# Capital Markets Day 2023

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**Fred van Beers:** A very good afternoon, everybody. Very much welcome here in this room. And I'm glad to see that so many of you actually showed up. That's always a bit of an exciting moment, whether it's happening or not. Also a big welcome to those online. And this is a moment that we, the management team, I will introduce people shortly from now, the Board, shareholders, many, many people have looked forward to for many, many weeks, months, years already. A big moment for Sif as a company in its 75 years history.

Before going into the Capital Markets Day presentation – we will take sufficient time for that to explain – a few things that I think are important to mention upfront.

First of all, safety. No safety drills have been planned. So when the alarm goes, please consider it, as always, by the way, as a serious signal of something being dramatically wrong. In other words, stay cool, follow the routes either through that one, there's the green shield there, or at the back of the room, there is an emergency exit where you also can leave the room. People have told me it's not going to happen, but you never know for sure, of course; important point.

Second thing is we have slightly changed the programme, meaning that instead of the whole management team presenting, it will only be Ben and me, but the management team members of Sif are here in the room and are prepared to take whatever question that either Ben or I cannot answer. So they are geared up to that and ready for that.

And I'll introduce them briefly to you, start from the far end. Caspar Kramers, our HR Director and instrumental to actually making sure that all the people we need are coming in.

**Caspar Kramers:** Good afternoon.

**Fred van Beers:** Caspar will not do it on his own, of course. It's teamwork. Joost Heemskerk, Joost is our Commercial Officer. And basically, I wouldn't say Joost's work has been done, but he has contributed a big part to the success of this plan. We're making sure that the right customers have signed up to what we're going to do here.

Then Joost being from the promising department, somebody has to make it happen that has to do it. And unfortunately, Frank, you are the one who has to do that. Frank Kevenaar, he's our Operations Officer. And Frank has been involved from day one, from minute one in actually developing this plan from scratch.

Then Ben. Ben, latest I think – no, Caspar is. You are two years now with us. Many of you know Ben, of course, for various reasons, but instrumental in making the financing part a total package that makes sense and something that we can be proud of, in my view. So that's the management team. And I'm the one who is so lucky to be able to be the front man of this gang. Very happy for that because without people – without the right people, we couldn't make this happen.

One person I'd also like to mention, particularly here, she's in the room. Agnes, she's the real boss of the company. She makes sure that whatever we say and meetings we have, and that we change, actually were materialised. So Agnes, thanks a lot for that, and good that you're here.

Before going into the slide deck, we actually thought it would be good to show you a little movie, a little movie of what is going to happen. And actually, this movie is an animation of

the factory to be built. This animation is based on a simulation that we've done, that we've done various times, on the new factory. The new factory, designing that it looks good on paper, but the real key, of course, is does it work? And in order to be as sure as possible that it's going to work with whatever design that we think should be going through this factory, we decided to spend decent time on actually building a simulation under Frank's responsibility.

So what you see here is a animation of the factory based on real data – on real machine data, on real output data – and that gives us enough – sufficient confidence that what we're going to do here is actually going to work. So it's five minutes only, gives you a good feel of what we're up to here. So please start the animation.

[VIDEO]

*Sif's Maasvlakte 2 manufacturing facility will be expanded and upgraded significantly to increase the annual capacity of Sif to 500,000 tonnes a year. From January 2025, we will be able to manufacture the equivalent of 200 3XL monopiles of 2,500 tonnes with a diameter of 11 metres. Our process here will be optimised and automated as much as possible to ensure a production process that is safer, faster, more efficient and more accurate, allowing us to create monopiles with an even greater lifespan.*

*Let's take a look at the new process and highlight some of the details. Instead of buying large and already prepared plates, we will have the possibility to use smaller plates which we will prepare ourselves, allowing for more procurement and production flexibility. Scanning of the plates and storage size enables our fully automated Warehouse Management System to smartly store and pre-select packages with the correct plates, to make cans and cones, with just a minimum of handling.*

*In our new hall C the plates are prepared, welded, grinded, milled and checked until they've become cones and cans. Here, at the start of the process, the plates for the cones are pre-cut in final shapes. Using these smaller shapes means we make the best possible use of plates, have less cutting loss, and we can eventually roll the cone in one single move.*

*Also here, the pre-cut plates for the cones and the plates for the cans will be milled on the shortest sides that are going to be welded together in the next part of hall C. Here we have three identical assembly lines where the plates are fully welded from both top and bottom. This means we do not have to flip the plates to weld the other side. Less handling means this is safer and it drastically reduces the process time for this part of construction.*

*Once the plates are welded, they will be milled here. The fact we do this only after the individual plates have been welded into one plate enables us to create an even more accurate weld seam geometry, meaning we have a more precise fit, a more accurate weld seam and a building accuracy that facilitates a better geometry, hence longer lifespan. As you can see, the machines can mill the long side simultaneously.*

*In Hall C, we will also check for welding inaccuracies. Doing this now means that we have a very short feedback loop and we can immediately adjust our process to prevent these anomalies. Repairs to the plates will be done off-line after the process in this hall is completed, securing the logistics flow.*

*In this part of the hall, the plates are rolled into their final shape, can or cone. Thanks to the new process, our cones can now be rolled in one go, a single move from one metal sheet automatically. This unique approach again makes our process safer, faster and more accurate.*

*After milling, the cones and cans are welded, grinded and calibrated to make sure they have the perfect shape to be welded together into sections. Although the cranes can be allocated to other parts of the production process, they're mainly dedicated to a single part of the process. This constant availability of a dedicated crane speeds up the process immensely. We also made sure that in our routing, cranes can deliver plates, cans and cones to the next location whilst maximising available space, as seen here.*

*In this part, the cones and cans are welded together into sections. Inside, there are two welding heads working simultaneously, doubling the capacity. The sections are now too heavy to be lifted by the cranes and will be transported by SPMTs.*

*In this next phase, we have 10 working stations where, on the outside, the sections will be milled by one of the three mobile milling machines, after which they will be welded by one of the four movable welding machines. The sections will now be transported to Hall E, where they will be assembled and welded on the inside. And then milled and welded on the outside. After this, the monopiles will rest for at least 24 hours before they're checked by X-ray. After the quality check, the monopiles are coated according to customer specifications. Finally, they will be transported to the outside storage.*

*Our new plant is the largest monopile production plant in the world and has a large deep sea quay with direct access to the North Sea. Combined with the production facilities in Roermond, Sif will have an annual capacity of 500,000 tonnes as of January 2025. Our dedicated, safe and efficient production process is unique for the manufacturing of XXXL monopiles with a long lifespan.*

*Sif: shaping tomorrow, performing today.*

**Fred van Beers:** That's it. Applause is not needed, but if you want to, go ahead. Joking. Now, I think on a serious note, I mean, this, we believe, clearly shows – and I think I'll take a few words out that have been mentioned explicitly very often in this video.

First word I'd like to emphasise on, is safety. This plant is built around zero tolerance on safety issues. If we have to spend a bit more, if we have to take a bit more room, if we have to do a few things slower because of safety, it's included. It's incorporated from day one of start of the build up to the last day when this factory in many, many years to come, hopefully, will be scrapped.

The other one is faster and reliable. We start working with a completely – we start building a completely new product. And I can't emphasise that often enough, and I try to do that every time. And I know many of you here are interested in the numbers. Well, I can tell you, the numbers come when the technicality and the process are right. And that's why I like to spend a bit of time on that.

Reliability of the process, a safe process and a fast process, are key to making this what we think very realistic estimated €160 million EBITDA from 2026 onwards. There's more to come on this, but bear that in mind because we may repeat ourselves a few times.

One person to welcome actually is the Chairman of the Works Council; if I forget to do that, then I have an issue. So, Wouter, thanks for being here. It's really good to see you.

All right. So what are we going to do now? We're going to go step by step to the market, to the dynamics of – behind this plan and why it is the right thing to do for SIF at this moment of time. After that, I will elaborate a bit more on the philosophy of what I just said and what you just saw because this factory, in the end, has to deliver. And what were the basics there? How did we go through the process of coming to what we have seen – and what does that mean? Then Ben will take over and try to explain everything, and I said it to a few of you during the break, he will answer many questions that you already have upfront. And I'm 100% sure, 10 times more questions will be generated from that, and let's see what that means.

An ask from a practical point of view is, please write them down and ask – and save them up for after this presentation so that we first go through the whole material. And after that, there's plenty of room for questions. And we have a weekend after this, so there's a sort of natural barrier that the people will stop asking, we guess and hope. And then we conclude with what are the success factors and why is this a damn good plan. So let's go for it now.

Am I the one – sorry, I have to push myself this time. So what brought us this far? Why are we here today? And I think there's a few very simple factors and facts that are coming together here. First of all, last year showed we're living in a new world. Yes, for many years, there has been the drive for renewable; that energy transition has to happen. But secondly, something awful happened last year with the war in Ukraine, and this independency on energy was an extra boost for this market of renewables. So, it was already an upwards ambition. The line has even become steeper and the demand and the push even bigger. I'll come back to that a little bit later.

Secondly, we clearly see, and I said it already, and I will say it a few times, the next product or the next monopile is a completely different product compared to what we produce today. And we see that. If you look around and you follow a little bit the news and you interpret correctly what our dear competitors are doing and trying to do at the moment, you see them struggling as well. And that's logic because we cook with water and water boils at 100 degrees, and so do they.

So there is a big challenge on making these 3XL monopiles that are ready for these big next-generation turbines that are actually being sold as we speak today. I'll come back to that as well later on.

If you add that all up and combine that with all the preparation work we did on the factory and the future of Sif, you cannot conclude anything different from the fact that actually we are going to be the market leader with this new factory, and with all these combined factors coming together very nicely on the right moment. And that definitely should lead to this expected growth and value that we are presenting to you, or have been presenting also in the press release.

Let's dive into these ambitions a little bit. You all read the papers, you all read the news sites. And this is the analysis of the annual increase governments have been announcing for the global market, excluding the Chinese closed market. So the Chinese market is a closed market. We have excluded that. It's not – well, not is the wrong word, but very difficult to access. The question is, do you want to?

But if you then look at how this is developing, the bottom one, the orange one is Europe, followed by the UK, the US and then the rest of Asia outside China. And you clearly see and you can debate whether it's 16 or 15 or 14 in 2029, but the estimates and the line that we see developing till 2030 – because let's say that's as far as we, more or less, can follow with the right level of detail, there's more to come after that – is showing a big ramp-up. Eight times more is needed compared to last year.

And that is very much supported by big things, not to be underestimated. The Esbjerg Declaration, followed in April with another follow-up meeting with all the governmental leaders on how are we going to implement this now, has a big impact on this, very much supported by the Net Zero Act declaration. And just coming out – this has come out this week, has leaked a week before, clearly showing that Europe will declare offshore wind strategic, including foundations, which is a big boost for a level playing field business in our monopiles.

So there is, I would say, a second-to-none ambition coming from governments to actually boost offshore wind. And yes, we have BBB who has another thought on this in this country since the day before yesterday. But in the end, it's my bet, they will probably give into the fact that actually we have to do something here and that these lines cannot be stopped. Big markets.

And then the next generation 3XL monopile. And I'd like to start with a small picture in the middle on the left side. And I'm going to educate you a little bit on monopile design in a very sophisticated picture. But what you see there in the middle is the monopile of today. It has a top diameter of roughly 8 m, and it has a bottom diameter of roughly 9 m. So the delta between the top and the part is only 1 m, 0.5 m on both sides, weighing 1,200 t, 1,300 t, 1,000 t, what have you.

The monopile of tomorrow, that we have actually also partly sold already now in this plan, will have more or less the same diameter on the top. So even the bigger turbines will sit on a top diameter, roughly in the range of eight, nine meters. But what's happening with the bottom is dramatic. The bottom will increase significantly. We believe 11.5 m is the sweet spot where we should focus on. I'll tell you more about that later on. But the delta between 8 m and 11 m is 3.5 m, and a lot of calculators here in this room, but that's something different from only 1m, meaning you have to produce a very large intermediate piece called a cone. And you have to think about this completely differently through in your production process.

And that's what make – that's what's making, in very simple terms, this 3XL monopile an entirely different product from a traditional monopile. The design is furthermore – not only it's the turbine that's determining the size of the monopile, parks, wind farms are being developed further away from the coast in less favourable soil conditions. The soil is where the monopile sits in. So if the soil is not good, you have to do something. Otherwise, the whole thing flips over, even with – also with a bigger turbine. How is that translated? Diameter, length.

And then, of course, there's the water depth. We all want these turbines to sit equally at the same level above the sea and not one halfway under and one 20 m above. So you have to bridge the water depth, meaning they will become longer – longer, less favourable soil, bigger turbines, a different product.

So now we have dived into it and spend a lot of time investigating, what does this mean? What does this mean? Because you can only decide once on such a thing like what we're going to

build next door here. It has to be on very, very solid grounds, so to say, what we're doing here. And that is illustrated in the right-hand picture.

So if you see then during the years, you can see that, first of all, this is done in kilotons still. You see the demand growing very rapidly, which makes sense, of course, because you see also the ambitions growing dramatically. But also in the middle orange box, you can see, in clearly the bottom part, that up till 11 m, more or less, is 80% – above 80% of the market, 85%, 90%.

So the sweet – we can all talk about even bigger diameters than 11 m, 11.5 m, but it's only actually a relative small part of the market. And we've decided to be Dutch soberness, just to apply to that and say, why go for the last bit if actually for a long time to go, the up till 11 m, 11.5 m is the area where the volume is being made. So that's a very important sort of analysis – not sort of, it's the analysis of what's happening. Turbines, soil, water make for a different product and the product of the future, 85% is below 11 m, 11.5 m in the bottom part.

Then, we're not alone. And I think the fact that we are – that there are more and more announcements on monopile new entries actually illustrates what I just said. The volume is there, the growth is there, there is a big demand for foundations. The question is who can do it? Who is able to produce that amount of monopiles? In our approach, we said, let's take all these – consider all these new entries, consider all these announcements to become 100% successful. We added it all up and say, okay, this is the amount of kilotons again, capacity supply that will enter the market in a specific year. And then plot that against the demand, the ambitions.

Two things are sure in this graph. The ambitions are not true and the actual supply volume will not be true. So something has to give in. I mean, in other terms, something has to give in because the gap between demand and supply cannot be filled or has to delay. We already know that certain volumes for certain suppliers are difficult to make in the given year. We are pretty sure that they will all become successful in the end, but it's not so easy to actually do upfront what – and make it realise. Some of them had to be applying already, to be honest, and are not yet. So we also expect a bit of a delay in the supply capacity. We believe we are not. I'll come back to that later on.

So what are the fundamentals now of this plan? Having said a bit – told a bit – talked a bit about the market. What are the fundamentals of building the largest monopile manufacturing plant in the world, excluding maybe China, because we simply don't know.

First of all, state-of-the-art production technology and optimised processes. You saw it in the animation. I talked about it before. If you don't optimise your technology and your process, you're cooked. That's what we also have learned from the past. We have a lot of know-how and experience from the past on this. It has to comply to the highest safety standards and environmental standards. We are in a business of the – 100%, more or less, of the energy transition, so we better be environmental correctly here as well. And that's also clearly our – one of the fundamentals in this plan.

We do see this strong pipeline, the left box, that is the strong pipeline. And yes, you can talk about local content discussions in the US. You can talk about, yeah, but in 2018, certain things delayed, some producers have problems. But the ambition is there, and they're not going to give up on this, BBB or not – BBB, sorry.

A very important point. We have massive support from key customers. You've read it in the news, I guess, we are going to build Empire Wind Farm for Equinor and BP. I'll come back to that later as well. Equinor also signed up to a long-term frame agreement. Shell, Eneco for the Hollandse Kust West, and they signed up big time; we will explain more in detail – Ben will – on the financing as well.

But having customers on board that actually say, 'We are going to help you be successful based on good prices and long-term commitments' is a dream, to be honest. But fundamental, it's not – it's a dream that has to come through when you wake up, and actually it is. And all that is supported by a financing package that's robust. And it's actually quite good. Sorry, Juliet, sorry. Thanks all of you. Thank you everybody or anybody here because in all seriousness, this is a very strong financing package in place. So these are very fundamental fundamentals, I would like to say, underpinning this plan.

I said a bit about the customers already. Let's start from the left, Empire Wind, US project. Some of you know that we once booked a US project called Vineyard, and we were happy for three weeks and then something – and then it disappeared, it sort of vaporised. We learned a lot from that.

So what made us decide to actually support this project? Well, first of all, it's with a customer Empire, being BP and Equinor, that have – and especially Equinor – that has done this before. All the wind farms for Equinor have been – and the foundations for these wind farms have been built by Sif. They know us, we know them. They're not a hobby party. They know what they talk about. And we have, in our contracts sufficient, how to say, clauses that will help us when things would delay, if they would delay, or would be cancelled. So we took some learnings from the past.

They contribute 278 kt in this new factory, in the launching order, with a €50 million advanced payment on this order. That's a nice contribution. Equally nice is the Ecowende, Eneco-Shell order for Hollandse Kust West Slot VI, so it's called. Slot VII went to RWE. And they also contribute with a €50 million advance payment.

And then we have Equinor with whom we signed a long-term frame agreement because they have a massive ambition. They want to have renewables in the range of 12-16 GW by 2030. And they realise that in order to make that happen, they need partners to help them build these wind farms. And that's why they were so keen to sign up with us and we were keen, actually, to sign up with them on a capacity frame agreement, a long-term agreement in return for €50 million preferred equity. Ben will come back to that later. €150 million out of €328 million supporting the financing of a plan is a good basis. My claim.

Competition, again, because competition important. They are there, and they are there for a reason. On the left side, you see the mapping of the ambitions of all the players in the market. For a reason, we put Sif on top. Why? We're the biggest. If you look at it from a European perspective, 35% of the future supply will come from SIF; by far the biggest chunk and leader in the market.

The dark orange ones are the established players. The light orange one are the newcomers that are building and investing big money in factories to come with this sort of tonnage, it's our interpretation of the tonnage. We did our own maths on that. So it's a disclaimer for those

from Haizea or SeAH in the room that maybe the tonnages differ, but it gives you a good indication of what they are up to.

Then on the bottom you see also Dajin. We take also Dajin serious. Dajin is a Chinese player, is investing heavily in a new factory in South China and has ambitions to come with sections to Europe. Costs a bit of money, but they have won orders on that. And actually, their capacity is needed to comply with the ambitions, the whole of Europe has. So are we afraid of them? No, as long as the level playing field is in place. And it's for that reason that we are very active ourselves, also in Brussels through the Offshore Wind Foundations Alliance, together with the European players, to talk to Brussels and to the policymakers to say, 'Listen, guys, if you want to build this European offshore wind capacity, you better learn from the past as well and take care that we do not allow, via the back door, very cheap players outside European.' We're not afraid of outside European players, not at all, as long as it is on level playing field rules.

And with the net Zero Act coming out, I think we can conclude that they're taking us serious and that they are doing whatever they can, within their power, to make sure that this level playing field is established.

So having said this, so what are actually our key competitive advantage? Why is Sif, Sif as it is? What makes that these high entry barriers in foundations actually does exist? Five key points here. And actually, I'd like to start with the middle one, long-term customer relations and supplier agreements. Why? Reliable, in-time we're there. Our suppliers, and they're not necessarily the cheapest but they are the best. And it's our customers that support us, and have supported us in the past, and do support us in this plan, and will continue supporting us in the future.

We have a very strong track record on delivering on time. The monopile is the first product to be installed in the wind farm. So if that one's too late, the whole wind farm is at risk. So there is value in being on time with the right quality, first time right. And that reliability is paying off – has been paying off up till today and is the basis for payoff also in the future.

And then a factor that should not be neglected, four monopiles per week. It sounds maybe very boring and practical. But if you can deliver four monopiles a week, you can also shorten the storage, and you can actually keep up with the pace of the installation vessel. So you can actually ramp up the time and optimise the time of installing a wind farm and ask any competitors, competitors from us, how many monopiles can you do at a dimension of 11 m and 2,500 t, ask them the question and be careful of what they're going to say.

None of them will come close to this four. And that is one of the key unique selling points that make – what makes the life of Joost very easy to sell monopiles to whoever wants them. But it's – our marshalling and logistics is a very important one, number four, because we are in the right spot. I think we – many of us are Dutch here, but this site, Rotterdam, the Rotterdam Harbour, the accessibility of our quay site 24/7, doesn't matter when, with 16 m of water, 650 m key length is unique.

I have heard the messages from installation vessel owners that with a new generation of vessels, the only spot where they have 24/7 access to the North Sea is this spot. That has a value. That is unique. And that has been a tremendously good decision to actually build this Maasvlakte 2 site at six, seven years back by our predecessors; a very strong strategic move.

Last but not least, we have this engineering know-how, deep in-house engineering capabilities. We know what we built, 2,600-or-so monopiles have been built. So far, they all are straight up, no problem at all. That know-how makes it very difficult for newcomers to come into the market. If you don't have it – they are smart, they know what steel is they know how to weld. But have they got the knowledge and experience we have? No.

So strong visibility green, high entry barriers, partner of choice. That is the takeaway from this slide. I'm sorry if I'm doing a bit of a Sif sales pitch here, but I don't know if you noticed, but I think we are very excited of what we're doing here.

How does this all translate? Now we come more in your field: money. First of all, the volume. Volume goes up with a factor of 2.5, more or less. Volume means more returns. If you do, it's smart because that's the command, meaning secondly, customers. We've signed deals that actually show very healthy contribution margins. I'm not going to tell you how high the contribution margin per ton is. Why? Competition is also, of course, very interested in that and I think it's not right to guide on a number, probably we get some trouble there. But we're pretty proud of the number. And that leads to actually a very simple multiplier of nearly four, saying that today's €42 million, roughly, will go to an expected €160 million or more in 2026. Ben will come back to that later on. I have a slide on this as well, but I'll let him go through more of the detail there. Leading to very attractive returns, cash conversion above 90%, and this payback of 3-4 is conservative if you take that approach.

The building blocks of what I just said, how does that look? First of all, I already said it, from 220-500 kt, that's a volume effect. That's capacity. That has a big impact on your EBITDA. Then, I already said as well, we have been able to sign up higher margins. Why? Because this is a different product and a different product comes at a different price, has a different value, has to be paid for. Otherwise, we can't build it and cannot justify an investment.

So quite a chunk of this margin comes from the contribution margin. Having a bigger factory with optimised processes that we have been working on for 3.5 years or more, means that your direct cost savings are not neglectable. Yes, they're there. It's – as you have seen, it's a one flow process. We do not touch it. There are no human beings in the animation, I have to apologise for the fact, but they are actually there. So we cannot do this unmanned as it may have shown, but we need substantially less people to make this volume. That's the saving.

And then there's only one Ben. There's only one me. There's only one Joost. The gang that's sitting here will not be doubled or be 2.5 times more when we look at the direct cost part of it. So we actually have a better balance between our indirects and the output of this plant. And that also has a saving in itself. Will we need more people? Yes. But is it a factor 2.5? No.

So all these building blocks together make actually – and you cannot conclude anything else, then hey, bloody hell, you have to make this expected €160 million or more actually. It's pretty hard to not do it. I'm exaggerating a little bit, but I believe in it.

So we have the order book, 348 kt in there. But not only that, we have a strong tender line. Already this morning, we talked a bit about it. Many questions can be answered by Joost – probably not for commercial reasons, not all questions, but he's working his – sorry, his A off to deal with all the tenders and make the right choices because we have to make the right choices. We cannot handle all the tenders, and we don't want to handle all the tenders because

it's simply too much. So there is a real strategic underlying thinking of what tender do we take that fits this factory correctly with the right safety and liability mitigating measures in place.

Efficiency gains, already said and the cost pass-through, an escalation mechanism that will be explained later on by Ben.

When you put this all together, what are the key takeaways? The market is second to none. It's very stable in Europe. We are dealing with very experienced players with very experienced countries that have ambitions for the right reasons. It's not an ambition because I like it or because it's politically correct. It's bloody needed. We need to be independent from – for our energy, and we have to do something about – to the climate change. This is a one-way direction that will not be stopped. By what we're putting together, we will become the market leader. We are the market leader, and we will become the absolute market leader by doing this. We're convinced of that. We're convinced of this. We believe in this plan and it has all the right elements; not because we are emotionally connected, because we are extremely thrilled by seeing a steel plate, but we are confident because this plan makes sense. And that leads to these attractive returns and growth perspectives.

So far, the general picture. Let's dive a little bit into the manufacturing process solution. And thanks to Frank, we've been able to also put it in only a few slides. So don't be worried that you have 200 slides now, it's only a few. Let's look at the past a little bit again. Where do we come from?

Sif, 75 years old now, has been through a few cycles of reinventing itself. If you go back only 20 years, we were predominantly a producer of oil and gas – structural parts, pin piles and what have you. And we were the first mover in this monopile business. So we stepped into it from day one. From that, we continue to grow, learn, develop, invest and it led to the situation six, seven years ago that we built Maasvlakte 2 here at the 42 hectares, now 62 hectares, next door to this place.

I said already a great move because that actually made that we were able to become the market leader and stay in this market, in this fast-growing market on a spot that's unique, I would say, in the world. And now we have come to the moment that we are going to construct the largest monopile foundation and manufacturing plant, whereby we are using new technology and setting the new standard, we believe, on technology, safety again and sustainability.

Is that all? No. We see also a future after this. I'll come back to that a little bit later, but we will become the market leader. And we will continue to build on our strategy of a total solution provider in a green, ESG responsible way.

So, when we started this off 3.5 years ago, there are a few very important basic principles for this design process of this factory that I think are also fundamental to why is this €160 million expected achievable or doable.

First of all, we have to solve our key issues on safety and logistics. In today's factory, in Roermond mainly, we have a situation, as you've seen in the annual numbers as well, that our safety statistics don't look good. And why is that? Because we are building a too-big heavy thing in a too small factory. And that leads too quickly to situations where people get hurt. That is not sustainable at all. We have to do something there. That has to be addressed.

Secondly, because of the small factory, we are moving the parts around continuously, which is basically a waste of money and time. So that had to be taken out. And we're saying also, let's now make the next step in reliability and quality and robustness of this process. That's a very important basic principle. Then we said, let's make use, as much as possible, of the existing buildings and equipment. Don't write it off. It's not necessary. How can we make sure that what we have today is still useful tomorrow?

And then the factor of operational excellence and cost efficiency. So a bit away from what is technically doable to what is the optimal process, the process technology in order to make sure that also when times change and competition increases, we are still the most cost-effective player in the market. In all that, of course, we had – we said we have to be able to produce a monopile up to 11.5 m, whereby we have taken a reference monopole of 2,500 t at 11 m diameter as the sort of reference monopile to produce at a number of 200 a year. That's why where the 500 kt comes from: 200 monopiles, 2,500 t each, 11 m bottom. We will never produce that monopile by the way, for the guys that we'll see every half year. That's a theoretical monopile. Thijs, have you got it? Thank you.

And we did that not on our own. We didn't do that in our own little Sif shell. No. We said, let's now invite professors, industrial experts, other companies with parallel techniques, but in a totally different field, advisors, everybody around the table and start a few brainstorming sessions with a white sheet of paper, so that we use our knowledge, combine it with other technology and see what is now the really best solution for that.

Frank has led it. That's why he lost a bit of hair, but he's still happy. Frank, correct or not? Thank you.

And so we came to a few expansion plan fundamentals here that are very important, I think, that are embedded in this whole thing now. I'm looking at the picture. First of all, this detailed factory design is verified, not only by the simulation that I just showed, but also by external experts and advisors. So we said, listen, this is what we thought of. Have a look at it. If you – with your expertise, does it work – it could work? That's important input because once you start it, you need to be sure.

It's a very smart combination, we feel, of existing technology, proven technology. We don't want to run into the trap of building something very nicely on a three-day animation that actually has – that isn't built on proven technology. So we looked at, for example, shipbuilding, what kind of plate handling systems do they use and to what extent can we make use of that technology, as an example, but we tailored it towards our requirements.

We also looked at it from a greenfield perspective, I already said it, whereby, we also thought how do we make sure that we are not, sort of, stopping the existing activities for half year in order to connect things. So there's very limited integration activities and downtime because of this. We actually built something completely stand-alone, that, in the final moment, in a few weeks' time – or maybe a month or whatever – will be connected to the existing factory and continuous producing. And in the meantime, the whole system as it is today continues producing like before. Important because it's money.

We took into account the lessons learned of 20 years – over 20 years of know-how and knowledge in this business. We took it all in. We took people from the floor in. We took them

from Rotterdam in, we took them from the offices in, from quality, from safety, everything. Everybody was invited to give their opinion and see, okay, what is it that we're building here.

We then also looked at what's going to happen after 2030. What if a 20+ MW turbine is going to be built? What if the weight of the monopile increases further? What if an installation technique is actually being developed that makes bigger turbines economically viable? Because that's one of the elements that's probably stopping it now.

But we have the optionality to grow bigger than the 11.5 m. Till what diameter? I'm not going to disclose, but we can grow bigger. And why I'm not going to disclose, two reasons. I think we shouldn't make everybody too smart. And there's another reason here. We also believe that 11.5 m is the sweet spot for quite a while. And let's stick to this 11.5 m. It's a complete new plan. It's a complete new CAPEX. I have no clue how much that is, stretch that question. We don't know how much that costs because we first need to learn exactly whether what we have thought of is working, before, and we want to know what the market is going to do, but we feel 11.5 m is the sweet spot for many years to come and should be in the sweet spot for many years to come. But we can go up. We can go up.

And then we said it's very important that we have a dedicated team ready that is outside the normal operational business that has started one year ago – it's about 10, 15 people – that are – have been working and preparing everything required to actually build this factory. So that is for the buildings, for the equipment, for the integration, for the infrastructure. And, for example, that's the reason why, I don't know if you saw it, when you look at – you can't look outside now, but if you look at our premises, you will see that there is quite a decent amount of activity already going on. So, there's quite – there's a new office that has been erected, low-cost office, but it's a good office, it does the job and foundation work, proper groundwork preparations are being done. So we are already prepared, and that's why we can quickly get this wheel running – turning.

How quickly can we get this wheel turning? Very quickly. April – and I mean early April, 3rd April, 4th April – that's the planned start of building – the actual building of this factory. So the offices are already coming there. I saw chairs being set into the offices of the construction company. 3rd April, we go. They go. We make monopiles. They do. And that is subject, of course, to the fact that we have to have the building permit in place. Building permit has been published 5.5 weeks ago. No objection so far, but you always have to wait until the last day. End of next day – end of next week, the building permit should be irrevocable.

Environmental permit already is irrevocable. Nature law permit will be issued next week. As many of you know, probably, we are a PAS notifier, PAS-*melder* in this country, all completely okay, but we want to have a nature law permit. That nature law permit, all the building blocks are in place. We have the nitrogen that we need for that building permit. We do know what our emissions are after that. All the documentation is being prepared, will be issued next week, and we have all the support from the province. BBB or no BBB, we have the province support, and we have the central government support to get that permit in place for Sif this year.

That doesn't stop our start. The stop – the start in April is only limited by the building permit and the environmental permit, both will – are expected to be in place next week. 1st July 2024, first startup of the factory with – actually building the first monopiles. Do we need to build immediately four monopiles a week? No. We have half a year, up till 1st January 2025, to build

a few monopiles in this new factory. And that gives us sufficient time to test, modify, optimise, test again, continue producing without having to explain to you afterwards that we have scrapped 100 kt of steel by just doing a few tests.

We are actually going to build monopiles for one of – for our customer. So 1st July next year, first start of production. 1st January 2025, less than two years from now, full throttle in the ramp-up phase up to 2026 and 2027 for absolute full capacity.

Do we have buffer available in that? Yes. We have a lot of buffer in the time – a lot is exaggerating. We have buffer in the time lines. Part of it because of all the preparational work being done, so we can start. We know what we want to build. We do have time. For example, the summer break, no work planned. We can use that period is needed. And there's many – so there's a few more spots in the planning. We have agreed also contractually with the building companies that they – that make up for eventual time lost, if they are losing time for whatever reason, because for us, 1st July 2024 is a holy date, it has to be ready.

The CAPEX is pretty much locked in with suppliers, with building companies, not with startups, but with companies that have done this before, that have a reputation in other industries that show the reliability, with good OPEX and service agreements in place as well, because we need to continue working with those – with that equipment for quite a while. And we have sufficient contingencies in place in the CAPEX, 10% or more is what we are looking at. I don't disclose the number, but we can deal with some setbacks that you will always see happening in this sort of project.

People. People, people, people is one of the big challenges in this sort of projects in a world whereby labour is scarce, and knowledgeable labour that actually knows what they're doing and has a clue of what making something means is even harder nowadays. We knew that, of course, from the beginning. And Caspar, since the day he came in, has been working hard on a total inclusive plan, how to deal with that. I'll come back to that later.

How many people do we need? To start up this factory the right way – it could be more later on, but to start up in the right way, given the order book, we need a delta of two – we need 200 FTEs. That's quite a lot. 270 degrees around this plot is water. There's fish. There's all sorts of things but there are no human beings living here, so we have to find ways to get people to this place. Part of that, we know already because people have raised their finger in Roermond to say, 'Well, that looks nice. And probably it looks – I'm actually quite interested to make a move, maybe for a year or two years, to Maasvlakte to help ramping up this facility.'

We are continuing in Roermond but at a lower volume because all the cans will be produced here, we could, on a structural basis, move about 80 FTEs from Roermond, temporary people, temporary workers, to this place. That's one part of the pie.

The other part is finding 120 people. Last year, Caspar, in a very difficult market, was able to hire close to 200 people. 80 went again because they were not good, they had other jobs, whatever, but we do have access to the labour market. The question is what kind of people do we know – do we need? Because this is different. This is a process-driven production, whereby you need probably less skilled welders but more process-oriented people.

So we're also looking here at diversity. In the traditional production environment we have today, it's a pretty male-driven business simply because there's no female workers that want

or can work or are willing or available to work in that environment. We think it's different here. We think we can – this open up a new source for human – for labour from a different – coming from different businesses even, that would be willing to work here.

So the whole plan also is not only based on having the right recruitment companies in place, but also the right recruitment marketing strategy: training, education, commute – how do we commute, how do we bring these people here? Should we build our own ferry to cross the river here so that we can take in the people with our own Sif – powered-by-Sif ferry? Should we moor a flotel here in the harbours to accommodate workers? All these aspects are being considered in this total plan, and we start with that now.

We have built a plan. Caspar has – is in the final stages of closing the deals with partners to help us search. And by second quarter of this year already, we hope to see the first ones coming in that we need immediately in the beginning of next year already. So there's a lot of action taken on human resources, not the traditional ones only but the whole population, and, as much as possible, diversity, we would like to take into account and approach in this plan.

Integration impact. I said it already, but we try to limit that as much as possible. It's a greenfield investment built on a stand-alone basis here on this plot. No connection needed at this moment of time. Earliest connection, Frank, end of this year, early next year? Earliest, earliest and that's it. And then, of course, later on in 2024, but very limited integration issues.

We stopped marshalling and logistics, unfortunately. We still have to finish the Hollandse Kust Zuid marshalling order for Siemens Gamesa. But then that plot will be used for storage for our regular order book. And the whole plot here to the south of the present factory and partly to the north of the factory will be – is or will be freed for building the new factory, and a bit more because of the offices and logistics and storage and blah, blah, blah.

After that, we will come back with marshalling and logistics in a limited way, but we have stopped early enough in time to make sure that we have a sufficient space for the factory to be built. And then we also planned for this downtime – as said, we are planning for this downtime in 2024. That's why you see the tonnage also going a little bit down so that we have sufficient time to do the integration, but also to ramp up this factory that we are not immediately running into late deliveries with our customer.

And of course, we want to do that – and I repeat myself – in a very safe and controlled manner. People will come in first – second quarter already. We will start the testing and take time for testing. Take time to test in a safe way because it's big stuff, it's heavy stuff, and it needs to work nicely.

And that, dear audience, brings me to the end of my part so far. Ben, can I give the floor to you? Good luck.

**Ben Meijer:** Thank you, Fred, and good afternoon, everybody. In my section, I'm going to tell you a little bit more about, first of all, the key fundamentals of the financial business plan and also give a brief overview about the key risk factors and mitigating factors we are taking to address these risks.

Fred already showed this slide, which is basically showing, in a summarised manner, that we are targeting attractive financial returns by means of EBITDA growth, cash conversion and the payback between three and four years. In the next slides, I'm going to show you a little bit

more background and details regarding the underlying drivers. And as a starting point for this explanation, I would like to use the EBITDA bridge.

And I think if you look at this EBITDA bridge from the distance, basically what you see is a balanced approach. In the end, the EBITDA growth should come from a combination of volumes, higher contribution margin per tonne, and direct and indirect fixed cost savings. And I'm going to show it to you in the next three slides, what is happening over there, what is driving this.

This is an important slide, and it's talking about the volume growth. And the graph is showing quite a lot of information. First, it is showing actual production volumes for 2020, 2021 and 2022. And basically, at the moment, we are at a level of roughly 170 kt. But it's also showing you the order book and the tender pipeline we are currently working on. In the order book, in total, at the moment, we have 662 kt; is broken down, first of all, in launching customers for the projects, Empire and Hollandse Kust West, and the order book for the launching customers is 348 kt. And it's also showing you the order book for the rest of the business, the more traditional business, is 340 kt. You can basically see it for the years 2023, 2024 and 2025.

And the order book is including basically two components. It's booked orders, but it's also including projects where we have an exclusive negotiation position. A lot of writing is going on at the moment there, Fred. And the last breakdown is basically the active tenders we are currently working on. So, for the years, especially, 2025-2026, you see the active tender pipeline, all the projects we are currently already in intensive discussions with the underlying customers.

If we look at this graph, on a year-by-year basis, you can make a couple of observations. First of all, 2023 fully booked, 2024 fully booked. And also for 2024, what you see is you start already ramping up the new factory, the second half of 2024, and you only see a little bit more than 200 kt because, basically, we're taking the approach to do the startup in a very gradual manner. 2025, you see our business plan number of 330 kt. Again, it's based in the end on the underlying design but volume is exactly coming out of it. But the target number is 330 kt. And if you look at this, we are already booked for 70%.

And for the remaining part, we are in discussions with various customers, Joost and his team. We see an active tender pipeline of almost 190 kt. So if you look at the moment, what our business plan numbers are and what we try to achieve, and you compare that with the tender pipeline and the order book, you see, okay, the number is much higher.

The same for 2026. 2026, the active order of the orders in place is still relatively small, which is very logical because we're talking about 2026. But the tenders we are currently involved in, and this is including a specific project for Equinor as part of the long-term capacity reservation agreement, is huge. And if you look at the feasibility, we're talking about 2026, three to four years from now. And this situation that we already have this amount of visibility three or four years in advance, and working in this amount of numbers, and if you look at the active tender line, it's not comparable with the past. It's a lot of visibility we have at this stage.

So, overall conclusion, if you look at the volume part, is basically, it's a solid order book and a very solid tender pipeline. It's hard working for the commercial department, but Joost is still smiling at the moment. But we are not concerned about the volumes if we look what is going on in the market. And that is not a surprise. Also if you heard the story of Fred, what's going

on in the market, if you look at the supply/demand imbalance, you see it as being reflected in the numbers we see over here.

So this is talking more about, if you look at the EBITDA bridge, the first part was the volume-related underlying story regarding the volume drivers.

The second part, what is extremely important is contribution margins. And contribution margin per tonne, just to start a little bit with the boring definition. Contribution margins per tonne or contribution margin within Sif, it means it's your sales minus your direct raw material cost, minus your subcontracted costs and minus your logistical costs. So direct labour costs are not included. That's how we look at contribution margins.

And what is important, a lot of this cost is still price-related. It's related to flange prices, and it's a pass-through item for Sif. We do not take any risk on steel prices or flange prices. So the majority part of the cost, which are included in contribution margin, is purely a pass-through.

If you look at this graph, you see a couple of things. 2020, 2021, 2022, you see a gradual improvement of the contribution margin per tonne. And these numbers are excluding, first of all, marshalling and also excluding engineering contribution margin that you basically more look at the monopile and the TP business.

The number for 2026, we're not going to show it to you for various reasons. But if you look at this one, what you see is targeting much higher contribution margins, and not only targeting but also really expecting that we are going to achieve that. And why is that? First of all, based on the discussions and the negotiations with, first of all, the launching projects. So these numbers are based on these negotiations.

Secondly, it's a fundamentally different product. If you look at the manufacturing complexity, it is – you cannot compare it with the products we are making at the moment. And this is also, as a consequence, you can achieve higher margins.

Third component – I should have mentioned it first – the prices are based, first of all, in the discussions with the launching customers, but also the tender projects that Joost is working on. In all these tender discussions, you also see that the contribution margins per tonne are at a higher level compared to the past. Again, reflecting what we see in the market, the market supply imbalance. So because you are able to discuss and negotiate these higher levels, the underlying driver is, again, this market supply imbalance we currently see happening.

Looking at the cost side. The left graph is showing you the direct cost per tonne and the savings we target to realise, and we see significant savings over there. And this is directly related to a couple of things. First of all, if you look at our current Roermond factory, you see limited space, and we are making huge monopiles. So we are confronted with our physical barriers and, as a result, inefficiencies and also unwanted logistical movements.

What we see the new plant is specifically designed to produce these much larger monopiles, less handling and has a much more higher level of automation. So, as a consequence, the direct cost per tonne will decrease – are expected to decrease significantly with about 15%.

Indirect cost is again the story. We have one CEO. We have one CFO. What you see is your volumes are almost doubling. But in terms of number of projects and also in terms of number of monopiles, it's roughly the same as the current situation. So if you look at your support

departments, if you look at your commercial departments, there is – not a lot of additional cost is required. We are budgeting some selective incremental fixed cost increases, but it's relatively limited. And as a consequence, it's purely mathematics, you will see that your indirect cost per tonne are going down. And we see a decrease of 40%.

So overall, EBITDA bridge, if you look at what are the underlying drivers, is coming from more volumes, higher contribution margin per tonne and targeted and also, it's going to be realised, lower direct cost per tonne and also lower indirect cost per tonne.

CAPEX. CAPEX budget, €328 million, broken down over, first of all, equipment, a little bit more than €200 million; and buildings a little bit more than €100 million. And we are confident we can do it for this €328 million and maybe even a little bit less.

Why are we confident? First of all, we started with this project a long time ago. There is a detailed design underpinning these CAPEX numbers, which has been tested via external parties by industry experts, so there is a lot of preparation and a lot of detail underpinning regarding this plan.

Most prices are locked in. sufficient contingencies are in place, and we have a dedicated project team outside the day-to-day business to make sure that this is going to happen in time and within budget. CAPEX raising, roughly 50% in 2023 and 50% in 2024.

Then the funding. And if we look at the financing structure, we have over here, it took longer than expected, but we are really happy and proud about the results. A couple of things. It's a secured and low-cost structure financing. But even more important, it is well balanced in terms of debt financing, leasing financing and a combination of equity and also contributions from launching customers.

And especially the last part is important for Sif. €150 million, which is almost 50% of the CAPEX amount, is coming from these launching customers. First of all, via advanced factory payments, and that basically means €100 million, which normally is only coming in, in 2025, it's already coming in, in 2023, and you can use that to pay part of your CAPEX. We have preferred equity from Equinor for €50 million, long-term equity that they're going to finance, which is also part of the €150 million. And the underlying segment for us is €150 million coming from launching customers. It basically means is they're signing up for the plans, and they like what we are doing.

Regarding the cumpref from Equinor, €50 million, we have the plan to take them out before 2028. So we have a call option as of January 2025 and between 2025 and July 2028, so in July 2028, Equinor is having the option that they can convert to common equity. So we have a period of 3.5 years that we can take out this preferred equity, and this is what we plan to do, also based on the targeted cash flow generation.

A relatively small amount of common equity, €50 million, also limiting dilution for the current shareholders. Egeria is supportive of the expansion plan, and they will also purchase any shares that have not been subscribed for, a crucial part of the committed funding.

And last but not least, I would like to say a big thank-you to all the parties, and we'll not forget anyone, who have been involved to make this happen, and it's launching customers, it's the lenders, it's the guarantee providers and also the equity providers. So a big thank-you to all of you.

Last slide. When we started this project three years ago, we knew immediately it's going to be a risky project with risks being involved. And also, as of the beginning, we said, okay, we have to manage these risks and take mitigating actions. So it was on our agenda since we started this project. And if you look at it from a distance, at this project and the key risks being involved, first one is, what if you are going to have a start-up? So overall, it's taking more time than you were expecting.

And we took a couple of actions to mitigate this risk. First of all, put in place a dedicated project team. So you cannot do such a type of project and, at the same time, also doing your running business. So a dedicated project team in place outside the normal current business to make this happen. Buffers in place during the construction phase, but also during the ramp-up phase, that you have some slack built in to make sure that this delay is not going to happen. And last of all, a controlled ramp up in 2024.

Second key risk is cost overrun. The budget is €328 million, and of course, you do not want to have – you don't want to be in a situation that you're going to spend much more money. Actions taken, first of all, a very detailed plan being verified by external parties. Prices locked in. And last but not least, also adequate contingencies in place of around 10%, let me use that wording.

Third key risk, filling the factory. The most horrible scenario for a company like us is you have a new plant, and, in the end, it's an empty factory. So, as of the beginning, it was clear to us, we can only do this if we also have launching offtake, and also if we have deals with customers who are linked to us for the longer term. So the launching offtake is an important one, supply/demand imbalance in the market that we see also for the next couple of years, the next five, six years, that there is more demand than supply, and a very strong tender pipeline. And last but not least, a long-term framework agreement with Equinor.

Employee recruitment, especially also in these challenging labour market circumstances. We need at the Maasvlakte, roughly 200 more people. 100 people or 80 people can come from Roermond, and for the other 120 people, we have a detailed recruitment plan in place.

Last box of risk factors is basically the macro environment. Political risk, we see it rather limited because there is strong support from the political environment. We see that the wind energy at sea, it needs to happen. Looking at inflation levels we have been confronted with, also in our commercial contracts, we have escalation clauses in place. On steel prices, we do not take any risk at all, but also regarding some other key inflation aspects like energy prices, we are putting in place additional escalation mechanisms.

Basically covering these items, the key project risk, but overall, what we also see if – the factory is there. And the way we are building the factory that we are doing it in a more flexible manner with a different production setup, we also see that this is more like derisking the overall risk profile of Sif.

That's it. Thank you for your attention.

**Fred van Beers:** All right. Ladies and gentlemen, only four slides to go before we go into the Q&A. So it should be doable, all right? Clearly, yeah? Okay, good.

Let's wrap it up a little bit and look a little bit into the future after this project. What are now the success factors in a nutshell? Four of them that make, in the end, that we believe in these

attractive returns and growth perspectives above €160 million EBITDA from 2026 on, as expected.

First of all, the market is there, 260 GW in Northern Europe for 2050. 2050, who can tell that there is a perspective of growth up until 2050 in their market? We are going to set this industry standard for all the reasons we just explained today. 2.5 times bigger output with 500 kt is a real strong signal to the market and also a strong size where we can base our future.

The customers, our partners of choice that have signed up to this deal, extreme important success factor, mentioned many, many times already today. And as Ben also explained again, this project execution is key. A dedicated team to spend hopefully less than €328 million, but with sufficient contingency and underpinning contracts in place to make us believe, and actually truly believe that this is going to happen. That – those are the success factors that lead to this EBITDA expectation.

What's after this plan? Are we ready with this plan? No, we are never ready. And are there other elements that we are working on? Yes, there are other elements that we're working on.

First of all, the strategy that we communicated a few years ago, this total solution platform is working. It's simply for the reason that we needed space to build this factory that we did put a hold or pause on the marshalling and logistics services, but it's a damn good business. And we do look at possibilities to, after the build of this project, build it up again and even are in discussions with Port of Rotterdam to see where we can possibly rent more area to further boost marshalling and logistics. So that's not from the agenda at all.

Then there is the expansion. I mentioned it already. I'd like to mention it again. There is an expansion possibility in this factory that we can work out. So we – there is a bit more room, so to say, to go for bigger diameters, should the market require to do so. We are preparing ourselves for the years after 2030 as well.

In parallel, we continue to do – to work on our geographical spread. We have signed a license agreement with GS Entec, as you know, and we are working now in implementing that agreement. As we speak, two of our colleagues are in Japan, where they are supporting GS Entec on the exhibition in Japan to help promote GS Entec as the local monopile supplier, and we are happy to also borrow our logo for that to help them do this.

And that's a very interesting development. It will take years. It's long term. It's not something to consider in your numbers for next year onwards, but it's something that is giving us a strong foothold in the Asian market.

In parallel, as we all know, the US market is very, very active. And we have started, well in advance of all these activities, a little project team headed by a very experienced monopile producer with a lot of monopile production knowledge in place, Heiko Mützelburg. And he is now running a project team to see what is this US market all about. What are the facts on the table? How can we actually just look, judge the local regulations? How does this Biden Act work in reality? Where do we have premises that – where we can – or somebody can build a factory? How are the customers reacting? We take time for that.

One thing we've learned also in this project and what I've learned in this business, we have to take our time. Nothing goes on its own and nothing goes quickly. You have to have the

patience to take time for developing whatever you want to develop. But geographical expansion, like before, is on our agenda.

And thirdly, we look at scale up within our capabilities. So the Skybox, mentioned many, many times already, also takes many, many years to materialise into a commercial product, is now very close to this commercialisation. Joost is having also some projects where this product is taken into account, and we are full-fledged continuing with that. But also with things like alternative foundations, where is the floating market developing? What kind of role could we eventually play in that? But also things like a tripod. In a few weeks' time, we will publish something on that but maybe the tripod is something nice in between a monopile and a jacket and could be a feasible product, maybe not.

But we are looking at all sorts of other alternatives for the existing monopile to see if we can broaden our portfolio and expand this company further than just building a factory – well, just – building this factory on its own. I have to be careful here.

And we – sorry, Frank. In that sense, we believe that Sif is actually – I mean, we feel pretty proud that we're actually positioned now as a tier one company because we have developed – don't know if you know this, but we have developed gradually into a tier one product, meaning we are in direct contact with the developers. We are considered a strategic product as foundation, and we are considered a strategic company by many. And that brings us in the field of the logos you see here.

But more important maybe is our trusted partners, our customers. And we have mentioned the ones that are now important for this project, but I would like to also emphasise that there is more customers that we are working with. This plan doesn't mean that the only customers we will be working with are these customers. There are plenty more – plenty of customers more that we are working with, and there is also plenty of room and capacity available to actually make very nice deals for those customers and for us, through partnership in the future.

So by showing this slide, I go to the final one, the one you know. And I would like to open the floor for questions and comments or a short break, if that's maybe a good idea. Cup of coffee. And if that – is that okay? Yes, we take five minutes to grab a coffee and then prepare ourselves for a very intense question and answer session, guys. Thank you.

## Questions and Answers

**Fred van Beers:** We'd like to open the floor again, I guess. It's okay?

**Agnes van den Berg:** Yeah.

**Fred van Beers:** Okay. All right. Then we start now with the interactive part. So we are ready for questions. Agnes is available, she has the microphone so that people online can also hear the question and the answer, hopefully, as well. So who would like to start? Of course. Thijs, yeah.

**Thijs Berkelder (ABN AMRO-ODDO BHF):** Thijs Berkelder, ABN AMRO-ODDO BHF. Just some clarity maybe on a couple of slides. Slide 13, maybe you can bring that up on the screen or so. But that's the – yeah, this one. You have a partnership with GS Entec. Where is GS Entec? What kind of capacity can we expect from GS Entec?

**Fred van Beers:** Good question, by the way. It will be roughly around €80-100 million in 2026.

**Thijs Berkelder:** Okay. And I thought there also was a Japanese…

**Fred van Beers:** We have JFE, but we haven't got any information whether they are going to actually build the capacity and when, so we decided to leave that one off.

**Thijs Berkelder:** Okay. Clear. Then slide 16. I think you're increasing volume from 200,000 t to, let's say, 400,000 t. Volume is then plus 100% or not?

**Fred van Beers:** Ben?

**Ben Meijer:** Thijs, what this graph is explaining is between 2022 and 2026, you see roughly an EBITDA increase of €120 million. And the percentage over here is saying, what part of the €120 million increase is driven by respectively volume contribution margin and the other two components. So this does not mean that your volumes are going up with 35% or your contribution margin per tonne is going up by 30%. That is not how this bridge is working.

**Thijs Berkelder:** Yeah.

**Fred van Beers:** And second remark, maybe on the tonnage. The 500 kt should be – can be compared with the 220 kt theoretical wind capacity that we have today, depending on the actual design and the planning at 24/5 plus two shifts on Saturday, makes the actual practical tonnage is lower. Depending on the design, again from the monopile, it goes up or below that level.

And so if you look at the plannable tonnage on the new factory, with this 24/5 approach plus Saturdays, you come to something like 400 kt. So there your 400 kilotons matches again.

**Thijs Berkelder:** Okay. Then you're indicating something like a 30% uptick in the contribution margin per ton or whatever the percentage is –

**Ben Meijer:** No. No, this one – saying what part of your increase in EBITDA – what part of your €120 million EBITDA increase is generated by higher contribution margins.

**Thijs Berkelder:** Yeah, I was looking at that other slide where it suggested more or less 30%, this says 30 – something like 30%, but the – But distribution margins slide, if you look at roughly the difference.

**Ben Meijer:** But that's not how you should do it, Thijs.

**Thijs Berkelder:** Okay. Now clear. Then a question related to the slides. Does it mean that also transition pieces contribution margin goes up by that percentage? Or that you are expecting that? Or is it only the monopiles where we can expect that to increase?

**Ben Meijer:** Overall, if you look at also the underlying drivers of the business plan, the 30% is basically related to the overall contribution margin per tonne. So it's a weighted average of the monopile business and the TP business. Looking at the underlying fundamentals, what you do see is transition pieces, we made good margins, and we continue to make good margins. But the sweet spot also in terms of margins per tonne is more in the monopile business.

**Thijs Berkelder:** Okay. That answer is good enough for me. Then still don't understand why not directly you're building a plant for 15 m. What are the extra costs for building 15 m diameter potential?

**Fred van Beers:** I have no clue. That's an answer. No, but serious, we – building a factory like we're doing here till 11.5 m is a challenge and a product on its own. If you would go – our analysis shows, and also looking at the capabilities of installation vessels, for example, and storage implications of that above 11.5 m monopiles, is a completely new animal again, is a new era, is a complete new step change in the market.

And based on that evaluation, we said we are not going to do two steps in one go. We're going to do one step right. And it remains to be – that's one thing. The other thing that remains to be seen is if the market is big enough to actually go for that sort of dimension. Because if you would ask – that's why I said it as I said it, if you would ask now any of the competitors how many monopiles – that have announced 15 m, 15.5 m I think we've even seen – 'Tell us how many 15.5 m you can produce, let's say, by five years.'

What I mean to say is the number of monoplies you can produce in that dimension is very, very low on an annual basis. And the question there is how realistic is that in building a wind farm, whereby you need 80-100 monopiles?

**Thijs Berkelder:** Then on the US, coming back on the 15 m, is it a logical that maybe once a US plant is being established that, that would be a 15 m plant then? Is that logical?

**Fred van Beers:** It will – whether it's 15 m or bigger or not, we simply are not that far yet. But I think, Joost, you can also explain or tell a little bit from what your experience is in the tenders. You see, indeed, a bit higher diameter range there.

**Joost Heemskerk:** Yeah. From the request we get, is that you see generally a little bit bigger diameters in the United States, has various physical reasons. So that could indicate that possibly different choices are made with regards to the diameter choices for factories in the United States.

**Thijs Berkelder:** Yeah, also a reason why I'm asking is because we saw in, let's say, this plant technology moving fast and typically moving normally faster than we predict before, then slower. While you just explained, while we expect it to slow down a bit and then maybe later on, accelerate again?

**Fred van Beers:** I think you have – this is the key – the core of our analysis and our internal debate. I mean – and we have – that's why we have come to the conclusion that we have come here. First of all, the learnings we took from the past, meaning we said, okay, we need to have customers now that sign up for a relative long period at the right margin so that you can – and then you come to the earn-back period so that you can earn back this investment in an overseeable period of time, without being taken by surprise by a market development that sort of blows away your investment.

**Henk Veerman (Van Lanschot Kempen):** Henk Veerman, Van Lanschot Kempen. A couple of questions from my side. Your target of €160 million of EBITDA, you presented as a function of per tonnage. But based on historical production, we also know that volumes on a yearly basis can vary, sort of, 15%, 20% every year. Should we assume that volumes, when the new factories is done, that they become more stable? And why should that be the case?

**Ben Meijer:** Also, on this one also regarding volumes, we talked about the reference monopiles. So also in the new factory, it really depends on the design. And you can have certain designs that you get much more tonnage out of the factory. But for example, if you have a more

difficult design that is not perfectly suited for a new factory, it can be the case that you have lower volumes, but then this will also imply that we are targeting higher margins also with the customers, still to be able to make our bottom line. Because that is, in the end, more like the underlying key driver. And also for Joost in terms of pricing, when he's looking at these new tenders, basically looking how much time does it cost to get it through the factory and what is the pricing I need to make.

**Henk Veerman:** But I can also imagine that sometimes the schedule makes it that you cannot produce back to back, right? So, yeah.

**Fred van Beers:** Joost, you can maybe explain a little bit how you do that because that's another learning from the past, whereby in the present market, we have a few more angles to work on.

**Joost Heemskerk:** So the first element in that is to be a little bit more conservative than in the past on, let's say, how much back-to-back efficiency you have with the orders in a certain year. So we allow for more buffering time to come to a lower net amount of weeks where you are in full production in our pricing model. And the second element to the question that you're raising is we expect varying volumes because, indeed, sometimes you have a good combination of orders that are more in your sweet spot with a more efficient design, leading to a higher tonnage output.

But one of the important changes that we are making is that we have shifted our pricing model from a more tonnage-based model in the past, something to which the industry and our buyers are typically very used to, to more an asset utilisation model. So more similar to an installation vessel that has more bareboat rate and then a certain incentive on production, let's say, efficiency and output.

And that, indeed, leads that tonnage prices are not anymore directly connected to tonnage, but also related to how efficiency – efficient a certain order runs through the factory.

**Henk Veerman:** Right. Okay, that's clear. On the long-term capacity reservation agreement with Equinor, are you willing to share a bit more detail on the dynamics of that agreement? So what kind of volume do they have, can they claim?

**Fred van Beers:** They can claim a certain volume. And there are notice periods agreed that give us options. We look for a strong balance between having security on order book and commercial flexibility to look at other projects because that's always the downside of that – such an agreement that you're, sort of, jeopardising your freedom in the market. And that's the balance we've looked for. For, I think, obvious reasons, we're not going to disclose exactly how that works. But these are the key elements, I think, in that structure that make us feel comfortable to have best of both worlds in that sense.

**Henk Veerman:** Okay. But they also pay, let's say, in line with other customers, if they do not, let's say –

**Fred van Beers:** All these criteria are in place.

**Henk Veerman:** Okay. Okay. On the hiring, it seems like one of the key risks in this business plan. So you plan to hire – from what I can see on your numbers, you plan to hire – you plan to increase your workforce that is related to production by about 50% within, let's say, the time

spend of about a year or maybe 1.5 years. So I think you spoke about facilitating transport, facilitating maybe even housing or maybe also in the flotel.

But – so I mean, the job markets are very tight, right? And if that remains the case, so what else can you do to make sure that you will see this increase, especially with the issues that we've seen related to the workforce in the past year?

**Fred van Beers:** First of all, you'll all get a free training after this session, so you can get half of them out of here. No, no. Caspar, maybe you can give some flavour on this one.

**Caspar Kramers:** Thank you for the question. First of all, we have a proven track record of hiring 195 people last year. Yes, we lost some. So our focus will be also not just on hiring, but also keeping the employees. This we'll do by aiming on being employer of choice in 2025, with elements like, for example, we've introduced per the 1st January 2024, a higher benchmark of 12% increased salaries, so we can match also the benchmark here in the Baltic area. So that's one.

And secondly, we also introduced same conditions for hired staff as for fixed staff, meaning that not just pay, but also all conditions apply. For example, this year, we exist 75 years. We'll be having community days for families, including also the hired staff, the contractors, and we'll have a big party, as well as customer days. So we're doing all kinds of building blocks, improving our conditions, our pay, but also our training and development of employees. So, all in all, we're stepping up from the majority curve coming from a family-owned business to a very well-structured and run business.

**Fred van Beers:** Will it be difficult, and do we need to do a lot of work and have to put a lot of focus on it? Absolutely. I will not – we will not – we're not going to say here, it's an easy walk in the park. This is a critical element. But I think that's why we start now instead of waiting half a year or a year from now.

**Henk Veerman:** Okay. Can you – if needed, can you increase your proportion of flexible workers if you would not make the –?

**Fred van Beers:** Of course. But we also still have to find them as well.

**Henk Veerman:** Right. About the plan in Roermond, you plan to transfer 80 FTE. It seems quite a large number. I'm not sure how many people are working at Roermond at the moment. But – and what is the plan for Roermond following this expansion? Especially since 80 people will leave that business but at the same time, I think you will still do work there, including the oil and gas business as well or the gas business?

**Fred van Beers:** You heard it in the movie, we are still – we still need Roermond, and we have published a few times on that. But maybe, Frank, you can give some feedback on that one, how you see that working?

**Frank Kevenaar:** Yeah. Okay. I think it's a very good question. I think that the plans for Roermond is that we will still, of course, continue producing what we are producing today. But also, we will see the same effect as what we've seen in the past years, is that due to the diameter increases that also there, we will more or less also replace a part of, let's say, what has been produced there to the new factories. That's for starters.

Further on, what we also are doing actually as we speak in Roermond, is that we are extending the – some of – and also investing on some of the equipment in order to make sure that, also there, we can meet the next step when it comes to diameters. And indeed, the shift will also be driven by a shift of diameters and dimension and weights to Maasvlakte 2.

**Fred van Beers:** To add on that, I think it's important to mention the top sections of the future monopiles – that's why I showed a picture of this 8-9 m – continue to be made in Roermond. All the tops – we cannot make that volume on this site alone. We need Roermond to make the top sections and the transition pieces.

**Frank Kevenaar:** Correct.

**Fred van Beers:** So that business will continue.

**Frank Kevenaar:** Yes.

**Fred van Beers:** And that's actually one of the – also the plans that we are looking into, to what extent can we now increase the output of that unit again when we are in that sweet spot in – for example, making more transition pieces, because there's a high demand for transition pieces and more than we can deliver today.

**Henk Veerman:** The machinery is also in the €328 million?

**Fred van Beers:** The machine that machinery is not in there. But we can make the transition pieces already. And that machinery that Frank was talking about, that was already in the CAPEX last year.

**Henk Veerman:** Okay. Part of the normal CAPEX.

**Ben Meijer:** And to add one component, also regarding the FTE transfer from Roermond to Maasvlakte. Still indeed producing the top sections and also the transition pieces in Roermond. Basically, all the permanent staff, the payroll staff that we currently have in Roermond, will stay in Roermond. So the only thing that will change is that we try to move, from Roermond to Rotterdam, talking about the flexible workers. And what we're assuming right now, you have quite a lot of flexible workers in Roermond, that we say we take the assumption – because also in the future, you will still need a little bit of flexible workers in the Roermond, but much less compared to the current situation. And the assumption we are taking is that we can convince roughly 50% of the flexible workers we do not longer need at Roermond, to convince them to go to the Maasvlakte.

**Henk Veerman:** Okay. Yes. And Last question is on the US. Have you already decided if you would like to take the asset-light approach in your US business plan, or actually also the road where you would invest in the plant?

**Fred van Beers:** We're considering all options, including the no-go option.

**Henk Veerman:** Okay.

**Fred van Beers:** To be very clear.

**Henk Veerman:** That's clear. Thank you.

**Fred van Beers:** Any more questions?

**Roald Hartvigsen (Clarkson Securities):** Roald Hartvigsen, Clarkson Securities. So first one, I want to dig a bit more into the hiring topic. So I guess this one goes to you, Caspar. So our understanding is that you'll start hiring for the expanded plant already this year. Can you give some more details on sort of which critical positions you'll seek to fill first?

**Caspar Kramers:** Yeah. So the first wave we'll do is the people who will be starting up the plant. So building first the roller machines, that's the first part. But that will be, in fact, the staff which Ben just addressed, the people we're trying to move with experience from Roermond to Rotterdam. So that's the intent, that they will kind of be starting off the initial production. And then, meanwhile, we continue to increase our hiring activities to bring them up to speed with the experienced staff alongside.

**Roald Hartvigsen:** And then I want to touch a bit upon, like, the risk of low water levels in the Rhine River. You're switching to slightly smaller steel plates now. Could that, sort of, mitigate some of that risk? Like is it possible to transfer the plates by other means of transport?

**Fred van Beers:** That's not an HR issue, I think.

**Caspar Kramers:** I'm looking at Frank.

**Fred van Beers:** Unless you like –

**Caspar Kramers:** I could give a go but then… I could give it a go.

**Fred van Beers:** We saw – you probably know, we saw very low waters this year. And I think you also could conclude out of that, that there is a big difference between the first time that it happened – it was 2018 – and when it happened last year. Few elements. First of all, the water management in this country has changed dramatically. Instead of pushing out as much as possible during the spring period, they're actually keeping now so that you have more buffer on the water side.

Secondly, we, and the planning team, create more buffer when we see this coming because you see it coming – or actually, you see it not coming anymore, should have put it that way. You can agree with your supplier to get more buffer on your steel.

Thirdly, they can anticipate also earlier on having more barges available because if it goes less in a barge, less water depth. So you can have more barges. And that meant that actually during a longer dry period last year, we did not have any issues. At least you didn't tell me that we had any issues –

**Frank Kevenaar:** Well, of course.

**Fred van Beers:** – because of this. Whereas would we have had a similar situation like 2018, we would have had, for sure, problems.

**Roald Hartvigsen:** And then a bit on CAPEX. You said that most of the CAPEX for the expansion is already fixed. Can you give some colours on what is not fixed yet?

**Fred van Beers:** I think the lockers for the changing rooms. I mean, no, seriously, we are – basically, we either have locked it or are in the final stages of locking it, or we know who's going to deliver but they don't know yet, so we keep our mouths shut. But the – in order to not jeopardise the commercial agreement. But everything that is critical for the start – that's construction company, the steel construction work, the electricity work, all these companies,

we are close to or have signed the deals with, let alone – I mean, like the plate handling lines, the rollers, the welding equipment.

**Roald Hartvigsen:** I'll make sure to get those lockers into our scenario. Last one, current bidding environment. Can you give some more colour on that? And the prices that are suggested in the current environment, do you believe those will imply higher contributions than you're seeing from your launching partners?

**Fred van Beers:** That's the push daily on Joost.

**Joost Heemskerk:** Yeah.

**Fred van Beers:** So Joost, tell us.

**Joost Heemskerk:** Yeah. So for the tenders that we now have on our desk and we are actively engaging with our customers, the ones that are basically part of the graph that you saw, we have a very good view on the likely-to-be-realised prices. And they are, let's say, comfortable.

**Roald Hartvigsen:** Okay. Thank you.

**Fred van Beers:** Andre?

**Andre Mulder (Kepler):** Andre Mulder, Kepler. First question on the installation side. I can see the market exploding, would likely ensure your high utilisation for you and your competitors. However, on the other hand, there do not seem to be enough installation vessels, there are currently something like 100, which within five years, half will be obsolete because they cannot carry these high weight in monopiles anymore. Have you taken that into account? There are some new ships to be built. There are some vessels that are seeing increased crane capacity. But overall, there seems to be a shortage of something like 25%, which may result in projects moving out, and, as such, result in lower utilisation?

**Fred van Beers:** That's absolutely a very valid point. And yes, we do take that into account. And what does that mean? First of all, again, the limiting – limitation on the diameters because the more we facilitate higher – bigger diameters, the even bigger problem we get on the installation vessels.

And secondly, we are in constant dialogue with these installation vessel owners. And we've, of course, also seen the effects of delays in the delivery of two vessels; Orion not so much affecting us but the Alpha Lift definitely affecting us because that ship should have done the load out of Dogger Bank.

We – yes, one thing, how do we anticipate? First of all, Joost in his dialogue with the customers is also looking at, okay, who are – or how well have they covered the total supply chain and to what extent are these reputable partners, so to say, in that scheme of things? And secondly, that we are very, very carefully looking at our marshalling and logistics, so our storage space.

So to what extent are we seeing a risk of needing extra buffer space at our storage and how does that affect our total order book so that we can sort of mitigate a bit of that delay in storage because that's where it will end up. Joost, I don't know if you want to add more?

**Joost Heemskerk:** I think that's describing that well. Yeah.

**Andre Mulder:** Second question is on the contribution margin. You're expecting a higher margin. Part of that may come from a scale effect, but what about pricing? Do you take lower prices into account as the levelised cost of energy will come down?

**Ben Meijer:** Now, at the moment, well, if you look at the contribution margin per tonne, we see, indeed, at the moment that we are targeting these higher margin levels. And this is basically, indeed, driven by the – what we see the negotiation with the launching customers, what has been contracted and also regarding the tender discussions. And at the moment, we do not foresee that contribution margins are at a lower level.

**Andre Mulder:** But there can be a mix of scale effects, which will likely be positive and price effects which could be negative?

**Fred van Beers:** So far not. And – but let's think a bit longer term. Should there be a situation that the situation flips and that we come into a bigger supply than demand market, then this operational excellence and efficiency becomes a very, very important part in being also long-term competitive compared to others. That's why the whole thing that we have worked out now with this process optimisation and reliability, etc., so a relative low cost compared to pricing is important.

**Andre Mulder:** Looking at the development of the market, floating wind is now a very small part of the total, but will grow to much higher levels. Most of these designs do not use monopiles. Have you taken that into account, that that part of the market will be using other designs than just monopiles?

**Fred van Beers:** Yes. I mean, Joost knows a lot about floating and he can add to what I'm saying now. But first of all, we see is that as you saw also in the sheet, if you look long term and look at what the market is expecting, customers, developers are expecting, the foundation of choice is the monopile. And you cannot replace the monopile with anything else that is more economically viable than a monopile.

When the water depth is going beyond – above 60, 70, 80, 90, 100 m – because we're also looking at a bigger water depth for monopiles, let's say, over 100 m – you come automatically into floating area, but that's not an area that's addressable with monopiles anyhow. So we see floaters as an addition, but not as a competition to the market. It is actually filling part of the gap that we saw between ambitions and availability of monopile producers, like jackets.

And then secondly, our view on getting sufficient supply of floaters to the market in order to build quite sizable wind farms to us is quite a long way away from today.

**Maarten Verbeek (The Idea):** Maarten Verbeek, The Idea. Firstly, you mentioned we're going to go to 500 kt and that's based on the reference monopiles for 11.5 m.

**Fred van Beers:** 11 m.

**Maarten Verbeek:** I thought 11.5 m, but okay. But talking about 11 m, it is the high end of what you can produce. You also mentioned that 80% of the market is between 9 m and 11 m. Still, if you would reference monopile of 10 m diameter, it wouldn't change your 500,000 t what you could do. But I can imagine that at that stage, you could be much more efficient so that your utilisation rate would not be 80%, but would be even a bit more?

**Fred van Beers:** What could be more – now I have to look at Frank as well – is the output of a number of monopoles, but we will always plan at a 24/5, two-shift capacity, and not 24/7, because also in the new factory, it's all about line balancing and that varies from project to project. So you need to have a certain leeway for running a bit longer on a certain part of the factory to make up for the total production.

So, you could end up, indeed – and we have done the calculations – that instead of four, you deliver five of a certain design. But we've also seen calculations where we end up with three a week, depending on the design. And here, our value engineering and system engineering comes into play again, or design engineering comes into play, where Joost can make use of that sort of skills and services to, sort of, optimise the process to get the right number of monopiles out that help us from an efficiency point of view and help the customer from an output point of view.

Frank, do I miss something?

**Frank Kevenaar:** Well, maybe, without becoming too technical, but I think it's a very good question, and that's always the discussion or the question mark you have when you develop a new factory. And I think in this particular case, I think I'm very happy to state that we have made what I call – what we call the robustness calculations. To what extent is this factory robust and can it withstand any flexibilities and any dynamics in the market.

And what we've done is that we have actually taken more than 50 designs, which actually are in the market based on our tender information, etc., in order to make calculations, what is the effect? Is it 9 m? Is it 10 m? Is it 11 m? What is the effect? And what is the effect on both output and on tonnage and where are the bottlenecks? And then Fred, I think, rightly mentioned what we call line balance, which is very much out of the lean manufacturing theory. I would say if you have the right line balance in combination with also flexibility, which you can more or less on the fly almost adjust your line balance, that makes you very strong in dealing with a very wide spectrum of designs. That's the background.

**Maarten Verbeek:** Thank you. To get to more than €160 million EBITDA, you have four buckets. Two buckets were the direct and indirect cost savings. According to me, together, these are €90 million, but could you break them down? What is, of that €90 million, indirect and what is direct?

**Ben Meijer:** I can break it down for you basically, exactly Maarten. If we go to the EBITDA bridge.

**Fred van Beers:** Page?

**Ben Meijer:** Page 26. If you look at the EBITDA increase of €120 million is basically saying 15% of the €120 million is related to direct cost savings and 20% of the €120 million is related to indirect cost savings. And all these components to calculate if you do it on a per tonnage basis.

**Maarten Verbeek:** Yes, my question is now you have direct and indirect combined, so €90 million in your P&L account. And my question is how much of that €90 million is direct and how much is indirect?

**Ben Meijer:** I would say that in terms of direct costs, you have seen the numbers, also we published this morning. I would say that roughly 50 – close to 50% is direct cost.

**Maarten Verbeek:** Okay. Okay. Once you are fully operational in 2025, what do you estimate your maintenance CAPEX to be?

**Ben Meijer:** Maintenance CAPEX will be comparable numbers compared to the current situation.

**Fred van Beers:** Give or take.

**Ben Meijer:** Yeah.

**Maarten Verbeek:** Okay. And then lastly, I still have a question outstanding concerning dividends.

**Ben Meijer:** Yes. Regarding the dividend, what we discussed this morning, during the construction period, there will be no dividends. And after that, we have indeed certain – also certain conditions also with the banks. And theoretically, you could have a first dividend starting in the year 2025, but also at that time, you have to look what the situation is. Because also in 2025, it is still a ramp-up year. So, for sure, there will be no dividend payments until for 2023 and 2025 –

**Fred van Beers:** And more.

**Ben Meijer:** 2023 and 2024, first moment, theoretically possible is 2025. But we have to look at the situation at that time.

**Fred van Beers:** Disclaimer.

**Bastiaan Rogmans (Add Value Fund):** Hi. Bastiaan Rogmans, Add Value Fund). Question on the IFRS 16 lease expenses. What – how much do you expect in 2026 more or less?

**Ben Meijer:** At the moment, what we are assuming we still have the current land lease and the current land lease is costing roughly €6 million, €7 million per year. So you can take that as a starting point for now. And then it depends always if you have certain contracts, for example, you're leasing certain equipment for longer than one year because of this interesting IFRS 16 rules, then you have to – you have to book it like IFRS 16. But I think starting point, just take the lease contract we have on the Maasvlakte over here. I'll take that number.

**Bastiaan Rogmans:** There won't be a lot more equipment leased in the future, or?

**Ben Meijer:** And that's regarding the land lease. And then, of course, you have the impact – it's a good question – of the €40 million because we will have – part of the financing solution is the €40 million. On that one, you can take roughly similar numbers, also €6 million, €7 million as a starting point.

**Bastiaan Rogmans:** Okay. Then a question on – you showed the tender – a nice graph of the tender possibilities that are going on now. How big is the chance? How can we look at that? How big is the chance that Sif will win a certain amount of these tenders? And on what does it depend? Does it depend on your client winning the tenders for these offshore wind farms and you already have the connection with the clients? Are you pretty certain you will get it if the client wins it? Or do you still need to convince your customers?

**Joost Heemskerk:** To answer that question, I think it's good to split the situation between 2025 and 2026 in the graph. So we're looking at page 27, I suppose. So for 2025, it's very likely that these will, in the end, result in the orders that we need to meet the target. The

reason is that the customers are well positioned themselves in the projects, and we have both backups and primary targets in the discussion.

On 2026, what we have shown is just a selection of tenders and discussions we are ongoing. In fact, the pipeline we're having is significantly higher than that. And out of them, there are a number of very serious, let's say, opportunities, where also the customers are very well placed in terms of permits, their supply chain and their financing to move to, let's say, binding commitments in the near future for that year.

**Bastiaan Rogmans:** So the 2026 is also, like, the most interesting projects for you, so the projects, pretty much here in North Sea close by, we have the competitive advantage?

**Joost Heemskerk:** Yeah. Exactly.

**Bastiaan Rogmans:** Okay. If you look at the plans that the Dutch government has for offshore wind and you start to calculate a bit, then it almost seems that if you win those projects where your location is like perfect, you're in the best position. You almost cover, like, your production capacity, I assume. How big is your competitive advantage there? How big – if we talk about price, how much cheaper will it be compared to a party that's located on the other side of Denmark, for example?

**Joost Heemskerk:** Yeah. The competitive advantage, if we are, let's say, offering for Dutch projects, come from a number of items. First, transport and logistical benefits. These can be quite significant, particularly if you have to travel for more than, let's say, roughly 150-200 km, using the installation vessels themselves for those transports become very inefficient. That means that you need to come to other logistical solutions, including barges or transport vessels, and that sometimes then entails other logistical harbours for marshalling and storage.

But other advantages could also be, and are expected to be, around, for instance, emissions. Because more and more, we see a trend, obviously, that in the tenders to our clients, the pressure on reducing emissions and becoming more and more, let's say, focused on that, becomes also a competitive advantage. So all in all, I think you, yeah, summarised the picture quite well. Even with the Dutch pipeline alone, we have a very significant opportunity to fill most of our order book, and we are quite well positioned.

And if you add to that the Belgian market, the northern German market, the Danish market and the other side of the pond, still the British market, you can see that the picture is quite good from a demand perspective.

**Bastiaan Rogmans:** Okay. Thank you.

**Ben Meijer:** Thijs.

**Thijs Berkelder:** Thijs Berkelder, ABN AMRO-ODDO BHF again. We totally missed a talk on the supply chain. I guess Dillinger Hütte will remain the core supplier. Can you give us an update how well prepared they are for this huge demand coming in from all these factories?

**Fred van Beers:** Yeah. As I mentioned, and maybe missed or not well expressed, we did sign an agreement with Dillinger on this higher tonnage that we need. It doesn't mean we have to take it from them, but they have signed up to that volume to deliver if we require so. And also there, there's notice periods and what have you in place because also they have to fill their

factory. They have sufficient – guaranteed us that there's sufficient capacity to deliver. They also have that – we know they have that capacity available.

And in parallel, they are very – they have taken a €3.5 billion investment decision to start modifying their plants from traditional carbon coke to an electric arc furnace in order to be able to produce green steel, which, in line with what Joost just said, is an important competitive advantage that we see coming. So, for us, they are – and remain an important partner.

**Thijs Berkelder:** And in case something happens with Dillinger, is there already a POSCO alternative or something like that?

**Fred van Beers:** There is more than only POSCO alternative available. The good thing about this new factory is that we are basically free from a technical and logistical perspective to go wherever we want. However, we need to bear in mind that the supplier, whoever it is, needs to qualify in order to be able to actually deliver the welding quality and coating quality that we have promised to our customers. But yes, we are free and we will do also the plate preparation, as you saw, ourselves so we can take whoever in that sense.

**Thijs Berkelder:** And from a flanges' perspective, that's roughly –

**Fred van Beers:** Flanges, a similar arrangement in place with our Spanish supplier. And yes – and what we should not forget, by the way, in principle, the number of flanges doesn't change. We still deliver 200 monopiles and the monopile needs one flange. So steel is a lot more important than flanges in that sense.

**Thijs Berkelder:** Yeah. Then on your, let's say, production innovation scheme, are there any patents involved where you filed patents or that you're paying for certain patents?

**Fred van Beers:** As we said, we are – we make use of proven technology in our field of expertise. So patents becomes a bit tricky then, but intellectual property rights and protection of the system that we've chosen is in place.

**Andre Mulder:** A question on the foundation producers. Of course, a number of reputed players, number of wannabees. They have to earn themselves a place in the market, possibly preferring volume over price. What do you see happening there?

**Fred van Beers:** We see both happening. But actually, Joost, you can explain better from a real life.

**Joost Heemskerk:** Yeah. We don't experience much pressure in that sense. The demand is so large that the prime concern of our customers and the customers of our competitors, including the new ones, is capacity. And that means that we don't experience – of course, there are always commercial discussions on price and conditions and so on. But it's not anymore the situation we had until just a year or two years ago, where there was a lot more tender pressure on the price. And I think the graph showing demand to supply is illustrating that quite nicely because until a year or two years ago, there was still a situation of a balanced supply/demand or a slightly oversupply compared to demand. And we're now shifting to a reverse in the situation, and that's exactly what we experienced in our tender discussions.

**Fred van Beers:** We talked about risk and the fact that monopiles are the first product to be installed in the wind farm. So the risk mitigation factor is by far a bigger concern to customers than the, do I earn a bit or can I buy a little bit cheaper. Where we saw, for example, quite a

push was when – just after Ukraine war unfortunately happened and the steel prices went through the roof in Europe and now they're back again to more normal levels, then there was more push maybe for alternative suppliers. But in the end, everybody went for the security aspect. I was a bit worried already.

**Speaker:** Hi. Just maybe a question there. If we think about the 11.5 m diameter monopiles, what is the spread or the gap in terms of pricing between those kind of monopiles and a jacket? Because I understand you want to talk about your contribution per ton. But how big is the improvement lever you have here in this respect?

**Joost Heemskerk:** Yeah, we follow that, and we do our own analysis on that in making that comparison. I think the first thing to note, what is important, is that it's about CAPEX installed. So not just the number per tonne X works at the quay site, but you have to look into the entire, let's say, set of activities to get this foundation into place.

The second element there is that we should not forget that there are foundation piles under jackets. And if you look at the – because we produce those foundation piles as well, and typically, they need three to sometimes four of those pin piles to underpin a wind jacket.

And if you look at the steel volumes of those piles, you're already close to a monopile, a single monopile. Add to that, of course, more intensive labour in the jacket and also more, let's say, logistical challenges and installation challenges, means that also with an 11.5 m monopile, typically, we expect that to be a more cost-efficient solution in the majority of situations.

Now, of course, if there are special conditions like difficult soil conditions or a total absence of supply capacity for monopiles, then clients will certainly consider the jackets. But that's – yes, that is what we believe is still the most competitive solution.

**Speaker:** Okay, thank you. So it means that you have a big uplift in terms of contribution per ton if everything goes well. Is it the right understanding?

**Fred van Beers:** You, sort of, see the gap that follows with the diameter, also the gap stays more or less the same. But don't ask us now to quadruple the prices because that's probably a year afterwards.

**Speaker:** And then maybe my last one is on the slide 27, you're giving potential, kind of, kilotons production and you are 375 kt for 2026. Are you shy to just show a bit more? Or is it just the ramp-up of the plant? Because normally, you should be at full speed because your guidance is on 2026.

**Ben Meijer:** It's basically more like also in the plan for 2026 that we said we're not going to put it immediately at, for example, 80% utilisation. It is more like still a year in between. Call it whatever you wanted, but not assuming –

**Fred van Beers:** We will –

**Ben Meijer:** – not assuming in the business planning already that we are at full production.

**Fred van Beers:** But we are not shy of trying it out, so to say, to fill it up. And don't forget, the 400 kt, which is our max load at 80%, is based on the theoretical monopile design. We also have looked a little bit at the reality and okay, where are we going to end up? So I think you should consider the 375 kt or 400 kt a minor difference.

No more questions? Everybody's thirsty. Nice to go down for drink then. If not, like an auction, three, two, one closed. Thank you very much. Thank you very much for the questions, for the good – for the attention, for the time you spend here. Now there's time and there are some drinks that are being served downstairs, Agnes, I believe, in the bar. So we invite you to go there and have a snack as well, or not? Have a bit of – yeah, we have a bit of both. Okay. Great. Thank you very much.

**Ben Meijer:** Thank you.

[END OF TRANSCRIPT]