

## Highlights and Key Figures for Q3 2021:

Execution of orderbook on schedule, transformational plan for future manufacturing nearing completion

### Highlights Q3:

- > 2 lost time safety- incidents: YTD number of LTI now 3 (1 in Q3 2020);
- > COVID-19 measures: still alert in respect of recent developments;
- > Fine-tuning production lines for start-up of Dogger Bank A;
- > High tender activity for post-2023 with a mix of smaller and larger sized projects;
- > Tight labor market for multiple disciplines;
- > Construction of Roll-on -Roll-off quay and 200-meter quay-extension progressing towards completion;
- > On track for replacement of gas-preheating by electrical preheating (induction).

### Key figures:

- > Year-to-Date (YTD)<sup>1</sup> contribution increased to €82.5 million (€68.5 million YTD 2020)
  - o €77.9 million from production of (components for) foundations (€67.5 million first 9 months 2020)
  - o €1.9 million from marshalling activities (€1.0 million first 9 months 2020);
  - o €2.7 million from engineering activities (€0 first 9 months 2020);
- > EBITDA Year to Date increased to €28.0 million (€17.3 million first 9 months 2020);
- > Operating Working Capital at end of Q3 2021 -€58.4 million (-€70.9 million at end of Q3 2020 and -€56.9 million at end of Q2 2021);
- > Total cash position at end of Q3 2021 €62.4 million (€49.5 million at end of Q3 2020 and €61.7 million at end of Q2 2021);
- > Throughput of 36 kilotons brings Year to Date production to 124 kilotons (113 kilotons YTD Q3 2020);
- > Order book 46 kilotons for Q4 2021, 185 kilotons for 2022 and 220 kilotons for 2023 and beyond.

In € million	YTD 2021	YTD 2020	Change YoY	Q3 2021	Q3 2020
Contribution	82.5	68.5	+20.4%	24.8	22.8
EBITDA	28.0	17.3	+61.8%	7.8	5.8
Kton production	124	113	+9.7%	36	37
Order book in Kton	For remainder 2021		For 2022		For 2023 and beyond
Contracted		46		185	90
Exclusive negotiation		0		0	130
Total for the year		46		185	220

<sup>1</sup> Year-to-date (YTD) refers to the period 1 January- 30 September

## Comment from Fred van Beers, CEO of Sif-Group:

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“In the third quarter of 2021 we were mainly engaged in manufacturing the final foundations for Hollandse Kust Zuid and the first monopiles for Dogger Bank A. Measuring 8.6 meter, the foundations for Dogger Bank are the largest in diameter ever manufactured by Sif and close to the maximum size we can handle in the existing facilities. The time and effort needed for conversion of the production lines from Hollandse Kust Zuid to Dogger Bank is reflected in the lower kilotons output for the quarter. In total 33 monopiles were completed of which 26 inclusive of protective coating. We expect total production for the year 2021 to arrive at approximately 170 kilotons. Production in Q3 resulted in an EBITDA- number that is on schedule for delivery of the forecast EBITDA for the full year 2021. We expect the FY 2021 EBITDA to be significantly higher than the realized EBITDA in 2020.

In parallel with delivering on our orderbook, we were preparing for the exciting future of Offshore Wind. For the near term until 2024 by further filling and optimizing our order book and for the mid to longer term from 2025 until 2030 by completing our research project into the monopiles of the future.

The orderbook now includes approx. 450 Kton firm contracts and exclusive negotiations. We are both looking for opportunities to fill small gaps in our existing orderbook for the 2022-mid 2024 timeframe as well as for larger projects for the years thereafter. These efforts teach us that after 2024, monopiles are required with bottom section diameters that outsize the current top-end of the market to facilitate the installation of 14 MW and larger turbines. Later on in this release we elaborate on the status of our plans for realization of future manufacturing facilities that offer an attractive proposition to our clients in terms of next level foundations that lower the expenses per MW, for our shareholders in terms of return on the capital employed and for society as a whole in terms of the CO2 neutral footprint that we have set as a target by 2040.

With a clear understanding of the plan, we have now entered the phase of focusing on the timing, amounts and financing structure for the capital expenditure involved. Base plan is to implement the expansion in the July 2022- June 2024 timeframe. We will present our view on how we want to contribute to the midterm Offshore wind foundation market including the total investment and financing package during a Capital Markets Day. The date for this Capital Markets Day will be communicated well in advance.”

## Q3 2021 Results

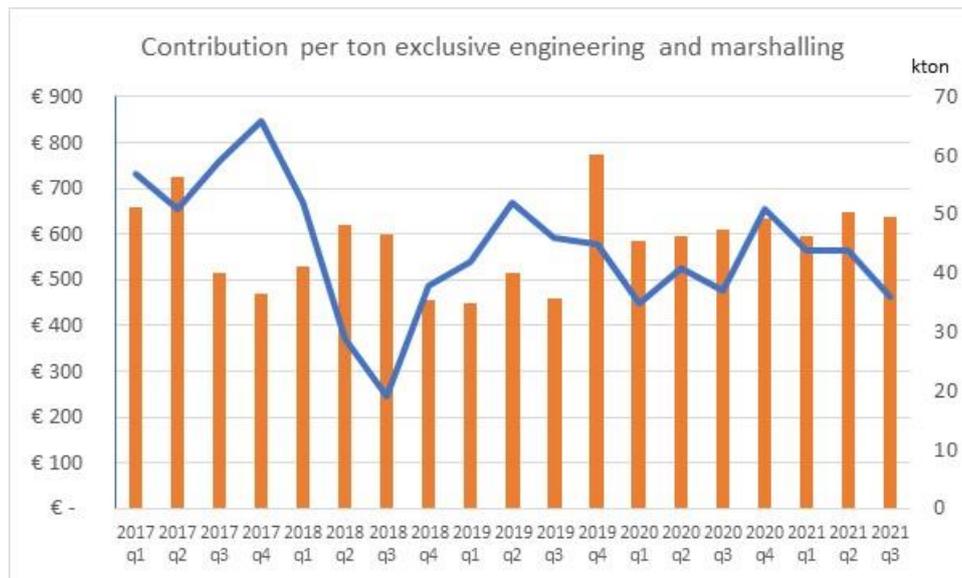
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### Contribution

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Revenue for the first 3 quarters of 2021 came in at €332 million compared to €231 million in the first 3 quarters of 2020. The difference is mainly caused by the cooperation with project-partner Smulders on Hollandse Kust Zuid which was structured in a main- and subcontractor relationship. Other causes are increased prices for steel, which is a pass-through cost for Sif, and the acquisition of KCI the Engineers. Contribution therefore is a better indicator for performance since it eliminates changes in steel prices and ignores legal structures for cooperation. For the first 9 months of 2021 contribution added up to €82.5 million of which €2.7 relates to design engineering activities and €1.9 relates to marshalling activities (€68.5 million of which €1.0 million for marshalling and zero for design engineering activities in first 9 months 2020). With production at 124 kilotons this implies a contribution margin YTD of €665 per ton (€606 per ton first nine months 2020), or €628 per ton if corrected for Marshalling and design engineering contribution (€597 per ton same period 2020).

Over time, quarterly contribution per ton (orange bars) and production levels (blue line) developed as in the graph below whereby corrections are made for contribution from marshalling and design engineering activities.



Contribution is calculated as revenues minus cost of raw materials, subcontracted work, logistics and other external project-related charges, and is a key financial indicator for Sif.

## EBITDA

EBITDA in Q3 2021 amounted to €7.8 million compared to €5.8 million in Q3 2020.

The dynamic of start-up and completion of projects impacts quarterly EBITDA-levels. In Q3 the start-up of Dogger Bank A and the necessary conversion of production lines had an impact on production output. At the end of Q3 2021 Sif employed 537 FTE of which 373 permanent staff and 164 flexible workforces. These numbers include employees of KCI the Engineers. At the end of Q3 2020 Sif employed 543 FTE of which 316 permanent and 227 flexible staff. Sickness YTD with 4.4% was substantially lower than sickness leave for the same period in the previous year (5.9%).

EBITDA is calculated as profit before finance expenses, tax, depreciation and amortization.

## Net debt & financial position

Net working capital was -€58.4 million (-€70.9 million in the previous reporting period). Total cash position slightly increased to €62.4 million at the end of Q3 2021 from €61.7 million at the end of Q2 2021. The company remained within the agreement with the banks. Banking covenants require solvency of 35% and Leverage (Net debt/Ebitda LTM (last twelve months)) of at least 2.5 at the end of Q3. Solvency and Leverage at the end of Q3 with 52% (excl IFRS 16) and 0 respectively were well within covenants.

## Outlook

For the Full Year 2021 we anticipate total production of approximately 170 kilotons with Dogger Bank A in execution. EBITDA for 2021 is expected to arrive at a level significantly higher than that of 2020 when production was 164 kilotons. This is of course all subject to potential negative effects of COVID19 or COVID19 related measures.

More than 400 kilotons have been booked for the period 2022-2024. Tendering activity is at high levels. We clearly notice that post 2024 tenders involve projects that require foundations with monopiles of at least 9-meter diameter but likely larger.



## 2021- 2022 Financial Calendar

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March 18, 2022	Release of full year 2021 results and 2021 Annual Report
May 12, 2022	Release of Q1 2022 Trading update
May 12, 2022	Annual General Meeting of Shareholders
August 26, 2022	Release of 2022 interim result

## Contact

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## Disclaimer

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