



Sif

**Gradual Recovery, investments in new services and
industry scale- up**

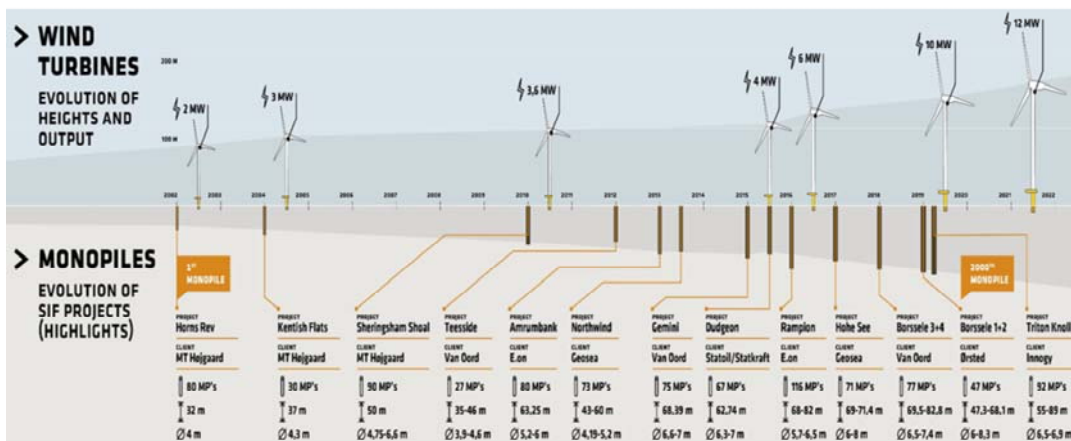
March 13, 2020; full year 2019 results

Yesterday we cancelled our webcast analyst meeting. We decided to publish the slides we had prepared including the explanations by management. This morning we published full year 2019 results. These slides explain our numbers and the gradual recovery we can report. They also take you through the investments we have made in new services and industry scale- up.




Sif

But let us start with this picture this time. What you see is our manufacturing and logistics support site at Maasvlakte 2 in Rotterdam. The most Northern part is the in 2019 additionally leased 20 hectares Marshalling & Logistics services area. As explained in our interim results presentation in August 2019. We will explain these new services and the impact of the land lease under IFRS 16 later. For now, we would like to draw your attention to the Haliade X windturbine, at the waterfront of our plot. The height of this turbine is 243 meters with 107 meter carbon blades. This is a test installation and, when the test program is completed successfully, this type of turbine will be applied offshore in future projects. Sif does participate in this test project. Shortly after commissioning late 2019 the turbine generated record high- energy. When fully in operation this installation will generate 3 times the electricity Sif requires for its annual production in Roermond and Rotterdam together and make us more than CO2 neutral for both the Roermond and MV2 facility. A nice example of today's significance of Offshore wind power.



Monopile development since 2002:

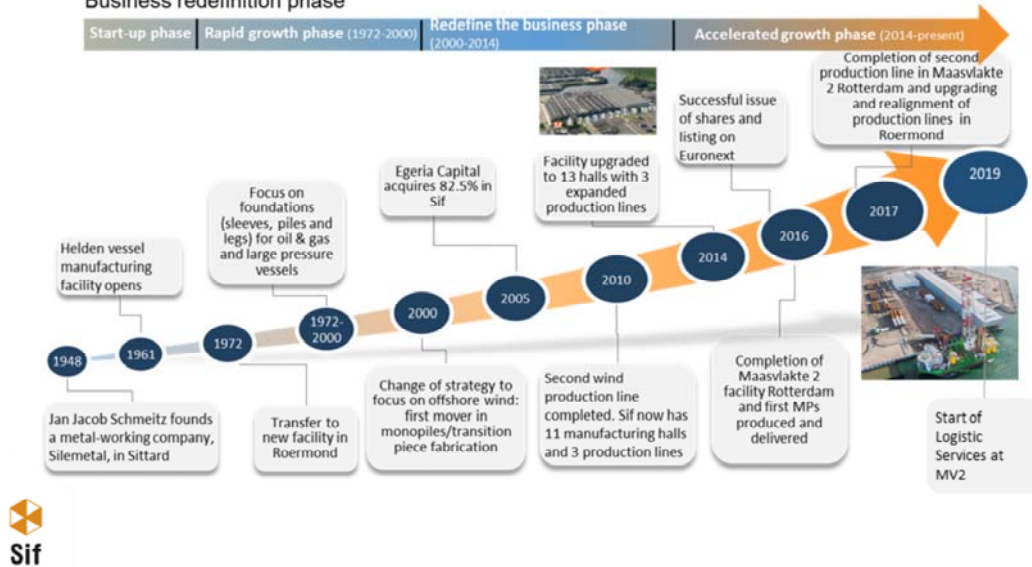
- Diameter from 4 meters for Horns Rev to 8.3 meters for Borssele 3-4
- Length from 32 meters for Horns Rev to 89 meters for Triton Knoll
- Capacity from 2 MW for Horns Rev to 10 MW for Triton Knoll, Borssele



Where does this all go to? This is the question the Offshore wind industry as a whole so also Sif is facing. This picture of turbine and monopile development shows the phases we have been going through. This industry has demonstrated a trend of big-bigger-biggest. And we, as a manufacturer, have been following the demand for bigger foundations. Currently the largest foundations we have manufactured have a 8.3 meter diameter or 89 meters length. The weight of these foundations is approximately 1200 ton per monopile. With reference to our earlier communications on expected XL MP's we have gradually started the implementation of investments on larger diameter MP's with relative thin wall thicknesses in line with our short and medium term orderbook expectations. Over the past years we have experienced that larger diameters with lower wall thickness come with specific production requirements. To facilitate savings on steel while maintaining the required manufacturing efficiency appeared to be a challenge. Earlier and more intense involvement in the design engineering phase of the project (as we did with Triton Knoll) and limiting our offering to 9 meter diameter until we build a project with this diameter will help us maintain a healthy balance on steel savings and serial production abilities while in parallel learning more on how to efficiently manufacture bigger than 9 meter Diameter monopiles

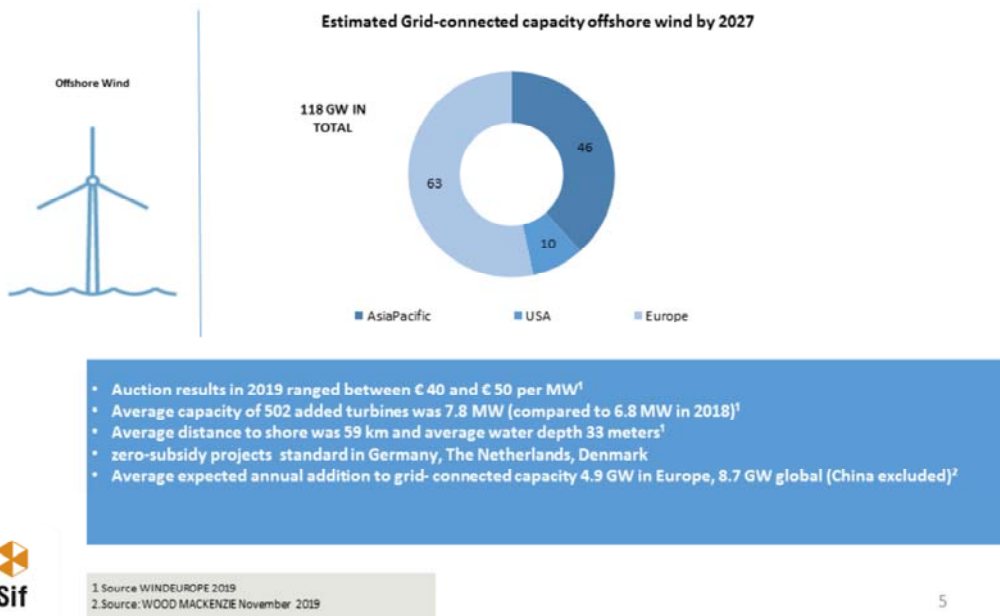
The strategic phases of Sif's evolution

Business redefinition phase



Building design engineering skills adds a new chapter to our strategic evolution as the recently started marshalling service does. We explained in our interim 2019 results webcast that DEME is our first client for these services. During the period October 2019- June 2020 DEME uses our facilities for onshore preparation of their offshore installation activities. This involves Sif- labour and logistics- equipment and use of the land. For 2019 this resulted in approximately € 2.5 million in revenues and a healthy operating result of some 10%.

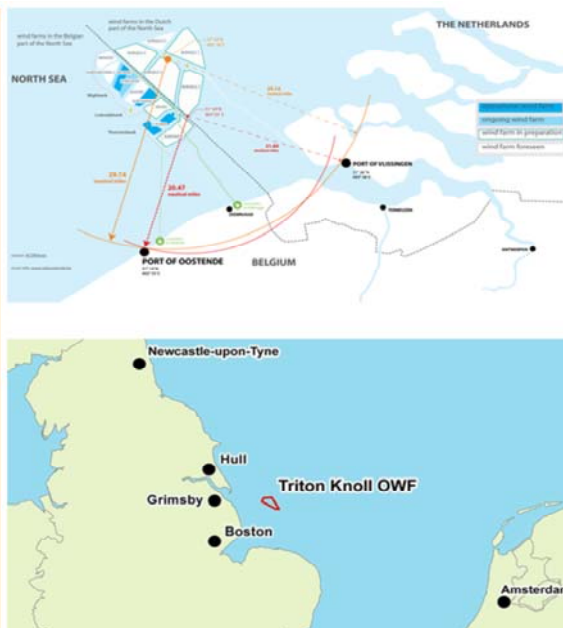
Business Environment has Further Improved; Offshore Wind in Europe Maturing



As we explained 6 months ago, the increasing growth expectations of offshore wind is becoming more of a pattern. According to Windeurope, Europe added 3.6 GW offshore capacity to the grid in 2019 or 502 turbines in 10 windfarms. This brings the total Installed capacity in Europe to 22 GW or 5,047 turbines across 12 countries. Over the past 2 decades, European wind industry has matured. It is our believe that this will result in better project controls; better planning and less volatility in the supply-chain in the maturing European market. For the period until 2027, expectations remain strong with an expected average annual grid connection of 4.9 GW in Europe or 8.7 GW global. The main market remains Europe but 2019 has demonstrated that countries like Japan, Taiwan and USA are gradually maturing their plans or converting ambitions into projects.

Sif Operational Highlights 2019

Monopiles and transition pieces for key offshore wind projects Borssele 3+4, Triton Knoll, Seamade and Borssele 1+2



In 2019 we produced 185 Kton (190 monopiles and 130 transition pieces) against 138 Kton in 2018. In the first 3 months we mainly manufactured for Borssele 3+4, the project that slipped into 2019 following late steel availability and low waters in rivers which slowed down deliveries of steel plates to Roermond and transportation of cans from Roermond to Rotterdam. This impacted also the activities for Q2 and, to a lesser extent, Q3. Projects came under time- pressure and we had to adjust production-sequences to avoid liquidated damages on projects that shifted as a consequence of Borssele 3-4 delays. Only in Q4 we regained better control and operational efficiency improved consequently. The start-up of new projects and completion of ongoing projects have their own dynamic, also in terms of Profit and Loss and cash flow. We will explain more on that later on. In q2 we started Seamade, Borssele 1+2 and Triton Knoll and the financial dynamics of this peak of start-up projects are reflected in the first half year results and cashflow.

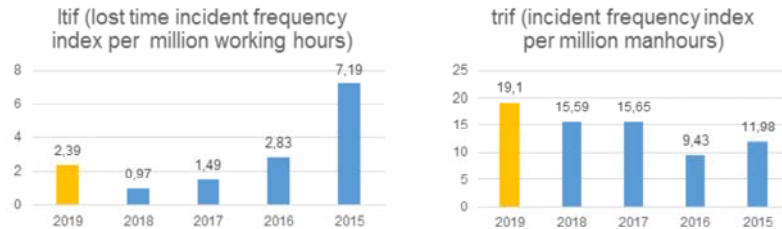
Sif Contract Wins 2019



As far as new projects are concerned, we won Hollandse Kust Zuid 1-4 (140 monopiles or 136 Kton), Saint Nazaire (80 monopiles or 77 Kton), Akita- Noshiro (33 monopiles or 25 Kton) and Borssele 5. We also booked the Vineyard project of 84 monopiles or 103 Kton steel however the decision by BOEM to not grant the environmental permit to our customer but instead decide to execute an extra new Environmental Impact Study has delayed the project to such an extent that we decided to remove the project from our order book. Initially only for 2020 but recently also for the years beyond. Vineyard definitely remains a future opportunity though. Based on our current orderbook and opportunities we still see in the market, we expect the production volume in 2020 to be of similar size as 2019 (185 Kton) as there is still some tonnage to be awarded.

Performance on non- financial indicators: safety and well- being

- Increased number of incidents compared to previous 2 years required management attention



- Mainly during vertical transportation, mainly injuries to fingers and hands
- Improvements during last quarter 2019
- Sickness leave slightly lower than 7.24% in 2018 but with 6.59% still too high



2019 was a difficult year with respect to safety and employee-wellbeing. All together we missed out on our highest priority which is injuries and near misses. Our LTI was 3 times higher than 2018 and also the TRIF was 25% above 2018. With the help of a new HSE Manager, extensive analyses, toolbox meetings and middle management and employee trainings we implemented a package of measures to help improve Safety awareness and behaviour and it is good to notice an improving performance on this important topic since December 2019

Key Figures for 2019

- Total production at 185 Kton compared to 138 Kton in 2018 ;
- Contribution of € 101.5 million compared to € 74.3 million in 2018;
- EBITDA result of € 26.4 million compared to € 13.3 million in 2018:
 - Workforce at 658 Fte end of 2019 compared to 429 Fte at the end of 2018;
 - Result under pressure of low margin business in mainly first quarter 2019 (Borssele 3-4 project) and interference of delayed Borssele 3-4 with other projects;
 - Impact of reaching final phases of Seamade ,Borssele 1-2 in Q4 2019 resulting in high contribution per ton
- Refinanced in 2019; covenants are pre IFRS 16
 - Leverage at 0.96 (covenant at 2.5)
 - Solvency at 47% (covenant at 30%)

Capacity
utilization with 185
Kton at approx.
80%

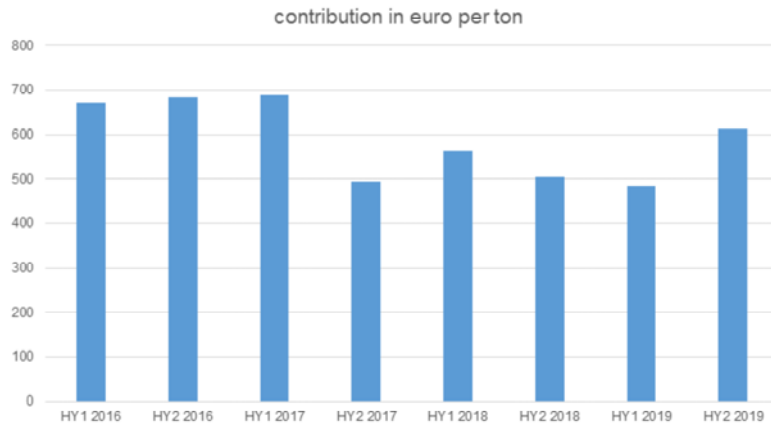
- Contribution per ton at € 548 in 2019 compared to € 538 in 2018
- Working capital at end of 2019 at € 4.3 million (end first half 2019 - € 11.7 million and € 14.2 million at the end of 2018);
- Net debt pre IFRS 16 at YE 2019 € 21.3 million (€ 30.4 million at YE 2018);
- Orderbook 2020-2021 270 Kton, of which 170 Kton for 2020
- Net earnings of € 5.5 million compared to a € 2.1 million loss in 2018
- Net earnings will be added to the reserves of the Company



Allow us to make a remark on the impact of the Corona virus on Sif. As to our workforce, the impact is not very different from other companies with activities in the Netherlands only. We take the necessary and advised precautions and monitor sickness leave closely. As to the supply of our materials: we buy steel in Germany and flanges in Spain and Korea. We have not seen any delays in deliveries and stay in close contact with our suppliers on progress and possible disturbances of manufacture schedules. So for the time being: no impact on our business. Returning to the business in 2019 and the results: we have seen a gradual recovery as the year progressed. Especially during the final 2 or 3 months. Production planning normalized and project deliveries were within agreed timeframes. This, combined with certain projects reaching the load-out status, resulted in an improved quarter if compared to the first 3 quarters of the year. Production was at a similar level with better production- and cost control. Contribution per ton consequently was high and came out at € 548 compared to € 538 in 2018. The net earnings were almost € 8 million better than in 2018 but lower than we had expected for at the start of 2019. Given the CAPEX level of 2019, the investments foreseen for 2020 and the uncertainties the world is facing at the moment, the management considered it diligent to decide to add the full net earnings to the reserves of the company, following a dividend pay out in the loss making 2018. This implies no dividend for the 2019 book year.

Movements in Contribution per ton

Contribution per ton halfyear 2016-2019 (€m)



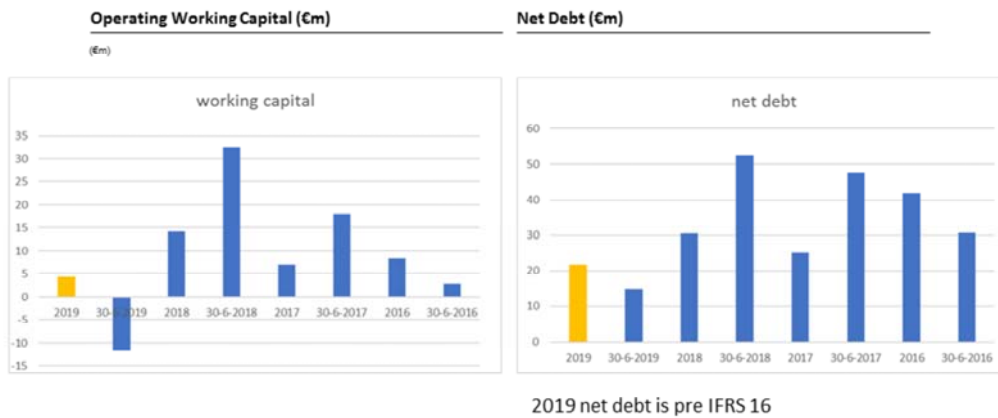
Contribution is leading financial indicator because it excludes:

- Steel price fluctuations
- Raw materials supplied by customers
- Level of subcontracting

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As explained before, next to EBITDA, ROCE and net debt, we look at contribution as a performance indicator. It reflects the pricing of projects in the market, corrected for costs of steel and other materials. Steel is often half of total revenues and a pass through cost for Sif. We have seen lows in 2019 of € 448 per ton in Q1 gradually increasing to € 776 per ton in Q4 2019. Since this is rather volatile, the above graph may be a better reflection of the developments and not focus too much on quarterly numbers. At this moment we do not see the final quarter contribution per ton as representative for our performance in 2020. We come to our outlook for that year later but as indicated when presenting interim 2019 numbers, we think a low 600 range may be more realistic.

Operating Working Capital and Net Debt in Line with Developments



Here you see the development of working capital requirement and net debt overtime. As said in earlier presentations, this is a snap shot situation rather than an indication of structural working capital requirement. It also indicates that Sif has conservative financing and, with a good year combined with modest Capex only, can easily become net debt- free.

In 2019 we completed € 6 million additional investments in coating facilities and € 9 million in production lay-out adjustments. € 6 million relates to the investment in the (consolidated subsidiary for the) windmill on Maasvlakte 2 with the 12 MW Haliade. Special attention is required for the additional land lease we did in Rotterdam. We had already leased 42 hectares and have added 20 hectares in 2019. Sometimes new accounting rules give you a better insight but we very much doubt if this is the case with IFRS 16 and the impact on the presentation of the effects of our landlease more in particular. We therefore have included a bridge in our annual report indicating the differences in reporting. In this graph on net debt we have presented net debt on a pre-IFRS 16 basis. Under IFRS 16 the net debt amounts to € 80 million. The EBITDA effect of IFRS 16 is approximately +€ 4.3 million.

IFRS 16 effects

RECONCILIATION OPERATING LEASE OBLIGATION AS AT 31 DECEMBER 2019 TO LEASE LIABILITY AS AT 1 JANUARY 2020:

AMOUNTS IN EUR '000	
Operating Lease obligations at 31 December 2019	33,123
Relief option for short-term leases	-338
Gross lease liabilities at 1 January 2020	32,785
Extended Leaseterm	10,595
Discounting	-4,663
Lease liabilities as at 1 January 2020	38,717

IMPACT ON THE STATEMENT OF PROFIT OR LOSS (INCREASE/(DECREASE)) FOR THE 12 MONTHS ENDED 2019:

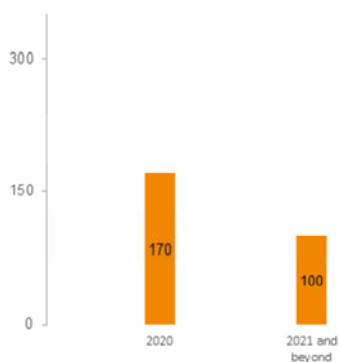
AMOUNTS IN EUR '000	
Depreciation expense	-4,434
Operating lease expense	4,334
Operating result	-100
Finance costs	-877
Income tax expense	244
Result for the year	-733



In August we already announced that IFRS 16 would have this serious impact on the presentation of our numbers. The EBITDA impact is + € 4.3 million. The above table also gives an insight on the balance sheet impact.

Outlook: Strong Order Book

Order Book (Kton)



Comments

- Order Book 2020 and beyond
 - 270 Kton contracted;
- Markedly better EBITDA than in 2019
- Estimated CAPEX of € 10- 12 million

Near term project awards and tenders (for manufacture in 2020-2021)

- Courseulles in France
- Hollandse kust Noord in the Netherlands
- Doggersbank In United Kingdom

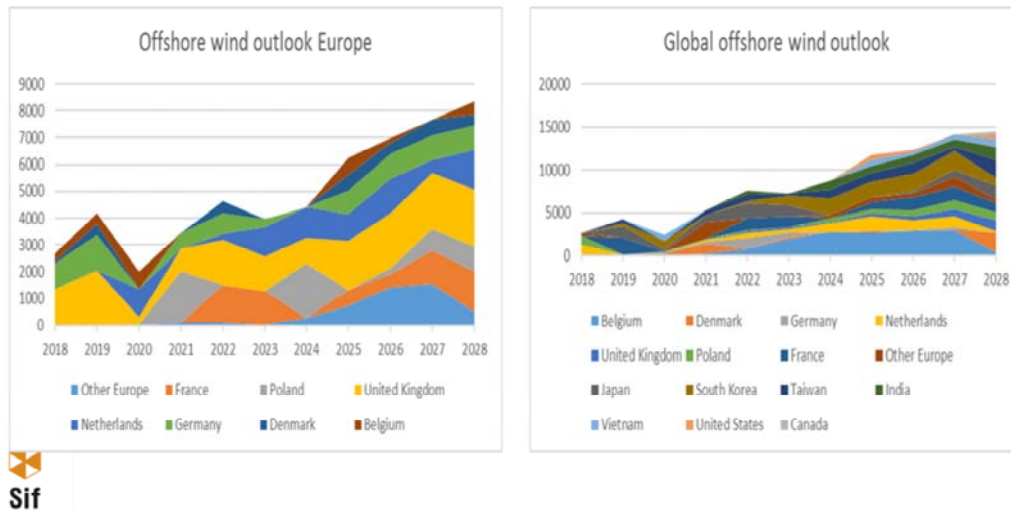


Our orderbook for 2020 and beyond stands at approx. 270 Kton. Hereof 170 Kton is planned for 2020. We still see opportunities to increase this orderbook and to finish at a similar production level as in 2019. The projects are of a better quality than the 2019 orderbook and the spread over the quarters is more balanced. We therefore assume that EBITDA in 2020 will finish at a markedly higher level than in 2019. Capex estimate for 2020 is between € 10 and 12 million.

Outlook: Market for Offshore Wind is growing;

Average Addition Europe 2018-2027 **4.9 GW**; Average Global (China excluded) Addition **8.7 GW**

Growth in Offshore Wind Energy:
WoodMackenzie November 2019



By taking you through some closing remarks we come to the end of this presentation. Global Market Prospects for offshore wind are good and getting better every time Sif presents its company results. Growth expectations by industry- analysts are solid with an average annual 4.9 GW growth for Europe and a 8.7 GW average annual global growth, China excluded. In 2028 global addition is expected to be 14.4 GW of which 8.3 GW in Europe. The market for Monopiles is equally strong and we claim it is a healthy market as every Monopile is unique, design and fabrication standards are increasingly high and demanding and entrance barriers not easy to deal with. We are (one of the) market leaders and, thanks to our unique MV 2 set-up, well positioned in Rotterdam for the developments on the North sea which is still the strongest market- segment. Having said that one always has to bear in mind that, with a limited number of very large projects in the market, activities can be very volatile. Ideally the projects are manufactured back-to-back which will unfortunately never be the case, Although the industry is maturing and getting a better grip on project preparation and project-planning, it is at this moment still an illusion to assume that the order pipeline will be flawless and smooth so we occasionally will face peaks and troughs in our planning. We are however used to adjusting to this volatility with our flexible workforce and scheduling capabilities. To get an even better grip on the process of optimising our order pipeline, we will continue to increase our

involvement in project design and preparations. We need to get higher up the chain, be part of the decision- making on what type of foundation to use and to what specifications. That is part of our strategy to assure profitable growth and a sustainable future.

Last but not least we like to thank our colleagues at Sif. We are conscious of the fact that 2019 was not an easy year and internal debates on how to deal with the challenges we were faced with have been tough sometimes. Since the end of 2019 we however see the reward of the decisions we made and the actions we took. This gives me and the rest of the management the confidence that we are on track for 2020 and onwards .

For now, this is what we had to add to the release. Thank you for your attention.

> Disclaimer

Some of the statements contained in this release that are not historical facts are statements of future projections and other forward-looking statements based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those in such statements. Historical results are no guarantee for future performance. Forward-looking statements are subject to various risks and uncertainties, which may cause actual results and performance of Sif's business to differ materially and adversely from the forward-looking statements. Certain forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "may", "will", "should", "would be", "expects" or "anticipates" or similar expressions, or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans, or intentions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release as anticipated, believed, or expected. Sif does not intend, and does not assume any obligation, to update any industry information or forward-looking statements set forth in this release to reflect subsequent events or circumstances. The content of this trading update is for information purposes only and not intended as investment advice, or offer or solicitations for the purchase or sale in any financial instrument. Sif does not warrant or guarantee the completeness, accuracy, or fitness for any particular purposes in respect of the information included in this release.



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