Permitting (General Provisions) Act, including legalisation of the PAS notification(s) through the PAS legalisation programme and which pertains to the location where the Manufacturing Expansion is constructed).

Following the occurrence of an event of default that is continuing, the agent (on behalf of the lenders) may exercise its acceleration rights under the Facility Agreement, which include:

- cancelling available commitments of the lenders, following which the Term Facilities and Revolving Facility shall immediately cease to be available for further utilisation;
- declare that outstanding drawings are immediately due and payable or payable on demand;

- declare that cash cover in respect of guarantees are immediately due and payable or payable on demand;
- exercise any other rights, remedies, powers or discretions (including the enforcement of security).

In addition to the Facilities under the Facility Agreement, the Company has entered into an operational lease facility of up to €40 million for the rental of certain assets (including new rolling, cutting and milling machinery and logistics equipment). The operational lease facility is provided by Rabo Lease B.V. and has an expiry date of 31 December 2024.

The Group's financial position and current debt levels, as per current expectations, which may be subject to change, do not require the Group to obtain additional debt in the future, other than the debt arrangements already in place.

Capital Expenditures and Investments

The following table provides an overview of the total amount of additions to property, plant and equipment for the periods indicated.

| | For the year ended 31 December | | |
|---|---------------------------------------|---------------|--------------|
| | 2022 | 2021 | 2020 |
| | | <i>€'000</i> | |
| Land and buildings | 3,458 | 4,731 | 949 |
| Plant and equipment | 18,467 | 7,777 | 4,173 |
| Other fixed assets | 617 | 399 | 189 |
| Total additions to property, plant and equipment . | 22,542 | 12,907 | 5,311 |

The Group spent €22.5 million on property, plant and equipment in 2022, mainly on expanding its production facilities, sometimes as part of commercial projects. This was €9.8 million more than the €12.7 million it spent in 2021, largely due to over €13 million invested in the growth of its production capacity.

At the end of 2022, the Group had €6.4 million of outstanding commitments for buying property, plant and equipment, of which €3.3 million was for the ongoing expansion of its production facilities on Maasvlakte 2 in Rotterdam. The Group expects to fund these commitments with cash generated from its regular business activities.

Apart from the aforementioned investments, the Group has committed to a plan to invest €328 million for the Manufacturing Expansion. Please refer to "*Business – Manufacturing Expansion*".

See section "*Business – Material Investments*" for capital expenditures and investments during the financial years covered in the Prospectus.

Off-Balance Sheet Arrangements and Contingent Liabilities

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

At 31 December 2022, the Group's commitments for the purchase of property, plant and equipment amounts to €6.4 million (2021: €1.1 million), which includes €3.3 million related to the expansion plans of the production facilities. The commitments for raw materials amounts to €152.4 million (2021: €287.9 million) and commitments for subcontracting amounts to €6.5 million (2021: €16.8 million).

Fiscal unity

For corporate income tax purposes, the Company is the parent of a fiscal unity that contains the Dutch wholly-owned group companies. The Company is therefore jointly and severally liable for the corporate income tax liabilities of the tax unity. KCI the engineers B.V. has joined this fiscal unity as from 1 September 2021.

Financial Risk Management

Credit Risk

Credit risk is the possibility of losing money if a counterparty fails to fulfil its obligations under a financial instrument or customer contract. The Group faces credit risk from its operating activities (mainly trade

receivables) and from its financing activities, such as deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Contract assets and trade and other receivables

The Group's credit risk exposure depends largely on the individual characteristics of each customer. Since the Group has a limited number of customers, the main source of credit risk is the possibility of default by a single counterparty. The Group also considers general factors that may affect the credit risk of its customer base, such as the industry and the countries where customers operate and their default risk.

The Group has a credit policy that requires each new customer to be evaluated for creditworthiness before offering the Group's standard payment and delivery terms and conditions. The Group believes that the amounts that are not impaired and are overdue by more than 30 days are still recoverable in full, based on historical payment patterns and thorough analysis of customer risk, including the ratings of their underlying customers if available.

Cash and cash equivalents

The Group holds cash and cash equivalents with banks and financial institutions that have at least an A-rating from rating agencies.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under the normal course of business, and within the covenants as agreed with the banks and financial institutions.

The Group aims to maintain the minimal level of its cash and cash equivalents at an amount in excess of expected cash outflow on financial liabilities (other than trade payables) over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: commodity price risk, currency risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

As per year-end 2022, the Group uses no derivatives to manage market risks. All such potential transactions would be carried out within treasury policy guidelines.

Commodity Price Risk

The Group is affected by the price volatility of steel and utilities. The risk related to steel is fully transferred to the customers of the Group; no risk remains for the Group. With respect to utilities the Group fixes the purchase price for part of the future usage of gas and electricity to partly cover future volatility.

Foreign Currency Risk

Foreign currency risk is the risk that the value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currency of Group companies is the Euro. The currency in which transactions are primarily denominated is also the Euro. The currency risk is limited since the Group almost fully conducts its sales, purchases and borrowings in its functional currency and if applicable, closes hedge contracts at the time of entering into contracts in foreign currencies.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates, including under the Facilities which is linked to EURIBOR, see section "*Risk Factors - A change in interest rates could adversely affect the Group's interest expense, cash flow, and ability to service its debt obligations*".

Critical Accounting Policies and Estimates and Forthcoming Changes

Critical Accounting Estimates and Judgements

The Financial Statements reflect the selection and application of accounting policies that require management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed by the Group to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily available from other sources. Differing assumptions could yield different results and actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The Group believes that the following items require the most significant judgements that are made in the process of applying its accounting policies.

Contract assets and liabilities

Revenues from contracts with customers and direct costs are recognised in the statement of profit or loss in proportion to the satisfaction of each performance obligation. In the Wind segment and some projects in the Other segment the satisfaction is assessed based on the actual hours incurred compared with the estimated hours needed to complete the full performance obligation. In addition, management estimates at each reporting date the total expected costs to be incurred for each individual performance obligation and adjustments are made where appropriate. Detailed explanations of the degree of judgment and assumptions used are included under the respective section in the significant accounting policies related to revenues from contracts with customers.

Leases

To support its operations, the Group leases warehouse/factory equipment and several housing units. It also leases three plots in the Rotterdam harbour from Havenbedrijf Rotterdam N.V. under the following terms: (i) plot A: leased from 1 September 2015 to 1 July 2041, with a cancellation option from 1 July 2031; (ii) plot B: leased from 1 July 2017 to 1 July 2041, with a cancellation option from 1 July 2031; and (iii) plot C: leased from 30 July 2019 to 1 July 2041, with a cancellation option from 1 July 2031.

The Group includes extension or cancellation options in the lease term only if it is reasonably certain that it will exercise them based on an economic incentive. To determine this, the Group evaluates the available evidence at the time of the assessment, such as: (i) the terms of the extension or cancellation compared to the market conditions; (ii) the penalties or costs of terminating or relocating the lease; (iii) the extent of the leasehold improvements made by the Group; (iv) the size and importance of the leased premises for the Group's activities; and (iv) the availability of alternative assets that can replace the leased premises.

The Group uses its judgement to assess whether it has a reasonable certainty of exercising or not exercising the option to renew or terminate the lease. It takes into account all relevant factors that influence its economic incentive to either extend or end the lease. After the lease starts, the Group revises the lease term if there is a significant event or change in circumstances that it can control and that affects its decision to renew or terminate the lease (e.g., building major leasehold improvements or customising the leased asset significantly).

In 2021, due to the advancement of its expansion plans, the Group decided that it was reasonably certain that it would not use the option to terminate the lease contracts early at 1 July 2031. As a result, the lease terms of the plots were extended to 30 June 2041 during 2021.

In 2022, the expansion plans progressed further, and the Group made the Final Investment Decision (FID). For more information, see note 35 of the 2022 Financial Statements. Therefore, management did not see any reason to change the lease term of the leases.

A summary of Company's accounting policies, which are subject to estimations and assumptions, is set out in paragraph 3.2 of the 2022 Financial Statements.

Future Accounting Developments

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's Financial Statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The amendments marked with an (*) have not been endorsed by the EU per the date of these Financial Statements.

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (the 2020 amendments and 2022 amendments)*

The amendments clarify the criteria for determining whether to classify a liability as current or non-current. The amendments clarify:

- Right to defer settlement - the amendments provide clarification that if an entity's right to defer settlement of a liability is subject to the entity complying with future covenants, the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period.
- Expected deferrals - the amendments clarify that classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period.
- Settlement by way of own equity instruments - the amendments clarify that there is an exception to the requirement that settlement of liabilities by way of own equity instruments impacts the classification of liabilities.
- Disclosures - the amendments require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within twelve months.

Companies are required to apply the amendments for annual periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Since the Group's current practice is in line with the amendments, the Group does not expect any effect on its consolidated financial statements.

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

The amendments clarify how to apply materiality judgements to the disclosure of accounting policies. They replace the term 'significant' with 'material' in IAS 1 to describe which accounting policies need to be disclosed.

The Practice Statement provides guidance and examples to help entities apply the materiality concept when deciding what accounting policy disclosures to include or omit.

The amendments to IAS 1 are effective for annual periods starting on or after 1 January 2023, but entities can apply them earlier. The group is evaluating how these amendments will affect the Group's consolidated financial statements.

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

The amendments define accounting estimates as "monetary amounts in financial statements that are uncertain because they depend on future events or conditions".

The amendments explain the difference between changes in accounting estimates, changes in accounting policies, and corrections of errors. They also explain how entities use measurement techniques and inputs to make accounting estimates.

The amendments are effective for annual periods starting on or after 1 January 2023, but entities can apply them earlier. The group is evaluating how these amendments will affect the Group's consolidated financial statements.

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

The Amendments change the initial recognition exception under IAS 12 Income Taxes, so that it only applies to transactions that do not create any difference between the taxable and deductible amounts of the same item.

The Amendments also explain that when tax deductions are available for payments that settle a liability, the entity needs to use its judgement (based on the relevant tax law) to decide whether the tax deductions relate to the liability recorded in the financial statements (and the interest expense) or to the asset part of the transaction (and the interest expense). This judgement affects whether there are any temporary differences when the entity first records the asset and liability.

The Amendments are effective for annual reporting periods starting on or after 1 January 2023, but entities can apply them earlier if they choose. The amendments only affect transactions that happen on or after the start of the earliest comparative period shown. The group is still evaluating how these amendments will affect the Group's consolidated financial statements.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback, effective 1 January 2024*

The amendments clarify how to measure the lease liability that arises when a seller-lessee sells an asset and leases it back. The seller-lessee must not recognise any gain or loss that relates to the part of the asset that it continues to use. The amendments do not set out specific rules for measuring lease liabilities from leasebacks. The seller-lessee may need to use a different method to calculate the 'lease payments' than the one defined in Appendix A of IFRS 16. The seller-lessee must choose and apply an accounting policy that provides relevant and reliable information, following IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective for annual periods starting on or after 1 January 2024. The amendments must be applied retrospectively, following IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The Group has not entered into any sale and leaseback transactions since IFRS 16 came into effect. If it does so in the future, it will consider these amendments.

Current Trading and Recent Developments

On 12 May 2023, the Company published the Q1 2023 Press Release. The Q1 2023 Press Release is incorporated by reference into this Prospectus and may be obtained in electronic form free of charge from the Company's website (www.sif-group.com). The financial information in the Q1 2023 Press Release has not been audited or reviewed.

Other than as disclosed in the Q1 2023 Press Release, there have been no significant changes in the financial position of the Group since 31 December 2022 and there are no known trends, uncertainties, demands, commitments or events that are reasonable likely to have a material effect on the Group's prospects for at least the Group's current financial year.

CORPORATE GOVERNANCE, MANAGEMENT AND EMPLOYEES

General

This section gives an overview of the material information concerning the Executive Board, the Supervisory Board, the Group's employees and its corporate governance. It is based on, and discusses, relevant provisions of Dutch law in effect as at the date of this Prospectus and the Articles of Association. The Articles of Association in the governing Dutch language and in an unofficial English translation are available on the Company's website (www.sif-group.com) or at the Company's business address at Mijnheerkensweg 33, 6041TA Roermond, the Netherlands during regular business hours.

This overview does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the relevant provisions of Dutch law as in effect as at the date of this Prospectus and the Articles of Association.

Management structure

The Company has a two-tier board structure consisting of the Executive Board and the Supervisory Board. The Executive Board is the statutory executive body (*bestuur*) of the Company. It is responsible for the day-to-day management of the Company. The Supervisory Board (*raad van commissarissen*) supervises and advises the Executive Board.

Executive Board

Powers, responsibilities and functions

The Executive Board is the executive body and is entrusted with the management of the Group and is responsible for the continuity of the Group under the supervision of the Supervisory Board. The Executive Board's responsibilities include, among other things, setting the Company's management agenda, developing a view on long-term value creation by the Company, enhancing the performance of the Company, developing a strategy, identifying, analysing and managing the risks associated with the Company's strategy and activities and establishing and implementing internal procedures, which safeguard that all relevant information is known to the Executive Board and the Supervisory Board in a timely manner. The Executive Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the General Meeting or the Supervisory Board as a matter of Dutch law or pursuant to the Articles of Association. The Executive Board may delegate duties and powers to individual Executive Directors and/or committees consisting of one or more Executive Directors whether or not assisted by staff officers. In fulfilling their responsibilities, the Executive Directors must act in the interest of the Company and give specific attention to the relevant interests of the Company's employees, shareholders, lenders, customers, suppliers and other stakeholders of the Company.

The Executive Board shall timely provide the Supervisory Board with the information necessary for the performance of the Supervisory Board's duties. The Executive Board is required to keep the Supervisory Board informed and to consult with the Supervisory Board on all important matters. The Executive Board shall inform the Supervisory Board, in writing, and at least once a year, of the main outlines of the Company's strategic policy, the general and financial risks, and the management and control systems.

Subject to certain statutory exceptions, the Executive Board as a whole is authorised to represent the Company. Additionally, each Executive Director is singly authorised to represent the Company. Pursuant to the Articles of Association, the Executive Board may grant one or more persons, whether or not employed by the Company, a power of attorney or other form of continuing authority to represent the Company or to grant one or more persons such titles as it sees fit.

Executive Board Rules

Pursuant to the Articles of Association, the Executive Board has adopted internal rules regulating its organisation, decision-making process and other internal matters of the Executive Board (the **Executive Board Rules**), in addition to the relevant provisions of the Articles of Association.

Composition, appointment, dismissal and suspension

The Articles of Association provide that the Company has an Executive Board consisting of at least one and up to three Executive Directors. The Executive Directors are individuals.

The Supervisory Board determines the number of Executive Directors, between one and three. The Supervisory Board appoints and may at any time suspend or dismiss any Executive Directors, provided that an Executive Director will not be dismissed until after the General Meeting has been consulted about the proposed dismissal. The Supervisory Board notifies the General Meeting of a proposed appointment of an Executive Director. If an Executive Director is suspended and the Supervisory Board does not resolve to dismiss him within three months from the date of such suspension, the suspension shall lapse.

The Supervisory Board elects an Executive Director to be the chief executive officer (**CEO**). The Supervisory Board may dismiss the CEO, provided that the CEO so dismissed shall subsequently continue his term of office as an Executive Director without having the title of CEO.

Term of appointment

Any new Executive Director that is appointed is appointed for a period of four years, provided that, unless an Executive Director resigns earlier, the Executive Director shall retire ultimately at the end of the annual General Meeting held four years following his/her (re)appointment (without prejudice to the eligibility of the retiring Executive Director for immediate reappointment). An Executive Director may be reappointed for a term of four years, which reappointment should be prepared in a timely fashion. The current Executive Directors have been appointed for four years. The Company's diversity policy drawn up in accordance with the Supervisory Board Rules will be considered in the preparation of the appointment or reappointment.

Executive Board meetings and decisions

The Executive Board meets as often as any of the Executive Directors deems necessary or appropriate. All Executive Directors shall be given reasonable notice of at least one week for all Executive Board Meetings, unless a shorter notice is required to avoid a delay which could reasonably be expected to have an adverse effect on the Company and/or the business connected with it. Notice of an Executive Board Meeting shall include the date, time, place and agenda for that Executive Board Meeting and shall be sent to the Executive Directors in writing. The Executive Directors aim to adopt resolutions by unanimous vote. If and when the Executive Directors cannot agree unanimously on a resolution, such resolution shall be adopted by a majority vote of the Executive Directors present or represented. Resolutions can only be adopted if the majority of the Executive Directors then in office who do not have a conflict of interest are present or represented. Each Executive Director has one vote.

If there are more than two Executive Directors in office and entitled to vote, the CEO shall have a casting vote in the event of a tie within the Executive Board. In other cases, a proposal shall be deemed rejected in case of a tie of votes within the Executive Board.

The Executive Board may also adopt resolutions without convening a meeting upon a proposal by or on behalf of the chair of the Executive Board, provided that all Executive Directors are familiar with the resolution to be passed and none of them objects to this decision-making process. If no resolution can be adopted by the Executive Board as a consequence of a conflict of interest of all Executive Directors, the relevant resolution will be referred to the Supervisory Board.

Resolutions of the Executive Board identified in the Articles of Association or identified pursuant to a resolution of the Supervisory Board from time to time on the basis of the relevant provisions in the Articles of Association require the prior approval of the Supervisory Board.

Conflict of interest

Dutch law provides that a member of the Executive Board of a Dutch public limited liability company, such as the Company, may not participate in the deliberation or decision-making of a relevant Executive Board resolution if he or she has a direct or indirect personal interest conflicting with the interests of the relevant company and the business connected with it. Such a conflict of interest exists if in the situation at hand an Executive Director is deemed to be unable to serve the interests of the Company and the business connected with it with the required level of integrity and objectivity.

Each Executive Director shall immediately report any (potential) personal conflict of interest concerning an Executive Director to the chair of the Supervisory Board and to the other Executive Directors, and shall provide all information relevant to the conflict to such persons. The Supervisory Board must determine whether a reported (potential) conflict of interest qualifies as a conflict of interest under Dutch law and/or the Articles of Association, in which case the conflicted Executive Director shall not be permitted to participate in the decision-making and deliberation process on a subject or transaction in relation to which such Executive Director has a conflict of interest. Such transaction must be concluded on terms customary in the sector concerned and must be approved by the Supervisory Board. In addition, if there is a conflict of interest concerning one or more Executive Directors, the Supervisory Board may, whether or not on an ad hoc basis, authorise one or more persons to represent the Company with respect to the matters in which a (potential) conflict of interest exists between the Company and one or more Executive Directors.

If as a consequence of one or more Executive Directors having a conflict of interest no resolution can be adopted by the Executive Board, a resolution may be adopted by the Supervisory Board. In addition, if an Executive Director does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and the Executive Director concerned may be held liable towards the Company. As a general rule, the existence of a (potential) conflict of interest does not affect an Executive Director's authority to represent the Company as described under section "*Powers, responsibilities and functions*" above. Furthermore, as a general rule, agreements and transactions entered into by a company based on a decision of its Executive Board that is adopted with the participation of a managing director who had a conflict of interest with respect to the matter cannot be annulled. However, under certain circumstances, a company may nullify such agreement or transaction if the counterparty misused the relevant conflict of interest.

Executive Directors

As of the date of this Prospectus, the Executive Board is composed of the following members:

| <u>Name</u> | <u>Born</u> | <u>Position</u> | <u>Member since</u> | <u>Term ending</u> |
|--------------------|--------------------|------------------------|----------------------------|---------------------------|
| Fred van Beers | 1962 | CEO | September 2018 | Closing of 2026 AGM |
| Ben Meijer | 1976 | CFO | May 2021 | Closing of 2025 AGM |

Fred van Beers

Fred van Beers (born 1962, male, Dutch nationality) is CEO. He was appointed to the Executive Board in September 2018 and entered into a services agreement for a period of four years ending at closing of the AGM in 2026. Fred van Beers worked as a business unit manager at aluminium manufacturing company Alcoa (1989-1994) and ship propeller manufacturing company LIPS (1995-2002) before joining Wärtsilä (technologies and complete lifecycle solutions for the marine and energy markets). He served at Wärtsilä as Executive Director Netherlands from 2007 to 2010 and as Vice President Services Area North Europe from 2010 to 2015. More recently, Fred van Beers was the CEO of Blohm + Voss shipyards in Hamburg (2015-2017) and served in various other management positions on an interim basis (2017-2018). Fred van Beers holds a degree in marine engineering.

Ben Meijer

Ben Meijer (born 1976, male, Dutch nationality) is CFO. He was appointed to the Executive Board in May 2021 and entered into a services agreement for a period of four years ending at closing of the AGM in 2025. Following four years of financial consultancy at First Dutch Capital (2000-2004), Ben Meijer held several financial positions (financial analyst, business controller and group controller) at Stahl Group (2005-2019). Before joining the

Company, he worked two years as concern controller at Broadview (2019-2021), a HAL Investments subsidiary. Ben Meijer holds a master's degree in Business Administration from Tilburg University and an Executive master's degree in Finance and Control (RC) from TIAS school for Business and Society in Tilburg.

Management Team

The day-to-day business is managed by the Company's management team (the **Management Team**), which, in addition to the CEO and CFO, comprises a chief commercial officer (**CCO**), a chief operation officer (**COO**), a chief human resource officer (**CHRO**) and a director of projects. As of the date of this Prospectus, the Management Team is composed of the following members:

| Name | Born | Position | Since |
|--------------------------|-------------|----------------------|--------------|
| Joost Heemskerk | 1977 | CCO | June 2020 |
| Frank Kevenaar | 1963 | COO | April 2019 |
| Caspar Kramers | 1968 | CHRO | April 2022 |
| Monique van den Boogaard | 1962 | Director of projects | April 2023 |

Joost Heemskerk

Joost Heemskerk (born 1977, male, Dutch nationality) is the Company's CCO since June 2020. Joost holds a Master's degree in civil/offshore engineering from Delft University of Technology. Over the last 15 years Joost held various positions within engineering, project management, commercial and strategy consulting, and general management in the global offshore oil and gas, offshore wind and marine renewables markets. Joost worked for companies such as 2-B Energy, Bain & Company and, most recently, SBM Offshore.

Frank Kevenaar

Frank Kevenaar (born 1963, male, Dutch nationality) is the Company's COO since April 2019. After gaining a bachelor degrees in engineering and business administration, Frank gained experience in the international automotive and maritime industry. Frank held various management positions at Wärtsilä, Brabant Components and Stork, and has extensive knowledge and expertise in the field of production and engineering.

Caspar Kramers

Caspar Kramers (born 1968, male, Dutch nationality) is the Company's CHRO since April 2022. After gaining a master's degree in human resource studies from Tilburg University, Caspar gained experience in organizational development, talent management and cultural change at amongst others Sabic, Watts Water Technologies and, most recently, at Signify and DS Smith.

Monique van den Boogaard

Monique van den Boogaard (born 1962, female, Dutch nationality) is the Company's director of projects since April 2023. Monique has held various director positions at Oschatz Energy and Environment in Germany and China, including director projects, managing director execution and most recently managing director. Monique has managerial experience in research and development, supply chain management and engineering.

Supervisory Board

Powers, responsibilities and functions

The Supervisory Board supervises the Executive Board's management of the Company, the Company's general course of affairs, and its affiliated business. The Supervisory Board is accountable for these matters to the General Meeting. The Supervisory Board also provides advice to the Executive Board. In performing their duties, the Supervisory Directors are required to focus on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the Company's financial reporting. The Supervisory Directors assist the Executive Board with advice. In the fulfilment of their duty, the Supervisory Directors shall orient themselves according to the interests of the Company and its related business.

Supervisory Board Rules

Pursuant to the Articles of Association, the Supervisory Board has adopted internal rules regulating its organisation, decision-making process and other internal matters of the Supervisory Board (the **Supervisory Board Rules**), in addition to the relevant provisions of the Articles of Association.

Composition, appointment and removal

The Supervisory Board consists of between three to five Supervisory Directors, comprising at least two independent Supervisory Directors (of which one is subject to the below Works Council nomination right). Pursuant to the Relationship Agreement, Grachtenheer is entitled to (i) nominate and propose a replacement for one Supervisory Board member in the event of his or her resignation or dismissal when holding at least 20% of the Company's issued ordinary share capital, (ii) nominate and propose a replacement for two Supervisory Board members when holding at least 50% of the Company's issued ordinary share capital in the event of his or her resignation or dismissal. The Supervisory Directors are individuals. Supervisory Directors cannot be: (i) persons who are employed by the Company, (ii) persons who are employed by a Dependent Company, and (iii) directors and persons employed by an employee organisation which is customarily involved in determining the employment conditions of the persons referred to in (i) and (ii).

The Supervisory Board shall determine the number of Supervisory Directors. If the number of Supervisory Directors is less than three, the Supervisory Board shall promptly take steps to supplement its members.

The Supervisory Board has prepared a profile for its size and composition, taking into account the nature of the Company's business, its activities and the desired expertise and background of the Supervisory Directors.

The Articles of Association provide that the Supervisory Board must consist of at least three Supervisory Directors. The exact number of Supervisory Directors shall be determined by the Supervisory Board with due observance of the minimum set out in the Articles of Association. If the number of Supervisory Directors is less than three, the Supervisory Board must promptly take any required measures to increase the number of Supervisory Directors. As at the date of the Prospectus, the Supervisory Board consists of four Supervisory Directors. In accordance with Dutch law only natural persons may be appointed as Supervisory Directors.

According to the Articles of Association, the Supervisory Board must prepare a profile (*profiel*) for its size and composition, taking account of the nature and activities of the Company's business, the desired expertise and background of the Supervisory Directors, the desired diverse composition and size of the Supervisory Board and the independence of the Supervisory Directors. The Supervisory Board shall discuss the profile every time an amendment thereof is discussed in the General Meeting and with the Works Council.

The General Meeting appoints the Supervisory Directors upon nomination by the Supervisory Board. The Supervisory Board must inform the General Meeting and the Works Council of the nomination. The nomination will not be submitted to the General Meeting until after the Works Council, in a timely fashion prior to the date of convening the General Meeting, has been given the opportunity to take a position on that matter. The chair or a member of the Works Council designated by him may explain the Works Council's position in the General Meeting. The absence of such a position shall not affect the decision-making concerning the proposal for appointment. When a proposal or recommendation for the appointment of a person as a Supervisory Director is made, the following information must be stated: the age, the profession, the aggregate nominal value of the shares in the Company's capital held by such person and the positions held or previously held by such person, insofar as these are relevant for the performance of the duties of a Supervisory Director. Furthermore, the names of any legal entities of which the proposed or recommended person already is a supervisory director must be indicated. If those include legal entities that belong to the same group, a reference to that group is sufficient. The proposal or recommendation must furthermore state the reasons on which such proposal or recommendation is based.

As regards one third of the number of members of the Supervisory Board, the Supervisory Board shall nominate a person recommended by the Works Council, unless the Supervisory Board objects to the recommendation on the basis of the expectation that the person recommended will be unfit to fulfil the duties as Supervisory Director or that the Supervisory Board will not be properly composed upon appointment in accordance with the recommendation. If the number of members of the Supervisory Board is not divisible by three, the nearest lower number that is divisible by three shall be used to determine the number of Supervisory Directors in respect of which this enhanced right of recommendation applies.

If the Supervisory Board objects to the nomination by the Works Council, it shall notify the Works Council of the objection, stating the reasons. The Supervisory Board shall promptly consult with the Works Council with a view to reaching agreement on the nomination. If the Supervisory Board establishes that agreement cannot be reached, a designated representative of the Supervisory Board shall request the Enterprise Chamber to declare the objection to be well founded. The request shall not be filed before four weeks have elapsed after the consultation with the Works Council was started. If the Enterprise Chamber declares the objection to be unfounded, the Supervisory Board shall nominate the person recommended. If the Enterprise Chamber declares the objection to be well-founded, the Works Council may make a new recommendation.

A resolution of the General Meeting to appoint a Supervisory Director other than in accordance with a nomination by the Supervisory Board requires a majority of the votes cast representing at least one-third of the Company's issued capital. If a proposal to appoint a person not nominated by the Supervisory Board is supported by an absolute majority of the votes cast, but this majority does not represent at least one-third of the Company's issued capital, a new meeting can be convened in which the resolution can be adopted by an absolute majority of the votes cast, irrespective of the part of the Company's issued capital represented.

The Supervisory Board must inform the General Meeting in a timely manner, when, why and in accordance with what profile a vacancy in the Supervisory Board has to be filled. The Articles of Association provide that the General Meeting has the authority to suspend and remove a Supervisory Director.

Under the Articles of Association, the General Meeting may pass a resolution of no confidence in the Supervisory Board by Simple Majority, representing at least one third of the issued share capital. The resolution shall be supported by reasons. The resolution cannot be passed in respect of Supervisory Directors who are appointed by the Enterprise Chamber. The resolution of no confidence in the Supervisory Board shall result in the immediate dismissal of the entire Supervisory Board. In that case, the Executive Board shall promptly request the Enterprise Chamber to temporarily appoint one or more Supervisory Directors. The Enterprise Chamber shall make arrangements in respect of the consequences of the appointment. The Supervisory Board so appointed shall facilitate the constitution of a new Supervisory Board within a period set by the Enterprise Chamber.

Under the Articles of Association, a Supervisory Director can be suspended by the Supervisory Board. The suspension shall lapse if the Company has not made a request to dismiss the Supervisory Director to the Enterprise Chamber for neglecting his duties or for other serious reasons or as a result of a significant change in circumstances as a result of which the remaining in office as a Supervisory Director cannot reasonably be expected from the Company.

Term of appointment

The Supervisory Directors will be appointed for a maximum period of four years, provided that, unless a Supervisory Director resigns earlier, his appointment period shall end immediately after the annual General Meeting that will be held at the end of the annual General Meeting four years after the date of his or her appointment. Supervisory Directors may be reappointed once more for another four year period and then eventually extended by a maximum of two consecutive two- year terms. In any appointment or reappointment, the profile as prepared by the Supervisory Board should be observed. The Supervisory Board has prepared a rotation schedule for the Supervisory Directors.

Supervisory Board meetings and decisions

The Supervisory Board shall meet as often as any of the Supervisory Directors deems necessary or appropriate.

As a standard, the Supervisory Board convenes six times per calendar year. Four of these meetings are organized around the scheduled releases of results and quarterly trading updates. The other two meetings are organized to discuss the Company's strategy and to approve the budget. Certain agenda items for these meetings are prepared by the Audit Committee, the Remuneration Committee and the Manufacturing Expansion Committee. The Supervisory Board did not install a Selection & Nomination Committee since nominations and appointments are considered full Supervisory Board subjects for preparation and decision making.

Pursuant to the Articles of Association and the Supervisory Board Rules, resolutions of the Supervisory Board are adopted by a simple majority vote in a meeting of the Supervisory Board. Each Supervisory Director has one vote. In the event of a tie in voting, the chair of the Supervisory Board will have a deciding vote. If all Supervisory Directors are present and agree, the Supervisory Directors may resolve on issues not on the agenda. The

Supervisory Board may also adopt resolutions in writing, provided that all Supervisory Directors are familiar with the resolution to be passed and none of them objects to this form or adoption. Adoption of resolutions in writing shall be effected by statements in writing, which can also be issued through a proxy, from all the Supervisory Directors. A statement from a Supervisory Director who wishes to abstain from voting on a particular resolution which is adopted in writing must reflect the fact that he does not object to this form of adoption.

Pursuant to the Relationship Agreement, Grachtenheer has the right to appoint an observer to the Supervisory Board who shall be entitled to be present at any meeting of the Supervisory Board and any meeting of any committee of the Supervisory Board. Such observer shall also receive the materials and documentation circulated to the members of the Supervisory Board or the members of any committee of the Supervisory Board in connection with any Supervisory Board or committee meeting. The observer shall not be a Supervisory Director (and the observer shall not be counted for purposes of determining whether a quorum is present) and the observer will not have any voting rights to which Supervisory Directors are entitled.

Pursuant to the Relationship Agreement, the Supervisory Board shall meet at least five times per year and whenever one or more of its Executive Directors requests a meeting. A special committee of the Supervisory Board, in respect of the Manufacturing Expansion, shall be established and shall meet at least once every month until completion of such project. The special committee shall in any case include a Supervisory Director nominated by Grachtenheer. After 1 January 2025, this special committee may unanimously agree to dissolve the special committee.

Conflict of interest

Similar to the rules that apply to the Executive Directors as described above, Dutch law also provides that a supervisory director of a Dutch public limited company, such as the Company, may not participate in deliberating or decision-making within the Supervisory Board if he or she has a direct or indirect personal interest conflicting with the interests of the relevant company and the business connected with it.

Pursuant to the Supervisory Board Rules, a Supervisory Director that has a (potential) conflict of interest with respect to a proposed Supervisory Board resolution should immediately report this to the chair of the Supervisory Board and provide all relevant information. If the chair of the Supervisory Board has a (potential) conflict of interest with respect to a proposed Supervisory Board resolution, he should immediately report this to the vice-chair, and provide all relevant information. The Supervisory Board, without the relevant Supervisory Director being present or represented, determines whether a reported (potential) conflict of interest qualifies as a conflict of interest. A Supervisory Director shall not participate in the deliberation and decision-making process if he has a conflict of interest.

If, as a result of such a conflict of interest a resolution cannot be adopted, the resolution will nevertheless be passed by the Supervisory Board. All transactions in respect of which there is a conflict of interests with one or more Supervisory Directors shall be agreed on terms that are customary in the sector concerned. Resolutions to enter into a transaction in respect of which there is a conflict of interests with one or more Supervisory Directors that is of material significance to the Company and/or to the Supervisory Director(s) concerned shall require the approval of the Supervisory Board.

Members of the Supervisory Board

As of the date of this Prospectus, the Supervisory Board is composed of the following members:

| Name | Year of birth | Position | Member since | Term ending |
|-------------------|----------------------|-----------------|---------------------|--------------------|
| Peter Visser | 1956 | Member | November 2017 | 2026 |
| Peter Wit | 1967 | Vice-chair | May 2018 | 2026 |
| Peter Gerretse | 1955 | Chair | February 2016 | 2024 |
| Angelique Heckman | 1968 | Member | May 2023 | 2027 |

Peter Wit

Peter Wit (born 1967, male, Dutch nationality) is vice-chair of the Supervisory Board. Peter has relevant expertise and experience in the areas of stock exchange listings, financial and management accounting, risk and risk-management, legal, tax and compliance, auditing, IT and operations. Peter was first appointed to the Supervisory Board in May 2018 for a four year period and reappointed at closing of the AGM in 2022.

Peter is currently CFO at IQIP B.V. (offshore equipment) and before that (2018-2021) COO of staffing company Atlas Professionals B.V. (staffing for energy industry), and member of the Supervisory Board at Doedijns Group International. Previously, Peter was CFO and managing director at recycling company Inashco B.V. (2014-2017), CFO at offshore energy services provider Dockwise Ltd (2009-2013), Supervisory Board member at staffing company Atlas Professionals (2013-2018) and held several positions (finance manager Albania, M&A advisor in the United Kingdom and COO/CFO for Shell's asset management company) at Royal Dutch Shell Group between 1992 and 2009. Peter Wit holds a Master's degree in Business Administration from the University of Groningen and obtained a post-doctorate controlling degree (RC) from the VU University Amsterdam.

Peter Gerretse

Peter Gerretse (born 1955, male, Dutch nationality) is the chair of the Supervisory Board. Peter has relevant expertise and experience in the areas of international business, project management, production, industrialization and automation, international B2Bmarketing. Peter was first appointed to the Supervisory Board in February 2016 for a four year period and reappointed at closing of the AGM in 2020.

Peter has been a member of the supervisory board of Vanderlande Industries B.V. since 2017. Peter was a member of the supervisory board of Aeronamic Holding from 2010 to 2017 and worked for Vanderlande Industries, a leading supplier of logistic process automation at airports and in the parcel market, between 1995 and 2013, where his last position was President and CEO. Before joining Vanderlande Industries, Peter Gerretse held several management positions at Fokker Aircraft. Peter holds an engineering degree in Aerospace Engineering from Delft University of Technology.

Peter Visser

Peter Visser (born 1956, male, Dutch nationality) is a member of the Supervisory Board. Peter has relevant expertise and experience in the areas of general management, finance, auditing, risk management and M&A. Peter was first appointed to the Supervisory Board on an interim basis as of 1 November 2017 for the period until closing of the AGM in 2018. Upon nomination of the Company's indirect largest shareholder Egeria Group AG (**Egeria**), Peter was appointed to the Supervisory Board on 3 May 2018 for a four year period and reappointed at closing of the AGM in 2022.

Peter is co-founder of Egeria and director of Egeria Capital Management B.V. From 1992 until 1997, Peter was director of the bank MeesPierson N.V. with responsibility for private equity activities in Europe. From 1983 until 1992, Peter worked for McKinsey & Company and founded his own consulting firm, Management & Investment B.V. Peter holds an economics degree from the University of Groningen.

Angelique Heckman

Angelique Heckman (born 1968, female, Dutch nationality) is a member of the Supervisory Board. Angelique has relevant expertise and experience in the area of human resource management. Angelique was appointed to the Supervisory Board in May 2023 for a four year period.

Angelique is currently a member of the supervisory board of De Domijnen, Royal Avebe and Witteveen + Bos, Engineers & Consultants. In addition, Angelique is president of the remuneration committee of De Domijnen and member of the remuneration committee of Royal Avebe. Angelique furthermore is a member of the innovation advisory board of Witteveen + Bos, Engineers & Consultants. Previously, Angelique was a member of the supervisory board and president of the remuneration committee of Bernhoven Hospital (2016-2020), chief people & culture officer and member of the executive board of Royal Swinkels Family Brewers (RSFB) N.V. (2019-2022), chief human resources officer and member of the executive board at Royal Cosun / Aviko Group B.V. (2015-2018) and Etam Groep B.V. (2012-2014) and held several positions at Royal DSM, the Netherlands (1998-2012). Angelique holds an executive master's in consulting & coaching for change from Oxford & HEC Paris, a MSM, specialization in HR management from Lesley School of Management (Boston), a certificate of human resources of Harvard University and a JD in civil and criminal law from the University of Utrecht.

Supervisory Board committees

The Supervisory Board, in accordance with the Supervisory Board rules, can install Supervisory Board committees. The Company has three Supervisory Board committees: a remuneration committee (the **Remuneration Committee**), an audit committee (the **Audit Committee**) and the manufacturing expansion committee (the **Manufacturing Expansion Committee**). The committees all have their own set of rules defining their conduct namely: the Audit Committee rules and Remuneration Committee rules, which are both published on the Company's website on the Corporate Governance page. These committees are tasked with laying the groundwork for the decision making process of the Supervisory Board.

The Remuneration Committee Rules define the duties, roles and responsibilities of the Remuneration Committee. They include the Company's remuneration policy, the remuneration of the individual Executive Board members (remuneration structure, amount of the fixed remuneration, shares and/or other variable remuneration components, pension entitlements, redundancy payments and the performance criteria and their application), scenario analyses regarding different levels of variable remuneration and the remuneration report. The Remuneration Committee shall in any case include a Supervisory Director nominated by Grachtenheer for as long as Grachtenheer holds at least 20% of the Company's issued ordinary share capital.

The Audit Committee Rules define the duties, roles and responsibilities of the Audit Committee and include supervising the effectiveness of the internal risk management and control systems and of the financial information to be disclosed by the Company. The Audit Committee also supervises the Company's compliance program, tax planning policy, information and communication technology, cybersecurity and financing. The Audit Committee maintains regular contact with the external auditor and nominates the external auditor for appointment by the General Meeting. The Audit Committee shall in any case include a Supervisory Director nominated by Grachtenheer for as long as Grachtenheer holds at least 20% of the Company's issued ordinary share capital.

Pursuant to the Relationship Agreement, a special committee of the Supervisory Board, in respect of the Manufacturing Expansion, has been established and shall meet once every month. The special committee shall in any case include a Supervisory Director nominated by Grachtenheer for as long as Grachtenheer holds at least 20% of the Company's issued ordinary share capital. After 1 January 2025, this special committee may unanimously agree to dissolve the special committee.

At the date of this Prospectus, the Remuneration Committee is composed of the following members: Angelique Heckman and Peter Wit.

At the date of this Prospectus, the Audit Committee is composed of the following members: Peter Wit, Peter Gerretse and Peter Visser.

At the date of this Prospectus, the Manufacturing Expansion Committee is composed of the following members: Peter Gerretse and Peter Visser.

Audit Committee

The Audit Committee consists of three Supervisory Directors. The Audit Committee Members shall be appointed or dismissed by the Supervisory Board. All Audit Committee members, with the exception of no more than one Audit Committee Member, shall be independent within the meaning of the Dutch Corporate Governance Code. At least one Audit Committee Member shall be a financial expert with relevant knowledge of and experience in financial administration and accounting for listed companies or other large entities. The Audit Committee shall

elect an Audit Committee Member to be the Audit Committee Chair. The Audit Committee may dismiss the Audit Committee Chair if the member so dismissed shall subsequently continue his term of office as an Audit Committee Member without having the title of Audit Committee Chair. Unless the Supervisory Board decides otherwise, the Audit Committee Chair shall be a Supervisory Director who is a financial expert with relevant knowledge of and experience in financial administration and accounting for listed companies or other large entities. The Audit Committee Chair shall not be the chair of the Supervisory Board, a former Executive Director or a Supervisory Director who is also a managing director of another listed company.

Remuneration Committee

The Remuneration Committee consists of three Supervisory Directors. The Remuneration Committee Members shall be appointed or dismissed by the Supervisory Board. All Remuneration Committee Members, with the exception of no more than one Remuneration Committee Member, shall be independent within the meaning of the Dutch Corporate Governance Code. No more than one Remuneration Committee Member may also be a managing director of another Dutch listed company. The Remuneration Committee shall elect a Remuneration Committee Member to be the Remuneration Committee Chair. The Remuneration Committee may dismiss the Remuneration Committee Chair, provided that the Remuneration Committee Member so dismissed shall subsequently continue his term of office as a Remuneration Committee Member without having the title of Remuneration Committee Chair. The Remuneration Committee Chair shall not be the chair of the Supervisory Board, a former Executive Director, or a Supervisory Director who is also a managing director of another listed company.

Remuneration information Executive Board

Annual base salary

The Supervisory Board determines the base salary of the Executive Board and may, at its discretion, apply an increase.

The table below provides the remuneration of each member of the Executive Board for the financial years that ended 31 December 2022, 31 December 2021 and 31 December 2020.

| Name | Base Salary (EUR) | | |
|-----------------------------------|-------------------|---------|---------|
| | 2022 | 2021 | 2020 |
| Fred van Beers (CEO) | 398,879 | 382,398 | 376,747 |
| Leon Verweij ⁽¹⁾ | - | 104,821 | 282,874 |
| Ben Meijer (CFO) | 235,980 | 138,730 | - |

⁽¹⁾ Leon Verweij resigned in May 2021.

Pension arrangements

Executive Board members are offered a pension arrangement for a pensionable salary that is based on the fixed annual compensation including holiday allowance. The Company may contribute for 100% to the pension premiums or reimburse the Executive Board members with an equal amount if they decide to refrain from participation in the Company's pension arrangement. The pension contribution covers the maximum pension amount, the pension compensation covers the excedent arrangements with or without director-contribution.

The table below provides the pension contribution and pension compensation for the Executive Board for the financial years that ended 31 December 2022, 31 December 2021 and 31 December 2020.

| Name | Pension contribution (EUR) | | | Pension compensation (EUR) | | |
|-----------------------------------|----------------------------|--------|--------|----------------------------|--------|--------|
| | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 |
| Fred van Beers..... | 24,458 | 22,706 | 21,281 | 33,742 | 34,230 | 48,596 |
| Leon Verweij ⁽¹⁾ | - | 24,491 | 41,312 | - | 17,150 | 40,368 |
| Ben Meijer..... | 20,604 | 12,428 | - | 16,649 | 9,768 | - |

⁽¹⁾ Leon Verweij resigned in May 2021.

Annual bonus

The annual bonus is in cash and based on pre-defined KPIs that may differ for each Executive Board member. The Supervisory Board confirms that the results on which the short term incentive for the Executive Board members is based, are derived from the audited financial statements.

The table below provides the bonus paid to the Executive Board for the financial years that ended 31 December 2022, 31 December 2021 and 31 December 2020.

| Name | Annual bonus (EUR) | | |
|-----------------------------------|---------------------------|-------------|-------------|
| | 2022 | 2021 | 2020 |
| Fred van Beers..... | 149,619 | 224,330 | 95,893 |
| Leon Verweij ⁽¹⁾ | - | 49,688 | 98,841 |
| Ben Meijer..... | 69,917 | 59,273 | - |

⁽¹⁾ Leon Verweij resigned in May 2021.

Long-term incentive plan (LTIP)

The long-term equity-based incentive is granted in performance share units (PSU). Under the long-term incentive plan, the following number of PSUs and corresponding values in € are awarded to the Executive Board:

| Name | LTIP (awarded PSUs) | | | LTIP (awarded value (€)) | | |
|-----------------------------------|----------------------------|-------------|-------------|---------------------------------|-------------|-------------|
| | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 |
| Fred van Beers..... | 6,963 | 4,623 | 7,055 | 78,463 | 76,464 | 75,347 |
| Leon Verweij ⁽¹⁾ | - | - | 5,297 | - | - | 56,572 |
| Ben Meijer..... | 4,188 | 2,780 | - | 47,196 | 45,981 | - |

⁽¹⁾ Leon Verweij resigned in May 2021.

Vesting of performance shares is conditional upon employment after a period of three years.

The table below provides the accrual of the long-term equity-based incentives to the Executive Board for the financial years that ended 31 December 2022, 31 December 2021 and 31 December 2020.

| Name | LTIP (accrual) (EUR) | | |
|-----------------------------------|-----------------------------|-------------|-------------|
| | 2022 | 2021 | 2020 |
| Fred van Beers..... | 118,114 | 139,714 | - |
| Leon Verweij ⁽¹⁾ | - | 51,724 | 25,724 |
| Ben Meijer..... | 27,839 | 7,234 | - |

⁽¹⁾ Leon Verweij resigned in May 2021.

Manufacturing Expansion Bonus Plan

The Executive Board members will be granted two spot bonuses which are linked to their management participation (please refer to section "Corporate Governance, Management and Employees – Equity holdings") in cash subject to a three year vesting period under a to be implemented bonus plan in relation to the Manufacturing Expansion (the **Manufacturing Expansion Bonus Plan**). The vesting period of the first spot bonus starts on the date of publication of this Prospectus (16 June 2023). The vesting period of the second spot bonus starts on the date when the expanded factory is fully operational. The spot bonuses are equal to a predetermined percentage of their annual base salary as applicable at the date on which the relevant vesting period starts and will be adjusted for the development of the share price between the start of the relevant vesting period and the relevant vesting date, with no cap.

Additional terms and conditions to the Manufacturing Expansion Bonus Plan may be determined and implemented by the Company in due course.

Severance payment

Executive Board members are entitled to contractual severance payments or termination fees amounting to six months' salary in the event of a change of control of the Company and in the case of early dismissal at the request of the Supervisory Board and the General Meeting other than for termination due to cause.

For the financial years that ended 31 December 2022, 31 December 2021 and 31 December 2020, only former CFO, Leon Verweij, who retired on 12 May 2021, received a termination fee of €143,559 in the financial year 2021.

Other benefits

The table below provides an overview of expenses for car lease, travel and relocation of the Executive Board for the financial years that ended 31 December 2022, 31 December 2021 and 31 December 2020.

| Name | Other benefits (EUR) | | |
|-----------------------------------|----------------------|--------|--------|
| | 2022 | 2021 | 2020 |
| Fred van Beers..... | 50,463 | 45,082 | 40,992 |
| Leon Verweij ⁽¹⁾ | - | 14,028 | 38,037 |
| Ben Meijer..... | 40,471 | 23,718 | - |

⁽¹⁾ Leon Verweij resigned in May 2021.

Remuneration information Supervisory Board

Annual base salary

The General Meeting determines the remuneration of the Supervisory Board members. The Supervisory Board members receive a fixed amount as remuneration. The remuneration is not dependent on the Company's results and the Supervisory Board members do not receive a performance related remuneration, nor are they awarded with Shares or option to Shares as part of their remuneration.

The table below provides the remuneration of each member of the Supervisory Board for the financial year that ended 31 December 2022, 31 December 2021 and 31 December 2020.

| Name | Base Salary (EUR) | | |
|---|-------------------|--------|--------|
| | 2022 | 2021 | 2020 |
| André Goedée ⁽¹⁾ | 70,000 | 70,000 | 70,000 |
| Peter Gerretse..... | 45,000 | 45,000 | 45,000 |
| Caroline van den Bosch ⁽²⁾ | 45,000 | 45,000 | 45,000 |
| Peter Wit..... | 45,000 | 45,000 | 45,000 |
| Peter Visser..... | 45,000 | 45,000 | 45,000 |

⁽¹⁾ André Goedée resigned in May 2023.

⁽²⁾ Caroline van den Bosch resigned in May 2023.

Remuneration information Management Team

Annual base salary

The members of the Management Team receive a fixed amount as remuneration. In addition, the Management Team members participate in a short-term incentive plan and LTIP which are linked to the Company's performance and personal targets.

| Name | Base Salary (EUR) | | |
|---|-------------------|---------|---------|
| | 2022 | 2021 | 2020 |
| Joost Heemskerk ⁽¹⁾ | 191,407 | 186,556 | 181,137 |
| Frank Kevenaer..... | 249,022 | 242,702 | 239,116 |
| Caspar Kramers ⁽²⁾ | 160,056 | - | - |
| Monique van den Boogaard ⁽³⁾ | - | - | - |

| | | | |
|---|---------|---------|--------|
| Jolanda Griffioen ⁽⁴⁾ | 113,210 | 113,210 | 81,140 |
| (1) Joost Heemskerk was appointed in June 2020. | | | |
| (2) Caspar Kramers was appointed in April 2022. | | | |
| (3) Monique van den Boogaard was appointed in April 2023. | | | |
| (4) Jolanda Griffioen resigned in March 2022. | | | |

Manufacturing Expansion Bonus Plan

The members of the Management Team (and other key employees) will be invited to invest in Ordinary Shares against payment of €11.50 (equal to the Issue Price) under the Manufacturing Expansion Bonus Plan. The total amount a Management Team member (or key employee) will be able to invest will be predetermined as a percentage of its base salary. In total, the Company will issue 33,366 Ordinary Shares to 14 employees on the Settlement Date in addition to the Ordinary Shares that will be issued under the Offering on the basis of designation as set out in section "*Corporate Governance, Management and Employees - Issuance of Shares*".

The Ordinary Shares to be issued to the members of the Management Team (and other key employees) under the Manufacturing Expansion Bonus Plan will be subject to a four year lock-up period, which may be lifted by the Company upon termination of employment.

In addition, the Management Team members (and other key employees) will be granted two spot bonuses in cash. The spot bonuses will be calculated as a predetermined percentage of their annual base salary at the date on which the relevant vesting period starts. The percentage is subject to the investment of the Management Team member (or key employee). If a Management Team member (or key employee) does not participate in the Manufacturing Expansion Bonus Plan, a spot bonus will be awarded but with a lower percentage of the annual base salary of the respective Management Team member (or key employee). In addition, the spot bonuses will be adjusted for the development of the share price between the start of the relevant vesting period and the relevant vesting date (please see below). For some Management Team members and other key employees, the spot bonuses are capped to 2 times the grant value (the amount calculated as a predetermined percentage of the annual base salary at the date on which the relevant vesting period starts).

The spot bonuses are subject to a three year vesting period. The vesting period of the first spot bonus starts on the date of publication of this Prospectus (16 June 2023). The vesting period of the second spot bonus starts on the date when the expanded factory is fully operational.

Additional terms and conditions to the Manufacturing Expansion Bonus Plan may be determined and implemented by the Company in due course.

Pension arrangements

The Management Team members participate in the industry pension fund (*Bedrijfstakpensioenfond*s).

Equity holdings

At the date of this Prospectus, no member of the Executive Board, the Supervisory Board or the Management Team holds any Shares or any options over such Shares, other than as described below.

At the date of this Prospectus, Fred van Beers holds 16,500 Ordinary Shares and Ben Meijer holds no Ordinary Shares.

On 13 February 2023, the CEO, Fred van Beers, and the CFO, Ben Meijer, provided a commitment letter to Grachtenheer in which they laid down their commitment to purchase Ordinary Shares for the amounts of €250,000 and €150,000, respectively, by either (i) participating in the Offering through exercising Rights that they may individually purchase on Euronext Amsterdam and/or (ii) purchases of Ordinary Shares. The Ordinary Shares purchased by the CEO and CFO will be subject to a four-year lock-up. The lock-up arrangement does not include any waivers, and is only conditional on the representation made by the Company to Grachtenheer that all information provided to Grachtenheer in connection with the Company, the Manufacturing Expansion or the Offering is true, accurate and not misleading at the date of the Underwriting Agreement and the Settlement Date. The parties to the commitment letter are Grachtenheer, the Company, the CEO, Fred van Beers, and the CFO, Ben Meijer.

Agreements between the Company and the Executive Directors and Supervisory Directors

The Company has agreements in place with the CEO and the CFO containing their bonus arrangements and with the Supervisory Board members containing their remuneration arrangements.

Agreements between the Company and Grachtenheer and related arrangements

On 13 February 2023, the Company (via its Executive Board and Supervisory Board) provided a commitment letter to Grachtenheer, in terms of which the Company committed to adjust its governance documents to reflect certain governance changes, which changes have been incorporated by amendment of the Relationship Agreement entered into between the Company and Grachtenheer. For a description of the Relationship Agreement entered into between the Company and Grachtenheer, see section "*Major Shareholders - Related party transactions*".

In addition, the Company and Grachtenheer entered into a commitment letter on 13 February 2023 in relation to Grachtenheer's commitment to (i) subscribe for Offer Shares in the Offering by exercising at least the Rights that are allotted to it based on its proportionate shareholding and (ii) subscribe and pay for the Underwritten Shares. In the Underwriting Agreement, the Company and Grachtenheer laid down their agreement in relation to the underwriting as mentioned under (ii) above. Please refer to section "*Plan of Distribution - Underwriting arrangements*".

Furthermore, the CEO, Fred van Beers, and the CFO, Ben Meijer, provided a commitment letter to Grachtenheer on 13 February 2023 in which they laid down their commitment to purchase Ordinary Shares for the amounts of €250,000 and €150,000, respectively, by either (i) participating in the Offering through exercising Rights that they may individually purchase on Euronext Amsterdam and/or (ii) purchases of Ordinary Shares. Please refer to section "*Corporate Governance, Management and Employees – Equity holdings*".

Maximum number of supervisory positions of managing directors and Supervisory Directors

Restrictions apply with respect to the overall number of supervisory positions that a managing director or supervisory director (including a one-tier board) of "large Dutch companies" may hold. The term "large Dutch companies" applies to Dutch public limited liability companies, Dutch private limited liability companies and Dutch foundations that meet at least two of the following three criteria: (i) the value of the company's/foundation's assets according to its balance sheet together with explanatory notes, on the basis of the purchase price or manufacturing costs exceeds €20 million; (ii) its net turnover in the applicable year exceeds €40 million; and (iii) its average number of employees in the applicable year is 250 or more.

Note that the terms "large Dutch companies" as defined in this paragraph and the "large company regime" (*structuurregime*) refer to different concepts.

A person cannot be appointed as a managing or executive director of a "large Dutch company" if he or she already holds a supervisory position at more than two other "large Dutch companies" or if he or she is the chairperson of the supervisory board or one-tier board of another "large Dutch company". Also, a person cannot be appointed as a supervisory director or non-executive director of a "large Dutch company" if he or she already holds a supervisory position at five or more other "large Dutch companies", whereby the position of chairperson of the supervisory board or one-tier board of another "large Dutch company" is counted twice.

The Company meets the criteria of a large Dutch company; all Executive Directors and Supervisory Directors comply with these rules.

Diversity

Dutch law requires Dutch companies listed on a Dutch regulated market to ensure that any new appointment of a member of the Supervisory Board contributes to the Supervisory Board being composed of at least 1/3rd females and 1/3rd males. If the Supervisory Board consists of a number of members not dividable by three, the nearest higher number applies. An appointment in violation of these rules is void.

These rules do not apply to re-appointments of Supervisory Board members within a period of eight years from their first appointment. Another exception applies if there are exceptional circumstances, which make it necessary to deviate from the applicable rules. This may be the case when the majority of the Supervisory Board members steps down unforeseeable or when there is, given the financial position of the company, no time to lose or when there are not sufficient resources to initiate a thorough executive research. Any such appointment in exceptional circumstances is limited to a maximum of two years.

In addition, Dutch law requires large Dutch companies (see above for the explanation of this term) to adopt appropriate and ambitious target figures for gender diversity: (i) of the management board, (ii) of the supervisory board (unless the female quota applies), and (iii) at sub-board level. An exemption applies to (large) group companies (*groepsmaatschappijen*) if their holding company complies with the obligations regarding appropriate and ambitious target figures, plans and reporting in respect of such (large) group companies.

Appropriate means that the target figures depend on the size of the board, the sub board-level and the supervisory board as well as on the current gender diversity on the boards and at the sub-board level.

Ambitious means that a company should aim at a more equal gender diversity at these levels than the existing situation. Companies themselves should determine what 'sub board-level' refers to in their organisations. This could for example be the members of the executive committee or other senior management positions one or two levels below the management board.

All large companies have to describe the progress and plans to reach their target figures in their management report. The Decree on information in the management board report (*Besluit inhoud bestuursverslag*) will be amended to reflect this.

Separately, all large Dutch companies (listed or not) must inform the Dutch Social and Economic Council (*Sociaal-Economische Raad*) about the number of female and male in positions at the management board, the supervisory board and at the sub board-level and about the target figures and the plans to realise these, within 10 months after the end of their financial year. When the target figures have not been met (yet), the reasons for this should be reported as well. The Dutch Social and Economic Council will thus be able to monitor the gender diversity developments of Dutch companies, but has no task to enforce the new provisions.

The Company complies with these provisions. The Company pursues a balanced gender representation both in the Executive Board and the Supervisory Board as well as in the staff positions. In 2023, a diversity and inclusion policy will be presented to the Supervisory Board for approval. This diversity and inclusion policy will include provisions with respect to the Executive Board and permanent staff and is based on a best-candidate-for-the-job-basis. In case of equal capabilities, preference is given to female candidates.

In addition to gender, the Company pursues more balance in distribution to countries of origin as well as a broader spread and better balance in terms of age. The Company applies the principle of equal opportunity and equal payment for equal work.

Potential conflicts of interest and other information

Other than the ones described below, there are no (potential) conflicts of interest between the private interests or other duties of each of the Executive Directors, Supervisory Directors and the Management Team members on the one hand and the duties to the Company on the other hand. According to best practice principle 2.7.4 of the Dutch Corporate Governance Code, the Company will report on the Executive Directors' and Supervisory Board's conflicts of interest in transactions in its management report where the conflict of interest is of material significance to the Company and/or to the relevant Executive Director/Supervisory Director.

Peter Visser, as a Supervisory Board member and as a board member of Egeria, which ultimately owns and controls Grachtenheer, the Company's largest shareholder, is potentially in a conflicting position. The Company's interest is to create long-term value and achieve sustainable success for its business, taking into account the interests of all of its stakeholders. Egeria, as indirect major shareholder of the Company, may have different interests, which may include maximizing return on its investment in the Company. Accordingly, there may be circumstances in which the Company's interest and Egeria's interest are not aligned, and Peter Visser may find himself in a conflicting position as both a Supervisory Board member and a board member of Egeria in such circumstances. Whether this situation can lead to a conflict-of-interest situation is evaluated at every Supervisory Board meeting and before each agenda item. On one occasion in 2021, this resulted in a withdrawal by Peter Visser from discussions under one agenda item. Peter Visser left the Supervisory Board meeting when this agenda item was tabled for discussion. Furthermore, Peter Visser did not participate in Supervisory Board member-discussions and decisions that took place from January 2022 on the financing of the possible expansion and adjustment of production facilities.

During the last five years, none of the members of the Executive Board, the Supervisory Board and the Management Team: (i) has been convicted of fraudulent offences; (ii) has served as a director or officer of any

entity subject to bankruptcy proceedings, receivership, liquidation or entity put into administration; or (iii) has been subject to any official public incrimination and/or sanctions by the statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affair on any issuer.

Liability of members of the Executive Board and Supervisory Board

Under Dutch law, Executive Directors and Supervisory Directors may be liable towards the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the Company for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In addition, they may be liable towards third parties for infringement of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil, administrative and criminal liabilities.

Insurance

Executive Directors, Supervisory Directors and certain other officers are insured under an insurance policy taken out by the Company against damages resulting from their conduct when acting in their capacities as Executive Directors, Supervisory Directors or officers.

Indemnification

The Articles of Association include provisions regarding the indemnification, to the extent permissible by the rules and regulations applicable to the Company, of current and former Executive Directors and Supervisory Directors against: any financial losses or damages incurred by such Director; and any expense reasonably paid or incurred by such director in connection with any threatened, pending or completed suit, claim, action or legal proceedings of a civil, criminal, administrative or other nature, formal or informal, in which he becomes involved, to the extent this relates to his current or former position with the Company and/or a Group Company and in each case to the extent permitted by applicable law.

There shall be, however, no entitlement to reimbursement and any person concerned will have to repay the reimbursed amount if and to the extent that: (i) a Dutch court or, in the case of arbitration, an arbitrator, has established in a final and conclusive decision that the act or failure to act of the person concerned may be characterised as wilful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct, unless Dutch law provides otherwise or this would, given the circumstances of the case, be unacceptable according to standards of reasonableness and fairness; (ii) the costs or damages directly relate to or arise from legal proceedings between a current or former Executive Director or Supervisory Director and the Company, with the exception of legal proceedings that have been brought by one or more Shareholders, according to Dutch law or otherwise, on behalf of the Company; or (iii) the costs or financial loss of the person concerned are covered by an insurance policy and the insurer has paid out the costs or financial loss.

Works Council

The Group has a Works Council (*ondernemingsraad*) in place (at the level of Sif Netherlands). The Works Council is consulted on intended business economic, strategic or organizational decisions by the Executive Board. Consultation meetings between the Works Council and the Executive Board take place on average very two months formally and on a need to discuss basis as often as deemed necessary by either the Works Council and the Executive Board. The Executive Board notifies the Works Council of important decisions the Executive Board is preparing and how the Works Council will be involved in the decision making.

Employees

The average number of employees employed by the Group amounted to 365 in 2022, 358 FTE in 2021 and 315 FTE in 2020. All employees are based in the Netherlands.

The table below provides an overview of the average numbers of employees the group employed, subdivided per functional area. These numbers are measured in full-time equivalents of the group's employees (FTEs).

| Functional area | Financial Year | | |
|-----------------------------------|----------------|------------|------------|
| | 2022 | 2021 | 2020 |
| Production and distribution | 170 | 167 | 165 |
| Innovation and maintenance..... | 32 | 34 | 34 |
| Logistic services..... | 27 | 23 | 25 |
| Planning and engineering..... | 56 | 51 | 17 |
| Quality and safety..... | 10 | 11 | 10 |
| Sales | 13 | 14 | 12 |
| Management..... | 5 | 5 | 6 |
| Purchasing and warehousing..... | 14 | 15 | 14 |
| Administrative..... | 9 | 10 | 7 |
| Other..... | 29 | 28 | 25 |
| Total..... | 365 | 358 | 315 |

There has been no significant change in the number of employees of the Group since 31 December 2022.

To be able to absorb the volatility inherent to the project business in which the Group is active, the Group employs external (flexible) workers in addition to its permanent (payroll) workforce on a project basis or uses temporary workers through staffing agencies and subcontractors to carry out certain activities such as outfitting of transition pieces, preservation for corrosion, transportation and testing. In 2021, the Group has rebalanced the workforce in favour of more permanent jobs to anticipate for the expected supply-demand imbalance as from 2022 in combination with shortage of skilled technical labour. This has resulted in a shift from flexible workers to permanent employees. At year-end 2022, 37% (out of 587 FTEs) of the workforce consisted of flexible staff, compared to 32.8% (out of 548 FTEs) at year-end 2021 and to 55.2% (out of 569 FTEs) at year-end 2020.

Pension schemes

The Group has a defined benefit scheme for which premiums are payable to an industry pension fund (*Bedrijfstakpensioenfond*s) that is separately managed: the Pensioenfond Metaal en Techniek. This pension scheme is administered together with those of other legal entities. The pension obligation is based on the duration of the participation in the plan and their salary levels. The related obligations are covered by the periodical premiums to the industry pension fund. The associated businesses are not obliged to compensate any deficits in the pension funds, nor are they entitled to any surpluses. Furthermore, the structure of the administration does not allow for providing the required information to the Group for accounting for the pension scheme as a defined benefit scheme in accordance with IAS 19.

Dutch Corporate Governance Code

The Dutch Corporate Governance Code, as amended, entered into force on, and applies to any financial year starting on or after 1 January 2023 (the **Dutch Corporate Governance Code**). The Dutch Corporate Governance Code applies to the Company as it has its registered office in the Netherlands and its Ordinary Shares will be listed on Euronext Amsterdam.

The Dutch Corporate Governance Code is based on a "comply or explain" principle. Accordingly, companies are required to disclose in their management report whether or not they are complying with the various best practice principles of the Dutch Corporate Governance Code that are addressed to the Executive Board (*bestuur*) or, if applicable, the supervisory board (*raad van commissarissen*) of the company. If a company deviates from a best practice principle in the Dutch Corporate Governance Code, the reason for such deviation must be properly explained in its management report.

On the Settlement Date, the Company will not comply with the following principles of the Dutch Corporate Governance Code:

- *1.3.1-1.3.3 Internal audit function*

Given the size of the Company and the functioning of its corporate bodies, the Executive Board and Supervisory Board do not consider it opportune at this stage to appoint an internal auditor or to set up a separate audit department. However, this is remedied by certain financial and operational audit activities

carried out by internal and/or external parties on an ad hoc basis. Designated employees with external support carry out other audits (safety, quality, integrity).

The Group has not appointed an independent third party for a five-yearly performance assessment of its internal audit function. Instead, the Group's financial audits are assessed by the CFO with monthly reporting. The social and environmental audits are assessed by the CEO with quarterly reporting.

The Group does not have an integrated audit plan that is presented to the audit committee and the external auditor. The financial, social and environmental audit plans are drawn up yearly. The financial audit plan is then discussed with the auditor and presented to the Supervisory Board for approval. The social and environmental audit plan is presented to the Supervisory Board for information.

- *1.4.1 Accountability to the Supervisory Board*

The Group's internal risk management and control systems are not structurally / annually discussed on an integral basis with the audit committee. Parts of the Group's risk management and control systems are discussed with the Audit Committee and the auditor on a fragmented and ad hoc basis, but not annually. The Group does not comply with this best practice provision as the design and operation of the Group's internal risk management and control systems is, given the size of the Group, sufficiently effective and streamlined such that the Executive Board is not required to discuss the effectiveness thereof with the Audit Committee, nor render account to the Supervisory Board, except insofar as parts of the Group's risk management and control systems are discussed with the Audit Committee and the auditor, which discussions take place on an ad hoc basis, but not annually. The Executive Board considers this to be adequate in light of the size of the Group and the Group's activities not being sufficiently complicated as to warrant full compliance with this best practice provision. The Group's approach to compliance with this principle is fragmented and informal, but it is currently in the process of remedying this with a view to achieving full compliance in the future.

- *2.1.5 Diversity & inclusion*

Currently, the Group has no diversity policy. In 2023, a diversity and inclusion policy will be presented to the Supervisory Board for approval. Latest at occurrence of the next vacancy on the Supervisory Board after completion of the Manufacturing Expansion, the Company will bring its Supervisory Board in line with its diversity policy.

- *2.2.5 Duties of the selection and appointment committee*

The Company is not required to have a selection and appointment committee pursuant to best practice principle 2.3.2 (as the Supervisory Board consists of only four members). On the basis of the same principle, where such a committee is not required, the best practice provision applicable to the selection and appointment committee is required to be fulfilled by the entire Supervisory Board. The Supervisory Board does fulfil the duties set out in best practice principle 2.2.5, except for items (iv) (drawing up a plan for the succession of management board members and supervisory board members) and (vi) (supervising the policy of the management board regarding the selection criteria and appointment procedures for senior management). The Group has not complied with item (iv) of best practice principle 2.2.5 because its Executive Board comprises two members who have 4-year terms each, and as such the membership of the Executive Board is determined in the medium term, and appointments to the Supervisory Board take place on an ad hoc basis. The Group has not complied with item (vi) of best practice principle 2.2.5 because this function is partly carried out by its remuneration committee. For both of these items, the Group is additionally not in compliance because it has a reasonably informal approach to both such items, however, it is currently in the process of remedying this with a view to achieving full compliance in the future. Nonetheless, any selections and appointments (including, amongst others, the frequency of (re)appointments) have full Supervisory Board involvement. As such, the Supervisory Board, in its entirety, attends on the functions of a selection and appointment committee as required by principle 2.2.5, except insofar as specified otherwise above.

- *2.3.6 Chairman of the Supervisory Board*

Currently, the Supervisory Board members and Executive Directors do not have a structured education or training programme, as a result of which item vii of principle 2.3.6 of the Dutch Corporate Governance

Code, which states that the chairman of the supervisory board should in any case ensure that the supervisory board members and management board members follow their education or training programme, is not applicable. A trainings programme will however be in place at the end of 2024, after which the chairman of the Supervisory Board will comply with this principle.

- *2.3.10 Company secretary*

The Company has not appointed a company secretary, as the size of the Company and the Group and the nature of the business do not require a formal full-time company secretary. The (parttime) secretary of the Executive Board monitors compliance with corporate legal procedures and statutory obligations, provides the Supervisory and Executive Boards with the necessary information and supports the Supervisory Board during its meetings.

- *4.2.3 Meetings and presentations*

The Company's policy on provision of information is outlined in its fair disclosure and bilateral dialogue policy. The Company announces press releases, presentations and press conferences in advance. Analyst conference calls and meetings are scheduled and announced for full and half-year presentations and are audio webcast live. Transcripts of the calls are published on the Company's website. Meetings with individual investors ('one-on-one') or presentations at investor conferences are not webcasts for practical reasons, nor can they be followed through direct phone connections or otherwise.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

At the date of this Prospectus, the Company's issued and outstanding share capital is divided into Ordinary Shares and Preference Shares. See section "*Description of Share Capital and Corporate Structure*".

Equinor Renewables B.V. owns all issued and outstanding Preference Shares. See section "*Description of Share Capital and Corporate Structure*".

Based on the regulatory filings with the AFM, the following persons owned, directly or indirectly, in excess of 3% of the Company's capital and / or voting interest as of the date of this Prospectus.

| <u>Shareholder</u> | <u>Share type</u> | <u>Number of Ordinary shares</u> | <u>Percentage of the issued share capital of the Company</u> | <u>Number of voting rights</u> | <u>Percentage of voting rights in the Company</u> |
|-------------------------------------|-------------------------------|----------------------------------|--|--------------------------------|---|
| Grachtenheer 10 B.V. ⁽¹⁾ | Ordinary Shares | 12,547,139 | 49.20% | 12,547,139 | 49.20% |
| Egeria Capital Holding B.V. | Ordinary Shares | 1,646,486 | 6.46% | 1,646,486 | 6.46% |
| Schroders Plc | - | 0 | 0% | 1,274,958 | 5.00% |
| Moneta Asset Management | Ordinary Shares | 1,276,117 | 5.00% | 1,276,117 | 5.00% |
| Equinor ASA ⁽²⁾ | Convertible Preference Shares | 4,166,667 ⁽³⁾ | 16.34% ⁽³⁾ | 4,166,667 ⁽³⁾ | 16.34% ⁽³⁾ |

⁽¹⁾ Ultimately owned by Egeria.

⁽²⁾ Equinor ASA holds a potential indirect (through Equinor Renewables B.V.) interest in the Company.

⁽³⁾ Based on conversion of 50,000 Preference Shares to Ordinary Shares at a conversion price of €12.

Actual interests may differ as the holder of a substantial interest is only obliged to notify the AFM of any change in the percentage of share capital and/or voting rights if such holder, directly or indirectly, reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. See section "*Description of Share Capital and Corporate Structure – Obligations to disclose holdings*".

Except as described above, the Company is not aware of any other person or legal entity that, as of the date of this Prospectus, has a direct or indirect capital or voting interest in the Company of 3% or more. These substantial holdings are part of the free float.

Related party transactions

The Dutch Civil Code provides that "material transactions" with "related parties" not entered into within the ordinary course of business or not concluded on normal market terms, will need to be approved by the Supervisory Board and be publicly announced at the time that the transaction is entered into. If following the Market Abuse Regulation the information should be published at an earlier stage, that requirement prevails.

Any director or shareholder that has a personal interest, direct or indirect, in the transaction cannot participate in the deliberations or decision-making with respect to the related party transaction concerned. As long as not all of the directors are excluded on the basis that they have a personal interest in the relevant transaction, no approval from the General Meeting will be required.

In this context: a "*related party*" is interpreted in accordance with IFRS-EU (International Accounting Standards (IAS) 24 (*Related Party Disclosures*)) and includes a party that has "*control*" or "*significant influence*" over the company or is a member of the company's key management personnel; and a transaction is considered "*material*" if it would constitute inside information within the meaning of the Market Abuse Regulation and is concluded between the company and a related party (which for this purpose, and in line with the Dutch Corporate Governance Code, in any event includes one or more shareholders representing at least 10% of the issued share capital or a managing director or supervisory director). Certain transactions are not subject to the approval and disclosure provisions of the Dutch Civil Code (for example, transactions concluded between a company and its subsidiary). The Supervisory Board will be required to establish an internal procedure to periodically assess whether transactions are concluded in the ordinary course of business and on normal market terms.

Transactions with joint ventures

The Group received invoices for work performed by SBR Engineering GmbH for a total amount of €192,000 in 2022, and for a total amount of €180,000 in 2021 and €167,000 in 2020. Furthermore, the Group sent invoices to Smulders Sif Steel Foundations B.V. for project related work performed for a total amount of €3.2 million in 2021 and €35 million in 2020.

The Group entered into a loan agreement with SBR Engineering GmbH in 2016 for an amount of €15,000, for which the last instalment was repaid in 2020. An additional loan of €15,000 was provided during 2020 and settled in 2021.

Transactions with key management personnel

The Group considers the members of the Supervisory Board and the Executive Board as key management personnel.

Until December 2022, Caroline van den Bosch held 50% of the shares in Emeritor (procurement services and software). Emeritor was consulted by the Group on procurement related advice at market terms in 2022.

The number of shares purchased by Executive Directors and Supervisory Directors amounted in 2021 and 2020 to 16,500 shares, all purchased by Fred van Beers. Further, see section "*Corporate Governance, Management and Employees – Agreements between the Company and Grachtenheer and related arrangements*" regarding the commitment by Fred van Beers and Ben Meijer to subscribe for Ordinary Shares concurrently with the Offering.

Relationship agreement

The Company and Grachtenheer have entered into a relationship agreement (the **Relationship Agreement**). The Relationship Agreement contains certain arrangements regarding the relationship between the Company and Grachtenheer. Below is a summary of the main elements of the Relationship Agreement.

Composition of the Supervisory Board

The Supervisory Board of the Company will consist of between three and five Supervisory Directors, comprising at least two independent Supervisory Directors (of which one is subject to the below Works Council nomination right) and, for as long as Grachtenheer holds at least 50% of the Company's issued share capital, two Supervisory Director nominated by Grachtenheer (such Supervisory Directors nominated by Grachtenheer, the **Grachtenheer Directors**); and, for as long as Grachtenheer holds less than 50% but at least 20% of the Company's issued share capital, one Grachtenheer Director.

The Company shall procure that the Supervisory Board will only nominate for appointment to the Supervisory Board persons who (i) fit the profile for a Supervisory Director referred to in the Supervisory Board Rules; (ii) are suitable for the position of Supervisory Director and are committed to dedicate sufficient time for a proper fulfilment of the duties involved; (iii) confirm in writing to the Company and Grachtenheer that he or she shall perform its tasks in compliance with relevant laws, the Articles of Association, the Supervisory Board Rules and the provisions of the Relationship Agreement; and (iv) independent within the meaning of the Dutch Corporate Governance Code, with the exception of any Grachtenheer Directors.

The chair of the Supervisory Board will be an independent Supervisory Director.

Composition of the Supervisory Board committees

The Company shall procure that, in addition to any other committees which the Supervisory Board may have from time to time, the Supervisory Board shall have an audit committee, a remuneration committee and a committee in respect of the Manufacturing Expansion. For as long as Grachtenheer holds at least 20% of the Company's issued ordinary share capital, the Company shall procure that the audit committee, the remuneration committee and the committee in respect of the Manufacturing Expansion have at least one Grachtenheer Director.

Supervisory Board observer

Grachtenheer has the right to appoint an observer to the Supervisory Board who shall be entitled to be present at any meeting of the Supervisory Board and any meeting of any committee of the Supervisory Board. Such observer shall also receive the materials and documentation circulated to the members of the Supervisory Board or the members of any committee of the Supervisory Board in connection with any Supervisory Board or committee

meeting. The observer shall not be a Supervisory Director (and the observer shall not be counted for purposes of determining whether a quorum is present) and the observer will not have any voting rights to which Supervisory Directors are entitled.

Frequency of Supervisory Board meetings

The Supervisory Board shall meet at least five times per year and whenever one or more of its members or the Executive Board requests a meeting. The committee in respect of the Manufacturing Expansion shall meet at least once every month.

Supervisory Board reserved matters

Under the Relationship Agreement, approval of the Supervisory Board is required for (i) the development of a new business either by product, business or business partner, outside the Manufacturing Expansion or the regular monopile, transition piece or oil and gas business as it is currently operated by the Company and that require an amount in excess of €500,000; and (ii) any future potential expansion plans or commitments beyond the existing GS Entec license agreement or the existing agreement regarding a potential partnership in the U.S.

Orderly market arrangements

Grachtenheer has agreed to notify the Company in advance of any envisaged sale of its ordinary shares, other than through regular stock market trading. The Company has agreed to cooperate with Grachtenheer to facilitate such sale, including by providing information upon execution of confidentiality agreements and by participating in management presentations, road shows and/or other sale events.

Information sharing

The Company has agreed to share information relating to its business and to provide access to its auditors and employees as may be required by Grachtenheer from time to time to enable Grachtenheer and Egeria to comply with their ongoing financial reporting, audit and other legal requirements. The Grachtenheer Directors are allowed to share information of a confidential nature relating to the Company's business that comes to their knowledge in their capacity as Grachtenheer Director with Egeria. To the extent information disclosed to Grachtenheer or Egeria constitutes inside information, Grachtenheer or Egeria shall have taken sufficient measures to restrict access to such information to persons who must be aware of such information in the performance of their respective duties. Furthermore, the person receiving such information must confirm to adhere to the Company's insider trading policy and applicable laws and regulations concerning market abuse.

Amendments to Articles of Association

In case of any conflict between the Articles of Association and the Relationship Agreement, the terms of the Relationship Agreement shall prevail. The Company and Grachtenheer shall in such event seek to amend the Articles of Association to reconcile the terms of the Articles of Association with the Relationship Agreement.

Parent guarantees

Grachtenheer has previously granted several beneficiary parent company guarantees for customers of the Group. As part of its divestment in the Group, the Company and Grachtenheer agreed to use reasonable efforts to release Grachtenheer from these guarantees. Until agreements can be reached thereon with the other parties to the parent guarantees, the Company agreed to provide Grachtenheer with an indemnification in relation to any claims made under these guarantees.

Agreement relating to end of fiscal unity

The Group has in the past been a member of a fiscal unity for Dutch corporate income tax purposes and Dutch value added tax purposes with Grachtenheer. Grachtenheer and the Group have agreed that the Company will continue to indemnify Grachtenheer for any tax liabilities relating to this former fiscal unity that are allocable to the Group.

Termination

Except for certain specific provisions, the Relationship Agreement will automatically terminate upon the occurrence of the earlier of:

- (a) Grachtenheer ceases to hold at least 20% of the issued ordinary shares in the Company;
- (b) the Company becomes subject to insolvency proceedings;
- (c) a resolution of the General Meeting to liquidate (*ontbinden*) the Company becomes unconditional;
- (d) the Company ceases to exist as a legal entity as a result of a legal merger (*juridische fusie*) or spin-off (*juridische splitsing*) in which the Company is the disappearing entity; or
- (e) termination of the listing of Shares on Euronext Amsterdam takes effect.

Underwriting Agreement

The Company and Grachtenheer entered into the Underwriting Agreement. See "*Plan of Distribution - Underwriting arrangements*".

Commitment letters

On 13 February 2023, the Company (via its Executive Board and Supervisory Board) provided a commitment letter to Grachtenheer, in terms of which the Company committed to adjust its governance documents to reflect certain governance changes, which changes have been incorporated by amendment of the Relationship Agreement entered into between the Company and Grachtenheer. For a description of the Relationship Agreement entered into between the Company and Grachtenheer, see section "*Major Shareholders - Related party transactions*".

In addition, the Company and Grachtenheer entered into a commitment letter on 13 February 2023 in relation to Grachtenheer's commitment to (i) subscribe for Offer Shares in the Offering by exercising at least the Rights that are allotted to it based on its proportionate shareholding and (ii) subscribe and pay for the Underwritten Shares. In the Underwriting Agreement, the Company and Grachtenheer laid down their agreement in relation to the underwriting as mentioned under (ii) above. Please refer to section "*Plan of Distribution - Underwriting arrangements*".

The Company has been informed by Grachtenheer that Grachtenheer has agreed to sell 50% of the Ordinary Shares to be acquired by Grachtenheer in the Offering and through its underwriting of the Offering to certain third party investors on or shortly after the Settlement. Immediately following completion of the Grachtenheer Sell-Down:

- if Grachtenheer has subscribed only for such number of Offer Shares in the Offering proportionate to its holding of Ordinary Shares immediately prior to Settlement, Grachtenheer will hold approximately 45.5% of the Company's issued share capital; and
- if Grachtenheer has subscribed, pursuant to its underwriting of the Offering, for Offer Shares in a total amount of €50,000,000, Grachtenheer will hold approximately 49.2% of the Company's issued share capital.

Furthermore, the CEO, Fred van Beers, and the CFO, Ben Meijer, provided a commitment letter to Grachtenheer on 13 February 2023 in which they laid down their commitment to purchase Ordinary Shares for the amounts of €250,000 and €150,000, respectively, by either (i) participating in the Offering through exercising Rights that they may individually purchase on Euronext Amsterdam and/or (ii) purchases of Ordinary Shares. Please refer to section "*Corporate Governance, Management and Employees – Equity holdings*".

DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

Set out below is a summary of relevant information concerning the Company's share capital and of significant provisions of Dutch law and the Articles of Association. It is based on relevant provisions of Dutch law in effect on the date of this Prospectus and the Articles of Association. This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the Articles of Association and the relevant provisions of Dutch law. The full text of the Articles of Association (in Dutch, and an unofficial English translation) will be available free of charge on the Company's website (www.sif-group.com) or, during their normal business hours, at the registered office of the Company from the date of this Prospectus until at least the Settlement Date. See also section "Corporate Governance, Management and Employees" for a summary of the material provisions of the Articles of Association and Dutch law relating to the Executive Board and the Supervisory Board.

General

The Company was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 4 June 1974. On 14 January 2016, the Company changed its legal and commercial name to Sif Holding N.V. and converted its legal structure to a public limited liability company (*naamloze vennootschap*). Commercial names used by the Group are Sif and Sif Group.

The Company has its statutory seat (*statutaire zetel*) in Roermond, the Netherlands and its registered office is at Mijnheerkensweg 33, 6041TA Roermond, the Netherlands. The Company is registered in the Commercial Register of the Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) under number 130160260000. The Company's telephone number is +31 (0)47 538 5777. The Company's Legal Entity Identifier (**LEI**) is 724500J0BPD5CLHCK040. The Ordinary Shares' are listed on Euronext Amsterdam under the symbol "SIFG" and the International Security Identification Number (**ISIN**) is NL0011660485.

Corporate purpose

Pursuant to article 3 of the Articles of Association, the corporate objects of the Company are:

- (a) to treat, to process and to trade in heavy sheet metal, to fabricate and trade in tubes, constructions and components for the offshore industry and, in that field, to invest and to promote research, development and innovation;
- (b) to perform and to cause the performance of engineering activities in-house and for third parties either by own personnel or third parties;
- (c) to acquire, to exploit, to dispose of and to encumber industrial and intellectual property rights and registered assets;
- (d) to invest assets;
- (e) to participate in, to finance, to cooperate with, to hold any other interest in and to conduct the management or supervision of other entities, companies, partnerships and businesses and to provide advice and other services; and
- (f) to furnish guarantees, to provide security, to warrant performance in any other way and to assume liability, whether jointly and severally or otherwise, in respect of obligations of Group Companies or other parties,

and to do anything which, in the widest sense, is connected with or may be conducive to the objects described above.

Large Company regime

The Company is subject to the full large company regime (*volledig structuurregime*).

The full large company regime in the Netherlands is a set of corporate governance rules that apply to certain large public or private companies that meet specific criteria. The main features of the regime that apply to the Company are:

- the Company must have a two-tier board structure, consisting of an Executive Board and a Supervisory Board. The Executive Board is responsible for the day-to-day management and strategy of the company, while the Supervisory Board oversees and advises the Executive Board and appoints, suspends, and dismisses its members;
- the Supervisory Board must have at least three members, who are appointed by the General Meeting from a binding nomination made by the Supervisory Board itself. The General Meeting can only reject the nomination by an absolute majority of the votes cast, representing at least two-thirds of the issued share capital. The Supervisory Board can only suspend its own members;
- the Works Council, which represents the employees of the company, has a significant influence on the composition and functioning of the Supervisory Board. One-third of the Supervisory Board Directors are nominated only with recommendation of the Works Council, unless the Supervisory Board objects the appointment of the recommended Supervisory Board Director on the grounds of unsuitability or imbalance in the board's composition. The Works Council is also able to recommend other Supervisory Board Directors for nomination, and it also has the right to give its opinion on nominated members during a General Meeting. The Works Council can also give its opinion on certain important decisions of the Executive Board, such as mergers, acquisitions, divestments, reorganizations, and closures, and can initiate a court procedure to challenge such decisions if they are contrary to the interests of the Company or its employees;
- the General Meeting has limited powers compared to the Supervisory Board and the Works Council. The General Meeting can only recommend Supervisory Board Directors for nomination, and can prevent the appointment of a Supervisory Board Director by an absolute majority of the votes cast, representing at least two-thirds of the issued share capital. The General Meeting can also dismiss the entire Supervisory Board by an absolute majority of the votes cast, representing at least one-third of the issued share capital. The General Meeting has (almost) no say in the appointment, suspension and dismissal of Supervisory Board Directors, it can only give its opinion on a proposed dismissal. The General Meeting can also approve or reject certain resolutions of the Executive Board that require its consent, which are limited to resolutions on the transfer of (virtually) the entire company to a third party, entering into or breaking off long-term cooperation's and acquiring or disposing of a participation in a company of at least one-third of its value, but cannot initiate or amend such resolutions. The General Meeting can also exercise its rights to information, to ask questions, to put items on the agenda, and to vote on the annual accounts and the dividend policy.

Share capital

Authorised capital

At the date of this Prospectus, the authorised capital (*maatschappelijk kapitaal*) of the Company amounts to €25,000,000, divided into:

- 115,000,000 Ordinary Shares with a nominal value of €0.20 each; and
- 200,000,000 Preference Shares with a nominal value of €0.01 each.

Issued and outstanding capital

At the date of this Prospectus, the issued share capital (*geplaatste kapitaal*) of the Company's amounts to €5,100,771.20, divided into:

- 25,501,356 Ordinary Shares; and
- 50,000 Preference Shares.

No Shares are held by the Company and all issued and outstanding (*geplaatste en uitstaande kapitaal*) Shares are fully paid-up and have been created under the laws of the Netherlands.

History of share capital

Set out below is an overview of the Company's issued Ordinary Shares and Preference Shares for the dates stated in the overview.

| | <u>31 December 2022</u> | <u>31 December 2021</u> | <u>31 December 2020</u> |
|--|-------------------------|-------------------------|-------------------------|
| Ordinary Shares..... | 25,501,356 | 25,501,356 | 25,501,356 |
| Preference Shares ⁽¹⁾ | - | - | - |
| Total | <u>25,501,356</u> | <u>25,501,356</u> | <u>25,501,356</u> |

⁽¹⁾ The Preference Shares were issued to Equinor Renewables B.V. on 30 March 2023.

Ordinary Shares

Ordinary Shares must be paid-up in full upon issuance. All Ordinary Shares are in registered form and have been entered into a collective deposit by transfer to Euroclear Nederland or to an intermediary. Each Ordinary Share carries dividend rights and confers the right to cast one vote in the General Meeting. Each holder of Ordinary Shares further has pre-emption rights. Please refer below for a further description of the rights attached to the Ordinary Shares.

Preference Shares

On 17 March 2023, the Company entered into a placement agreement with Equinor Renewables B.V. and Equinor New Energy AS for the issue of 50,000 Preference Shares to Equinor Renewables B.V. against payment of a subscription price of €1,000 per Preference Share (€50 million in gross proceeds). On 30 March 2023, completion took place and the Preference Shares were issued to Equinor Renewables B.V. In connection with the subscription by Equinor Renewables B.V. of the Preference Shares, Equinor ASA, the ultimate parent company of Equinor Renewables B.V., entered into a long-term capacity reservation framework agreement with the Company on 12 February 2023, giving Equinor ASA or any of its direct or indirect subsidiaries rights to production capacity reservations.

Conversion

The Preference Shares, in respect of their initial stated amount and any accrued but unpaid dividends, are convertible to Ordinary Shares by resolution of the Executive Board that has been approved by the Supervisory Board at a fixed conversion ratio calculated as the subscription price paid for the Preference Share, plus any dividend which accrued thereon but remains unpaid, divided by a conversion price of €12 per Ordinary Share. For the purposes of conversion, any accrued but unpaid dividends are calculated on a daily basis from the subscription date up until and including the date of such conversion. This right to conversion is only exercisable in full and by the holder of Preference Shares from 1 July 2028.

Equinor Renewables B.V. shall have the right to conversion at any time prior to 1 July 2028 if:

- the Company is placed on any international or U.S. sanctions list, or otherwise breaches any applicable EU anti-money laundering or anti-corruption law or regulation;
- the Company issues additional Ordinary Shares for which a prospectus is needed (except as required for purposes of the Offering);
- the Company issues additional Ordinary Shares in an amount which exceeds the existing authorisation (as may be extended or renewed from time to time) to issue Ordinary Shares granted by the shareholders of the Company to the Executive Board, excluding any issue of Ordinary Shares under any existing employee stock option plan (esop) (except as required for purposes of the Offering); or
- the Company has not executed the Offering by 31 December 2023.

Voting Rights

The Preference Shares carry voting rights minimised to the extent permitted by the laws applicable to Dutch limited liability companies (*naamloze vennootschappen*). This minimisation is done with reference to the nominal value attached to the relevant shares. The Ordinary Shares have a nominal value of €0.20 each, and the Preference

Shares have a nominal value of €0.01 each. Therefore, the Preference Shares carry 1/20th the voting rights attaching to Ordinary Shares.

Dividends

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

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

The maximum fixed annual coupon rate as of 1 July 2028 will therefore be 8%.

The Executive Board has the discretion any given year to either pay out the coupon amount or add such amount to the retained earnings of the Preference Shares. Any accrued but unpaid dividends will accumulate and be added to the principal and accrue dividends until declared and paid. The Company shall be required to pay with first priority dividends, including any accrued but unpaid dividends, to the holder of Preference Shares, when and as declared by the Executive Board, out of funds legally available for distribution.

Ranking

The Preference Shares will rank ahead of the Ordinary Shares on the liquidation of the Company and with respect to the payment of dividends.

Call option

Pursuant to the placement agreement entered into between the Company and the current holder of the Preference Shares (as at the date of this Prospectus) (the **Preference Share Placement Agreement**), at the option of the Company, the Preference Shares may be redeemed, in whole or in part, at a price equal to the initial stated amount, plus any accrued but unpaid dividends as of the date of such redemption. For the avoidance of doubt and for the purposes of redemption, such accrued but unpaid dividends are calculated on a daily basis from the subscription date up until and including the date of such redemption. This option shall only be exercisable by the Company from 1 January 2025 or in the event of a change of control of the Company.

The Company plans to redeem the Preference Shares in whole before 1 January 2028.

Future issues of Preference Shares

Pursuant to the Preference Share Placement Agreement, the Company will not, except with the prior written approval of the holder of the Preference Shares, issue any further Preference Shares, besides those issued to the current holder of the Preference Shares (as at the date of this Prospectus) for purposes of the Manufacturing Expansion, so long as the Preference Shares issued to the current holder remain outstanding.

Transferability

Pursuant to the Preference Share Placement Agreement, the Preference Shares are freely transferable to (intra-group) transferees (unless such transferee is outside the European Union and/or is otherwise subject to international or U.S. sanctions), subject to such transferees becoming party to an agreement which subjects them to the same restrictions as the Preference Share Placement Agreement for the benefit of the Company.

The Preference Shares must at all times be held by an entity which is ultimately controlled by the ultimate holding company of the current holder of the Preference Shares (as at the date of this Prospectus). The Preference Shares may otherwise only be transferred to third parties with the authorisation of the Executive Board.

Form of Shares and Shareholders' register

All Shares are in registered form (*op naam*).

The Executive Board shall keep a register setting out the names and addresses of all Shareholders and all holders of a right of usufruct (*vruchtgebruik*) or right of pledge (*pandrecht*) in respect of shares. The register shall also set out any other particulars that must be included in the register pursuant to Section 2:85 DCC, such as the number of Shares held, the date on which the Shares were acquired, the date of acknowledgement and/or service upon the Company of the instrument of transfer, the amount paid on each Share and the date of registration in the shareholders' register. If requested, the Executive Board will provide a Shareholder, usufructuary (*vruchtgebruiker*) or pledgee (*pandhouder*) of such Shares registered in the shareholders' register with an extract from the shareholders' register relating to his or her title to a Share free of charge.

For shares as referred to in the Dutch Act on Securities Transactions by Giro (*Wet giraal effectenverkeer*, the **Dutch Securities Transactions Act**), including the Offer Shares, which are included in: (i) a collective depot as referred to in that Dutch Securities Transactions Act, of which shares form part, as being kept by an intermediary, as referred to in the Dutch Securities Transactions Act; or (ii) a giro depot as referred to in that the Dutch Securities Transaction Act of which shares form part, as being kept by a central institute as referred to in that act, the name and address of the relevant intermediary or the relevant central institute shall be entered in the shareholders' register, stating the date on which those shares became part of such collective depot or giro depot, the date of acknowledgement by or giving of notice to, as well as the paid-up amount on each share.

Issuance of Shares

Shares can be issued pursuant to a resolution of the General Meeting at the proposal of the Executive Board with the approval of the Supervisory Board or of another body authorised by the General Meeting for this purpose for a specified period not exceeding five years. When granting such authorisation, the number of shares that may be issued must be specified. The authorisation may be extended, in each case for a period not exceeding five years. Unless stipulated differently when granting the authorisation, the authorisation cannot be revoked. For as long as and to the extent that another body has been authorised to resolve to issue shares, the General Meeting shall not have this authority.

The foregoing applies *mutatis mutandis* to the granting of rights to subscribe for shares, but does not apply in respect of issuing shares to a party exercising a previously acquired right to subscribe for shares.

On 12 May 2023, the General Meeting designated the Executive Board to, for a period of 18 months commencing on 12 May 2023 and with the approval of the Supervisory Board, issue shares and grant rights to subscribe for shares. This designation of the Executive Board is restricted to 10% of the issued and paid-up capital as at 12 May 2023.

Pre-emptive Rights

Upon an issue of Ordinary Shares, each holder of Ordinary Shares shall have a pre-emption right in proportion to the aggregate nominal value of his Ordinary Shares. Holders of Ordinary Shares do not have pre-emption rights in respect of:

- (a) an issuance of Preference Shares;
- (b) Shares issued against non-cash contribution; or
- (c) Shares issued to employees of the Company or of a Group Company.

Pre-emption rights relating to Ordinary Shares may be limited or excluded by a resolution of the General Meeting or of the body authorised to issue shares, if that body was authorised by the General Meeting for this purpose for a specified period not exceeding five years. The authorisation may be extended, in each case for a period not exceeding five years. Unless stipulated differently when granting the authorisation, the authorisation cannot be revoked. For as long as and to the extent that another body has been authorised to resolve to limit or exclude pre-emption rights, the General Meeting shall not have this authority. A resolution of the General Meeting to limit or exclude pre-emption rights, or to grant the aforementioned authorisation, shall require a majority of at least two thirds of the votes cast if less than half of the issued share capital is represented at the General Meeting.

The foregoing applies *mutatis mutandis* to the granting of rights to subscribe for Ordinary Shares, but do not apply in respect of issuing Ordinary Shares to a party exercising a previously acquired right to subscribe for Ordinary Shares.

Holders of Preference Shares do not have any pre-emption rights.

On 12 May 2023, the General Meeting designated the Executive Board to, for a period of 18 months commencing on 12 May 2023 and with the approval of the Supervisory Board, restrict or exclude the pre-emptive rights on the issue of shares or the granting of rights to subscribe for shares in accordance with and subject to the conditions of the designation as set out in section "*Corporate Governance, Management and Employees - Issuance of Shares*".

Reduction of Share capital

The General Meeting can at the proposal of the Executive Board with approval of the Supervisory Board resolve to reduce the Company's issued share capital by cancelling shares or by reducing the nominal value of shares by virtue of an amendment to the Articles of Association. The resolution must designate the Shares to which the resolution relates and it must provide for the implementation of the resolution. A resolution to cancel Shares may only relate to Shares held by the Company itself or in respect of which the Company holds the depository receipts. A resolution of the General Meeting to reduce the Company's issued share capital shall require a majority of at least two thirds of the votes cast if less than half of the issued share capital is represented at the General Meeting. Cancellation of all issued Preference Shares is possible, but with the approval of the meeting of holders of Preference Shares only. If all issued Preference Shares are cancelled, the following will be paid on each Preference Share:

- (a) as repayment: an amount equal the nominal value of a Preference Share;
- (b) as a distribution at the expense of the share premium reserve of the Preference Shares: a pro rata amount of the aggregate share premium paid on the Preference Shares;
- (c) as a distribution at the expense of the dividend reserve of the Preference Shares: a pro rata amount of the aggregate dividend reserve; and
- (d) as a distribution at the expense of the distributable equity: any Missing Preferred Dividend, to be calculated for this purpose over the period ending on the day this amount is made payable.

In addition, Dutch law contains detailed provisions regarding the reduction of capital.

Certain aspects of taxation of a reduction of share capital are described in section "*Taxation*".

Acquisition of own Shares

The acquisition by the Company of shares in its own capital which have not been fully paid up shall be null and void. The Company may only acquire fully paid-up shares in its own capital for no consideration or if and to the extent that the General Meeting has authorised the Executive Board for this purpose and all other relevant statutory requirements of Section 2:98 DCC are observed. An authorisation remains valid for no longer than eighteen months. When granting such authorisation, the General Meeting shall determine the number of shares that may be acquired, how they may be acquired and within which range the acquisition price must be. An authorisation shall not be required for the Company to acquire shares in its own capital in order to transfer them to employees of the Company or of a Group Company pursuant to an arrangement applicable to them, provided that these shares are included on the price list of a stock exchange.

Without prejudice to the foregoing, the Company may acquire shares in its own capital for cash consideration or for consideration satisfied in the form of assets. In the case of a consideration being satisfied in the form of assets, the value thereof, as determined by the Executive Board, must be within the range stipulated by the General Meeting.

On 12 May 2023, the General Meeting authorised the Executive Board to, for a period of 18 months commencing on 12 May 2023 and with the approval of the Supervisory Board, acquire shares (or certificates of shares) in the capital of the Company by whatever means other than free of charge, including by means of derivatives, stock exchange transactions, private transactions, block trades or otherwise. This authorisation is restricted to 10% of the issued and paid-up capital as at 12 May 2023 and to the acquisition of shares at a price per share that is between the nominal value per share and 110% of the average of the closing price on the last five trading days on Euronext Amsterdam prior to the day of the acquisition concerned.

Dividends and other distributions

General

The Company may only make distributions to its shareholders if its equity exceeds the amount of the paid-in and called-up part of the issued capital, plus the reserves as required to be maintained by the Company's Articles of Association or by Dutch law. See section "*Dividends and Dividend Policy*" for a more detailed description regarding dividends.

Annual profit distribution

A distribution of profits other than an interim distribution is only allowed after the adoption of the Company's annual accounts (i.e. non-consolidated) by the General Meeting, and the information therein will determine if the distribution of profits is legally permitted for the respective financial year.

Right to reserve

The Company has separate dividend reserves for the Ordinary Shares and Preference Shares, and separate share premium reserves for the Ordinary Shares and Preference Shares. The General Meeting is authorised to resolve to make a distribution from the Company's reserves. The Executive Board may resolve with the approval of the Supervisory Board to charge amounts to be paid up on shares against the Company's reserves, irrespective of whether those shares are issued to existing shareholders.

Interim distribution

To the extent the Company's equity exceeds the amount of the paid up and called up part of its capital plus the reserves which must be maintained by law, the Executive Board may resolve with the approval of the Supervisory Board to make interim distributions, provided that it appears from interim accounts to be prepared in accordance with Section 2:105(4) DCC.

Distribution in kind

The General Meeting may resolve that all or part of the distribution on Ordinary Shares shall, instead of a payment in cash, be made in the form of the issuance of Ordinary Shares or any other form of payment in kind / in the form of the Company's assets. Such a resolution of the General Meeting is subject to the prior proposal of the Executive Board with the approval of the Supervisory Board.

Profit ranking of the Shares

All of the Ordinary Shares issued and outstanding on the day following the Settlement Date, including the Offer Shares, will rank equal. In the event of insolvency, any claims of the holders of Ordinary Shares are subordinated to those of the creditors of the Company. This means that an investor could potentially lose all or part of its invested capital.

The Preference Shares rank ahead of the Ordinary Shares on the liquidation of the Company and with respect to the payment of dividends.

Payment

Payment of any future dividend on Ordinary Shares in cash will in principle be made in euro. Any dividends on Ordinary Shares that are paid to shareholders through Euroclear Nederland will be automatically credited to the relevant shareholders' accounts. There are no restrictions in relation to the payment of dividends under Dutch law in respect of holders of Ordinary Shares who are non-residents of the Netherlands. However, see section "*Taxation*" for a discussion of certain aspects of taxation of dividends and refund procedures for non-tax residents of the Netherlands. Payments of profit and other payments are announced in a notice by the Company. A shareholder's claim to payments of profits and other payments lapses five years and one day after the day on which the claim became payable. Any profit or other payments that are not claimed within this period will be considered to have been forfeited to the Company and will be carried to the reserves of the Company.

Exchange controls and other provisions relating to non-Dutch Shareholders

Under Dutch law, subject to the 1977 Sanction Act (*Sanctiewet 1977*), or otherwise by international sanctions, there are no exchange control restrictions on investments in, or payments on, Ordinary Shares. There are no special restrictions in the Articles of Association or Dutch law that limit the right of shareholders who are not citizens or residents of the Netherlands to hold Ordinary Shares.

General Meetings and voting rights

General Meetings

General Meetings must be held where the Company has its corporate seat or in Amsterdam, Rotterdam, Schiphol (Haarlemmermeer), Utrecht or Maastricht, the Netherlands. The General Meeting must be held at least once a year, within six months after the end of the financial year. Extraordinary General Meetings may be held as often as the Executive Board or the Supervisory Board deems desirable. In addition, one or more Shareholders, who solely or jointly represent at least the percentage of the issued capital as required by law, which currently is at least one-tenth of the issued capital, may request that a General Meeting be convened, the request setting out in detail matters to be considered. If neither the Executive Board nor the Supervisory Board (each in that case being equally authorised for this purpose) has taken the steps necessary to ensure that the General Meeting could be held within the relevant statutory period after the request, the requesting person(s) with meeting rights may be authorised, at his/their request, by the court in preliminary relief proceedings to convene a General Meeting. Within three months of it becoming apparent to the Executive Board that the equity of the Company has decreased to an amount equal to or lower than one-half of the paid-up part of the capital, a General Meeting will be held to discuss any requisite measures.

The convocation of the General Meeting must be published through an announcement by electronic means. The notice must state the subject to be dealt with, the time and place of the meeting, the record date, the manner in which persons entitled to attend the General Meeting may register and exercise their rights, the time on which registration for the meeting must have occurred ultimately, as well as the place where the meeting documents may be obtained, and such other information as may be required by Dutch law. The notice must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days.

The agenda for the annual General Meeting must, among other things, include the adoption of the annual accounts, the discussion of any substantial change in the corporate governance structure of the Company and the allocation of the profits, insofar as this is at the disposal of the General Meeting. In addition, the agenda shall include such items as have been included therein by the Executive Board, the Supervisory Board or Shareholders (with due observance of Dutch law as described below). If the agenda of the General Meeting contains the item of granting discharge to the Executive Directors and Supervisory Directors concerning the performance of their duties in the financial year in question, the matter of the discharge shall be mentioned on the agenda as separate items for the Executive Board and the Supervisory Board respectively. The agenda shall also include such items as one or more Shareholders and others entitled to attend General Meetings, representing, pursuant to the Articles of Association, at least the percentage of the issued and outstanding share capital as required by law (which as of the date of this Prospectus is 3%), have requested the Executive Board by a motivated request to include in the agenda, at least 60 days before the day of the General Meeting. No resolutions may be adopted on items other than those which have been included in the agenda (unless the resolution would be adopted unanimously during a meeting where the entire issued capital of the Company is present or represented).

The General Meeting is chaired by the chairperson of the Supervisory Board. However, the chairperson of the Supervisory Board may charge another person with chairing the General Meeting even if the chairperson of the Supervisory Board is present at the meeting. If the chairperson of the Supervisory Board is absent and has not charged another person with chairing the meeting instead, the Supervisory Directors present at the meeting shall appoint one of them as chairperson of the General Meeting. In the absence of all Supervisory Directors, the General Meeting is chaired by the chairperson of the Executive Board or, in the absence of the chairperson of the Executive Board, by another Executive Director appointed by the Executive Board. Executive Directors and Supervisory Directors may attend a General Meeting. In these General Meetings, Executive Directors and Supervisory Directors have an advisory vote. The chairperson of the General Meeting may decide at his or her discretion to admit other persons to the General Meeting.

Each Shareholder (as well as other persons with voting rights or meeting rights) may attend the General Meeting, address the General Meeting and exercise voting rights pro rata to his or her shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of Ordinary Shares, on the record date as required by Dutch law, which is currently the 28th day before the day of the General Meeting, and they or their proxy have notified the Company of their intention to attend the General Meeting in writing or by any other electronic means that can be reproduced on paper at the address and by the date specified in the notice of the General Meeting. The convocation notice shall state the record date and the manner in which the persons entitled to attend the General Meeting may register and exercise their rights.

Voting rights

Each Ordinary Share confers the right to cast twenty votes in the General Meeting and each Preference Share confers the right to cast one vote in the General Meeting. Subject to certain exceptions provided by Dutch law or the Articles of Association, resolutions of the General Meeting are passed by a simple majority of votes cast, regardless of which part of the issued share capital such votes represent. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of Ordinary Shares which are held by the Company or any of its subsidiaries.

Amendment of the Articles of Association

The General Meeting may pass a resolution to amend the Articles of Association, with a simple majority of the votes cast, but only on a proposal of the Executive Board that has been approved by the Supervisory Board. A proposal to amend the Articles of Association must be stated in the notice of the General Meeting. In the event of a proposal to the General Meeting to amend the Articles of Association, a copy of such proposal containing the verbatim text of the proposed amendment will be deposited at the Company's office, for inspection by shareholders and other persons holding meeting rights, until the end of the meeting. Furthermore, a copy of the proposal will be made available free of charge to shareholders and other persons holding meeting rights from the day it was deposited until the day of the meeting.

Legal merger/legal division

The General Meeting may pass a resolution to effect a legal merger or a legal division, with a simple majority of the votes cast, but only on a proposal of the Executive Board that has been approved by the Supervisory Board. A proposal to effect a legal merger or a legal division must be stated in the notice.

Dissolution and liquidation

The Company may only be voluntarily dissolved by a resolution of the General Meeting, with a simple majority of the votes cast, but only on a proposal of the Executive Board that has been approved by the Supervisory Board. If the General Meeting has resolved to dissolve the Company, the Executive Board must carry out the liquidation of the Company, under the Supervisory Board's supervision, unless otherwise resolved by the General Meeting. During liquidation, the provisions of the Articles of Association will remain in force as far as possible. The balance of the assets of the Company remaining after all liabilities and the costs of liquidation shall be distributed among the Shareholders in proportion of their number of Ordinary Shares. Certain tax aspects of liquidation proceeds are described in section "*Taxation*".

Annual financial report and interim financial report

Annually, within four months after the end of the financial year, the Executive Board must publish and simultaneously file with the AFM its annual financial report, consisting of the financial statements, a management report, a responsibility statement, an independent auditor's report and certain other information required under Dutch law and make them available for inspection by the Shareholders at the office of the Company and on its website. The Company's financial statements must be signed by all Executive Directors and all Supervisory Directors. If the signature of one or more of them is missing, this will be stated and reasons for this omission will be given. The annual financial report must be made available to the Shareholders for review as from the day of the notice convening the annual General Meeting where they are discussed until the conclusion of such meeting. The financial statements must be adopted by the General Meeting. The Executive Board must send the adopted financial statements to the AFM within five business days after adoption.

The Company must prepare and make publicly available an interim financial report as soon as possible, but at the latest three months after the end of the first six months of the financial year. If the interim financial statements are audited or reviewed, the independent auditor's report or independent auditor's review report, respectively, must be published together with the interim financial report. If the interim financial statements are unaudited or not reviewed, the interim management board report should state so.

Dutch Financial Reporting Supervision Act

On the basis of the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*, the **FRSA**) the AFM supervises the application of financial reporting standards by companies whose seat is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange (if the Netherlands is the issuer's home member state), such as the Company.

Pursuant to the FRSA, the AFM has an independent right to: (i) request an explanation from the Company regarding its application of the applicable financial reporting standards; and (ii) recommend that the Company make available further explanations. If the Company does not comply with such a request or recommendation, the AFM may request that the enterprise chamber of the court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*, the **Enterprise Chamber**) orders the Company to: (i) provide an explanation of the way it has applied the applicable financial reporting standards to its financial reports; or (ii) prepare its financial reports in accordance with the Enterprise Chamber's instructions.

Anti-takeover measures

The Company has no anti-takeover measures in place and does not intend to adopt any such measures.

Dutch cooling-off period in face of shareholder activism or hostile take-over

Dutch law provides a statutory cooling-off period of up to 250 days during which the general meeting is not able to dismiss, suspend or appoint members of the Executive Board or supervisory board (or amend the provisions in the articles of association dealing with those matters) unless those matters would be proposed by the Executive Board. This cooling-off period can be invoked by the Executive Board in case:

- (a) shareholders, using either their shareholder proposal right or their right to request a general meeting, propose an agenda item for the general meeting to dismiss, suspend or appoint a member of the Executive Board or supervisory board (or to amend any provision in the articles of association dealing with those matters); or
- (b) a public offer for the Company is made or announced without the Company's support, provided, in each case, that the Executive Board believes that such proposal or offer materially conflicts with the interests of the Company and its business.

The cooling-off period, if invoked, ends at occurrence of the earliest of the following events:

- (a) the expiration of 250 days from in case of shareholders using their shareholder proposal right, the day after the deadline for making such proposal expired; in case of Shareholders using their right to request a general meeting, the day when they obtain court authorisation to do so; or in case of a hostile offer being made, the first following day;
- (b) the day after the hostile offer having been declared unconditional; or
- (c) the Executive Board voluntarily terminating the cooling-off period.

In addition, shareholders representing at least 3% of the Company's issued share capital may request the Dutch Enterprise Chamber of the Amsterdam Court of Appeals for early termination of the cooling-off period. The Enterprise Chamber must rule in favour of the request if the shareholders can demonstrate that the Executive Board, in light of the circumstances at hand when the cooling-off period was invoked, could not reasonably have come to the conclusion that the relevant shareholder proposal or hostile offer constituted a material conflict with the interests of the Company and its business; the Executive Board cannot reasonably believe that a continuation of the cooling-off period would contribute to careful policy-making; if other defensive measures have been activated during the cooling-off period and not terminated or suspended at the relevant shareholders' request within a reasonable period following the request (i.e., no 'stacking' of defensive measures).

During the cooling-off period, if invoked, the Executive Board must gather all relevant information necessary for a careful decision-making process. In this context, the Executive Board must at least consult with shareholders representing at least 3% of the Company's issued share capital at the time the cooling-off period was invoked and with the Works Council. Formal statements expressed by these stakeholders during such consultations must be published on the Company's website to the extent these stakeholders have approved that publication.

Ultimately one week following the last day of the cooling-off period, the Executive Board must publish a report in respect of its policy and conduct of affairs during the cooling-off period on the Company's website. This report must remain available for inspection by shareholders and others with meeting rights under Dutch law at the Company's office and must be tabled for discussion at the next general meeting.

Rules governing obligations of Shareholders to make a public takeover bid

Pursuant to the Dutch Financial Supervision Act, and in accordance with European Directive 2004/25/EC, also known as the takeover directive, any shareholder who (individually or jointly) directly or indirectly obtains control of a Dutch listed company is required to make a public takeover bid for all issued and outstanding shares in that company's share capital. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of such listed company (subject to an exemption for major shareholders who, acting alone or in concert, already had such stake in the company at the time of that company's initial public offering).

In addition, it is prohibited to launch a public takeover bid for shares of a listed company, such as the Ordinary Shares, unless an offer document has been approved by the AFM. A public takeover bid may only be launched by way of publication of an approved offer document unless a company makes an offer for its shares. The public takeover bid rules are intended to ensure that in the event of a public takeover bid, among other things, sufficient information will be made available to the shareholders, that the shareholders will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period.

Squeeze-out proceedings

Pursuant to article 2:92a DCC, a shareholder who on his or her own account contributes at least 95% of a Dutch company's issued share capital may institute proceedings against such company's minority shareholders jointly for the transfer of their shares to him or her. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him or her. Unless the addresses of all of them are known to him or her, he or she is required to publish the same in a daily newspaper with nationwide circulation. The offeror under a public takeover bid is also entitled to start squeeze-out proceedings if, following the public takeover bid, the offeror contributes at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. The claim of a takeover squeeze-out needs to be filed with the Enterprise Chamber within three months, following the expiry of the acceptance period of the offer. The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer. The Dutch takeover provisions of the Dutch FMSA also entitle those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. In regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. The claim also needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

Obligations to disclose holdings

Shareholders may be subject to notification obligations under the Dutch FMSA. Shareholders are advised to seek professional advice on these obligations.

Shareholders

Pursuant to the Dutch FMSA, any person who, directly or indirectly, acquires or disposes of an actual or potential interest in the capital or voting rights of a listed company must immediately notify the AFM by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in the company reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

A notification requirement also applies if a person's capital interest or voting rights reaches, exceeds or falls below the abovementioned thresholds as a result of a change in the Company's total outstanding share capital or voting rights. Such notification has to be made no later than the fourth trading day after the AFM has published the Company's notification of the change in its outstanding share capital. The Company is required to notify the AFM immediately of the changes to its total share capital or voting rights if its issued share capital or voting rights changes by 1% or more since the Company's previous notification. The Company must furthermore notify the AFM within eight days after each quarter, in the event its share capital or voting rights changed by less than 1% in that relevant quarter since the Company's previous notification.

In addition, every holder of 3% or more of the Company's share capital or voting rights whose interest changes in respect of the previous notification to the AFM by reaching or crossing one of the thresholds mentioned above as a consequence of the interest being differently composed due to having acquired shares or voting rights through the exercise of a right to acquire such shares or voting rights, must notify the AFM of the changes within four trading days after the date on which the holder knows or should have known that his or her interest reaches or crosses a relevant threshold.

Controlled entities, within the meaning of the Dutch FMSA, do not have notification obligations under the Dutch FMSA, as their, direct and indirect, interests are attributed to their (ultimate) parent. Any person may qualify as a parent for purposes of the Dutch FMSA, including a natural person. A person who has a 3% or larger interest in the Company's share capital or voting rights and who ceases to be a controlled entity for these purposes must immediately notify the AFM. As of that moment, all notification obligations under the Dutch FMSA will become applicable to the former controlled entity.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, *inter alia*, be taken into account: (i) shares and voting rights directly held (or acquired or disposed of) by any person; (ii) shares and voting rights held (or acquired or disposed of) by such person's controlled entity or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment; (iv) shares which such person (directly or indirectly) or third party referred to above may acquire pursuant to any option or other right to acquire shares; (v) shares that determine the value of certain cash settled financial instruments such as contracts for difference and total return swaps; (vi) shares that must be acquired upon exercise of a put option by a counterparty; and (vii) shares that are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares.

Special attribution rules apply to shares and voting rights that are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct in respect of shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote on the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger the reporting obligations as if the pledgee or beneficial owner were the legal holder of the shares.

For the same purpose, the following instruments qualify as 'shares': (i) shares; (ii) depositary receipts for shares (or negotiable instruments similar to such receipts); (iii) negotiable instruments for acquiring the instruments under (i) or (ii) (such as convertible bonds); and (iv) options for acquiring the instruments under (i) or (ii).

Notification of short positions

Each person holding a gross short position in relation to the issued share capital of a Dutch listed company that reaches, exceeds or falls below any one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%,

50%, 60%, 75% and 95%, must immediately give written notice to the AFM. If a person's gross short position reaches, exceeds or falls below one of the abovementioned thresholds as a result of a change in the Company's issued share capital, such person must make a notification not later than the fourth trading day after the AFM has published the Company's notification in the public register of the AFM. Shareholders are advised to consult with their own legal advisers to determine whether the gross short selling notification obligation applies to them.

In addition, pursuant to Regulation (EU) No 236/2012, each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.2% must also be notified. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set-off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located.

Executive Directors and Supervisory Directors

Pursuant to the Dutch FMSA, each Executive Director and each Supervisory Director must notify the AFM: (i) immediately following the Admission of the Ordinary Shares of the number of Ordinary Shares and options he or she holds and the number of votes he or she is entitled to cast in respect of the Company's issued share capital; and (ii) subsequently of each change in the number of Ordinary Shares or options he or she holds and of each change in the number of votes he or she is entitled to cast in respect of the Company's issued share capital, immediately after the relevant change. If an Executive Director or Supervisory Director has notified a change in shareholding to the AFM under the Dutch FMSA as described above under section "*Shareholders*" above, such notification is sufficient for purposes of the Dutch FMSA as described in this paragraph.

Furthermore, pursuant to the Regulation (EU) No 596/2014 of the European Parliament and the Council (the **Market Abuse Regulation**) and the regulations promulgated thereunder, any Executive Director and Supervisory Director, as well as any other person discharging managerial responsibilities in respect of the Company who has regular access to inside information relating directly or indirectly to the Company and power to take managerial decisions affecting future developments and business prospects of the Company, must notify the AFM by means of a standard form of any transactions conducted for his or her own account relating to the Ordinary Shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto.

In addition, pursuant to the Market Abuse Regulation, certain persons who are closely associated with Executive Directors, Supervisory Directors or any of the other persons as described above are required to notify the AFM of any transactions conducted for their own account relating to the Ordinary Shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto. The Market Abuse Regulation covers, inter alia, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership whose managerial responsibilities are discharged by a person referred to under (i) to (iii) above or by the relevant Executive Directors, Supervisory Directors or other person discharging the managerial responsibilities in respect of the Company as described above.

The notifications pursuant to the Market Abuse Regulation described above must be made to the AFM no later than the third business day following the relevant transaction date. Under certain circumstances, these notifications may be postponed until all transactions within a calendar year have reached a total amount of €5,000 (calculated without netting). Any subsequent transaction must be notified as set forth above.

Non-compliance

Non-compliance with the disclosure obligations set out in the paragraphs above is an economic offense (*economisch delict*) and may lead to the imposition of criminal prosecution, administrative fines, imprisonment or other sanctions. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. If criminal charges are pressed, the AFM is no longer allowed to impose administrative penalties and, vice versa, the criminal prosecution is no longer allowed if administrative penalties have been imposed. Furthermore, a civil court can impose measures against any person who fails to notify or incorrectly notifies the

AFM of matters required to be correctly notified. A claim requiring that such measures be imposed must be instituted by the Company and/or one or more Shareholders who alone or together with others represent(s) at least 3% of the issued share capital or are able to exercise at least 3% of the voting rights. The measures that the civil court may impose include:

- an order requiring the person violating the disclosure obligations to make appropriate disclosure;
- suspension of voting rights in respect of such person's Ordinary Shares for a period of up to three years as determined by the court; and
- voiding a resolution adopted by a General Meeting, if the court determines that the resolution would not have been adopted if the voting rights of the person who is obliged to notify had not been exercised, or suspension of a resolution until the court makes a decision about such voiding; and an order to the person violating the disclosure obligations to refrain, during a period of up to five years as determined by the court, from acquiring Ordinary Shares and/or voting rights in Ordinary Shares.

Public registry

The AFM does not issue separate public announcements of these notifications. It does, however, keep a public register of all notifications under the Dutch FMSA on its website (www.afm.nl). Third parties can request to be notified automatically by e-mail of changes to the public register in relation to a particular company's shares or a particular notifying party.

Identity of Shareholders and distribution of information

The Company may, in accordance with Chapter 3A of the Dutch Securities Transactions Act, request Euroclear Nederland, admitted institutions, intermediaries, institutions abroad, and managers of investment institutions to provide certain information on the identity of its Shareholders. Such request may only be made during a period of 60 days up to the day on which the General Meeting will be held. No information will be given on Shareholders with an interest of less than 0.5% of the issued share capital. A Shareholder who, individually or together with other Shareholders, holds an interest of at least 10% of the issued share capital may request the Company to establish the identity of its Shareholders. This request may only be made during a period of 60 days until (and not including) the 42nd day before the day on which the General Meeting will be held. If a request as referred to in the previous paragraph has been made by either the Company or a Shareholder in accordance with the previous paragraph, Shareholders who, individually or with other Shareholders, hold Ordinary Shares that represent at least 1% of the issued and outstanding share capital or a market value of at least €250,000 may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting. The Company can only refuse disseminating such information, if received less than seven business days prior to the General Meeting, if the information gives or could give an incorrect or misleading signal or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

Related party transactions

Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement establishes requirements in relation to the exercise of certain shareholder rights attached to voting shares in relation to general meetings of companies which have their registered office in a Member State of the European Union (a **Member State**) and the shares of which are admitted to trading on a regulated market situated or operating within a Member State. The Dutch Act to implement Directive (EU) 2017/828 (*bevordering van de langetermijnbetrokkenheid van aandeelhouders*, the **Dutch SRD Act**), among other things, adds new rules on related party transactions to the Dutch Civil Code and provides that "material transactions" with "related parties" not entered into within the ordinary course of business or not concluded on normal market terms, will need to be approved by the supervisory board, or, in the case of a one-tier board, the (non-executive members of the) board of directors, and be publicly announced at the time that the transaction is entered into. If following the Market Abuse Regulation the information should be published at an earlier stage, that requirement prevails.

Any director or shareholder that has a personal interest, direct or indirect, in the transaction cannot participate in the deliberations or decision-making with respect to the related party transaction concerned. As long as not all of the directors are excluded on the basis that they have a personal interest in the relevant transaction, no approval from the General Meeting will be required. In this context: a "related party" is interpreted in accordance with IFRS-EU (International Accounting Standards (IAS) 24 (*Related Party Disclosures*)) and includes a party that has "control" or "significant influence" over the company or is a member of the company's key management personnel; and a transaction is considered "material" if it would constitute inside information within the meaning of the Market Abuse Regulation and is concluded between the company and a related party (which for this purpose, and in line with the Dutch Corporate Governance Code, in any event includes one or more shareholders representing at least 10% of the issued share capital or a managing director or supervisory director). Certain transactions are not subject to the approval and disclosure provisions of the Dutch SRD Act (for example, transactions concluded between a company and its subsidiary). The supervisory board, or, in the case of a one-tier board, the board of directors, will be required to establish an internal procedure to periodically assess whether transactions are concluded in the ordinary course of business and on normal market terms.

Market abuse regime

Reporting of Insider Transactions

Pursuant to the Market Abuse Regulation, no natural or legal person is permitted to: (i) engage or attempt to engage in insider dealing in financial instruments listed on a regulated market or for which a listing has been requested, such as the Ordinary Shares; (ii) recommend that another person engages in insider dealing or induce another person to engage in insider dealing; or (iii) unlawfully disclose inside information relating to the Ordinary Shares or the Company.

Furthermore, no person may engage in or attempt to engage in market manipulation.

The Company is required to inform the public, as soon as possible and in a manner that enables fast access and complete, correct and timely assessment of the information, of inside information which directly concerns the Company. Pursuant to Market Abuse Regulation, inside information is knowledge of concrete information directly or indirectly relating to the issuer or the trade in its securities, which has not yet been made public and publication of which would significantly affect the trading prices of the securities (i.e. information a reasonable investor would be likely to use as part of the basis of its investment decision). An intermediate step in a protracted process can also be deemed to be inside information. The Company is required to post and maintain on its website all inside information for a period of at least five years. Under certain circumstances, the disclosure of inside information may be delayed, which needs to be notified to the AFM after the disclosure has been made. Upon request of the AFM, a written explanation needs to be provided setting out why a delay of the publication was considered permitted.

A person discharging managerial responsibilities is not permitted to (directly or indirectly) conduct any transactions on its own account or for the account of a third party, relating to Ordinary Shares or debt instruments of the Company or other financial instruments linked thereto, during a closed period of 30 calendar days before the announcement of an half-yearly financial report or a management report of the Company.

Non-compliance with the EU market abuse rules

In accordance with the Market Abuse Regulation, the AFM has the power to take appropriate administrative sanctions, such as fines, and/or other administrative measures in relation to possible infringements. Non-compliance with the market abuse rules set out above could also constitute an economic offense (*economisch delict*) and/or a crime (*misdrif*) and could lead to the imposition of administrative fines by the AFM. The public prosecutor could press criminal charges resulting in fines or imprisonment. If criminal charges are pressed, it is no longer allowed to impose administrative penalties and *vice versa*.

The AFM shall in principle also publish any decision imposing an administrative sanction or measure in relation to an infringement of the Market Abuse Regulation.

Transparency Directive

The Netherlands will be the Company's home Member State for the purposes of Directive 2004/109/EC (as amended by Directive 2013/50/EU) as a consequence of which the Company will be subject to the Dutch FMSA in respect of certain ongoing transparency and disclosure obligations.

THE OFFERING

Introduction

The Company is offering up to 4,353,890 Offer Shares in the Offering at the Issue Price of €11.50 per Offer Share, on the basis of 7 Offer Shares for 41 Rights, and for a total amount of approximately €50 million in gross proceeds. Ordinary Shareholders on register at the Record Date are being granted Rights that will entitle Ordinary Shareholders that qualify as Eligible Persons to subscribe for Offer Shares at the Issue Price. The Issue Price represents a discount of €3.04 per Ordinary Share, i.e. 18.4% to the theoretical ex-rights price of €14.10 per Ordinary Share, based on the Closing Price and 25,501,356 Ordinary Shares issued and outstanding at that date. The mere granting of Rights to an Ordinary Shareholder does not constitute an offer of Offer Shares. No offer of Offer Shares is being made to Ordinary Shareholders who are not Eligible Persons and are therefore not permitted to exercise the Rights granted to them.

Ordinary Shareholders who transfer, or who do not timely or validly, or are not permitted to, exercise any of their Rights granted under the Offering will suffer a dilution of their proportionate ownership and voting rights of approximately 14.6% as a result of the issue of the Offer Shares. However, such Ordinary Shareholders may receive valuable consideration on the sale of their Rights during the Exercise Period, subject to the restrictions set forth in this chapter. Ordinary Shareholders who do not or cannot sell their Rights will not receive any excess amount or other form of compensation. All requirements concerning deadlines, validity, and form of instructions to a financial intermediary in relation to the exercise, sale, purchase of Rights or unexercised Rights will be determined by the relevant financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies to the holders of Rights.

Grachtenheer, the Company's major shareholder and the Underwriter, shall (i) subject to the satisfaction of conditions contained in the Commitment Letter, subscribe for Offer Shares in the Offering by exercising at least the Rights (as defined below) that are allotted to it based on its proportionate shareholding and (ii), subject to the satisfaction of conditions contained in and on the terms of the Underwriting Agreement, subscribe and, at a price of €11.50, pay for the Underwritten Shares up to an amount of €50,000,000 in total taken together with the Offer Shares already subscribed for and purchased by exercising the Rights that were granted to Grachtenheer based on its proportionate shareholding on the Record Date.

The Company has been informed by Grachtenheer that Grachtenheer has agreed to sell 50% of the Ordinary Shares to be acquired by Grachtenheer in the Offering and through its underwriting of the Offering to certain third party investors on or shortly after the Settlement. Immediately following completion of this Grachtenheer Sell-Down:

- if Grachtenheer has subscribed only for such number of Offer Shares in the Offering proportionate to its holding of Ordinary Shares immediately prior to Settlement, Grachtenheer will hold approximately 45.5% of the Company's issued share capital; and
- if Grachtenheer has subscribed, pursuant to its underwriting of the Offering, for Offer Shares in a total amount of €50,000,000, Grachtenheer will hold approximately 49.2% of the Company's issued share capital.

The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of Ordinary Shareholders in respect of the Offering have been excluded for the purpose of the Offering, since the Company is not taking any action to permit a public offering of the Rights or the Offer Shares in any jurisdiction other than the Netherlands. Instead, Ordinary Shareholders, as of the Record Date, are being granted Rights that will entitle them, if they are Eligible Persons, to subscribe for the Offer Shares at the Issue Price.

Restrictions on free transferability of the securities

There are no restrictions on the free transferability of the Ordinary Shares under the Articles of Association or under Dutch law that limit the right of Ordinary Shareholders to hold Ordinary Shares. The Offering to persons located or resident in, or who are citizens of, or who have a registered address in jurisdictions other than the Netherlands, and the transfer of Offer Securities into jurisdictions other than the Netherlands, may be subject to specific regulations or restrictions. In such cases, investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Rights may only be exercised and used to

subscribe for Offer Shares by Shareholders as of the Record Date and subsequent transferees of the Rights, in each case who are able to give the representations and warranties set out in "*Selling and Transfer Restrictions*".

Selling and transfer restrictions

The Company urges each potential investor to carefully read the restrictions described in "*Selling and Transfer Restrictions*". The making or acceptance of an offer to sell Offer Securities to persons with registered addresses in, or who are resident or located in, or citizens of, jurisdictions other than the Netherlands may be affected by the laws or regulations of the relevant jurisdiction. Only Shareholders who qualify as Eligible Persons as of the Record Date will be entitled to exercise Rights pursuant to the grant of Rights by the Company. The mere granting of Rights to an Ordinary Shareholder does not constitute an offer of Offer Shares. Rights that are credited to the account of an Ineligible Person will not constitute an offer of the Offer Shares to such person and will not confer any rights upon such person to exercise such credited Rights. No offer of Offer Shares is being made to Ordinary Shareholders who are not Eligible Persons and are therefore not permitted to exercise the Rights granted to them. Accordingly, any person who is in any doubt as to their position should consult an appropriate professional advisor without delay.

Timetable

Subject to acceleration or extension of the timetable for, or withdrawal of, the Offering, the timetable below sets forth certain expected key dates for the Offering.

| Event | Time and Date |
|---|--|
| Start of ex-Rights trading in the Ordinary Shares commences on Euronext Amsterdam | 09: 00 hours CET on Monday 19 June 2023 |
| Start of the Exercise Period | 09:00 hours CET on Monday 19 June 2023 |
| Start of trading in the Rights on Euronext Amsterdam | 09:00 hours CET on Monday 19 June 2023 |
| Record Date | 17: 40 hours CET on Tuesday 20 June 2023 |
| End of trading in the Rights on Euronext Amsterdam | 17:40 hours CET on Friday 30 June 2023 |
| End of the Exercise Period for retail and institutional investors | 17:40 hours CET on Tuesday 4 July 2023 |
| Allotment of Offer Shares | Wednesday 5 July 2023 |
| Settlement Date | Friday 7 July 2023 |
| Listing of and start of trading in the Offer Shares on Euronext Amsterdam | 09:00 hours CET on Friday 7 July 2023 |

The last date and/or time before which notification of exercise instructions may be validly given by the holder of any Right may be earlier than the date and/or time specified above as the end of the Exercise Period, depending on the financial intermediary through which such Rights are held.

The Company reserves the right to adjust the dates, times and periods given in the timetable and throughout this Prospectus. If the Company should decide to adjust dates, times or periods, it will notify the AFM and Euronext Amsterdam and issue a press release that will also be posted on the Company's website (www.sif-group.com). Any other material alterations will be published in a press release on the Company's website and in a supplement to the Prospectus (if required) that is subject to the approval of the AFM.

The number of Offer Shares subscribed for in the Offering will be made public through a press release, which will be published on the Company's website (www.sif-group.com), at the latest in the morning of the day following the end of the Exercise Period.

Offering

Rights

Subject to applicable securities laws and regulations, each person holding Ordinary Shares immediately following the close of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 CET on the Record Date will be entitled to 1 Right for 1 Ordinary Share held. An Eligible Person (whether an Ordinary Shareholder on the Record Date or a subsequent transferee of Rights) will be entitled to subscribe for 7 Offer Shares for 41 Rights held. Rights may be exercised only in integral multiples of the subscription ratio. No fractional Offer Shares will be

issued. Eligible Persons may sell any excess Rights or acquire additional Rights to subscribe for a whole number of Offer Shares on Euronext Amsterdam in the trading period commencing at 09:00 CET on Monday 19 June 2023 and ending at 17:40 CET on Friday 30 June 2023.

A financial institution may not acknowledge the receipt of any Rights, and the Company reserves the right to treat as invalid the exercise, purported exercise or transfer of any Rights, which may involve a breach of the laws or regulations of any jurisdiction or if it believes, or its agents believe, that the same may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described herein.

If an Ordinary Shareholder holds Ordinary Shares on the Record Date, the financial intermediary through which it holds Ordinary Shares will customarily provide that Shareholder with details of the total number of Rights to which that Ordinary Shareholder will be entitled, subject to applicable securities laws and regulations. An Ordinary Shareholder should contact its financial intermediary if it is entitled to receive Rights but has received no information from its financial intermediary with respect to the Offering.

Only Ordinary Shareholders who qualify as Eligible Persons during the Exercise Period will be entitled to take up, exercise, sell or otherwise transfer Rights pursuant to the grant of Rights by the Company. Rights granted to Ordinary Shareholders who are not Eligible Persons shall not constitute an offer of Offer Shares to such person. The Rights will be credited to their account and will not confer any rights upon such person, including the right to take up, exercise, sell or otherwise transfer such credited Rights. Receipt of this Prospectus by a person other than an Eligible Person shall not, subject to certain exceptions, constitute an offer of Offer Shares to that person.

Record Date

Until the close of trading in the Ordinary Shares on Euronext Amsterdam on Friday 16 June 2023, Ordinary Shares will trade with Rights (*cum*-Rights). As from 09:00 hours CET on Monday 19 June 2023, Ordinary Shares will trade without the Rights (*ex*-Rights).

Although the Record Date for determining the holders of the issued and outstanding Ordinary Shares who will receive Rights (subject to applicable securities laws and regulations) is immediately after the closing of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 hours CET on Tuesday 20 June 2023 (on the Record Date), it is expected that Rights granted to existing holders of the issued and outstanding Ordinary Shares will be reflected in the securities account of the relevant holder already on Monday 19 June 2023 and that, as a result, these Rights can be exercised already on the first day of the Exercise Period.

Listing and trading of Rights

The Company expects trading of the Rights on Euronext Amsterdam to commence at or around 09:00 CET on Monday 19 June 2023 and to end at 17:40 CET on Friday 30 June 2023, barring unforeseen circumstances. The Rights will be traded on Euronext Amsterdam under the symbol "SIFRI" and ISIN code NL0015001EL6. The transfer of the Rights will take place through the book-entry form system of Euroclear Nederland. Persons interested in trading, buying or selling Rights should be aware that the exercise of Rights by holders who are located in jurisdictions other than the Netherlands is subject to restrictions as described in "*Selling and Transfer Restrictions*".

Ordinary Shareholders who are Eligible Persons and wish to sell all or part of their Rights and are holding their Ordinary Shares through a financial intermediary, should instruct the financial intermediary through which they hold their Rights in accordance with the instructions received from it. Ordinary Shareholders who are Eligible Persons may also instruct their financial intermediary to buy or sell Rights on their behalf. Ordinary Shareholders who are interested in trading, buying or selling Rights should be aware that they may be restricted from buying, selling and/or exercising Rights and acquiring Offer Shares if they are located in a jurisdiction other than the Netherlands and therefore are not eligible to participate in the Offering. See "*Selling and Transfer Restrictions*".

All trades in Rights and Offer Shares prior to the Settlement Date are at the sole risk of the parties concerned. The Company, the Underwriter, the Subscription, Listing and Paying Agent and Euronext Amsterdam do not accept any responsibility or liability with respect to the withdrawal of the Offering or the related annulment of any transactions in Offer Securities on Euronext Amsterdam. See "*Important Information - Responsibility Statement*".

Exercise period

Subject to the restrictions set out below, an Eligible Person (whether an Ordinary Shareholder on the Record Date or a subsequent transferee of Rights) may subscribe for Offer Shares by exercising their Rights from 09:00 CET on Monday 19 June 2023 until 17:40 CET on Tuesday 4 July 2023 for retail and institutional investors that are holders of Rights, which is the end of the Exercise Period. The last date and/or time before which notification of exercise instructions may be validly given by holders of Rights may be earlier, depending on the financial intermediary through which their Rights are held. After the Exercise Period, Eligible Persons will no longer be able to exercise their Rights, and his or her proportionate ownership in the Company will be reduced. Once Rights have been validly exercised, such exercise cannot be revoked or modified, unless the Company amends the Prospectus in any material respect leading to a supplement to the Prospectus within the meaning of Article 23 of the Prospectus Regulation being published, in which event the holder will have the right, exercisable within two business days after publication of the supplement, to revoke or modify the exercise. Even if the market price of the Ordinary Shares fluctuates below the Issue Price after the Rights have been exercised, the Issue Price for any Offer Shares subscribed for will be payable.

Unexercised Rights

Ordinary Shareholders and, if applicable, financial intermediaries acting on their behalf, must act promptly to ensure that the Rights they hold can be sold before the expiration of the trading period. After expiry of the Exercise Period, there will not be a rump offering as any Offer Shares not subscribed for through the exercise of Rights in the Offering will be subscribed for by Grachtenheer, subject to the satisfaction of conditions contained in and on the terms of the Underwriting Agreement, up to an amount of €50,000,000 in total taken together with the Offer Shares already subscribed for and purchased by exercising the Rights that were granted to Grachtenheer based on its proportionate shareholding at the Record Date. If an Ordinary Shareholder does not sell its unexercised Rights, it will not receive any compensation for the dilution of its percentage ownership of its share capital which will result from the Offering.

Subscription and payment

An Eligible Person (whether an Ordinary Shareholder on the Record Date or a subsequent transferee of Rights) who wishes to exercise its Rights must instruct its financial intermediary in accordance with the instructions received from its financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from Eligible Persons, by means of transmitting an instruction via MT 565 SWIFT message or Easyway to Euroclear Nederland to inform the Subscription, Listing and Paying Agent of the Eligible Person's exercise instructions and for the delivery of exercised Rights to the Subscription, Listing and Paying Agent.

Ordinary Shareholders or investors who hold their Rights through a financial intermediary, should, in accordance with the instructions they receive from their financial intermediary, pay the Issue Price for each Offer Share subscribed for. The financial intermediary will pay the total Issue Price to the Subscription, Listing and Paying Agent, who will in turn pay it to the Company after deduction of applicable fees and expenses. Payment for the Offer Shares to the Subscription, Listing and Paying Agent must be made no later than the Settlement Date which is expected to be on Friday 7 July 2023. Financial intermediaries may require the payment for the Offer Shares prior to the Settlement Date. All questions concerning the timelines, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of Rights will be determined by the financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies its customers.

Neither the Company, the Underwriter nor the Subscription, Listing and Paying Agent are liable for any action, or failure to act, by a financial intermediary through which Ordinary Shareholders hold their Shares or Rights in connection with any subscriptions or purported subscriptions.

Allotment of Offer Shares

Allotment of Offer Shares to be issued pursuant to the Offering is expected to take place on Wednesday 5 July 2023. Eligible Persons who have subscribed for Offer Shares and paid the Issue Price ultimately on the Settlement Date may obtain information on the number of Offer Shares they have been allotted through their own financial intermediary. See "*The Offering – Issue, payment and delivery*" as to the consequences of any withdrawal of the Offering for the allotment of the Offer Shares.

Issue, payment and delivery

Settlement is expected to take place on Friday 7 July 2023. The Offer Shares will be issued in book-entry form through the facilities of Euroclear Nederland. Application has been made for the Offer Shares to be accepted for clearance through the book-entry facilities of Euroclear Nederland. Euroclear Nederland has its offices at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

If Settlement does not take place on the Settlement Date as planned or at all, the Offering will be withdrawn, the obligations of the Underwriter to subscribe and pay for any Offer Shares will lapse and both the exercised and unexercised Rights will be forfeited without compensation to their holders and the Offer Shares will not be offered or allocated. Any subscription payments received by the Company will be returned without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. But non-settled trades will be deemed null and void. There will be no refund in respect of any Rights purchased in the market.

Listing and trading of the Offer Shares

Application has been made for the listing and trading of the Offer Shares on Euronext Amsterdam. The Company expects that the Offer Shares will be admitted for listing and trading, and that trading in the Offer Shares will start, on Euronext Amsterdam at 09:00 CET on Friday 7 July 2023, barring unforeseen circumstances. The Ordinary Shares are listed on Euronext Amsterdam under the symbol "SIFG" and ISIN NL0011660485.

All dealings in Rights and Offer Shares prior to, and after, closing of the Offering are at the sole risk of the parties concerned. Any forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. There will be no refund of any Rights purchased in the market. Euronext Amsterdam, the Company, the Underwriter and the Subscription, Listing and Paying Agent do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights or Offer Shares on Euronext Amsterdam.

Arrangement with major Shareholder

As described in "*Plan of Distribution - Underwriting arrangements*", Grachtenheer, the Company's largest shareholder and the Underwriter, shall (i) subject to the satisfaction of conditions contained in the Commitment Letter, subscribe for Offer Shares in the Offering by exercising at least the Rights that are allotted to it based on its proportionate shareholding and (ii) subject to the satisfaction of conditions contained in and on the terms of the Underwriting Agreement, subscribe and, at a price of €11.50 per Underwritten Share, pay for the Underwritten Shares up to an amount of €50,000,000 in total taken together with the Offer Shares already subscribed for and purchased by exercising the Rights that were granted to Grachtenheer based on its proportionate shareholding at the Record Date.

The Company has been informed by Grachtenheer that Grachtenheer has agreed to sell 50% of the Ordinary Shares to be acquired by Grachtenheer in the Offering and through its underwriting of the Offering to certain third party investors on or shortly after the Settlement. Immediately following completion of this Grachtenheer Sell-Down:

- if Grachtenheer has subscribed only for such number of Offer Shares in the Offering proportionate to its holding of Ordinary Shares immediately prior to Settlement, Grachtenheer will hold approximately 45.5% of the Company's issued share capital; and
- if Grachtenheer has subscribed, pursuant to its underwriting of the Offering, for Offer Shares in a total amount of €50,000,000, Grachtenheer will hold approximately 49.2% of the Company's issued share capital.

Subscription, Listing and Paying Agent

In respect of the Offering, ABN AMRO is acting as Subscription, Listing and Paying Agent. ABN AMRO is located at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands.

Voting rights

Each Ordinary Share confers the right to cast twenty votes in the General Meeting (see section "*Description of Share Capital and Corporate Structure – General Meetings and voting rights – Voting rights*"). After the Settlement Date, all Ordinary Shareholders have the same voting rights.

Each Preference Share confers the right to cast one vote in the General Meeting.

Dilution

The Company will issue up to 4,353,890 Offer Shares. Shareholders who transfer, or who do not or are not permitted to exercise, any of their Rights granted under the Offering will suffer a dilution of their proportionate ownership and voting rights of approximately 14.6% as a result of the issue of the Offer Shares.

Ranking and dividends

The Offer Shares will, upon issue, rank *pari passu* in all respects with the then issued and outstanding Ordinary Shares and will be eligible for any dividends which the Company may declare on the Ordinary Shares after the Settlement Date. See section "*Dividends and Dividend Policy*".

The Preference Shares will rank ahead of the Ordinary Shares with respect to the payment of dividends.

Governing law

The Rights and the Offering are governed by and shall be construed in accordance with Dutch law. The Offer Securities will be created in accordance with Dutch law and the Articles of Association.

Non-Dutch stamp taxes

Purchasers of the Offer Shares may be required to pay stamp taxes and other taxes in accordance with the laws and practices of the jurisdiction of purchase in addition to the Issue Price.

Expenses of the Offering

The expenses related to the Offering payable by the Company are estimated at €700,000 and include, among other items, legal and administrative expenses and publication costs (excluding applicable taxes and disbursements, if any).

No expenses will be charged by the Company to subscribers of Offer Shares in connection with the Offering. The Company will bear the expenses in relation to the Admission.

Currency

The Offering will be carried out and trading in the Rights will be effected in euros. The Offer Securities will be denominated in euros. Distributions, if any, will also be made in euros.

PLAN OF DISTRIBUTION

Underwriting arrangements

The Company and the Underwriter entered into the Underwriting Agreement on 15 June 2023 with respect to the Underwritten Shares.

Pursuant to the terms of the Underwriting Agreement, and on the terms and subject to the conditions set forth therein, the Underwriter has committed to the Company to purchase additional Offer Shares that were issuable upon exercise of the Rights but have not been subscribed for by Ordinary Shareholders other than the Underwriter, whether or not the Rights corresponding to such Offer Shares have been exercised at the Issue Price and up to an amount of €50,000,000 in aggregate including the Offer Shares already subscribed for and purchased by the Underwriter based on its proportionate shareholding at the Record Date.

At the date of the Underwriting Agreement, the Underwriter held 12,547,139 Ordinary Shares in the capital of the Company, representing approximately 49.2% of the Company's issued and outstanding share capital.

In the Underwriting Agreement, the Company has made customary representations and warranties and given customary undertakings and indemnities. Moreover, the Company has agreed to indemnify the Underwriter for any losses incurred by any member of the Underwriter's group caused by any breach by the Company of its obligations under the Underwriting Agreement, including but not limited to any representation or warranty provided under the Underwriting Agreement. In addition, the Underwriting Agreement includes a customary confidentiality clause.

The Underwriting Agreement provides that the obligation of the Underwriter to subscribe and, at a price of €11.50, pay for the Underwritten Shares up to an amount of €50,000,000 in total taken together with the Offer Shares already subscribed for and purchased by exercising the Rights that were granted to Grachtenheer based on its proportionate shareholding is, subject to the following condition precedent which is still relevant at the date of publication of this Prospectus: each of the Company's Warranties being true and accurate in every respect and not misleading on the date of the Underwriting Agreement and on the Settlement Date.

The Underwriting Agreement shall terminate automatically with immediate effect on the earlier of (i) the Settlement Date; (ii) the date on which it transpires that the Offering will not be pursued or completed; and (iii) 31 December 2023. The Underwriter may elect to terminate the Underwriting Agreement if the condition precedent is not fulfilled or waived on the Settlement Date.

The Underwriter shall not receive any consideration, fee or commission for its agreement to purchase the Offer Shares at the Issue Price. However, certain expenses incurred by the Underwriter in connection with the Offering will be borne by the Company.

The Underwriting Agreement does not include any lock-up arrangements.

The Underwriter is ultimately owned by Egeria. Egeria is an investment firm and has approximately €3.5 billion assets under management, ranging from private equity funds and real estate to investments in listed companies. The assets in portfolio represent an annual turnover of approximately €2.5 billion. Egeria has irrevocably guaranteed that the Underwriter will be able to fulfil its obligations under the Underwriting Agreement when due and agreed that the Company may at any time demand performance of the obligations under the Underwriting agreement from Egeria if the Underwriter does not perform its obligations under the Underwriting Agreement.

The Offer Securities have not been and will not be registered under the U.S. Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Offer Shares are being offered and sold outside the United States in compliance with Regulation S.

Potential conflicts of interest

The Underwriter is a shareholder of the Company. As a result, the Underwriter may have interests that may not be aligned, or could possibly conflict with the interests of investors or of the Company. In respect hereof, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures and by rules and regulations.

In connection with the Offering, the Underwriter shall take up Offer Shares in the Offering as a principal position and in that capacity may retain, subscribe for or purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in

connection with the Offering. Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to the Underwriter or any of its respective affiliates acting in such capacity. In addition, the Underwriter or its affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which such Underwriter (or its affiliates) may from time to time acquire, hold or dispose of Ordinary Shares. The Underwriter does not intend to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so.

As a result of these transactions, these parties may have interests that may not be aligned, or could potentially conflict, with the interests of (potential) holders of the Offer Shares, or the Company's interests.

SELLING AND TRANSFER RESTRICTIONS

The Offering to persons resident in, or who are citizens of, a particular jurisdiction may be affected by the laws and regulations of that jurisdiction. Investors should consult their professional advisers as to whether the investor requires any governmental or any other consent or needs to observe any other formalities to enable the investor to accept, sell, exercise or purchase Offer Securities.

No action has been or will be taken to permit a public offering of Offer Securities in any jurisdiction outside of the Netherlands. Receipt of the Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the Prospectus will be sent for information purposes only and should not be copied or redistributed. If an investor receives a copy of the Prospectus, the investor may not treat the Prospectus as constituting an invitation or offer to the investor of Offer Securities, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or Offer Securities could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of the Prospectus or any other offering materials or advertisements, the investor should not distribute or send it to any person in or into any jurisdiction where to do so would or may contravene local securities laws or regulations. If an investor forwards the Prospectus or any other offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this section.

In accordance with the terms and subject to certain exceptions:

- (a) the Rights being granted in the Offer may be exercised only by an Eligible Person, subject to applicable securities laws and regulations;
- (b) the Rights being granted or Offer Shares being offered in the Offer may not be offered, sold, resold, exercised, transferred or delivered, directly or indirectly, in or into jurisdictions outside of the Netherlands where the Offer Securities may not be offered pursuant to applicable laws and regulations, including, without limitation, the United States (save for the offer and resale of Offer Securities within the United States only to QIBs that, in the case of persons exercising Rights, sign an investor letter in the form set forth herein (see "*Selling and Transfer Restrictions - United States*" below)), Australia, Japan and Canada (except as specified otherwise in "*Selling and Transfer Restrictions*") (the **Ineligible Jurisdictions**); and
- (c) the Prospectus may not be sent to:
 - (i) any person located or residing in an Ineligible Jurisdiction or with a citizenship from an Ineligible Jurisdiction such that he cannot lawfully participate in the Offer; or
 - (ii) any Ordinary Shareholder or any other person residing in a jurisdiction outside of the Netherlands where the Offer Securities may be offered, but to whom certain restrictions apply, as set out in this "*Selling and Transfer Restrictions*", as a result of which he cannot lawfully participate in the Offer,
(such a person being an **Ineligible Person**).

In the Prospectus, persons who are not Ineligible Persons are referred to as **Eligible Persons**.

Subject to the specific restrictions described below, investors (including, without limitation, any investor's nominees and trustees) wishing to subscribe for the Offer Shares or to trade in the Rights, must satisfy themselves as to full observance of the applicable laws and regulations of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this section is intended as a general guideline only. Investors that are in any doubt as to whether they are eligible to subscribe for the Offer Shares or to trade in the Rights, should consult their professional adviser without delay.

Representations and warranties by investors in the Offer

Subject to certain exceptions, if a person: (1) takes up, delivers or otherwise transfers the Rights; (2) exercises the Rights to subscribe for the Offer Shares; or (3) purchases, subscribes for, trades or otherwise deals in the Rights

granted or the Offer Shares offered in the Offer, such person will be deemed, by accepting delivery of the Prospectus, to have made, and, in some cases, be required to make, the following representations and warranties to the Company, the Underwriter and the Subscription, Listing and Paying Agent and any person acting on the Company's or their behalf, unless such requirement is waived by the Company:

- (a) it is not located or resident in an Ineligible Jurisdiction;
- (b) it is not an Ineligible Person;
- (c) it is not acting, and has not acted, for the account or benefit of an Ineligible Person;
- (d) it will not offer, sell or otherwise transfer either a Right or an Offer Share to any person located in the United States (which will be deemed to be satisfied when trading Rights or Offer Shares in the marketplace through Euronext Amsterdam); and
- (e) it was an Ordinary Shareholder at 17:40 CET on the Record Date or such person legally acquired Rights, directly or indirectly, from such Ordinary Shareholder.

A person who can make the representations and warranties described above shall be deemed an Eligible Person for the purposes of the Offer.

The Company, the Underwriter and the Subscription, Listing and Paying Agent and any persons acting on behalf of the Company, the Underwriter or the Subscription, Listing and Paying Agent will rely upon representations and warranties made by any person. Any provision of false information or subsequent breach of these representations and warranties may subject any person who made and breached these representations and warranties to liability. The Company reserves the right, in its sole and absolute discretion, to reject any application to purchase, or subscribe for, Offer Shares that the Company or its agents believe may give rise to a breach or violation of any laws or regulations.

If a person is acting on behalf of an eligible holder of Rights (including, without limitation, as a nominee, custodian or trustee), such person will be required to provide the foregoing representations and warranties to the Company, the Underwriter and the Subscription, Listing and Paying Agent with respect to the exercise of Rights on behalf of such eligible holder. If a person does not or is unable to provide the foregoing representations and warranties, none of the Company or the Subscription, Listing and Paying Agent will be bound to authorise the allocation of any of the Offer Shares being offered in the Offering to such person or the person on whose behalf such person is acting; neither will they be liable for any damages incurred as a result thereof.

If a person (including, without limitation their nominees and trustees) is outside of the Netherlands and wishes to exercise or otherwise deal in his/her Rights or subscribe for the Offer Shares, such person must satisfy themselves as to the observance of all applicable laws and regulations of all relevant territories, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The comments set out in this section are intended as a general guide only. If a person is in any doubt as to whether such person is eligible to exercise its Rights or subscribe for the Offer Shares, such person should consult a professional adviser without delay.

The Rights will initially be credited to the financial intermediaries for the accounts of all Ordinary Shareholders who hold Shares in custody through such financial intermediary on the Record Date. A financial intermediary may not exercise any Right on behalf of any Ineligible Person and will be required in connection with any exercise of the Rights to certify to such effect.

Financial intermediaries are not permitted to send the Prospectus or any information about the Offering into any Ineligible Jurisdiction or to any Ineligible Persons. The crediting of Rights to the account of Ineligible Persons does not constitute an offer of the Offer Shares to such persons. Financial intermediaries, which include brokers, custodians and nominees, holding for Ineligible Persons may consider selling any and all Rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable laws and regulations and to remit the net proceeds to the accounts of such persons.

Exercise instructions or certifications sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and the Offer Securities will not be delivered to addresses inside any Ineligible Jurisdiction. The Company reserves the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Offer Securities,

who is unable to represent or warrant that such person is not an Ineligible Person, who is not acting on a discretionary basis for such persons, or who appears to the Company or the Company's agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction.

Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears to it or its agents:

- (a) to have been executed, effected or dispatched from any jurisdiction other than the Netherlands, including the United States, Australia, Japan or Canada, unless the Company is satisfied that such action would not result in the contravention of any registration requirement or other legal regulation in any jurisdiction;
- (b) to involve a potential breach or violation of the laws or regulations of any jurisdiction or the representations and warranties to be made by an accepting holder;
- (c) to involve an acceptance, or purported acceptance, that may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus; or
- (d) to purport to exclude or modify any of the representations and warranties required or deemed to be made by an exercising Right holder, as set out in this section.

Despite any other provision of this Prospectus, the Company reserves the right to permit any person to exercise its Rights if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company and the Subscription, Listing and Paying Agent do not accept any liability for any actions that any person takes or for any consequences that any person may suffer by the Company accepting that person's exercise of Rights.

United States

The Offer Securities have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States for offer or sale as part of their distribution and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws and regulations. The Offer Securities are being offered and sold outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S. In the United States, the Offering is being made only to QIBs that sign an investor letter in the form set forth in Annex A to this Prospectus. Prospective investors are hereby notified that any seller of the Offer Securities are relying on an exemption from the registration requirements of Section 5 of the U.S. Securities Act, which may include Section 4(a)(2) or Regulation S thereunder. The Offer Securities are not transferable except in accordance with the restrictions described herein. In particular, the Offer Securities may not be offered, resold, pledged or otherwise transferred except outside the United States in an offshore transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S to a person outside the United States, in each case in accordance with all applicable securities laws.

The Offer Securities have not been approved or disapproved by the SEC, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

In addition, until the end of the 40th calendar day after commencement of the Offering, an offering or sale of Offer Securities within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from such registration requirement.

European Economic Area

In relation to each Member State of the EEA other than the Netherlands (each a **Relevant Member State**), an offer to the public of any Offer Securities which are the subject of the Offering contemplated by this Prospectus may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any Offer Securities may be made at any time under the following exemptions under the Prospectus Regulation:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) per Relevant Member State, subject to obtaining the prior consent of the joint global coordinators; or
- (c) in any other circumstances falling under the scope of Article 1(4) of the Prospectus Regulation, provided that no such offer of Offer Securities shall require the Company or the Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant Member State who acquires any Offer Securities in the Offering or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Underwriter that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any Offer Securities being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company and the Underwriter that the Offer Securities acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant Member State to qualified investors.

The Company and the Underwriter and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression **an offer to the public** in relation to any Offer Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Securities to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Securities and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129 and includes any relevant delegated regulations.

The Offer Shares will be offered to Eligible Persons in the Netherlands in accordance with applicable law and regulations.

The Prospectus constitutes a prospectus for the purposes of, and has been prepared in accordance with, the Prospectus Regulation, as approved by the AFM.

United Kingdom

In the United Kingdom, an offer to the public of any Offer Shares which are the subject of the Offering contemplated by this Prospectus may not be made, except that an offer to the public in the United Kingdom of any Offer Shares may be made at any time under the following exemptions under the UK Prospectus Regulation:

- (i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Company for any such offer; or
- (iii) in any other circumstances falling under the scope of Section 86 of the Financial Services and Markets Act 2000 (the **FSMA**),

provided that no such offer of Offer Shares shall require the Company or the Underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression **offer to the public** in relation to any Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares, and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Canada

The Offer Securities have not been and will not be qualified for distribution by prospectus in Canada and may only be distributed in Canada pursuant to an exemption from the prospectus requirements of Canadian securities laws.

No Rights may be received from the Company in the Offering, nor may any such Rights be exercised or transferred, by any Shareholder located in Canada except in accordance with procedures and requirements adopted by the Company to confirm the eligibility of the Shareholder to receive such Rights pursuant to an exemption from the prospectus requirements of Canadian securities laws.

Securities legislation in certain provinces or territories of Canada may provide a person with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by such person within the time limit prescribed by the securities legislation of the person's province or territory. Investors should refer to any applicable provisions of the securities legislation of their province or territory for particulars of these rights or consult with a legal adviser.

Australia

The Prospectus: (1) does not constitute a prospectus or a product disclosure statement under the Australian Corporations Act 2001 of the Commonwealth of Australia (Cth) (the **Australian Corporations Act**); (2) does not purport to include the information required of a prospectus under Part 6D.2 of the Australian Corporations Act or a product disclosure statement under Part 7.9 of the Australian Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission, the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (3) may not be provided in Australia other than to select investors (**Exempt Investors**) who are able to demonstrate that they: (a) fall within one or more of the categories of investors under Section 708 of the Australian Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Australian Corporations Act; and (b) are "*wholesale clients*" for the purpose of Section 761G of the Australian Corporations Act.

The Offer Securities may not be directly or indirectly offered for subscription or purchase or sold, and no invitations to subscribe for, or buy, the Offer Securities may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Offer Securities may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Australian Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Offer Securities, each prospective investor in Offer Securities represents and warrants to the Company, the Underwriter and their affiliates that such prospective investor is an Exempt Investor.

Japan

The Offer Securities have not been and will not be registered under the Financial Instruments and Exchange Law (Law No. 25 of 1948) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, **Japanese Person** shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

TAXATION

Taxation in the Netherlands

The following summary outlines certain principal Dutch tax consequences of the acquisition, holding, redemption and disposal of Offer Securities, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. For purposes of Dutch tax law, a holder of Offer Securities may include an individual or entity who does not have the legal title of these Ordinary Shares or Rights, but to whom nevertheless the Offer Securities or the income therefrom are attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Offer Securities or the income therefrom. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, redemption and disposal of Offer Securities and the exercise of Rights.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch corporate and individual income tax consequences for:

- (i) investment institutions (*fiscale beleggingsinstellingen*);
- (ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other Dutch tax resident entities that are not subject to or exempt from Netherlands corporate income tax;
- (iii) corporate holders of Offer Securities which qualify for the participation exemption (*deelnemingsvrijstelling*) or participation credit (*deelnemingsverrekening*) or would qualify for the participation exemption or participation credit had the corporate holders of Offer Securities been resident in the Netherlands. Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption or participation credit if it represents an interest of 5% or more of the nominal paid-up share capital;
- (iv) holders of Offer Securities holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Company and holders of Offer Securities of whom a certain related person holds a substantial interest in the Company. Generally speaking, a substantial interest in the Company arises if a person, alone or, where such person is an individual, together with his or her partner (statutorily defined term), directly or indirectly, holds or is deemed to hold: (i) an interest of 5% or more of the total issued capital of the Company or 5% or more of the issued capital of a certain class of shares of the Company; (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit-sharing rights in the Company;
- (v) persons to whom the Offer Securities and the income therefrom are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- (vi) entities which are resident in Aruba, Curaçao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba, where the Offer Securities are attributable to such permanent establishment or permanent representative;
- (vii) Shareholders who are not considered the beneficial owner (*uiteindelijk gerechtigde*) of those Offer Securities or the benefits derived from or realised in respect of those Ordinary Shares or Rights; and
- (viii) individuals to whom Offer Securities or the income therefrom are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the 'Netherlands' or 'Dutch', such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Any reference hereafter made to a treaty for the avoidance of double taxation concluded by the Netherlands includes the Tax Regulation for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*), the Tax Regulation for the Netherlands and Sint Maarten (*Belastingregeling Nederland Sint Maarten*), the Tax Regulation for the Netherlands and Curacao (*Belastingregeling Nederland Curaçao*), the Tax Regulation for the Country of the Netherlands (*Belastingregeling voor het land Nederland*) and the Agreement between the Taipei Representative Office in the Netherlands and the Netherlands Trade and Investment Office in Taipei for the Avoidance of Double Taxation.

Dividend withholding tax

Withholding requirement

The Company is required to withhold 15% Dutch dividend withholding tax in respect of dividends paid on the Ordinary Shares. Generally, the Dutch dividend withholding tax will not be borne by the Company, but will be withheld from the gross dividends paid on the Ordinary Shares. In the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), dividends are defined as the proceeds from Ordinary Shares, which include:

- direct or indirect distributions of profit, regardless of their name or form;
- liquidation proceeds, proceeds on redemption of the Ordinary Shares and, as a rule, the consideration for the repurchase of the Ordinary Shares by the Company in excess of its average paid-in capital recognised for Dutch dividend withholding tax purposes for the Ordinary Shares, unless a particular statutory exemption applies;
- the nominal value of Ordinary Shares issued to a holder of the Ordinary Shares or an increase of the nominal value of the Ordinary Shares, insofar as the (increase in the) nominal value of the Ordinary Shares is not funded out of the Company's paid-in capital as recognised for Dutch dividend withholding tax purposes; and
- partial repayments of paid-in capital recognised for Dutch dividend withholding tax purposes, if and to the extent there are qualifying profits (*zuivere winst*), unless the general meeting of the shareholders of the Company has resolved in advance to make such repayment and provided that the nominal value of the Ordinary Shares concerned has been reduced by an equal amount by way of an amendment of the articles of association and the paid-in capital is recognised as capital for Dutch dividend withholding tax purposes. The term "qualifying profits" includes anticipated profits that have yet to be realized.

The issuance of Rights by the Company should not be subject to Dutch dividend withholding tax.

Residents of the Netherlands

If a holder of Ordinary Shares is a resident or deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, Dutch dividend withholding tax which is withheld with respect to proceeds from the Ordinary Shares will generally be creditable for Dutch corporate income tax or Dutch individual income tax purposes.

Such holder of Ordinary Shares subject to Dutch corporate income tax is only allowed to credit the Dutch dividend withholding tax incurred in that year against the Dutch corporate income tax due in that same year. Insofar as the Dutch dividend withholding tax (together with any gaming tax (*kansspelbelasting*) in respect of items of profits taxable for Dutch corporate income tax purposes) exceeds the Dutch corporate income tax due, the excess withholding tax can be carried forward indefinitely and is generally available to be offset against a positive balance of Dutch corporate income tax payable in future years.

Non-residents of the Netherlands

If a holder of Ordinary Shares is a resident of a country other than the Netherlands and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country, and such holder is a resident for the purposes of such treaty, such holder may, depending on the terms of that particular

treaty, qualify for full or partial relief at source or for a refund in whole or in part of the Dutch dividend withholding tax.

A refund of the Dutch dividend withholding tax is available to entities resident in another EU Member State, Norway, Iceland or Liechtenstein provided: (i) these entities are not subject to corporate income tax there; and (ii) these entities would not be subject to Dutch corporate income tax if these entities had been tax resident in the Netherlands for corporate income tax purposes; and (iii) these entities are not comparable to investment institutions (*fiscale beleggingsinstellingen*) or exempt investment institutions (*vrijgestelde beleggingsinstellingen*). Furthermore, a similar refund of Dutch dividend withholding tax may be available to entities resident in other countries, under the conditions that: (i) the Ordinary Shares are considered portfolio investments for purposes of article 63 (taking into account article 64) of the Treaty on the functioning of the European Union (*Verdrag betreffende de werking van de Europese Unie*), as amended from time to time; and (ii) the Netherlands has concluded an arrangement for the exchange of information with this other country in line with the international standards for the exchange of information.

A (partial) refund of Dutch dividend withholding tax is available to a holder of Ordinary Shares resident in another EU Member State, Norway, Iceland or Liechtenstein if: (i) this holder of Ordinary Shares is not subject to Dutch individual income tax or Dutch corporate income tax with respect to the income from the Ordinary Shares; and (ii) such Dutch dividend withholding tax is higher than the Dutch individual income tax or Dutch corporate income tax would have been had this holder of Ordinary Shares been tax resident in the Netherlands, after taking into account a possible refund based on the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) or a refund based on a treaty for the avoidance of double taxation with respect to taxes on income; and (iii) no credit based on a treaty for the avoidance of double taxation with respect to taxes on income is granted in the state in which the holder of Ordinary Shares is tax resident, for the full amount of Dutch dividend withholding tax withheld; and (iv) this holder of Ordinary Shares does not have a similar function as an investment institution (*fiscale beleggingsinstelling*) or exempt investment institution (*vrijgestelde beleggingsinstelling*).

Furthermore, a similar refund of Dutch dividend withholding tax may be available to a holder of Ordinary Shares resident in another country, under the additional conditions that: (A) the Ordinary Shares are considered portfolio investments for purposes of article 63 (taking into account article 64) of the Treaty on the functioning of the European Union (*Verdrag betreffende de werking van de Europese Unie*), as amended from time to time; (B) the Netherlands has concluded an arrangement for the exchange of information with this other country in line with the international standards for the exchange of information; (C) no credit based on a treaty for the avoidance of double taxation with respect to taxes on income is granted in the state in which the holder of Ordinary Shares is tax resident, for the full amount of Dutch dividend withholding tax withheld; and (D) this holder of Ordinary Shares does not have a similar function as an investment institution (*fiscale beleggingsinstelling*) or exempt investment institution (*vrijgestelde beleggingsinstelling*).

U.S. residents

A holder of Ordinary Shares who is a resident in the United States and is entitled to the benefits of the 1992 double tax treaty entered into by the United States and the Netherlands, as amended most recently by the Protocol signed on March 8, 2004 (**U.S.-NL Treaty**) may under certain conditions be entitled to a refund of the Dutch dividend withholding tax by way of an exemption or refund if the holder of Ordinary Shares is an exempt pension trust as described in Article 35 of the U.S.-NL Treaty, or an exempt organisation as described in Article 36 of the U.S.-NL Treaty.

Beneficial owner

A recipient of proceeds from the Ordinary Shares will not be entitled to any exemption, reduction, refund or credit of Dutch dividend withholding tax if such recipient is not considered to be the beneficial owner of such proceeds. The recipient will not be considered the beneficial owner of these proceeds, if, in connection with such proceeds, the recipient has provided a consideration (*tegenprestatie heeft verricht*) as part of a series of transactions in respect of which it is likely:

- that the proceeds have in whole or in part, directly or indirectly, benefitted a person or legal entity that would:

- as opposed to the recipient paying the consideration, not be entitled to an exemption from dividend withholding tax; or
- in comparison to the recipient paying the consideration, to a lesser extent be entitled to a reduction or refund of dividend withholding tax; and
- that such person or legal entity has, directly or indirectly, retained or acquired an interest in Ordinary Shares, profit-sharing certificates or loans, comparable to the interest it had in similar instruments prior to the series of transactions being initiated.

Dutch dividend withholding tax upon redistribution of foreign dividends

The Company must pay to the Dutch tax authorities all Dutch dividend withholding tax it withholds on dividends it distributed with respect to the Ordinary Shares. Provided certain conditions are met, the Company may apply a reduction with respect to the dividend withholding tax that it has to pay to the Dutch tax authorities. This reduction can be applied if the Company distributes dividends that stem from dividends the Company itself has received from certain qualifying non-Dutch subsidiaries, provided these dividends the Company has received are exempt from Dutch corporate income tax and were subject to a withholding tax of at least 5% upon distribution to the Company. The reduction is applied to the Dutch dividend withholding tax that the Company must pay to the Dutch tax authorities and not to the amount of the Dutch dividend withholding tax that the Company must withhold. The reduction is equal to the lesser of:

- 3% of the amount of the dividends distributed by the Company that are subject to Dutch dividend tax; and
- 3% of the gross amount of the dividends received during a certain period from the qualifying non-Dutch subsidiaries.

Corporate and individual income tax

Residents of the Netherlands

If a holder of Ordinary Shares or Rights is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Ordinary Shares or Rights are attributable, income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares or Rights are generally taxable in the Netherlands (at up to a maximum rate of 25.8%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares or Rights are taxable at the progressive rates (at up to a maximum rate of 49.5%) under the Dutch Income Tax Act 2001, if:

- the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Ordinary Shares or Rights are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Ordinary Shares or Rights are attributable; or
- such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Ordinary Shares or Rights that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (a) nor condition (b) above applies to the holder of the Ordinary Shares or Rights, taxable income with regard to the Ordinary Shares or Rights must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*)(€57,000 in 2023). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January (an anti-abuse provision prevents artificial shifting with

assets and liabilities). The individual's deemed return is calculated by multiplying the individual's yield basis with a 'deemed return percentage' (*effectief rendementspercentage*), which percentage depends on the actual composition of the yield basis (with separate deemed return percentages for savings, debts and other investments). The deemed return from savings and investments is taxed at a rate of 32%.

Non-residents of the Netherlands

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares or Rights, unless:

- a) the person is not an individual and such person: (i) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Ordinary Shares or Rights are attributable; or (ii) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Ordinary Shares or Rights are attributable.

This income is subject to Dutch corporate income tax at up to a maximum rate of 25.8%; or

- b) the person is an individual and such individual: (i) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Ordinary Shares or Rights are attributable; or (ii) realises income or gains with respect to the Ordinary Shares or Rights that qualify as income from miscellaneous activities in the Netherlands which include activities with respect to the Ordinary Shares or Rights that exceed regular, active portfolio management; or (iii) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Ordinary Shares or Rights are attributable.

Income derived from the Ordinary Shares or Rights as specified under limb (i) and (ii) above by an individual is subject to individual income tax at progressive rates up to a maximum rate of 49.5%. Income derived from a share in the profits of an enterprise as specified under (iii) that is not already included under the (i) and (ii) above will be taxed on the basis of a deemed return on income from savings and investments (as described above under section "*Residents of the Netherlands*").

Gift and inheritance tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of the Ordinary Shares or Rights by way of gift by, or on the death of, a holder of the Ordinary Shares or Rights, unless:

- the holder of the Ordinary Shares or Rights is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions;
- the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions; and/or
- the gift is made by the holder of the Ordinary Shares or Rights under a condition precedent and such holder is or is deemed to be a resident of the Netherlands at the time such condition is fulfilled.

Value added tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Ordinary Shares or Rights or in respect of a cash distribution made in respect of the Ordinary Shares, or in respect of a transfer of Ordinary Shares or Rights.

Other taxes and duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Ordinary Shares or Rights.

Residence

A holder of Ordinary Shares or Rights will not become or be deemed to become a resident of the Netherlands solely by reason of holding these Ordinary Shares or Rights.

Taxation pursuant to the Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (foreign passthru payments) to persons that fail to meet certain certification, reporting or related requirements. The Company may be a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Ordinary Shares, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Ordinary Shares, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Ordinary Shares, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and the Ordinary Shares issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Ordinary Shares that are not distinguishable from previously issued Ordinary Shares are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Ordinary Shares, including Ordinary Shares offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Ordinary Shares.

GENERAL INFORMATION

Domicile, legal form and incorporation

The legal and commercial name of the Company is Sif Holding N.V. The Company was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 4 June 1974. On 14 January 2016, the Company changed its legal and commercial name to Sif Holding N.V. and converted its legal structure to a public limited liability company (*naamloze vennootschap*). Commercial names used by the Group are Sif and Sif Group.

The Company has its statutory seat (*statutaire zetel*) in Roermond, the Netherlands, and its registered office is at Mijnheerkensweg 33, 6041TA Roermond, the Netherlands. The Company is registered in the Commercial Register of the Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) under number 13027369. The Company's telephone number is +31 (0)47 538 5777. The Company's Legal Entity Identifier (**LEI**) is 724500J0BPD5CLHCK040. The Ordinary Shares' International Security Identification Number (**ISIN**) is NL0011660485. The Company's website is (www.sif-group.com).

Corporate authorisations

On 28 March 2023, the Executive Board has been authorised by the General Meeting for a period until 1 January 2024 to issue Ordinary Shares and grant the Rights for the financing of the Manufacturing Expansion and to exclude pre-emption rights for a placement or issuance of Ordinary Shares or Rights to existing shareholders and third party investors. The Executive Board is authorized to determine the terms of the issuance, provided that the issuance of Rights and Ordinary Shares (i) shall not exceed a total subscription price of €50 million (with a 0.5% rounding margin); and (ii) have a subscription price of €11.50 per share. In addition, the Executive Board has been authorized for a period until 1 January 2024 to issue a total of €50,000 Preference Shares in the capital of the Company at a subscription price of €1,000 per share and for a period until 28 September 2024 to repurchase such Preference Shares at a repurchase price per Preference Shares equal to (i) the nominal value of the Preference Share, plus (ii) a pro rata amount per Preference Share of (a) the share premium reserve of the Preference Shares and (b) the dividend reserve of the Preference Shares, plus (iii) a pro rata amount per Preference Shares of any Preferred Dividend Deficit, to be calculated for this purpose over the period ending on the day this amount is made payable. Lastly, the Executive Board has been authorised for a period until 1 January 2024 to grant the Rights to holders of Preference Shares and to exclude pre-emption rights up to a total maximum number of 7.5 million Ordinary Shares at a rate of €12.00 per Ordinary Share.

On 12 May 2023, the General Meeting designated the Executive Board to, for a period of 18 months commencing on 12 May 2023 and with the approval of the Supervisory Board, issue shares and grant rights to subscribe for shares and restrict or exclude the pre-emptive rights on the issue of shares or granting to subscribe for shares. This designation of the Executive Board is restricted to 10% of the issued and paid-up capital as at 12 May 2023.

In addition, the General Meeting authorised the Executive Board on 12 May 2023 to, for a period of 18 months commencing on 12 May 2023 and with the approval of the Supervisory Board, acquire shares (or certificates of shares) in the capital of the Company by whatever means other than free of charge, including by means of derivatives, stock exchange transactions, private transactions, block trades or otherwise. This authorisation is restricted to 10% of the issued and paid-up capital as at 12 May 2023 and to the acquisition of shares at a price per share that is between the nominal value per share and 110% of the average of the closing price on the last five trading days on Euronext Amsterdam prior to the day of the acquisition concerned.

Independent auditors

Ernst & Young Accountants LLP (**EY**), an independent auditor, has audited the Company's Financial Statements and has issued unqualified auditor's reports thereon.

EY is an independent registered audit firm. The address of EY is Boompjes 258, 3011 XZ Rotterdam, the Netherlands. The auditor signing the independent auditor's reports on behalf of EY is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

Expenses of the Offering

The expenses related to the Offering payable by the Company are estimated at €700,000 and include, among other items, legal and administrative expenses and publication costs (excluding applicable taxes and disbursements, if any).

No expenses will be charged by the Company to subscribers of Offer Shares in connection with the Offering. The Company will bear the expenses in relation to the Admission.

The Company aims to raise approximately €50 million in gross proceeds through the Offering. After deducting the expenses, commissions and taxes, as the case may be, relating to the Offering, the net proceeds will amount to approximately €49.3 million. See also section "*Reasons for the Offering and Use of Proceed*".

DEFINED TERMS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of certain of the defined terms used in this Prospectus.

| | |
|----------------------------------|---|
| 2021 Annual Report | the Company's annual report for the year 2021 |
| 2021 Financial Statements | the audited consolidated financial statements of the Company for the year ended 31 December 2021 and the notes thereto |
| 2022 Annual Report | the Company's annual report for the year 2022 |
| 2022 Financial Statements | the audited consolidated financial statements of the Company for the year ended 31 December 2022 and the notes thereto |
| ABN AMRO | ABN AMRO Bank N.V., acting as Subscription, Listing and Paying Agent |
| Adjusted EBITDA | EBITDA adjusted for expenses that relate to research and preparations for the Manufacturing Expansion |
| Adjusted EBITDA Outlook | an Adjusted EBITDA of €41.8 million for the 2022 financial year |
| Admission | the admission of the Offer Shares to listing and trading on Euronext Amsterdam |
| Admission Date | the date of admission of the Offer Shares on Euronext Amsterdam and the date of commencement of trading of the Offer Shares on Euronext Amsterdam |
| AFM | the Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>) |
| AGM | annual general meeting |
| APM | alternative performance measure |
| Articles of Association | the articles of association (<i>statuten</i>) of the Company as at the date of the Prospectus |
| Audit Committee | the audit committee of the Supervisory Board |
| Audit Committee Chair | the chair of the Audit Committee |
| Audit Committee Members | the members of the Audit Committee |
| Audit Committee Rules | the rules governing the duties, roles and responsibilities of the Audit Committee |
| CET | Central European Time |
| Committee | a special committee of the Supervisory Board, in respect of the Manufacturing Expansion |
| Company | Sif Holding N.V. |

| | |
|--|---|
| Company's Warranties | warranties provided by the Company in the Underwriting Agreement |
| Dutch Civil Code or DCC | the Dutch Civil Code (<i>Burgerlijk Wetboek</i>) |
| Dutch Corporate Governance Code | the Dutch corporate governance code dated 8 December 2016 as established under Section 2:391, sub-section 5 of the Dutch Civil Code |
| Dutch FMSA | the Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>) |
| Dutch Securities Transactions Act | the Dutch Act on Securities Transactions by Giro (<i>Wet giraal effectenverkeer</i>) |
| Dutch SRD Act | the Dutch act on the promotion of the long-term involvement of shareholders (<i>bevordering van de langetermijnbetrokkenheid van aandeelhouders</i>) |
| EBITDA | earnings before net finance costs, tax, depreciation and amortization. The Group discloses EBITDA and Adjusted EBITDA as supplemental non-IFRS financial measures, as the Group believes these are meaningful measures to evaluate the performance of the Group's business activities over time. The Group understands that these measures are used by analysts, rating agencies and investors in assessing the Group's performance. The Group also believes that the presentation of EBITDA or Adjusted EBITDA provides useful information to investors on the development of the Group's business. EBITDA or Adjusted EBITDA are also used by the Group as key financial measures to assess the operating performance of the operations |
| EBITDA Outlook | a projected EBITDA of €135 million in 2025 and an EBITDA of at least €160 million per annum from 2026 onwards |
| Ecowende | Ecowende C.V. and SchakelWind C.V. together |
| EEA | the European Economic Area |
| Egeria | Egeria Group AG |
| Eligible Persons | Shareholders on the Record Date, subsequent transferees of the Rights, and others, in each case who are able to give the representations and warranties set out in " <i>Selling and Transfer Restrictions</i> " |
| Empire | Empire Offshore Wind LLC, a joint venture between Equinor and BP |
| Enterprise Chamber | the enterprise chamber of the court of appeal in Amsterdam (<i>Ondernemingskamer van het Gerechtshof te Amsterdam</i>), the Netherlands |
| EURIBOR | the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) |
| EUR, euro or € | the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty |

| | |
|--------------------------------|--|
| | on the functioning of the European Community, as amended from time to time |
| Euroclear Nederland | the Netherlands Central Institute for Giro Securities Transactions (<i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i>) trading as Euroclear Nederland |
| Euronext Amsterdam | Euronext Amsterdam, a regulated market within the meaning of MiFID II operated by Euronext Amsterdam N.V. |
| European Union or EU | the European Union, being the union of countries established by the Treaty on the Functioning of the European Union, originally named the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by: the Treaty on the European Union (signed in Maastricht on 7 February 1992), the Treaty of Amsterdam (signed in Amsterdam on 2 November 1997), the Treaty of Nice (signed in Nice on 26 February 2001) and the Treaty of Lisbon (signed in Lisbon on 13 December 2007) |
| Executive Board | the executive board (<i>bestuur</i>) of the Company |
| Executive Board Meeting | a meeting of the Executive Board |
| Executive Board Rules | the rules governing the organisation, decision-making and other internal matters of the Executive Board, as at the date of this Prospectus |
| Executive Director | a member of the Executive Board |
| Exercise Period | period from 09:00 CET on 19 June 2023 until 17:40 CET on 4 July 2023 |
| EY | Ernst & Young Accountants LLP |
| Facilities | the Term Facility and the Revolving Facility |
| Facility Agreement | means the term and revolving facilities agreement originally dated 11 November 2015 between (among others) Sif Holding N.V. as company, Euler Hermes S.A. (trading as Euler Hermes Garanties) as guarantee agent, and Coöperatieve Rabobank U.A. as agent, ECA agent and security agent as amended and/or amended and restated from time to time |
| Financial Statements | the audited consolidated financial statements of the Company as at and for the years ended 31 December 2022, 31 December 2021 and 31 December 2020 and the notes thereto |
| FTE | full time equivalent |
| Funding Package | the €100 million advance factory payments from the launching customers, the €50 million of newly issued cumulative preference shares, the €40 million in operational leases, the €81 million Term Facility, the €7 million cash and cash equivalents and the approximately €50 million to be raised through this Offering |
| FY | a financial year ended 31 December |

| | |
|--|---|
| FRSA | the Dutch Financial Reporting Supervision Act (<i>Wet toezicht financiële verslaggeving</i>) |
| General Meeting | the general meeting (<i>algemene vergadering</i>) of the Company, being the corporate body, or, where the context so requires, the physical meeting of shareholders of the Company |
| Grachtenheer | Grachtenheer 10 B.V. |
| Grachtenheer Selldown | the selldown by Grachtenheer of 50% of the Ordinary Shares to be acquired by Grachtenheer in the Offering and through its underwriting of the Offering to certain third party investors on or shortly after the Settlement Date |
| Group | the Company and its subsidiaries |
| Group Company | any member of the Group |
| HSE | laws, rules, regulations, programs and workplace efforts that protect the health and safety of employees as well as the environment from hazards associated with the workplace |
| IFRS | International Financial Reporting Standards as adopted by the European Union |
| Ineligible Jurisdiction | jurisdictions outside of the Netherlands wherein the Offer Securities are not being offered or where the Offer Securities are being offered only pursuant to available exemptions, including, without limitation, the United States, Australia, Japan and Canada |
| Ineligible Person | any person located or residing in an Ineligible Jurisdiction or with a citizenship from an Ineligible Jurisdiction such that they cannot lawfully participate in the Offer; or any Ordinary Shareholder or any other person residing in a jurisdiction outside of the Netherlands wherein the Offer Securities may be offered, but to whom certain restrictions apply, as set out in " <i>Selling and Transfer Restrictions</i> ", as a result of which he cannot lawfully participate in the Offer |
| Issue Price | €11.50 per Offer Share |
| JVs | Ecowende C.V. and SchakelWind C.V. together |
| KPI | key performance indicator |
| Kton | kilotonne |
| Management Team | the management team of the Company |
| Manufacturing Expansion | the construction of the world's largest monopile foundation manufacturing plant in Rotterdam, the Netherlands, by expanding the Group's existing manufacturing facilities in Maasvlakte 2 in Rotterdam |
| Manufacturing Expansion Committee | a Supervisory Board committee established in respect of the Manufacturing Expansion |

| | |
|-------------------------------------|--|
| Market Abuse Regulation | Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, which entered into force on 3 July 2016, as amended |
| Member State | a Member State of the European Union |
| MiFID II | Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU Text with EEA relevance |
| Offer Securities | the Offer Shares and the Rights |
| Offer Shares | 4,353,890 new Ordinary Shares issued under the Offering |
| Offering | the offering of Offer Shares through the grant of Rights to Ordinary Shareholders who are Eligible Persons to subscribe for Offer Shares against the Issue Price |
| Ordinary Shares | the ordinary shares in the capital of the Company with a nominal value of €0.20 each |
| Ordinary Shareholders | holders of Ordinary Shares in the capital of the Company |
| Preference Shares | the preference shares in the capital of the Company with a nominal value of €0.01 each |
| Preferred Dividends Deficit | a deficit in the distribution of dividend on the Preference Shares due to the fact that in a financial year no profit is made or the profits are insufficient to allow a dividend distribution |
| Prospectus | this prospectus dated 16 June 2023 |
| Prospectus Regulation | Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union of 14 June 2017, as amended |
| Q1 2023 Press Release | the press release containing the results of the Group for the first quarter of FY 2023 |
| QIBs | qualified institutional buyers, as defined in Rule 144A |
| Record Date | 17:40 hours CET on Tuesday 20 June 2023 |
| Regulation S | Regulation S under the U.S. Securities Act |
| Relevant Member State | each Member State of the EEA (other than the Netherlands) |
| Remuneration Committee | the remuneration committee of the Company |
| Remuneration Committee Chair | the chair of the Remuneration Committee |
| Remuneration Committee Rules | the rules governing the duties, roles and responsibilities of the Remuneration Committee |
| Revolving Facility | the €400 million revolving credit facility of the Group |
| Rights | transferable subscription rights governed by Dutch law to subscribe for Offer Shares |

| | |
|---|--|
| Rule 144A | Rule 144A under the U.S. Securities Act |
| SEC | U.S. Securities and Exchange Commission |
| Settlement | payment for, and delivery of, the Offer Shares |
| Settlement Date | the date on which Settlement occurs, which is expected to be on or around 7 July 2023 |
| Shareholder | any holder of the Ordinary Shares or Preference Shares at any time |
| Shares | the Ordinary Shares and the Preference Shares |
| Sif Netherlands | Sif Netherlands B.V. |
| Subscription, Listing and Paying Agent | ABN AMRO |
| Supervisory Board | the supervisory board (<i>raad van commissarissen</i>) of the Company |
| Supervisory Board Rules | the rules governing the organisation, decision-making and other internal matters of the Supervisory Board, as at the date of this Prospectus |
| Supervisory Director | a member of the Supervisory Board |
| Term Facility | €81 million of term facilities of the Group |
| Underwriter | Grachtenheer |
| Underwritten Shares | any Offer Shares not subscribed for by holders of Rights other than Grachtenheer, whether or not the Rights corresponding to such Offer Shares have been exercised |
| Underwriting Agreement | the underwriting agreement with respect to the Offering between the Company and the Underwriter dated 15 June 2023 |
| United Kingdom or UK | the United Kingdom of Great Britain and Northern Ireland |
| United States or U.S. | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia |
| U.S. Securities Act | the U.S. Securities Act of 1933, as amended |
| U.S.-NL Treaty | the 1992 double tax treaty entered into by the United States and the Netherlands, as amended most recently by the Protocol signed on 8 March 2004 |
| Works Council | The works council of the Group |
| XXXL monopile foundations | monopiles of 2,500 tons, which have a diameter of 11 meter and a length of 120 meter |

ANNEX A

FORM OF US INVESTOR LETTER FOR US SHAREHOLDERS

To:

Sif Holding N.V.
Mijnheerkensweg 33
6041TA Roermond
The Netherlands

Ladies and gentlemen:

This letter (a "**US Investor Letter**") relates to the (a) offering of Rights and Offer Shares of Sif Holding N.V. (the "**Company**") as described in the Prospectus (as defined herein); or (b) subsequent transfer of such Rights or Offer Shares. In any case, this letter is to be delivered on behalf of the person acquiring beneficial ownership of the Rights or Offer Shares by the investor named below or the accounts listed on the attachment hereto (each, an "**Investor**"). Unless otherwise stated, or the content otherwise requires, capitalised terms in this letter shall have the same meaning as is given to them in the prospectus published by the Company on 16 June 2023 (the "**Prospectus**").

The Investor hereby represents, warrants and agrees, on its own behalf or on behalf of each account for which it is acting, as follows:

1. The Investor has received a copy of the Prospectus and understands and agrees that the Prospectus speaks only as of its date and that the information contained therein may not be correct or complete as of any time subsequent to that date;
2. The Investor is both (i) a "qualified institutional buyer", or "**QIB**", as defined in Rule 144A under the US Securities Act of 1933, as amended (the "**Securities Act**") and (ii) aware that the sale to it is being made in reliance on Section 4(a)(2) under the Securities Act;
3. The Investor is acquiring an interest in the Rights and/or Offer Shares for its own account, or for the account of one or more other persons who are able to and who shall be deemed to make all of the representations and agreements in this section and for which it, as subscriber, exercise sole investment discretion;
4. The Investor is not acquiring the Rights and/or Offer Shares with a view to any distribution of the Rights and/or Offer Shares within the meaning of the Securities Act;
5. The Investor was not formed for the purpose of investing in the Rights or Offer Shares;
6. The Investor understands that the Rights and Offer Shares are being offered in a transaction not involving any public offering within the United States within the meaning of the Securities Act and that the Rights and Offer Shares have not been registered under the Securities Act or with any securities authority of any state of the United States, and may not be resold in the United States absent registration under the Securities Act or an available exemption from registration thereunder and in compliance with any applicable U.S. state securities laws. The Investor agrees that it will not offer, resell, pledge or otherwise transfer the Rights or Offer Shares or any beneficial interest therein except outside the United States in an offshore transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S to a person outside the United States, in each case in accordance with all applicable securities laws. The Investor understands that Rule 144 under the Securities Act will not be available for transfers of the Rights and Offer Shares;

7. The Investor understands that there may be certain consequences under United States and other tax laws resulting from an investment in the Rights and the Offer Shares and it has made such investigation and has consulted its own independent advisors or otherwise has satisfied itself concerning, without limitation, the effects of U.S. federal, state and local income tax laws and foreign tax laws, generally, and the Securities Act, specifically.
8. The Investor understands that the Prospectus constitutes a prospectus for the purposes of, and has been prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union ("**Prospectus Regulation**"). As such, the Investor understands that (i) the Prospectus may differ from the disclosure made available by similar companies in the United States, (ii) publicly available information about issuers of securities admitted to trading on Euronext Amsterdam differs from and, in certain respects, is less detailed than the information that is regularly published by or about listed companies in the United States and (iii) regulations governing Euronext Amsterdam may not be as extensive as those governing the securities markets in the United States. In making its decision to purchase the Rights or the Offer Shares, it has sufficient knowledge and experience in financial, business and legal matters and expertise in assessing credit, market and all other relevant risk and is capable of evaluating and has evaluated independently the merits, risks and suitability of purchasing the Rights and the Offer Shares.
9. The Investor agrees to notify any broker it uses to execute any resale of the Rights or Offer Shares of the resale restrictions referred to in paragraph 6 above, if then applicable;
10. The Investor (including any account for which it is acting) is capable of evaluating the merits and risks of its investment and is assuming and is capable of bearing the risk of loss that may occur with respect to the Rights or Offer Shares, including the risk that it may lose all or a substantial portion of its investment in the Rights or Offer Shares;
11. The Investor understands that the Rights and the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and that, for so long as they remain "restricted securities", they may not be deposited, and it will not deposit them, into any unrestricted depository receipt facility established or maintained by a depository bank;
12. The Investor understands that the Company will not be required to accept for registration of transfer any Rights or Offer Shares acquired by an investor if such transfer is made in violation of the transfer restrictions set out in paragraph 6 above;
13. The Investor understands that the Company may receive a list of participants holding positions in the Company's securities from one or more book-entry depositories;
14. The Investor understands that the Company, its management, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and warranties and it agrees that if any such acknowledgment, representation or warranty ceases to be accurate, it will promptly notify the Company and its management; and
15. The Investor understands that this letter is required in connection with the laws of the United States. The Company and its management are entitled to rely on this letter and the Investor irrevocably authorises the Company to produce this letter or a copy thereof to any interested party in an administrative or legal proceeding or official inquiry with respect to the matters covered thereby.

This US Investor Letter shall be governed by and construed in accordance with the laws of the State of New York.

Date: _____

By:

(Signature)

(Name)

(Institution)

(Address)

(Country)

(Phone)

(email)

| | |
|--|--|
| TO BE COMPLETED BY THE CUSTODIAN OF THE QIB: | |
| NAME OF THE PARTICIPANT IN EUROCLEAR NEDERLAND WITH WHOM THE CUSTODIAN IS HOLDING THE RIGHTS | |
| BIC CODE OF THE OF THE PARTICIPANT IN EUROCLEAR NEDERLAND WITH WHOM THE CUSTODIAN IS HOLDING THE RIGHTS | |
| LEI CODE SHAREHOLDER, IF AVAILABLE | |
| NUMBER OF RIGHTS EXERCISED (IN MULTIPLES OF 41) | |
| NUMBER OF SHARES SUBSCRIBED FOR (IN MULTIPLES OF 7) | |

The Company
Sif Holding N.V.
Mijnheerkensweg 33
6041 TA Roermond
The Netherlands

Legal Advisers to the Company

In respect of Dutch law

Allen & Overy LLP
Apolloolaan 15
1077 AB Amsterdam
The Netherlands

in respect of U.S. law

Allen & Overy LLP
One Bishop Square
London E1 6AD
United Kingdom

Subscription, Listing and Paying Agent

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Independent Auditor

Ernst & Young Accountants LLP
Boompjes 258
3011 XZ Rotterdam
The Netherlands