Highlights and Key Figures for Q3 2023:

Highlights Q3 2023:

- **One lost time safety- incident in Q3 2023: YTD eight LTI (seven in first nine months 2022);**
- **Expansion project on schedule: successful tests on longitudinal welding training machine;**
- **Successful completion of rights issue with 98.9% take-up of new shares;**
- **Throughput of 50 Kton brings Year to Date production to 144 Kton (129 Kton Q3 2022);**
- **Load-out of Dogger bank A transition pieces continues, manufacturing of Dogger bank B monopiles close to completion, manufacturing for Dogger bank C transition pieces started;**
- **He Dreiht transition pieces completed per end of Q3 2023;**
- **Effects of New York State Energy Research and Development Authority's decision on Empire Wind projects under investigation by Empire Wind partners BP and Equinor;**
- **License agreement with GS Entec (Korea) finalized;**
- **Annabelle Vos appointed Supervisory Board member.**

Key figures:

- **Year to Date (YTD)[1] contribution increased to €106.2 million (€93.3 million first nine months 2022)**
    - **€93.0 million from production of foundations (€79.2 million first 9 months 2022);**
    - **€5.8 million from marshalling activities (€8.4 million first nine months 2022);**
    - **€7.4 million from other activities, including engineering (€5.7 million first nine months 2022);**
- **Adjusted EBITDA €28.5 million (€28.9 million first nine months 2022);**
- **Net Working Capital at end of Q3 2023 -/-€59.9 million (-/-€43.4 million at end of Q3 2022 and -/-€74.8 million at end of Q2 2023);**
- **Total cash position at end of Q3 2023 €124.4 million (€61.2 million at end of Q3 2022 and €103.6 million at end of Q2 2023) with main inflows in Q3 relating to financing of expansion project:**
    - **€50 million from rights issue July 2023;**
    - **€18 million from AFP Ecowende in July 2023;**
    - **€19.5 million from AFP Empire Wind in September 2023;**
- **Order book 56 Kton for Q4 2023, and 668 Kton for 2024 and beyond.**

In € million	YTD 2023	YTD 2022	Change YoY	Q3 2023	Q3 2022
Contribution	106.2	93.3	+13.8%	34.8	29.8
EBITDA adjusted	28.5	28.9	-1.4%	7.1	7.8
EBITDA reported	24.4	25.5	-4.3%	5.6	6.4
Kton production	144	129	+11.6%	50	40

Order book in Kton	End of September 2023 for remainder 2023	End of September 2023 for 2024 and beyond
Contracted	56	358
Exclusive negotiation	0	310
Total for the period	56	668

[1] Year-to-date (YTD) refers to the period 1 January- 30 September

Comment from Fred van Beers, CEO of Sif Group:

“Although we are not satisfied with the overall safety performance, it is encouraging to see that the earlier held safety standdowns result in a gradually improving safety awareness. We have initiated in-depth Safety Risk Inventories and Evaluations (SRI&E) for Q4 2023 that should result in a better safety performance. Output of 50 Kton in the third quarter of 2023 was satisfying, given the summer holiday effect, and takes year-to-date output to 144 Kton. In total 29 monopiles were completed and 42 transition pieces (32 and 28 respectively in Q3 2022). We expect to end the year 2023 with a total output of approximately 200 Kton compared to 169 Kton for the full year 2022. This is below our earlier anticipation of 208 Kton. Lack of qualified personnel due to continued tight markets for technically skilled labor, relatively high sick leave numbers combined with the limited size of our production facilities in Roermond while assuring a safe working place, puts pressure on our output. Sick leave with 6.3% was slightly lower than in the first half of 2023 and levelled on Q3 2022. These circumstances resulted in a relatively high use of temporary workers at higher costs. The additional expenses were partly compensated by lower energy expenses and higher revenues from storage and logistic services.

The expansion of Maasvlakte 2 is on track and within budget. Steelwork building activities are nearing their final stage and the first pieces of equipment have arrived on site or in Roermond for test runs, leaving our staff ample time to get familiar with the new welding machines. We are approaching the sensitive stage of integration of the expansion activities with existing facilities that need to continue manufacturing operations. Part of the expansion plan is to increase our production staff at the Maasvlakte with circa 200 Fte by end of 2024. Accelerating the speed of hiring is a priority to timely reach the capacity envisaged for the expanded manufacturing facilities.

Solid progress on expansion activities at Maasvlakte 2 Rotterdam

Uncertainty around several offshore wind projects in mainly the United States of America and the United Kingdom due to higher interest rates and material costs, have resulted in turmoil in the industry and a distraction from the progress made elsewhere. The monopiles for Empire Wind 1 and 2 and the transition pieces for Empire Wind 1 are Sif’s only contracted projects in the USA and in our order book for the second half 2024 up till 2026 in various production slots. The transition pieces for Empire Wind 2 are included in the order book under exclusive negotiations. Empire Wind is evaluating the impact of the negative feedback from NYSERDA on their request for higher power rates and the rejected Planned Offshore Wind Transmission Act for the power export cable. We are considering the impact of a possible delay or cancellation of these projects which could have a material impact on Sif’s order book, factory utilization, results, prospects and outlook for 2024 and beyond.

On Tuesday 24 October, the EU announced its 15-points action plan to boost and protect the EU Offshore Industry, confirming their ambitions and plans for offshore wind energy. With this package, to be rolled out before the end of this calendar year, the EU honors most improvements proposed by the offshore wind supply chain. The industry is adjusting to a new equilibrium in which Sif will continue its role as prime monopile solution provider for the market in continental Europe besides supporting our JV partner GS Entec in South Korea and maintaining an open eye for market developments in the USA and UK.”

Q3 2023 Results

Contribution

Revenue for the first three quarters of 2023 came in at €330 million compared to €283 million in the first three quarters of 2022. Contribution is a better indicator for performance since it eliminates changes in steel prices and ignores legal structures for cooperation. For the first nine months of 2023 contribution added up to €106.2 million of which €5.8 million relates to marshalling activities and €7.4 million relates to other activities, including design engineering (€93.3 million of which €8.4 million for marshalling and €5.7 million for other activities, including design engineering in first nine months 2022).
With production at 144 Kton YTD, this implies a contribution margin YTD of €738 per ton (€723 per ton first nine months 2022), or €664 per ton for offshore Wind and Oil and Gas activities (€624 per ton same period 2022).

Dogger bank A supplied first electricity to the grid in Q3 2023

EBITDA

Adjusted EBITDA in Q3 2023 amounted to €7.1 million (€7.8 million in Q3 2022) with higher contribution margins being offset by increased operating expenses, more in particular labour costs. Non-recurring expenses relating to the strategic plans to expand manufacturing facilities amounted to €1.6 million in the third quarter, resulting in a reported EBITDA of €5.6 million (€6.4 million in Q3 2022).

Net debt & financial position

Net working capital was -/-€59.9 million (-/-€43.4 million at end of Q3 2022 and -/-€74.8 million at the end of Q2 2023). Total cash position increased to €124.4 million at the end of Q3 2023 from €103.6 million at the end of Q2 2023. New banking covenants apply from 5 June 2023. Banking covenants require solvency of 35% (30% from 1 October 2023) and maximum net leverage of 3.0 at the end of Q3 2023 (3.5 from 1

October 2023). Solvency and net leverage at the end of Q3 2023 with 49% (excl IFRS 16) and 0 respectively were well within covenants.

Outlook

724 Kton have been booked or are under exclusive negotiation for the period 1 October 2023 and beyond. Tendering activity is at high levels, mainly for projects post 2024, all with diameters in the 9 to 11 meters range.

For the Full Year 2023 we anticipate total production of approximately 200 Kton with amongst others Dogger Bank and Noirmoutier in execution. Even though we face greater uncertainties and ongoing tight labor markets, an adjusted EBITDA for the full year 2023 approximately equal to the level of 2022 is still considered feasible, but more challenging compared to a couple of months ago.

2024 Financial Calendar

March 15, 2024	Release of full year 2023 results and 2023 Annual Report
May 17, 2024	Release of Q1 2024 Trading update
May 17, 2024	Annual General Meeting of Shareholders
August 30, 2024	Release of 2024 interim results
November 8, 2024	Release of Q3 Trading update

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Definition and Explanation of use of non-IFRS financial measures

Contribution	Total revenue from contracts with customers minus raw materials, subcontracted work and other external charges and logistic and other project-related expenses. Contribution is an important KPI since it excludes pass-through expenses. Together with production in Kton it indicates the quality of Sif's performance in any reporting period.
EBITDA Adjusted EBITDA	Earnings before net finance costs, tax, depreciation and amortization. The company discloses EBITDA and Adjusted EBITDA as supplemental non-IFRS financial measures, as the company believes these are meaningful measures to evaluate the performance of the company's business activities over time. The company understands that these measures are used by analysts, rating agencies and investors in assessing the company's performance. The company also believes that the presentation of EBITDA and Adjusted EBITDA provide useful information to investors on the development of the company's business. The company also uses EBITDA and Adjusted EBITDA as key financial measures to assess operational performance. Adjusted EBITDA is adjusted for expenses that relate to the research into, preparations for and the execution of the required adjustment and expansion of our production facilities and business acquisitions.
Net working capital	Inventories plus current contract assets plus trade receivables plus current prepayments minus trade payables and current contract liabilities The company discloses net working capital as a supplemental non-IFRS financial measure, as the company believes it is a meaningful measure to evaluate the company's ability to maintain a solid balance between growth, profitability and liquidity. Net working capital is broadly analysed and reviewed by analysts and investors in assessing the company's performance. This measure serves as a metric for how efficiently a company is operating and how financially stable it is in the short term. It is an important measure of a company's ability to pay off short-term expenses or debts.
Solvency	Consolidated Tangible Net Worth (ex IFRS 16) divided by Consolidated Balance Sheet Total (ex IFRS 16) Consolidated Tangible Net Worth = Equity attributable to shareholder minus dividend declared, Intangible assets and Upward revaluation of assets (other than financial instruments) after the 2023 Effective Date (5 June 2023) Consolidated Balance Sheet Total = Total assets minus Intangible assets This measure is a bank covenant, and is presented to express the financial strength of the Company.

Net leverage	Total net debt (ex IFRS 16) divided by EBITDA ex exceptional items (ex IFRS 16) LTM (last twelve months), being quarter three and four of 2022 and quarter one and two of 2023 Total net debt (ex IFRS 16) = Borrowings (ex IFRS 16) minus Cash and Cash Equivalents Borrowings (ex IFRS 16) = Revolving credit facility plus term loans EBITDA ex exceptional items (ex IFRS 16) = EBITDA (ex IFRS 16) minus: - charge to profit represented by the expensing of stock options - the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring - disposals, revaluations, write downs or impairment of non-current assets or any reversal of any write down or impairment - any exceptional, one off, non-recurring or extraordinary items which represent gains or losses relating to the P11 manufacturing expansion. EBITDA (ex IFRS 16) = EBITDA adjusted for expenses of lease contracts other than 'short-term leases' and 'low-value leases' (including those expenses accounted for as project costs based on progress), the impact of the difference in accounting treatment of lease incentives between IFRS 16 and the former lease standard IAS 17 and expenses related to initial direct costs of operational lease contracts. This measure is a bank covenant, and is presented to express the financial strength of the Company.

Calculation of Contribution (€ '000):

	YTD Q3 2023	YTD Q3 2022
Total revenue	330.120	282.656
Raw materials	(187.615)	(145.037)
Subcontracted work and other external charges	(23.397)	(27.610)
Logistic and other project related expenses	(12.927)	(16.735)
Contribution	**106.181**	**93.272**

Reconciliation of (adjusted) EBITDA to operating profit (€ '000):

	YTD Q3 2023	YTD Q3 2022
Operating profit	7.884	7.747
- Depreciation and amortization	16.558	17.723
EBITDA	24.442	25.470
- Expenses that relate to the research into and preparations for the required adjustment and expansion of our production facilities and business acquisitions	4.099	3.449
Adjusted EBITDA	**28.541**	**28.919**

Calculation of net working capital (€ '000):

	30-Sep-23	31-Dec-22
Inventories	416	427
Contract assets	21.625	18.315
Trade receivables	42.142	22.463
Prepayments	9.110	2.102
Trade payables	(65.908)	(92.333)
Contract liabilities	(67.292)	(32.458)
Net working capital	**(59.907)**	**(81.484)**

Calculation of solvency (€ '000):

	30-Sep-23	31-Dec-22
Total equity	211.260	104.642
- Right-of-use assets	(101.592)	(104.466)
- Lease liabilities – non-current	98.016	99.006
- Lease liabilities – current	7.439	8.392
- Lease incentives capitalised on the balance sheet	(2.067)	(2.200)
- Expenses of lease contracts other than 'short-term leases' and 'low value leases' accounted for as project costs based on progress	(1.761)	(3.646)
- Deferred tax on above items	(1.020)	(896)
Total equity (ex IFRS 16)	210.275	100.832
- Dividend declared	-	-
- Intangible assets	(1.375)	(860)
- Upward revaluation of assets (other than financial instruments) after the 2023 Effective Date (5 June 2023)	-	-
Consolidated Tangible Net Worth (ex IFRS16)	**208.900**	**99.972**
Total assets	535.241	357.303
- Right-of-use assets	(101.592)	(104.466)
- Initial direct costs operational lease contacts	-	540
- Expenses of lease contracts other than 'short-term leases' and 'low value leases' accounted for as project costs based on progress	(1.761)	(3.646)
- Deferred tax asset on Right-of-use assets and lease liabilities	-	(896)
Total assets (ex IFRS 16)	431.888	248.835

- Intangible assets	(1.375)	(860)
- Outstanding AFPs (excl launching customers)	-	-
Consolidated Balance Sheet Total (ex IFRS16)	**430.513**	**247.975**
Solvency (ex IFRS 16) – total equity (ex IFRS 16) / total assets (ex IFRS 16)	**48,5%**	**40,3%**

Calculation of leverage (€ '000):

	30-Sep-23	**31-Dec-22**
Revolving credit facility	-	-
Term loans	-	-
Borrowings (ex IFRS 16)	-	-
Cash and cash equivalents	(124.429)	(89.832)
Total net debt	**(124.429)**	**(89.832)**
EBITDA	24.442	36.426
Adjustments to exclude IFRS 16 impact:		
- Expenses of lease contracts other than 'short-term leases' and 'low-value leases'	(7.112)	(8.544)
- Expenses related to initial direct costs of operational lease contacts	(540)	(2.160)
- Expenses of lease contracts other than 'short-term leases' and 'low value leases' accounted for as project costs based on progress	1.885	(3.646)
- Net impact of the difference in accounting treatment of lease incentives between IFRS 16 and the former lease standard IAS 17	(1)	45
EBITDA (ex IFRS 16)	18.674	22.121
- Charge to profit represented by the expensing of stock options	(45)	52
- The restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring	-	-
- Disposals, revaluations, write downs or impairment of non-current assets or any reversal of any write down or impairment	(509)	(90)
- Exceptional, one off, non-recurring or extraordinary items which represent gains or losses relating to the P11 manufacturing expansion	3.859	5.246
EBITDA ex exceptional items (ex IFRS 16)	21.979	27.329
EBITDA ex exceptional items (ex IFRS 16) LTM	**30.019**	**27.329**
Net leverage	**0,00**	**0,00**

Disclaimer