Highlights and Key Figures for Q3 2024

Operational Highlights Q3:

- **No lost time safety incidents in Q3 2024. One LTI Year-to-Date resulted in LTIF of 0.81 on a twelve-month rolling basis (eight LTI in first nine months 2023 with LTIF of 5.97);**
- **Year-to-Date (YTD)[1] sick leave slightly down to 6.1% compared to 6.3% for the first nine months 2023;**
- **Replacement of fossil fuels by HVO 100 biofuels from start of Q4 2024 for all inland shipping will reduce carbon emission for this activity by almost 90%;**
- **Expansion project on schedule: two out of three production lines are mechanically complete and in the commissioning and operational start-up phase;**
- **Throughput of 42 Kton in Q3 2024 (50 Kton Q3 2023) brings Year-to-Date production to 128 Kton (144 Kton in first nine months 2023);**
- **Production and load-out of foundations for Dogger bank continued, manufacturing of Empire Wind 1 transition pieces and monopiles has started;**
- **Signed and converted reservation agreements into final contracts for 100 Baltyk 2&3 TPs (30 Kton) and for 64 MPs and TPs for East Anglia TWO wind farm (140 Kton).**

Key figures:

- **Year-to-Date (YTD) contribution increased to €111.0 million (€106.2 million first nine months 2023):**
    - **€103.1 million from production of monopiles, transition pieces and other foundation components for offshore wind (€93.0 million first 9 months 2023);**
    - **€0.9 million from Marshalling and Logistics services (€5.8 million first nine months 2023);**
    - **€7.0 million from other activities (€7.4 million first nine months 2023), including engineering services for €5,7 million (€4,8 million first nine months 2023);**
- **Adjusted YTD EBITDA €31.3 million (€28.5 million first nine months 2023);**
- **Net Working Capital at end of Q3 2024 -/-€ 119.2 million (-/-€59.9 million at end of Q3 2023 and -/-€106.0 million at end of Q2 2024);**
- **Total cash position at end of Q3 2024 €88.2 million (€124.4 million at end of Q3 2023 and €87.2 million at end of Q2 2024);**
- **Order book 525 Kton per end of September.**

In € million	YTD 2024	YTD 2023	Change YoY	Q3 2024	Q3 2023
Contribution	111.0	106.2	+4.5%	32.4	34.8
EBITDA adjusted	31.3	28.5	+9.8%	5.2	7.1
EBITDA reported	24.2	24.4	-0.8%	1.9	5.6
Kton production	128	144	-11.1%	42	50

Order book in Kton	Per end of September 2024
Contracted	525
Exclusive negotiation	0
Total for the period	525

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

Comment from Fred van Beers, CEO of Sif Group:

"It is encouraging to see that both sick-leave and safety statistics have shown improvement again over the last quarter. This means that our efforts to assure a healthier and safer workplace are paying off. We will continue to keep focus on these important people related KPI's to assure a sustainable safe and healthy working environment in line with our targets.

Along with the attention that we needed to pay to the start-up and integration of the first production lines at Maasvlakte 2 in Rotterdam, we manufactured 23 monopiles and 31 transition pieces with a total weight of 42 Kton in the third quarter of 2024. It brought our total production at 128 Kton Year-to-Date.

The expansion of Maasvlakte 2 is progressing within budget. The first production line was mechanically completed early August, and the second line early November. Cans for Empire were manufactured and the first complete Monopile is expected to enter the coating shop mid-November. Reaching this milestone, we can conclude that the various steps from plate handling up to final welding are technically working. Now we can concentrate on resolving typical start-up challenges, improving the output, and completing the last production line. As considered in our planning we will use the period until year-end for training on the job and mitigating outstanding commissioning and start-up issues. The target remains to have the entire new production facility up and running from January 2025 onwards. Hiring of new operational staff continues to be in line with plan.

Solid progress on expansion activities at Maasvlakte 2 Rotterdam; June 2024

We have taken notice of the outcome of the presidential elections in the USA. Like before we focus on the European market where tender activity for new wind farms remains at a high level. This has attracted competition from China selling monopiles to developers of European wind farms. Supported by the Draghi report, it pleases me that fair competition and, even better, declaring offshore wind a strategic EU business is high on the agenda of the new European Committee.

Our order book for the period post 2024 is well filled for 2025. For 2026, we sold more than half of our production capacity. We reiterate our EBITDA outlook for 2025 and 2026 of €135 million and at least €160 million respectively".

Q3 2024 and YTD Results

Contribution

Contribution is a better indicator for performance than revenues since it eliminates changes in steel prices and ignores legal structures for cooperation. For the first nine months of 2024 contribution added up to €111.0 million of which €0.9 million relates to Marshalling and Logistics services and €7.0 million relates to other activities, including engineering services (€106.2 million of which €4.8 million for Marshalling and €7.4 million for other activities, including design engineering in first nine months 2023).
Contribution, adjusted for contribution from Marshalling, Engineering and fees for projects without production volume, of €712 per ton improved on the contribution per ton in the same period of 2023 when it stood at €664 per ton.

Installation works at Dogger Bank

Earnings

Adjusted EBITDA in Q3 2024 amounted to €5.2 million (€7.1 million in Q3 2023). Non-recurring expenses relating to the expansion of our manufacturing facilities amounted to €3.3 million in the third quarter, resulting in a reported EBITDA of €1.9 million (€5.6 million in Q3 2023). EBITDA was impacted by higher labor costs related to the outcome of collective labor agreements, lower efficiency due to the integration of the new production facilities and by higher costs related to scaling-up of the organization in anticipation of the completion of the new facilities.

Net debt & financial position

Net working capital was -/-€119.2 million (-/-€133.4 million at end of 2023 and -/-€106.0 million at the end of Q2 2024). Total cash position slightly increased to €88.2 million at the end of Q3 2024 from €87.2 million at the end of Q2 2024. Banking covenants require solvency of 25% and maximum net leverage of 4.00. Solvency and net leverage at the end of Q3 2024 with 39,3% and 0.00 respectively were well within covenants.

Non-financial performance; ESG

Starting the financial year 2024, Sif will report in line with CSRD. In anticipation to this, Sif did report on the conducted double materiality assessment in its 2023 annual report.

In the first three quarters Sif has participated in projects resulting in 994 MW renewable energy capacity. The past four years have shown a steady increase in participation from 1,298 MW in 2020 to 1,873 MW in 2021, 1,954 MW in 2022 and 2,622 MW in 2023. With the increase in manufacturing capacity and Sif's ability to service larger capacity wind farms, Sif expects its participation to show an increasing trend going forward.

Sif's safety statistics have improved in a challenging environment of enlarging products and aging production facilities, owing to changed behavior and an increasing safety awareness. In addition, the new production facilities will better balance product-size and manufacturing-lay out and techniques.

Sif is committed to decrease its carbon footprint, especially where this is impacted by its own operations, scopes 1 and 2. Sif has contracted all river transport of its products between Roermond, Hoboken (the site of partner Smulders Projects Belgium where transition pieces are outfitted) and Rotterdam Maasvlakte to Rederij De Jong. The Transport requires between 1 and 1.5 million litres of fuel on an annual basis, until now all fossil fuels. From 1 October 2024, Sif has replaced all fossil fuels with 100% hydrotreated vegetable oil (HVO 100) for inland shipping activities.

Outlook

The order book at the end of September amounts to 525 Kton. Our order book for 2026 has room for one more wind farm. Tendering activity is at high levels albeit that contract awards are experiencing some delays, all for offshore wind projects designed with monopile foundations in the 9 to 11 meters diameter range.

We reiterate our adjusted EBITDA forecast of approximately €35 million for the full year. Based on the quality of our order book and the strong tender activity, we reiterate our adjusted EBITDA forecast of €135 million and at least €160 million for 2025 and 2026 respectively.

2025 Financial Calendar

March 19, 2025	Release of full year 2024 results and 2024 Annual Report
May 9, 2025	Release of Q1 2025 Trading update
May 9, 2025	Annual General Meeting of Shareholders
August 29, 2025	Release of 2025 interim results
November 7, 2025	Release of Q3 2025 Trading update

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Definition and Explanation of use of non-IFRS financial measures

Contribution (per ton)	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. For the per ton measures contribution is adjusted for contribution related to Marshalling and Logistics services, Engineering and fees for projects with no production volume.
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 four of 2023 and quarter one until three of 2024 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 2024	YTD Q3 2023
Total revenue	341.118	330.120
Raw materials	(186.865)	(187.615)
Subcontracted work and other external charges	(22.153)	(23.397)
Logistic and other project related expenses	(21.122)	(12.927)
Contribution	**110.978**	**106.181**
Adjustments for per Kton measure:		
- Marshalling and Logistics services	(871)	(5.812)
- Engineering services	(5.689)	(4.775)
- Fees for projects with no production volume	(13.265)	-
Adjusted contribution	91.153	95.594
Production output (Kton)	128	144
Contribution per Kton (adjusted)	**712**	**664**

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

	YTD Q3 2024	YTD Q3 2023
Operating profit	8.129	7.884
- Depreciation and amortization	16.113	16.558
EBITDA	24.242	24.442
- Expenses that relate to the research into and preparations for the required adjustment and expansion of our production facilities and business acquisitions	7.062	4.099
Adjusted EBITDA	**31.304**	**28.541**

Calculation of net working capital (€ '000):

	30-Sep-24	31-Dec-23
Inventories	493	517
Contract assets	34.368	28.712
Trade receivables	30.010	23.330
Prepayments and other receivables	7.999	10.853
Trade payables	(46.389)	(87.324)
Contract liabilities - current	(73.887)	(37.725)
Contract liabilities – non-current	(71.768)	(71.768)
Net working capital	**(119.174)**	**(133.405)**

Calculation of solvency (€ '000):

	30-Sep-24	31-Dec-23
Equity attributable to shareholder	240.691	245.535
Adjustments to exclude IFRS 16 impact:		
- Right-of-use assets	(119.222)	(108.342)
- Lease liabilities – non-current	111.320	102.875
- Lease liabilities – current	11.361	9.015
- Lease incentives capitalised on the balance sheet	(2.067)	(2.036)
- Expenses of lease contracts other than 'short-term leases' and 'low value leases' accounted for as project costs based on progress	(201)	465
- Deferred tax on above items	(914)	(940)
Total equity (ex IFRS 16)	240.968	246.572
- Intangible assets	(2.923)	(1.915)
- Upward revaluation of assets (other than financial instruments) after the 2023 Effective Date (5 June 2023)	(5)	(5)
- Advance factory payments converted into perpetual bond instruments	(20.710)	(30.500)
Consolidated Tangible Net Worth (ex IFRS16)	**217.330**	**214.152**

Total assets	676.906	600.020
Adjustments to exclude IFRS 16 impact:		
- Right-of-use assets	(119.222)	(108.342)
- Expenses of lease contracts other than 'short-term leases' and 'low value leases' accounted for as project costs based on progress	(201)	465
- Deferred tax asset on Right-of-use assets and lease liabilities	(914)	(940)
Total assets (ex IFRS 16)	556.569	491.203
- Intangible assets	(2.923)	(1.915)
Consolidated Balance Sheet Total (ex IFRS16)	**553.646**	**489.288**
Solvency	**39,3%**	**43,8%**

Calculation of net leverage (€ ‘000):

	30-Sep-24	**31-Dec-23**
Loans and borrowings	80.292	19.926
Borrowings (ex IFRS 16)	80.292	19.926
Cash and cash equivalents	(88.157)	(131.389)
Total net debt	**(7.865)**	**(111.463)**
EBITDA	24.242	36.806
Adjustments to exclude IFRS 16 impact:		
- Expenses of lease contracts other than 'short-term leases' and 'low-value leases'	(9.109)	(11.054)
- Expenses related to initial direct costs of 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	(666)	4.112
- Net impact of the difference in accounting treatment of lease incentives between IFRS 16 and the former lease standard IAS 17	92	40
EBITDA (ex IFRS 16)	14.559	29.364
- Charge to profit represented by the expensing of stock options	187	361
- Disposals, revaluations, write downs or impairment of non-current assets or any reversal of any write down or impairment	-	(509)
- Exceptional, one off, non-recurring or extraordinary items which represent gains or losses relating to the P11 manufacturing expansion	7.062	5.115
EBITDA ex exceptional items (ex IFRS 16)	21.808	34.331
EBITDA ex exceptional items (ex IFRS 16) LTM	**34.160**	**34.331**
Net leverage	**0,00**	**0,00**

Disclaimer

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